

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Information and Customer Services Portfolio
Holder
Scrutiny Committee

January 2004
12th February 2004

AUTHOR/S: Finance and Resources Director

**REVENUE ESTIMATES
FOR THE INFORMATION AND CUSTOMER SERVICES PORTFOLIO**

Purpose

1. To consider the Revenue Estimates up to the year 2004-05, for all services of this Portfolio except for the Information and Communication Technology Service, whose capital and revenue estimates were approved by the Cabinet within the Staffing and Central Overhead estimates. There is no other capital expenditure relevant to this Portfolio.

Background

2. The estimates for the Information and Customer Services Portfolio form part of the overall considerations for the Council's annual budget setting exercise and include the following services:

Elections
Register of Electors
Democratic Representation
Public Relations, Library and Information
Conferences

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 (CIPS) 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. **Appendix A** (Revenue Summary) only has been included within the main body of the agenda to concentrate attention on the overall position. The detailed estimates will be available to the Portfolio Holder and the Scrutiny Panel and, in due course, to all Members for information.
6. Provisions for increased expenditure of 2.5% have been applied throughout the estimates for inflation.
7. 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 at the special Cabinet meeting on 29th January. None of those CIPS relates to the direct costs of the services presented in this report.
8. On 8th January, the Cabinet called for permanent savings to be made, starting from the 2004-05 estimates. The estimates were reviewed, but none could be found within this portfolio.
9. All the estimates exclude the special list of Precautionary Items approved by Cabinet on 8th January 2004. However, none of these precautionary items relates this Portfolio.

Considerations

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

10. A summary of the revenue estimates for this Portfolio is 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.
11. Comments on individual services are given in the following paragraphs.

Elections

12. The figures account for District and Parish Council elections in 2002-03 and 2003-04 on the basis of one third of the seats in each year. However, in 2004-05 all District Council seats are up for election, which means that the costs will be much greater. The European elections are also on the same day. This increases the overall gross costs even more, but some costs can be shared and other specific costs recharged to the Government. Overall, the net direct costs are estimated to increase by £20,480 in 2004-05, compared with the original Estimate 2003-04.

Register of Electors

13. The increase above inflation is due to higher recharges (see paragraph 16).

Democratic Representation

14. The estimates for Members' allowances, travelling and subsistence has been set in accordance with the decision of the Council on 11th December 2003 to adopt a new scheme, based on recommendations of the Independent Panel on Members' Remuneration. Provision is included in the current year for the new minute system, which was approved in the CIP process last year. The large overall increase in 2004-05 was due to an increase in recharges of £261,790. This was mainly due to the higher allocated cost of the Council Chamber and other Member areas at Cambourne and the increased cost of Democratic Services, including the effect of the additional Democratic Services Officer.

Public Relations, Library and Information

15. In the current year, an additional £9,580 was vired into this budget to meet part of the cost of revising the corporate identity of the Council. Otherwise, provision has been continued for four issues of the South Cambs magazine per annum. The net revised estimate for this is in line with the original, mainly due to increased advertising income. The overall increase in 2004-05 is due to increases in recharges (see paragraph 16 below).

Central, Departmental and Support Services (recharges)

16. The estimated recharges from Staffing and Overhead Accounts to this portfolio increased from £1,005,050 in the original 2003-04 Estimate to £1,332,300 in the 2004-05 Estimate. Most of this increase is in respect of the accommodation charge and other recharges for Democratic Representation (see paragraph 14 above). Overall, 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

Financial Implications

17. The estimates for the General Fund Services of the Information and Customer Services Portfolio will be included in the General Fund Summary of estimates along with the expenditure of other Portfolios.

Legal, Staffing and Sustainability Implications

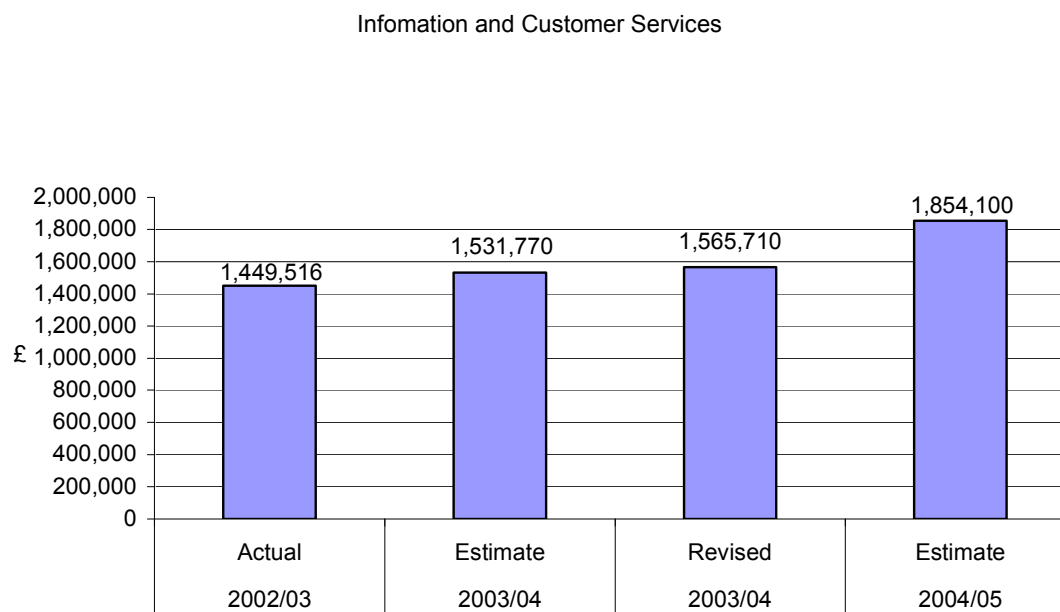
18. None

Conclusions

19. 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	1,449,516		
		+ 192,915	+ 15%
2003-04 Estimate	1,531,770		
		+ 33,940	- 1%
2003-04 Revised	1,565,710		
		+ 288,390	+ 18%
2004-05 Estimate	1,854,100		

These comparisons are shown diagrammatically below:



20. The increase of £82,254 in the original Estimate 2003-04 compared with the Actual 2002-03 was mainly due to inflation and the cost of the introduction of the minute system.
21. The increase of £33,940 in the Revised Estimate 2003-04 compared with the original Estimate 2003-04 is due to the overall increase in recharges.
22. The increase of £322,330 in 2004-05 compared with the original 2003-04 Estimate arises from inflation, the higher costs of elections of all councillors in 2004-05 and increased recharges.

Recommendations

23. The Portfolio Holder for Information and Customer Services is requested to endorse the Revenue Estimates shown at **Appendix A** and recommend them for consideration by the Cabinet.
24. The Scrutiny Committee is requested to make comments on the Revenue Estimates of the Information and Customer Services 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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