

SUBJECT:	Portfolio Budgets 2015/16	
REPORT OF:	Officer Management Team -	Director of Resources
	Prepared by	- Head of Finance

1. Purpose of Report

1.1. To provide members with information on the draft revenue budget for 2015/16, including the context of the overall financial position facing the Council for the coming year. The report will seek approval for the:

- draft revenue budget
- fees and charges

2. Links to Council Policies & Plans

2.1. One of the primary purposes of the Council's budget process is to ensure that, as far as possible, resources are aligned to the corporate priorities of the Council (Attachment A), and that any material risks are assessed.

3. Context to the 2015/16 Budget

3.1. Given the challenge faced by the Government in achieving its deficit reduction targets, local authority funding is subject to continuing significant reductions in funding, and constraints on the level of council tax increases.

3.2. Investment income will continue at a low level as older investments at higher rates mature, and rates achievable on new investments are much lower. There does not seem to be any real prospects of rates improving before 2016. The Resources Portfolio Holder and his PAG continually monitor the investment position, and the likely achievable level of investment income for 2015/16 will be reviewed as part of the Treasury Management Strategy for 2015/16.

3.3. Clearly with all the uncertainties around the 2015/16 budget it would be prudent at this stage not to include any funding for new recurring expenditure to improve or expand services. The authority also needs to identify measures to compensate for the reductions in resources referred to. Part of these measures will be the benefits from joint working with Chiltern DC.

3.4. The progressing work with Chiltern DC is resulting in a number of services being provided by joint teams. Where this affects budgets in this Portfolio area it will be highlighted in the detailed information.

4. Budget Assumptions

4.1. The budgets have been prepared in accordance with the following inflation assumptions:

- Salaries inflation from April 2015 of 1%
- Contracts inflation 2% (unless different rate specified within contract)
- Business rates 2.3%
- Gas -10% (saving on new contract), Electricity 12% and water 5%
- Other expenditure heads 0%
- Income 2%.

- 4.2. The Cabinet has decided that in the light of the uncertain external funding position for the Council, that there will be no discretionary growth allowed in the draft budgets.
- 4.3. The Cabinet will consider the outcome of the PAG discussions at its February meeting when it will formulate a final draft of the overall 2015/16 budget for the Authority.

5. Budget Booklet

5.1. This report provides summary information on the budgets and highlights issues for consideration. The attached booklet presents the detailed information to assist Members in their decision making and includes sections on the following:

- revenue budgets
- fees and charges.

6. Revenue Budgets

- 6.1. The draft budgets presented to Members at this stage represent the net direct running costs of services. They do not contain the apportionment of support service charges such as accommodation, IT, finance etc. These will be included in the final approved budgets, once the budgets for these support services have been set. The budgets reflected in this report are therefore the direct costs under the Portfolio Holder's control.
- 6.2. The budgets have been reviewed by the appropriate service manager for any material volume or changes related to maintaining current service standards.
- 6.3. The net budget figures for the Portfolio are shown below. A more detailed breakdown by service is shown within the booklet.

Actuals 2013/14 £'000	Budget 2014/15 £'000	Draft Budget 2015/16 £'000
1,901	1,846	1,609

- 6.4. The decrease from the current year's approved budget to the 2015/16 draft budget is £237,000 (-12.8%). The main changes are detailed below:

	£'000	Comment
2014/15 Budget	1,846	
Change in salaries - Provision for pay increase - Other movements (eg increments, staffing changes)	3 -5	
Inflation	4	
Unavoidable increases - Recycling publicity - MRF gate fee - Avoided Disposal Income - Sale of paper	5 29 120 26	Relates to new service Same price per tonne but more tonnage Payment from BCC Income lower than expected due to contamination
Saving / Income Increases - Refuse and Recycling Changes - Additional Recycling Credits - Green Waste Income - Sale of textiles - Colne Valley Park - Car Park Income - Grasscutting - Environmental improvements - Land Charges income	-237 -69 -15 -6 -13 -44 -7 -1 -18	Primarily savings on contract costs Made one off payment in 2013/14
Other Changes	-9	
2015/16 Draft Budget	1,609	

- 6.5. Further details of the budgets for each area are shown within the booklet.
- 6.6. The Portfolio Holder is asked to consider the 2015/16 draft revenue budget and consider whether to approve this.

Risk Assessments

- 6.7. When considering the proposed budgets for the coming financial year it is important to be aware of the risks within the budgets. For this Portfolio the main risk areas are:
- Changing levels of recycling volumes of paper, glass and cans.
 - The cost of the refuse, recycling and ancillary services contract
 - Income from car parking.
- 6.8. The Portfolio Holder may wish to review what actions are proposed to attempt to manage and mitigate these risks.
- 6.9. An overall review of the main risk issues for the 2015/16 budget will be undertaken once the Cabinet has agreed a proposed budget. This review and proposed actions to mitigate the risks will be part of the final report to the Cabinet on the budget in February.

Service Reviews

6.10. As part of the joint working arrangements with Chiltern District Council, it is proposed that over time all services will be subject to detailed service reviews. It is anticipated that these reviews will improve quality and resilience, and reduce cost.

7. Fees and Charges

7.1. Included within the booklet are the list of proposed fees and charges for the Portfolio. All of the proposed fee increases have been built into the draft revenue budgets.

7.2. The fees and charges which are determined by the Council have mainly been increased by 2% unless a specific level of charge has been identified by Cost Centre Managers.

7.3. The Portfolio Holder is asked to consider the list of fees and charges and consider whether to approve these. Income may be in some service areas an important factor in reducing expenditure.

8. Conclusion

1. Members are requested to advise the Portfolio holder on the approval of the following items for onward submission to Cabinet:

- the 2015/16 revenue budget
- the 2015/16 fees and charges.

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Background Papers:	

Attachment A:

South Bucks District Council

Our Purpose: to deliver great value, customer-focused, sustainable services

We will deliver cost-effective, customer-focused services

1. Provide great value services

- Optimise the effectiveness of our resources and assets
- Reduce costs through the shared services programme with Chiltern District Council
- Find more efficient ways of working, including reduced democratic costs through lower numbers of Members

2. Listen to our customers

- Consult with you on key issues and respond to results
- Develop our new web site, making information easier to find

3. Provide excellent services

- Agree a vision for outstanding service delivery
- Attract, retain and develop dedicated staff

We will work towards safer and healthier local communities

1. Improve community safety

- Work with partners to reduce crime, fear of crime and antisocial behaviour
- Work with young people at risk of becoming involved with crime

2. Promote healthier communities

- Address the needs of the elderly and those who are vulnerable
- Work with communities affected by the closure of services to deliver them in alternative way
- Work with Buckinghamshire County Council to influence the next phase of the local transport plan

3. Promote local communities

- Support the voluntary sector and promote volunteering
- Engage with Parish and Town Councils and local neighbourhoods
- Work with the local MP, voluntary and community groups through the Cohesion and Inequalities Forum to develop and deliver a local action plan, enhancing community life
- Work to support the economy through affordable homes and the introduction of an economic plan

We will strive to conserve the environment and promote sustainability

1. Conserve the environment

- Conserve the Green Belt through the planning process
- Challenge the Airports Commission's proposed increased airport capacity for Heathrow
- Safeguard our heritage for future generations
- Seek to minimise the impact on environments and communities caused by HS2 in partnership with other councils

2. Promote sustainability

- Support South Bucks people to increase recycling and reduce waste through the new waste programme launched in March 2014
- Complete the Local Development Plan documents
- Promote a healthy, sustainable and safe built environment
- Promote energy efficiency in the Council's operations
- Support South Bucks people to reduce their carbon emissions
- Support the roll out of broadband to enable more working from home

Our Priorities, goals and promises 2014 - 2019

 www.southbucks.gov.uk

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South Bucks
District Council