

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO:

Conservation Portfolio Holder
Scrutiny Committee

January 2004
12th February 2004

AUTHOR/S:

Finance and Resources Director

**REVENUE AND CAPITAL ESTIMATES
FOR THE CONSERVATION PORTFOLIO**

Purpose

1. To consider the Revenue Estimates up to the year 2004-05 and the Capital Programme up to 2006-07.

Background

2. The estimates for the Conservation Portfolio form part of the overall considerations for the Council's annual budget setting exercise and consist of the Conservation Services only, incorporating Conservation, Trees and Landscape and Ecology.
3. The Staffing and Central Overhead Estimates were approved by the Cabinet on 18th December 2003. The recharges presented at that meeting are recharged to all services, as appropriate. These are shown as Central, Departmental and Support Services in the detailed estimates. The recharge figures for the Revised 2003-04 and 2004-05 Estimates reflect the new departmental structure. However, it should be noted that the original estimate figures relate to the previous structure and are therefore not directly comparable with the current ones. Although some bids included in the Continuous Improvement Plans (CIP) will eventually affect the central rechargeable costs in 2004-05, no adjustment will be made to the recharges until the estimates are considered again next year.
4. The estimates for each portfolio are being reported to the relevant Portfolio Holder. Subsequently, all the estimates will be brought together for final examination on 5th February by a panel consisting of the Leader and Deputy Leader of the Council together with the Chairman and Vice-Chairman of the Scrutiny Committee. The estimates will then be presented to the Scrutiny Committee on 12th February before being considered by the Cabinet on the 16th February 2004 and, finally, to Council on the 26th February for confirmation of the estimates and levels of the Council Tax and Rents.
5. **Appendices A** (Revenue Estimates), which show the full details for this Portfolio and **B** (Capital Programme), are attached for consideration.

6. As a significant amount of expenditure within this Portfolio relates to grants, the relevant grant details are included in **Appendix C** for additional information. Annual allocations for all these, both capital and revenue, appear in the detailed revenue estimates whilst the capital grant allocations also appear in the capital programme.
7. Provisions for increased expenditure of 2.5% have been applied throughout the estimates for inflation.
8. Where applicable, the estimates of each portfolio incorporate the direct costs of both the non-recurring CIP bids approved at the Cabinet meeting on 8th January and the recurring ones agreed by the special Cabinet meeting on 29th January. However, none of these CIP bids affects the direct costs of the Conservation Portfolio Estimates.
9. On 8th January, the Cabinet called for permanent savings to be made, starting from the 2004-05 estimates. As a result, reductions were agreed by the Cabinet on 29th January and have applied to this portfolio as follows:

For 2004-05 only

Historic Building Grants	£10,000 (paragraph 15)
War Memorials Grants	£5,000 (paragraph 16)

From 2005-06 onwards

Historic Building Grants	£15,000 (paragraph 15)
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10. All the estimates exclude the special list of Precautionary Items approved by Cabinet on 8th January. There are no precautionary items relating directly to the Conservation Portfolio Estimates.

Considerations

REVENUE ESTIMATES: REVISED 2003-2004 AND ESTIMATES 2004-05

11. The revenue estimates for this Portfolio are shown at **Appendix A**. The total estimates have been analysed between direct costs, capital charges 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 budget manager. By contrast, the recharges are determined by the Staffing and Overhead Estimates and capital charges are notional charges that do not affect the overall expenditure of the Council.
12. Comments on the individual estimate headings are given in the following paragraphs.

Archaeology Grants

13. The provision has been reduced to £3,300, which is sufficient to cover the annual contribution to the County Council monument management programme.

Design Guide

14. Last year, an additional £20,000 was approved for this purpose in 2003-04 within the Conservation estimates and a further £5,000 in the Planning and Economic Development Portfolio. A rollover of £10,000 into 2003-04 was also approved in July 2003. As the Design Guide is now due to be produced in April 2004, £10,000 of this expenditure has been carried through to 2004-05.

Historic Building and Conservation Area Enhancement Scheme Grants

15. An unusually high amount of grant offers being returned to the grant fund (£18,650) has resulted in a surplus in the amount available for grants in the current year. Therefore, the revised estimate provision has been reduced by this sum. In 2004-05, the annual established provision has been reduced by £10,000 as part of the savings requested by the Cabinet (see paragraph 5). In subsequent years, the reduction will be £15,000.

War Memorials Repairs and Restoration Initiatives

16. Requests for grants under this initiative have been slower than anticipated. In 2003-04, £7,000 of the original provision of £10,000 has been vired to fund the production of a War Memorial Gazetteer. In 2004-05, a provision of £2,000 has been made, having applied a reduction of £5,000 in respect of the Cabinet savings (see paragraph 5). This results in the overall total provision being £15,000 over three years rather than the original £20,000 over two years.

Central, Departmental and Support Services

16. The estimated recharges originating from the Conservation Division of the Development Services Department increased by £47,390 in 2003-04 and a further £13,060 in 2004-05. These increases are mostly due to significant increases in the estimated proportion of staff time charged to conservation and tree preservation, rather than to the Planning Portfolio, by the trees and landscaping officers. In 2003-04, agency staff used to cover vacancies has also been allocated specifically to conservation. The salary cost increases arising from the PWC review have also added to the costs in both years. In 2004-05, the anticipated pay awards and higher employer's contributions for national insurance and superannuation, and the extra central costs arising from ICT development and the occupation of the Cambridge and Cambourne offices have also increased staff costs recharged to all services.

CAPITAL ESTIMATES: REVISED 2003-04 AND ESTIMATES 2004-05 TO 2006-07

17. The capital programme for this portfolio is attached at **Appendix B**.
18. Reduced annual allocations are made for Historic Building and Conservation Area Enhancement Scheme Grants and the total War Memorial Repairs and Restoration Initiatives provision is now £15,000. These capital allocations are funded directly

from revenue, matching figures also appear in the revenue estimates (see paragraphs 15 and 16).

19. In addition to the annual budget allocations, the programme also shows the uncommitted capital balances brought forward from the previous year, which are available for spending in the current year, or in future years, provided Members continue to carry forward the capital balances.
20. The Heritage Initiatives Capital Reserve originated from a one-off sum of £200,000 set aside in 1996-97 and was established to support local conservation schemes, particularly where a contribution from this Council would attract matching grant funding from elsewhere (e.g. lottery local heritage initiatives, or land fill tax grants). The remaining balance, which has reduced considerably over the last two years, is carried forward each year for future use. The Conservation Manager has been developing a number of initiatives that continue to draw substantially on this balance. In fact, at 31st December 2003, the remaining balance stood at just £29,300.
21. The Historic Buildings Preservation Fund was established in 1982 to provide the means, in the last resort, to save buildings at risk. It has regularly enabled the Council to use its statutory powers, which could lead to compulsory purchase, repair and resale of such property. The balance in the fund has increased over the years through the addition of interest. From 1999, however, Members agreed to cease applying interest, except insofar as the balance falls below £150,000 at any time. In recent years, part of the reserve has been used to carry out work at St. Denis Church, which is owned by the Council. Further urgent works and a detailed condition survey were approved in November 2002. Currently, options for further expenditure on St Denis Church are in hand and will be reported to the Cabinet in the near future. Also, necessary works on a number of buildings at risk may lead to further calls on the fund.

BALANCES IN RESERVES

22. The uncommitted balances held in reserves in respect of grants are shown in **Appendix C**, for information only. The balances will be reported to the Portfolio Holder early in the new financial year, when it may be possible to carry forward uncommitted balances, but subject to full Council approval in cases over two years old.

Financial Implications

23. The estimates for the General Fund Services of the Conservation Portfolio will be included in the General Fund Summary of estimates along with the expenditure of other Portfolios.
24. The Capital Estimates for this Portfolio will be included in the Council's Capital Programme.

Legal, Staffing and Sustainability Implications

25. None

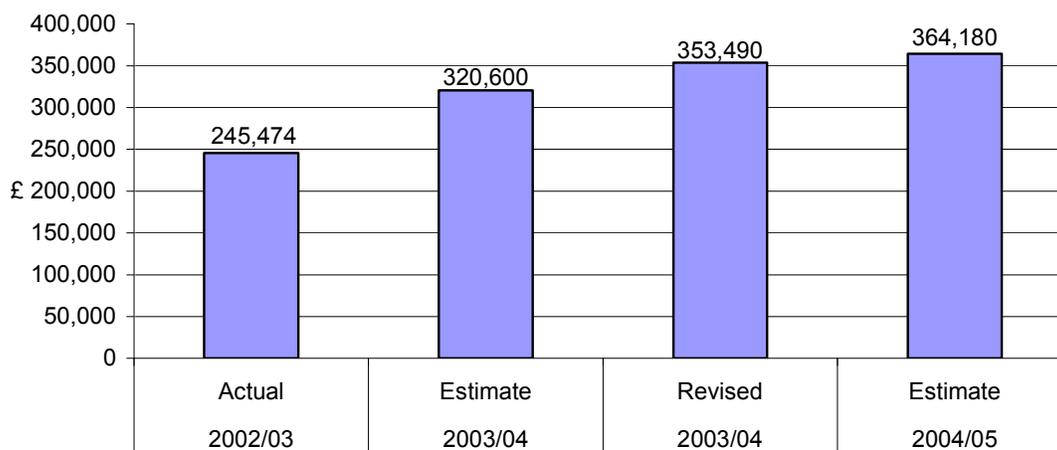
Conclusions

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

Year	Amount £	£	Increase %
2002-03 Actual	245,474		
		+ 75,126	+ 31%
2003-04 Estimate	320,600		
		+ 32,890	+ 10%
2003-04 Revised	353,490		
		+ 10,690	+ 3%
2004-05 Estimate	364,180		

These comparisons are shown diagrammatically below:

CONSERVATION



27. The lower expenditure in 2002-03 compared with the original estimate in 2003-04 is due to the one-off reduction in the Heritage Initiatives Reserve (£39,790) and the absence of any expenditure on the Design Guide (£20,000 in 2003-04).
28. The increase of £32,890 in the revised 2003-04 estimate compared with the original arises from the increases in central recharges (see paragraph 16), partly offset by the £18,650 reduction in Historic Building Grants.

29. The further increase of £10,690 in 2004-05 compared with the 2003-04 revised estimate is mainly due to the partial reinstatement of the Historic Buildings Grant estimate (+£14,020), additional central recharges (+£12,410) less the reduction in design guide costs (-£10,000).

Recommendations

29. The Portfolio Holder for Conservation is requested to endorse the Revenue Estimates and Capital Programme shown at **Appendices A and B** and recommend them for consideration by the Cabinet.
30. The Scrutiny Committee is requested to make comments on the Revenue and Capital Estimates of the Conservation Portfolio, for consideration by the Portfolio Holder and the Cabinet.

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

Estimate files within the Accountancy Division of the Finance and Resources Department.

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