

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: The Leader

14 January 2010

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(General Fund and Costing)

REVENUE AND CAPITAL ESTIMATES FOR THE LEADER'S PORTFOLIO

Purpose

1. To consider the Revenue Estimates up to the year 2010-11 and the Capital Programme up to 2014-15.
2. This is not a key decision. However, the report presents the relevant 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 2010.

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 Strategy.
4. The Finance and Staffing Portfolio Holder approved the Staffing and Central Overhead Estimates on 16 December 2009. 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 current service structure. It should be noted that, 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 4 February, consideration by the Cabinet on 11 February, and finally, presentation to the Council on 25 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. 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 non-pay inflation in the Medium Term Financial Strategy remains as the overriding level of provision.
8. Where applicable, the estimates of each portfolio incorporate the approved savings agreed by Cabinet and Council in November 2009 and all other expenditure approvals made up to that date. They also take account of any virement made during the year and rollover of budget from the previous year.

9. 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 11 February 2010. However, none has been identified within this Portfolio.

Considerations

REVENUE ESTIMATES: REVISED 2009-2010 AND ESTIMATES 2010-11

10. 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 2009-10 original estimates, the net direct costs reduced by £38,000 in the Revised Estimates and £39,660 in the 2010-11 Estimates. The decreases are due to the required savings.
11. 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 2009-10 estimates and adjusting for any virement, rollover, approved additional expenditure and, for next year, inflation. The result is that the 2010-11 Estimate is £640 within the target, due to inflation not being applied automatically, whereas there is no net change in 2009-10.
12. Comments on the individual estimate headings are given in the following paragraphs. All comparisons therein are made with the original 2009-10 estimates. All the 2010-11 estimates include an element of inflation, where necessary. A general overview of recharges is given in paragraph 16.
13. Community Safety:
- (a) The decreases in both years arise from lower net recharges (partly offset by partnership funding adjustments) and also savings reductions in respect of the CCTV review (£10,000), Grants (£2,000) in both years and the Pooled Budget (£5,000) from 2010-11, as approved in the savings process.
 - (b) Last year, in the bidding process, it was agreed that funding of up to £10,000 per annum for two years in respect of projects connected with the Community Liaison Officer were to be made from contributions from the Community Safety Grant reserve. This was omitted from the original estimates, but £5,000 has now been included for the current year and £10,000 contributions for 2010-11. However, the expenditure is under Community Strategy (but note that £5,000 expenditure saving has been agreed for 2010-11).
14. Voluntary Sector Grants:
- (a) There are small increases in recharges in both years, but this is more than offset in 2010-11 by a savings reduction in respect of Advice for Life Grants (£7,000).
 - (b) Inflation in 2010-11 has been allowed for in respect of grants to Citizens Advice Bureaux and other grants to voluntary organisations.

15. Community Strategy:
- (a) The recharges are reduced in both years, due to changes in allocations.
 - (b) Savings reductions relating to the Community Engagement Action Plan, Village Information and Advice Events, Community Liaison Officer Projects and other projects have been applied, as approved.
 - (c) Provision for expenditure on the Transport Plan has been moved to 2010-11, for Transport Projects.
 - (d) Adjustments for the previously omitted Community Liaison Officer Projects have been made (see paragraph 13b above).
 - (e) Projects, fully funded through the Local Strategic Partnership Board, amounting to £112,570 in 2009-10 and £174,900 in 2010-11, have been included in the estimates. There are also fully funded capital costs on some schemes (see paragraph 17).
16. Recharges from Staffing and Overhead Accounts - Central, Departmental and Support Services (see estimates report to the Finance and Staffing Portfolio Holder 16 December 2009):
- (a) The total estimated recharges from Staffing and Overhead Accounts to this portfolio decreased by £56,020 (15.0%) from £373,130 in the original 2009-10 Estimate to £317,110 in the 2010-11 Estimate. The 2009-10 Revised Estimate of £315,560 is £57,570 (-15.4%) lower than the original estimate. In both years, the majority of the decrease is due to reduced hours of the support staff for the Crime and Disorder Partnership, which lowers the costs for the partnership rather than this Council's General Fund. 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 £18.876m in the Original Estimates 2009-10, £18.198m in the Revised Estimates 2009-10 and £17.419m in the Estimates 2010-11. These equate to decreases of £0.678m (-3.6%) in 2009-10 and £1.457m (-7.7%) in 2010-11, when compared with the original estimate 2009-10. The savings reductions were the main reason for 2010-11 decrease, but only one factor in 2009-10, when the substitution of the 2.5% pay award with 1% and vacancies in Cambridgeshire Horizons/Housing and Planning Delivery Grant funded posts were also major reasons for the reduction.
 - (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 2009-10 AND ESTIMATES 2010-11 TO 2014-15**

17. The overall capital programme for the Council will be subject to further consideration by the Cabinet and Council, due to the current shortfall of capital funding. However, the capital programme for this portfolio, which is attached at **Appendix B**, comprises of Community Strategy projects that are specified and fully funded through the Local Strategic Partnership Board. Therefore, it will not require any further consideration regarding financing.

Implications

18. 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.

19. 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

20. 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 Strategic Aims

21. Commitment to being a listening council, providing first class services accessible to all.	To determine detailed Leader's Portfolio budgets to provide the resources for the Council to continue its services to achieve its strategic aims as far as possible within the current financial constraints.
Commitment to ensuring that South Cambridgeshire continues to be a safe and healthy place for all.	
Commitment to making South Cambridgeshire a place in which residents can feel proud to live.	
Commitment to assisting provision for local jobs for all.	
Commitment to providing a voice for rural life.	

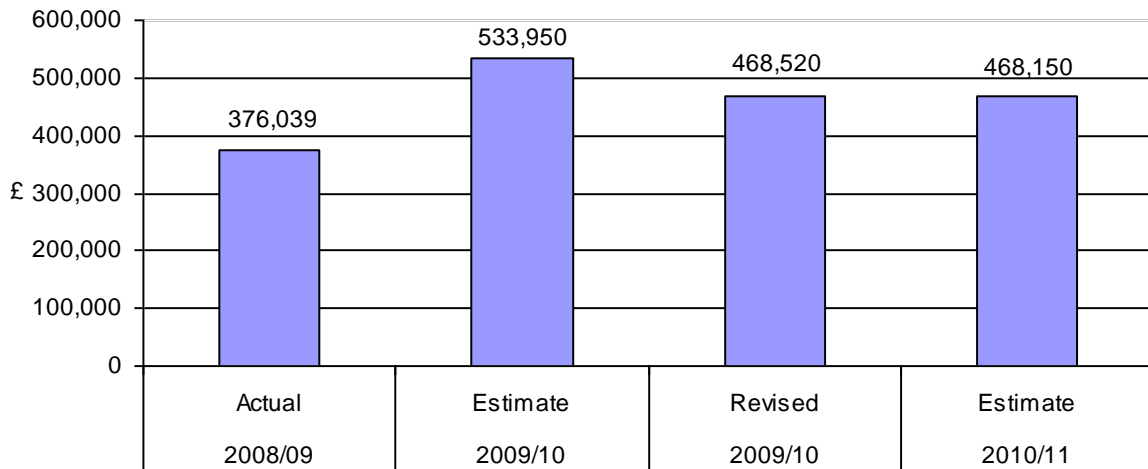
Conclusions/Summary

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

Year	Amount £	£	Increase %
2008-09 Actual	376,039		
		+ 157,911	+ 42.0%
2009-10 Estimate	533,950		
		- 65,430	- 12.3%
2009-10 Revised	468,520	- 65,800	- 12.3%
		- 370	+ 0.1%
2010-11 Estimate	468,150		

These comparisons are shown diagrammatically below:

LEADER'S PORTFOLIO



23. The increase in expenditure from 2008-09 to the 2009-10 original estimates of £157,911 was largely as a result of an overall increase in recharges of £130,078 and approved bids of £38,000.
24. The decrease of £65,430 in the revised 2009-10 estimate compared with the original estimate in 2009-10 was due to reductions in recharges (£57,570 partly offset by partnership funding adjustments of £30,140), the savings reductions of £18,000 and the moving of the £20,000 Transport Plan provision to 2010-11.
25. The decrease of £65,800 in 2010-11 compared with the original estimate in 2009-10 was largely as a result of an overall decrease in recharges (£56,020 partly offset by partnership funding adjustments £29,880) and the savings and other reductions of £44,000. The changes in direct costs are set out on the table on **Appendix A**.
26. 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 2010-11 Estimates is within the required target by £640; the Revised 2009-10 Estimate is the same as the adjusted original estimate.

Recommendations

27. The Leader is requested to 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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