

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: The Leader 15 January 2009
AUTHOR/S: Chief Executive / Principal Accountant (General Fund and Costing)

REVENUE AND CAPITAL ESTIMATES FOR THE LEADER'S PORTFOLIO

Purpose

1. To consider the Revenue Estimates up to the year 2009-10 and the Capital Programme up to 2011-12.
2. This is not a key decision. However, the report presents the relevant 2008-09 revised and 2009-10 estimates for endorsement by the Portfolio Holder, prior to being included as part of the overall estimates to be presented to the Cabinet and confirmed by Council in February 2009.

Background

3. The estimates for the Leader's Portfolio form part of the overall considerations for the Council's annual budget setting exercise and include the following services:
 - Community Safety
 - Voluntary Sector Grants
 - Community StrategyThe previous heading of Partnership Working is now covered within Community Strategy.
4. The Cabinet approved the Staffing and Central Overhead Estimates on 11 December 2008. The recharges approved at that meeting are recharged to all services, as appropriate. These are termed as Central, Departmental and Support Services in the detailed estimates and the analysis reflects the projected service structure approved by Cabinet in September. However, the new officer structure cannot be reflected in the comparative recharge figures, so these will be shown only in total on each service. As all the recharges have already been approved, individual portfolio holders cannot amend them.
5. The estimates for each portfolio are being reported to the relevant Portfolio Holder. These estimates will then be summarised in a report for examination by the Scrutiny and Overview Committee on 5 February, consideration by the Cabinet on 12 February, and finally, presentation to the Council on 26 February for confirmation of the estimates and levels of the Council Tax and Rents.
6. The revenue estimates are set out in **Appendix A**, whilst the capital programme is shown at **Appendix B**.
7. **Appendix C** consists of capital proposal forms, for consideration alongside the capital programme being approved.
8. Provisions for inflation have been applied only in cases where price increases can be justified. No automatic inflation allowance has been applied, but the 2.5% overall

assumption of inflation in the Medium Term Financial Strategy remains as the overriding level of inflation provision.

9. Where applicable, the estimates of each portfolio incorporate the approved bids agreed by Cabinet on 11 December 2008 and all other expenditure approvals made up to that date. They also take account of any virement made during the year, rollover of budget from the previous year and efficiency savings.
10. All the estimates exclude the small number of 'Precautionary Items', which are listed at the back of the current estimate book. They are specific, exceptional items of expenditure that may or may not occur during the budget period, but if they did the Council would be required to meet them. An updated list will be presented to the Cabinet on 12 February 2009. However, none has been identified within this Portfolio.

Considerations

- **Revenue Estimates: Revised 2008-2009 and Estimates 2009-10**

11. The revenue estimates for this Portfolio are shown at **Appendix A**. The total estimates have been analysed between direct costs, capital charges (none at present), partnership funded costs and recharges, so that the direct costs can be identified for comparison. This is considered appropriate because the direct costs are specifically within the control of the relevant cost centre manager. By contrast, the Staffing and Overhead Estimates determine the recharges, partnership costs are offset overall across the Council and the capital charges are notional charges that do not affect the overall expenditure of the Council. Compared with the 2008-09 original estimates, the net direct costs remained at the same level in the Revised Estimates and increased by £41,810 in the 2009-10 Estimates. The increase in 2009-10 arises from the approved bids and inflation.
12. The **Appendix A** also shows a net direct costs comparison for both years, between the expected target expenditure and the new estimates that have been compiled for this meeting; the target was arrived at by taking the total direct costs in the original 2008-09 estimates and adjusting for any virement, rollover, approved additional expenditure and, for next year, inflation. The result is that the 2009-10 Estimate is £1,080 within the target, due to inflation not being applied automatically, whereas there is no net change in 2008-09.
13. Comments on the individual estimate headings are given in the following paragraphs. All comparisons therein are made with the original 2008-09 estimates. All the 2009-10 estimates include an element of inflation, where necessary. A general overview of recharges is given in paragraph 17.
14. **Community Safety:**
The increases in both years are mainly due to higher net recharges, but in 2009-10, there is also an additional provision of £10,000 in respect of a CCTV review, as approved in the bidding process.
15. **Voluntary Sector Grants:**
 - (a) The increases in both years are mainly due to recharges, which had not previously been allocated specifically to this service heading.
 - (b) Inflation in 2009-10 has been allowed for in respect of grants to Citizens Advice Bureaux and other grants to voluntary organisations.

16. Community Strategy:
- (a) The reduction in 2008-09 is due to lower recharges during a period of change in the structure and personnel within this service.
 - (b) In 2009-10, the recharges are anticipated to increase owing to more activity in this particular service and full staffing.
 - (c) Also in 2009-10, there is provision for the costs of the Community Engagement Action Plan (£5,000), Community Transport Plan (£20,000) and village information and advice events (£3,000), which were all approved in the bidding process.
 - (d) Projects, fully funded through the Local Strategic Partnership Board, amounting to £29,000 in 2008-09 and £143,470 in 2009-10, have now been included in the estimates. These include the revenue costs relating to projects in respect of Youth Bus, Travellers Health, Dial-a-Ride Minibus, Good Neighbour Community Car Schemes/Welcome Home from Hospital, Quality Parish Councils and Community Led Plans. There are also fully funded capital costs on some schemes (see paragraph 18).
17. Recharges from Staffing and Overhead Accounts - Central, Departmental and Support Services (see estimates report to Cabinet 11 December 2008):
- (a) The estimated recharges from Staffing and Overhead Accounts to this portfolio increased by £88,610 (31.1%) from £284,520 in the original 2008-09 Estimate to £373,130 in the 2009-10 Estimate. The increase is due to higher staff involvement in all areas of the portfolio from the new Community and Customer Services team, including the additional post of Community Liaison Officer. The 2008-09 Revised Estimate of £262,270 is £22,250 (-7.8%) lower than the original estimate. This was as a result of the interim management arrangements relating to the Community and Customer Services team. The change in recharges to this portfolio may be compared with the Council's overall recharges to services, as below.
 - (b) In general, the level of recharges depends on the cost of the service and support officers' time, ICT, contact centre, administrative buildings (mainly Cambourne Offices), Central Expenses and Central Support Services. Over the whole Council, these costs to be recharged were £17.959m in the Original Estimates 2008-09, £17.897m in the Revised Estimates 2008-09 and £18.876m in the Estimates 2009-10. These equate to a decrease of £0.062m (-0.3%) in 2008-09 and an increase of £0.979m (5.5%) in 2009-10, when compared with the original estimate 2008-09. The increase above inflation in 2009-10 is mainly due to, firstly, the salary costs of individual officers increasing by 5.1% (additional pay awards and pension costs), and secondly, the costs of additional staff appointments and other central costs approved by Cabinet as part of the bidding process.
 - (c) The costs being recharged to each portfolio, however, depend on how the above sums are allocated across services. Most central overhead costs are distributed per head to each officer, whose total cost is then allocated according to the officer's latest estimate of time spent on each service.

- **Capital Estimates: Revised 2008-09 And Estimates 2009-10 To 2011-12**

18. The capital programme for this portfolio, which is attached at **Appendix B**, comprises of Community Strategy projects that are fully funded through the Local Strategic Partnership Board. Revenue funding is also provided for revenue costs associated with these schemes (see paragraph 16).
19. In order that all significant capital items may be evaluated consistently throughout the Council, those items in the capital programme in 2009-10 or later that are over

£25,000 in value are subject to the completion of a proposal form, for consideration alongside the capital programme being approved. Accordingly, the relevant proposal form for this portfolio, which relates to the Local Strategic Partnership Board Projects (Community Chest), is attached at **Appendix C**.

Implications

20. Financial:
- (a) The estimates for the General Fund Services of this Portfolio will be included in the General Fund Summary of estimates along with the expenditure of other Portfolios.
- (b) The Capital Estimates for this Portfolio will be included in the Council's Capital Programme.

21. Legal	No additional implications. The estimates show the financial effect of decisions that have already been made.
Staffing	As above.
Risk Management	As above.
Equal Opportunities	As above.

Consultations

22. The relevant cost centre managers, who are responsible for setting the level of their respective budgets and controlling the expenditure within them, have been consulted in the compilation of the estimate figures.

Effect on Annual Priorities and Corporate Objectives

23.	<p>Work in partnership to manage growth to benefit everyone in South Cambridgeshire now and in the future</p> <p>Deliver high quality services that represent best value and are accessible to all our community</p> <p>Enhance quality of life and build a sustainable South Cambridgeshire where everyone is proud to live and work</p>	To determine detailed Leader's Portfolio budgets to provide the resources for the Council to continue and improve its services to achieve its corporate objectives as far as possible within the current financial constraints.
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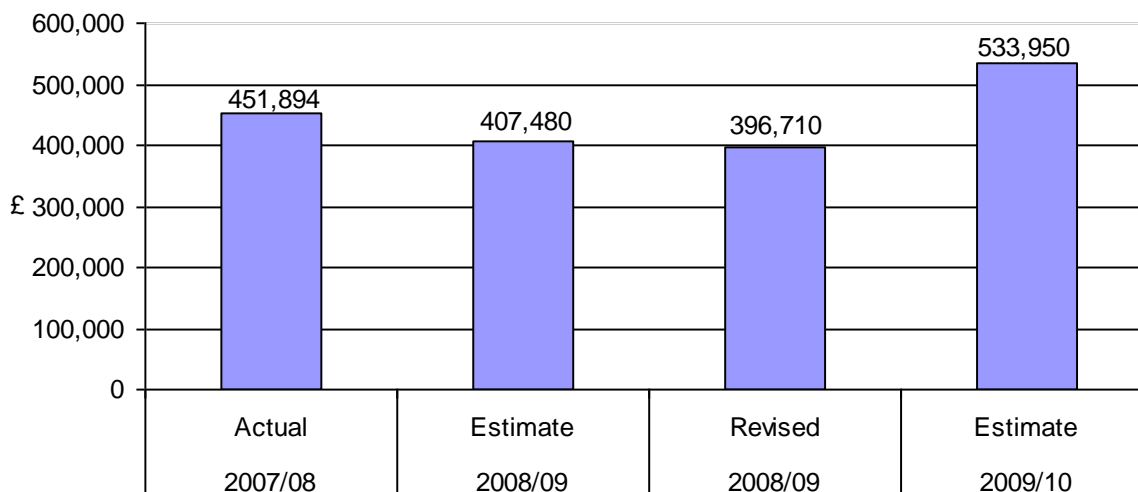
Conclusions/Summary

24. The total net expenditure as shown at **Appendix A** is reproduced below to show the percentage increase between budgets.

Year	Amount £	£	Increase %
2007-08 Actual	451,894		
		- 44,414	- 9.8%
2008-09 Estimate	407,480		
		- 10,770	- 2.6%
2008-09 Revised	396,710	+ 126,470	+ 31.0%
		+137,240	+34.6%
2009-10 Estimate	533,950		

These comparisons are shown diagrammatically below:

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25. The decrease in expenditure from 2007-08 to the 2008-09 original estimates of £44,414 is mainly due to changes within Community Strategy. One-off funding of £100,000 was agreed by Cabinet in 2007-08 to pump prime Local Strategic Partnership initiatives. This decrease was partly offset by increased recharges due to the appointment of the Strategic Partnership Officer.
26. The decrease of £10,770 in the revised 2008-09 estimate compared with the original estimate in 2008-09 was mainly due to reductions in recharges.
27. The increase of £126,470 in 2009-10 compared with the original estimate in 2008-09 was largely as a result of an overall increase in recharges of £88,610 and approved bids of £38,000. The changes in direct costs are set out on the table on **Appendix A**.
28. With regard to direct costs only, it can be seen from the comparison of estimates with the savings target on **Appendix A**, that the estimated direct costs in the 2009-10 Estimates is within the required target by £1,080, due to inflation not being applied in some areas; the Revised 2008-09 Estimate is the same as the adjusted original estimate.

Recommendations

29. The Leader is requested to:
 - (a) confirm the proposals for capital expenditure shown at **Appendix C**, for inclusion in the capital programme.
 - (b) endorse the Revenue Estimates and Capital Programme shown at **Appendices A and B** and recommend them for consideration by the Cabinet

Background Papers: the following background papers were used in the preparation of this report: Estimate files within Accountancy Services

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