

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Policy & Performance Portfolio Holder's Meeting

26 January 2012

AUTHOR/S: Executive Director Corporate Services

REVENUE AND CAPITAL ESTIMATES FOR THE POLICY & PERFORMANCE PORTFOLIO

Purpose

1. To consider the Revenue Estimates up to the year 2012-13 and the Capital programme up to the year 2014-15.
2. This is not a key decision. The report, however, presents the relevant 2011-12 revised and 2012-13 estimates for endorsement by the Portfolio Holder, prior to being included in the overall estimates to be presented to the Cabinet and confirmed by Council in February 2012.

Recommendations

3. That the Policy and Performance Portfolio Holder:
 - (a) endorses the 2011-12 revised and the 2012-13 Revenue Estimates relating to services within the Policy and Performance Portfolio and recommends them for consideration by the Cabinet and Council, and
 - (b) notes the Capital Estimates approved at the Finance and Staffing Portfolio Holder meeting in December.

Background

4. The estimates for the Policy and Performance Portfolio form part of the overall considerations for the Council's annual budget setting exercise and include the following services:
 - Policy and Performance
 - Street Naming and Numbering
 - Communications
 - Community Safety
5. The Finance and Staffing Portfolio Holder approved the Staffing and Central Overhead revenue estimates and recharges and capital programme on 20 December 2011. 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.
6. The estimates for each portfolio are being reported to the relevant Portfolio Holder. These estimates will then be summarised in a report for review by the Scrutiny and Overview Committee on 6 February 2012, consideration by the Cabinet on 9

February, and finally, presentation to the Council on 23 February for confirmation of the estimates and levels of the Council Tax and Rents.

7. The Revenue estimates are set out in **Appendix A**.
8. Provisions for inflation have been applied only in cases where price increases can be justified. No automatic inflation allowance has been applied.
9. Where applicable, the estimates of each portfolio take account of any rollover of budget from the previous year agreed during the year; they also incorporate expenditure approvals by Cabinet and Council up to November 2011.
10. 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 9 February 2012; no items have been identified within this Portfolio.

Considerations

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 cost centre manager. By contrast, the Staffing and Overhead Estimates determine the recharges and the capital charges are notional charges that do not affect the overall expenditure of the Council. Compared with the 2011-12 original estimates, the net direct costs increased by £24,710 in the Revised Estimates and by £14,620 in the 2012-13 Estimates. The increase in 2011-12 relates to the Policy and Performance service for expenditure on the Service First initiative (paragraph 13), and a decrease in income and government funding within the Communications and Community Safety services respectively.
12. The **Appendix A** also shows the net direct cost 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 2011-12 estimates and adjusting for any virement, rollover or approved additional expenditure and, for next year, inflation. The result is that the 2011-12 Estimates are £13,350 outside the target primarily due to the factors noted in paragraph 11, and £13,827 outside the target in 2012-13 through a decrease in Government funding for Community Safety projects.

Total Service Costs

Part of the difference between the original 2011-12 estimate and the revised estimates, £38,820, and the 2012-13 estimates, £56,910, is due to the allocation of staff time following restructuring and shown as a decrease in recharges, where there are other significant contributory factors these have been summarised in paragraphs 13 to 16.

13. Policy and Performance

When compared to the original 2011-12 estimates the revised estimates have decreased by £39,620, and the 2012-13 estimates by £64,290. In both years the decrease is due to movement on recharges relating primarily to staff time allocation

following restructuring, and being partly offset in 2011-12 by an increase in expenditure on Service First Initiatives.

The increase in net direct costs in the revised 2011-12 Estimates of £14,310 includes rollover approved expenditure from 2010-11 of £11,360.

14. **Street Naming and Numbering**

In the original estimates £11,780 income had been included relating to the introduction of charges for naming a new or renaming an existing property, 2011-12 being the first year for the implementation of the new charging scheme. The revised estimate 2011-12 and the 2012-13 estimates show a small increase representing demand, expenditure has not increased.

The charges will be reviewed and reported to the Policy and Performance Portfolio Holder during 2012-13; the estimates presented to this Portfolio are based on the current schedule of charges.

15. **Communications**

The Council changed the printing contract for the South Cambs magazine during 2011-12, the change originally being expected to accrue £12,000 on-going savings (£5,000 for design costs and £7,000 on advertising commission), a saving of £10,300 is expected to be achieved in 2011-12, a further saving of £16,200 is anticipated in 2012-13 through the printing contract and the full year effect of a new delivery contract; the savings being offset by a decrease from advertising income receipts.

16. **Community Safety**

Overall, when compared to the original 2011-12 estimates the revised 2011-12 estimates have increased by £10,440 and the 2012-13 estimates by £12,230 the movement is due in part to recharges to the service and also through a reduction in government grant for Building Safer Stronger Communities which has decreased by £5,820 in the revised 2011-12 estimates and £26,780 in the 2012-13 Estimates.

17. **CAPITAL ESTIMATES: Revised 2011-12 and Estimates 2012-13 to 2014-15**

The overall capital programme for the Council will be subject to consideration by the Cabinet and Council in February. The capital programme for this Portfolio includes expenditure relating ICT Development and the Contact Centre and was submitted to the Finance and Staffing Portfolio Holder meeting in December. **Appendix B** shows the capital programme relating to the Policy and Performance Portfolio.

18. **Balance in Reserves**

There is currently £21,355 in Community Safety reserves, of which £10,000 has been included in the estimates for use in 2011-12.

Options

19. To endorse or reject the 2011-12 revised and 2012-13 original revenue estimates.

Implications

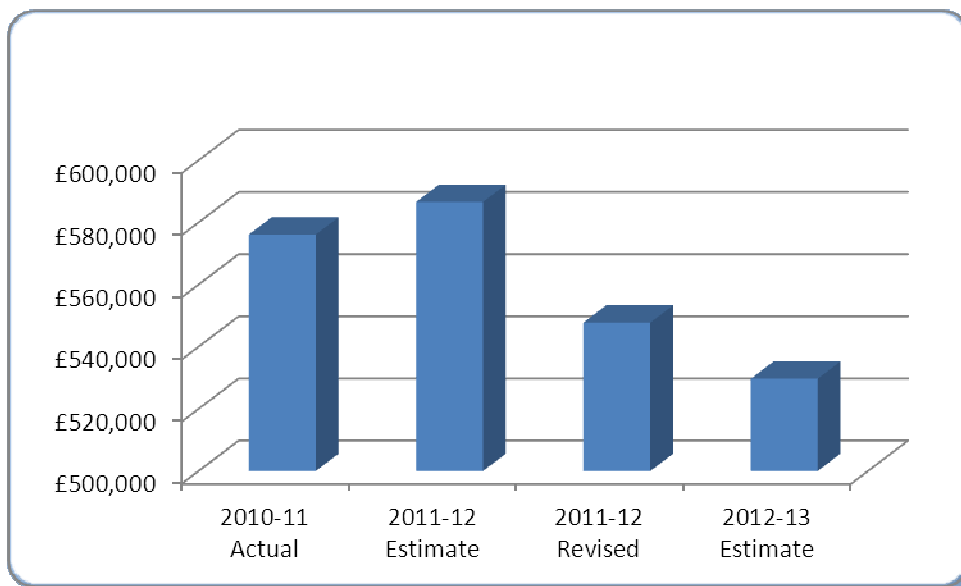
20. The estimates for the General Fund Services of this Portfolio will be included in the General Fund Summary of estimates to be presented to Cabinet and Council together with the expenditure of other Portfolios.

The Capital Estimates for this Portfolio will be included in the Council's Capital Programme.

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

	Amount £	Increase/ - decrease £	Increase/ - decrease %
2010-11 Actual	576,091		
2011-12 Estimate	586,590	10,499	1.0%
2011-12 Revised	547,770	- 38,820	-6.0%
2012-13 Estimate	529,680	- 18,090	-3.0%
		- 56,910	-9.0%

These comparisons are shown graphically below:



21.

Financial	The financial implications resulting from this report are set out in paragraphs 13 to 20 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 already 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 2012.

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.

Consultation with Children and Young People

23. None.

Effect on Strategic Aims

24. To determine detailed Policy and Performance 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

25. This report presents the revised 2011-12 Policy and Performance Portfolio Revenue Estimates, and the related 2012-13 Estimates for endorsement by the Policy and Performance Portfolio Holder prior to summarised inclusion in the report for approval by Cabinet and confirmation by Council in February 2012.

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

Estimate files within the Accountancy Service

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