

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Leader's Portfolio Holder Meeting

20 January 2011

AUTHOR/S: Executive Director, Corporate Services

REVENUE AND CAPITAL ESTIMATES FOR THE LEADER'S PORTFOLIO

Purpose

1. The purpose of this report is to enable the Leader to consider the Revenue Estimates for 2011/12 and the Capital Programme up to 2015/16, relating to services within the Leader's Portfolio.
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 Cabinet and confirmed by Council in February 2011.

Recommendations

3. That the Leader endorses the Revenue Estimates for 2011/12 and the Capital Programme up to 2015/16, relating to services within the Leader's Portfolio, and recommends them for consideration by Cabinet.

Reasons for Recommendations

4. The draft estimates for all the services of the Council need to be considered and endorsed by the relevant portfolio holders, in order to be collated and presented to the Scrutiny and Overview Committee on 7 February 2011 and to Cabinet on 10 February 2011. The final approval of the estimates and the levels of council tax and rents will be decided by the Council on 24 February 2011.

Background

5. The estimates for the Leader's Portfolio form part of the overall considerations for the Council's annual budget setting exercise and include Community Safety, Voluntary Sector Grants and Community Strategy.
6. The Finance and Staffing Portfolio Holder approved the Staffing and Central Overhead Accounts Estimates on 14 December 2010. The recharges approved at that meeting are recharged to all services, as appropriate, termed "Central, Departmental and Support Services" in the detailed estimates attached - 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.
7. 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 7 February 2011, consideration by Cabinet on 10 February and finally presentation to the Council on 24 February for confirmation of the estimates and levels of council tax and rents.
8. The Revenue Estimates are set out in **Appendix A**, while the Capital Programme is shown at **Appendix B**.

9. Provisions for inflation have been applied to individual estimates 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.
10. Where applicable, the estimates of each portfolio take account of any rollover of budget from the previous year and virement made during the year; they also incorporate expenditure approvals by Cabinet and Council up to November 2010.
11. All the estimates exclude the small number of "Precautionary Items" that are listed at the back of the current estimate book. These are specific, exceptional items of expenditure, which 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 Cabinet on 10 February 2011; however, none has been identified within this portfolio.

Considerations

REVENUE ESTIMATES: REVISED 2010/11 AND ESTIMATES 2011/12

12. 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), recharges and partnership funded costs, 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, capital charges are notional charges that do not affect the overall expenditure of the Council, the Staffing and Central Overhead Accounts Estimates determine the recharges and partnership costs are offset overall across the Council. Compared with the 2010/11 original estimates, the net direct costs increased by £8,170 in the revised estimates but decreased by £21,350 in the 2011/12 estimates.
 - (a) The increase in 2010/11 is due to the financial implications of the Government's decision to withhold LPSA grant: £23,670 of the £57,670 owed from the County has been repaid (of which, £10,270 has been reimbursed to community organisations); £16,370 has been returned from the Connections Bus Project; the Community Strategy budget has been reduced by £8,730; and Community Safety budget reductions of £11,000 have been used to offset the shortfall - the resulting net budget variance of £8,170 will be covered by a virement/saving found within the Policy & Performance Portfolio.
 - (b) The decrease in 2011/12 is due to there being no ongoing budget requirement for the previous Community Transport and Community Liaison one-off projects, slightly offset by inflation applied on grants to Citizens Advice Bureaux/Centres and voluntary organisations.
13. **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 2010/11 original estimates and adjusting for any rollover, virement, approved additional expenditure and, for next year, inflation. The result is that the 2010/11 revised estimate is on target, albeit because of the virement/saving mentioned in paragraph 12. (a) above, and the 2011/12 estimate is £1,490 within target.
14. Comments on the individual estimate headings are given in paragraphs 15 to 17. All comparisons therein are made with the 2010/11 original estimates. All the 2011/12 estimates include an element of inflation, where necessary. A general overview of the recharges is given in paragraph 18.

15. Community Safety:
- (a) SCDC Grants: In the past, £6,000 has been committed in advance towards the following year's allocation in respect of a County Council held post in dealing with the reduction in domestic violence. A decision has been made not to commit in advance this year, saving £6,000 from the grants budget; a decision will be made as to whether this will be an ongoing saving, next year.
 - (b) Miscellaneous: Staff resources have been directed towards partnership working this year, with the aim of utilising as much of the partnership funding available as possible. This has had a knock-on effect of not spending the SCDC budget directly attributable to Community Safety, leading to a further reduction of £5,000 across the two budget headings.
 - (c) The £11,000 budget reduction has been used to offset the shortfall in income suffered by the Government withdrawal of LPSA funding (see paragraph 12).
 - (d) Partnership Grants: The difference in the 2010/11 revised figure is simply down to the known grant allocation subsequent to the budget setting exercise last year. The increase in grant received manifests itself in the increased grants payable through the partnership.
16. Voluntary Sector Grants:
- (a) Inflation has been allowed for in the 2011/12 estimates in respect of grants to Citizens Advice Bureaux/Centres and grants to voluntary organisations.
 - (b) There are increases in recharges in both years, mainly reflecting increased time spent on voluntary sector grants by the Community Partnership Officer.
17. Community Strategy:
- (a) Consultancy costs related to the Community Transport one-off project; there is no ongoing budget requirement in 2011/12.
 - (b) Similarly, there is no ongoing budget requirement in 2011/12 for the previous Community Liaison one-off projects.
 - (c) Following the Government's decision to withhold LPSA grant, there is no Local Strategic Partnership (LSP) expenditure requirement in 2011/12.
18. Recharges from Staffing and Overhead Accounts – Central, Departmental and Support Services (see estimates report to the Finance and Staffing Portfolio Holder 14 December 2010):
- (a) In general, the level of recharges depends on the cost of the service and support officers' time, ICT, Contact Centre, administrative buildings (mainly the Cambourne Office), Central Expenses and Central Support Services. Over the whole Council, these costs to be recharged were £17.420m in the 2010/11 original estimates, £17.308m in the 2010/11 revised estimates and £17,063m in the 2011/12 estimates. These equate to decreases of £0.112m (-0.6%) in 2010/11 and £0.357m (2.0%) in 2011/12, when compared with the 2010/11 original estimate. The main reasons for the 2010/11 decrease were lower capital charges, which reflects assets that have been fully depreciated and adjustments to the expected useful life of the remaining assets, and reduced costs from procurement projects and contract negotiations, partly offset by provision to meet Asset Management Plan requirements for the Cambourne Office. In 2011/12, these are augmented by reduced staffing costs resulting from the various restructuring exercises that have taken place, partly offset by increased business rates for the Cambourne Office.
 - (b) 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.

- (c) The total estimated recharges from Staffing and Central Overhead Accounts to this portfolio decreased by £3,470 (1.1%) from £317,110 in the 2010/11 original estimate to £313,640 in the 2010/11 revised estimate. The 2011/12 estimate of £297,840 is £19,270 (6.1%) lower than the 2010/11 original estimate. In 2010/11, the majority of the decrease is due to reduced allocations of time relating to some New Communities and Environmental Health staff and the Anti Social Behaviour Caseworker, partly offset by increased allocations of time relating to other Community and Customer Services staff. In 2011/12, the majority of the decrease is due to reduced allocations of time relating to some New Communities staff and the Community Liaison Support Assistant, partly offset by increased allocations of time relating to other Community and Customer Services staff.

CAPITAL ESTIMATES: REVISED 2010/11 AND ESTIMATES 2011/12 TO 2015/16

19. The overall capital programme for the Council will be subject to further consideration by Cabinet and Council, due to the current shortfall of capital funding. The capital programme for this portfolio, attached at **Appendix B**, comprises Community Strategy projects originally specified and fully funded through the LSP Board. Following the Government's decision to withhold LPSA grant, no capital funding is now available and the capital expenditure already incurred on projects is now being financed partly from Revenue (£3,700) and partly from Capital Receipts (£2,870).

Implications

20. Financial:
- (a) The Revenue 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 Programme estimates for this portfolio will be included in the Council's Capital Programme.

21. Financial	The financial implications resulting from this report are set out in paragraphs 12 to 19 above.
Legal	There are no direct legal implications resulting from this report. The estimates show the financial effect of decisions that have already been made.
Staffing	There are no additional staffing implications resulting from this report. The estimates reflect staffing decisions previously made.
Risk Management	These estimates need to be endorsed so that they can be included in the General Fund Summary to be presented to Cabinet and confirmed by Council in February 2011.
Equality and Diversity	There are no direct equality and diversity implications resulting from this report. Equality and diversity issues will have been considered in the decisions which these estimates reflect.
Equality Impact Assessment completed	No As above.
Climate Change	There are no direct climate change implications resulting from this report. Climate change issues will have been considered in the decisions which these estimates reflect.

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 Strategic Aims

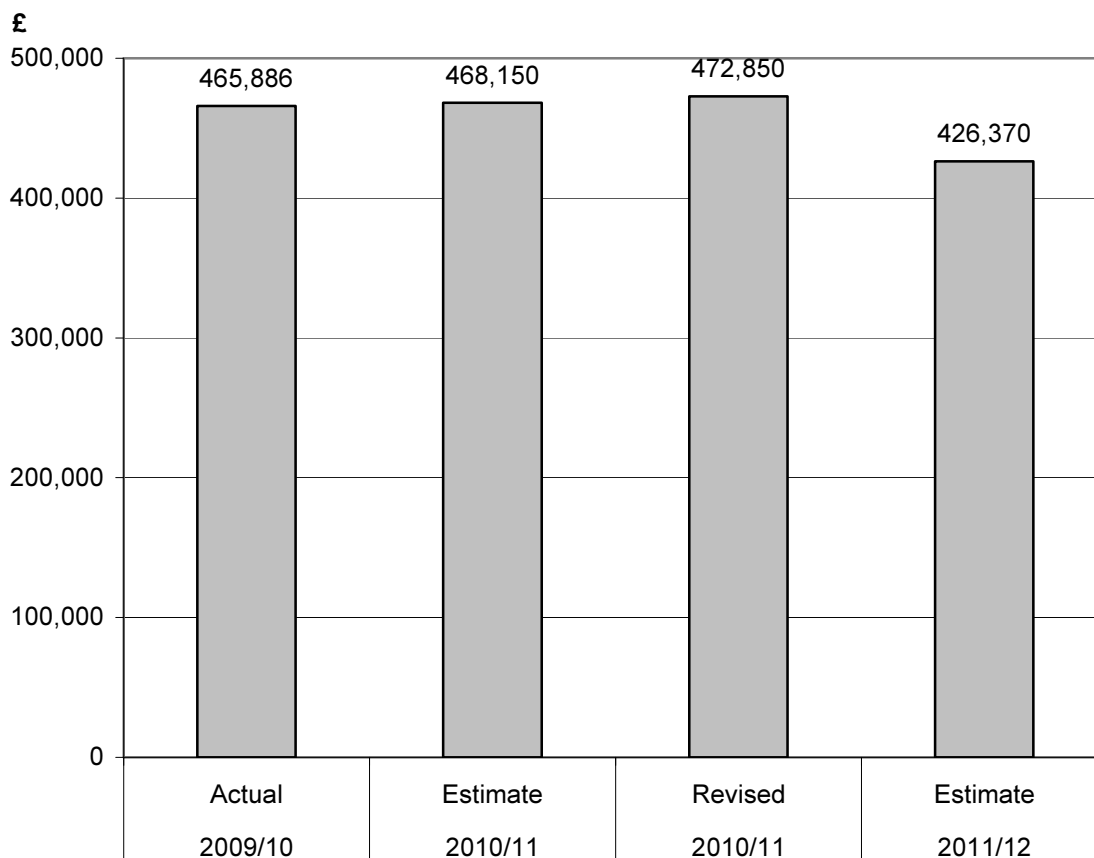
23. To determine detailed Leader's Portfolio budgets to provide the resources for the Council to continue its services to achieve its strategic aims as far as possible within the current financial constraints.

Conclusions / Summary

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

<i>Year</i>	<i>Amount £</i>	<i>Change £</i>	<i>Change %</i>
2009/10 Actual	465,886		
		+ 2,264	+ 0.5%
2010/11 Estimate	468,150		
		+ 4,700 }	+ 1.0% }
2010/11 Revised	472,850	} - 41,780	} - 8.9%
		- 46,480 }	- 9.8% }
2010/11 Estimate	426,370		

These comparisons are shown diagrammatically below:



25. In broad terms, the increase of £2,264 from 2009/10 actual expenditure to the 2010/11 original estimate was due to:
- (a) An increase of £17,700 for consultancy etc costs relating to the Community Transport and Community Liaison one-off projects.
 - (b) A decrease of £7,100 in net expenditure on Community Safety, plus a contribution of £10,000 from the Community Safety Grant reserve in 2010/11.
 - (c) A reduction of £7,000 in Advice for Life Grants, partly offset by inflation increases of £3,700 on grants to Citizens Advice Bureaux/Centres and Voluntary Organisations.
 - (d) An overall net increase of £5,000 in recharges from Staffing and Central Overhead Accounts.
26. The increase of £8,170 in the 2010/11 revised estimate compared with the 2010/11 original estimate was due to the financial implications of the Government's decision to withhold LPSA grant, offset by budget reductions in the Community Strategy and Community Safety budgets.
27. The decrease of £41,780 in the 2011/12 estimate compared with the 2010/11 original estimate is a result of:
- (a) A decrease of £25,000 due to there being no ongoing budget requirement for the previous Community Transport and Community Liaison one-off projects.
 - (b) An increase of £1,160 in estimated Government Community Safety funding.
 - (c) Inflation increases of £3,650 on grants to Citizens Advice Bureaux/Centres and Voluntary Organisations.
 - (d) An overall net decrease of £19,270 in recharges from Staffing and Central Overhead Accounts.
28. With regard to direct costs only, it can be seen from the comparison of estimates with the adjusted 2010/11 original estimate target in **Appendix A** that the 2010/11 revised estimate is on target, albeit because of the virement/saving mentioned in paragraph 12. (a) above, and the 2011/12 estimate is £1,490 within target.

Background Papers: the following background papers were used in the preparation of this report:

Estimates files within Accountancy Services

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