

SUBJECT:	Portfolio Budgets 2016/17
REPORT OF:	Councillor Trevor Egleton – Healthy Communities Portfolio Holder
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WARD/S AFFECTED	All

1. Purpose of Report

- 1.1. To provide Members with information on the draft revenue budget for 2016/17, including the context of the overall financial position facing the Council for the coming year.
- 1.2. This report provides summary information on the budgets and highlights issues for consideration. The accompanying booklet presents the detailed information to assist Members in their decision making.

RECOMMENDATION

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

- the 2016/17 revenue budget
- the 2016/17 fees and charges.

2. Context to the 2016/17 Budget

- 2.1. As a result of the Government's deficit reduction strategy, local authority funding is subject to continuing significant reductions. Local authorities also face constraints on the level of council tax increases.
- 2.2. It would therefore 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.
- 2.3. The progressing work with Chiltern DC is resulting in more services being provided by joint teams. Where this affects budgets in this Portfolio area it is highlighted in the detailed information. Note: At present when a service is hosted at CDC then the detailed budget information is held at CDC, and the SBDC budgets only show the appropriate expenditure contribution. For next year the Finance team will be reviewing the presentation of shared service budgets in order to allow greater scrutiny of the detailed budgets at the non host authority.

- 2.4. The SBDC Overview & Scrutiny Committee established a Financial Savings Panel to look at potential savings options. This Panel reported back to the Overview & Scrutiny Committee on 11th November 2015 and recommended that a number of saving options are progressed. None of these options have yet been built into the draft budgets.

3. Budget Assumptions

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

- Salaries inflation from April 2016 of 1%
- Contracts inflation 1.9% (unless different rate specified within contract)
- Business rates 1.9%
- Gas 1.8%, Electricity 9% and Water 1.9%
- Insurance 3.5% - as Insurance Premium Tax has gone up from 6% to 9.5%.
- Other expenditure heads 0%
- Income 0%.

4. Summary Revenue Budgets

- 4.1. 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.
- 4.2. The budgets have been reviewed by the appropriate service manager for any material volume or changes related to maintaining current service standards.
- 4.3. The net budget figures for the Portfolio are shown below. A more detailed breakdown by service is shown within the booklet.

Actuals 2014/15 £'000	Budget 2015/16 £'000	Draft Budget 2016/17 £'000
1,520	1,418	1,480

- 4.4. The increase from the current year's approved budget to the 2016/17 draft budget is £82k (5.8%). The main changes are detailed below:

	£'000	Comment
2015/16 Budget	1,418	
Change in Salaries		
- Provision for pay increase	6	
- Environmental Health	3	Increments / staffing changes
- Joint Community Safety	-2	Slight reduction in FTE
- Stoke Poges Memorial Gardens	5	Increments / staffing changes
- Joint Housing/Homelessness	14	Increase in staffing pressures
Inflation		
- On expenditure	8	

	£'000	Comment
Savings / Income Increases		
- H&H Corporate	-5	Saving on miscellaneous expenses
- Joint Community Safety	-7	Savings on mileage claims and business expenses
- Joint Community Safety	-7	TVP funding no longer required
- Joint Community Safety	-7	Reduction in project costs
- Joint Community & Leisure	-9	Savings generated by joint service
- Evreham Centre	-3	Savings on contract services
- Beacon Centre	-17	Savings on contract services
Other Changes		
- H&H Corporate	10	Staff costs previously covered by Green Deal funding
- Joint Housing/Homelessness	15	Increase in B&B costs
- Joint Licensing	17	Reduction in estimated licensing income
- Joint Community Safety	23	Contribution from TVP ending
- The Academy Golf Course	18	Temporary staffing costs
2016/17 Draft Budget	1,480	

4.5. Further details of the budgets for each area are shown within the booklet.

5. Commentary on Budgets

Main Elements of the Budget

5.1. The main elements of this budget are as follows.

- The provision of Corporate advice on Sustainability, Emergency Planning, Corporate Health and Safety and Business Continuity enables the councils to meet its statutory obligations and to take opportunities to attract funding or invest to save where possible.
- Environmental Health (Food and Health & Safety, Nuisance and Public Health investigation and enforcement, Pollution Control including Air Quality and Contaminated Land interventions, and Dog and Pest Control, Climate Change and Carbon Management). Expenditure to third Party Contracts is mainly through the use of Agency Staff as required, equipment purchases, the provision of free pest control treatments and the collection of Stray Dogs by SDK Environmental. The new shared service aims to reduce its costs and attract income from other authorities, businesses and through the delivery of projects funding from central government.
- Enabling Affordable Housing provision, Homelessness and Housing Allocations, Housing Standards Enforcement and the provision of Disabled Adaptations. Third Party costs relate to the provision Emergency Housing provision, the allocation of disabled adaptations, the prevention of homelessness and the operation of the housing allocation system 'Buck Home Choice'.
- Licensing undertakes the councils licensing service to protect the public. The service enforces standards in relation to; Taxi and Private Hire, Premises, Animal Health, Scrap Metal, Caravan and Gambling licensing and the authorisation of street and house to house collections. Through reducing operational costs and managing the licence application fees, the service aim is to achieve a balanced budget.

- Community Safety works across the Community Safety Partnership to address crime and disorder, including ensuring the appropriate measures are in place to safeguard the community.
- Community and Leisure Provision including the administration of the Leisure contract with Greenwich Leisure Limited which will deliver a net income of £38,721 to the Council. This net income increases each year and is forecast to rise to £87,543 by 2020/21. The community team will work with partners to utilise Council grants and attract funding and support the delivery of services by the community and taking opportunities to celebrate the contribution of groups and individuals.
- This budget includes the management of three cemeteries and Stoke Poges Memorial Gardens. The main challenges here are increasing income to help reduce costs.

Budget Priorities

5.2. The budget reflects the following Council priorities.

- Improve community safety
- Promote healthier communities
- Promote local communities
- Promote sustainability
- Conserve the environment

Risks

5.3. 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:

- Homelessness expenditure as this is demand driven and is sensitive to the general economic climate.
- The cost of defending appeals and prosecutions arising for enforcement activity across the service or from appeal decisions against the Licensing or Housing decisions. Those appeals/prosecutions which result in court hearing can incur legal representation, court costs, and on occasions damages
- Resourcing the necessary consultation and mitigation implications that are arising from the major infrastructure projects within South Bucks.
- Academy golf course income.

5.4 The actions taken to mitigate or monitor these risks are as follows.

- With a limited supply of emergency accommodation provision is managed through use of B&B, temporary tenancy arrangements in the General Needs housing stock and through innovative arrangements with Thames Valley Police, Paradigm Housing and L+Q to bring empty properties in to use. The Council also supports a range of initiatives to increase the affordable housing supply but with the impact of the Welfare Benefit changes announced in the Budget Housing Providers have put a hold on investment. Requests for Homelessness advice and assistance have doubled since 2013 requiring additional temporary resources in the Housing Team to meet demand and support families avoid becoming homeless. Weekly monitoring of the numbers in Temporary Accommodation and B+B is undertaken.

- With an increased number of major transport infrastructure initiatives impacting on South Bucks, staff resources are being redeployed following the shared service review to support the consultation and mitigate the potential impact of the projects. Cabinet has also agreed to allocate £20,000 from the infrastructure projects budget to support some of this workload.
 - Budget monitoring and regular meetings with the Portfolio Holder.
- 5.5. An overall review of the main risk issues for the 2016/17 budget will be undertaken once 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.

Opportunities and Plans for Improvement

- 5.6. The introduction of shared services has improved resilience, service quality and reduced costs. Additional service improvements will result from reviewing the processes and procedures and removing unwanted service demand. The mobile working, customer services and channel shift projects will enable the service areas to build on the work already embedded in the division. Opportunities are to be taken to maximise income through external funding or delivering services for others building on current success.

6. Fees and Charges

- 6.1. The Budget Booklet also contains the list of proposed fees and charges. All of the proposed fee increases have been built into the draft revenue budgets.
- 6.2. 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.

7. Links to Council Policy Objectives

- 7.1 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 and that any material risks are assessed.

8. Next Step

- 8.1 The Cabinet will consider the outcome of the PAG discussions at its February meeting when it will formulate a final draft of the overall 2016/17 budget for the Authority.

Background	None
Papers:	