

<b>SUBJECT:</b>	<b>Portfolio Budgets 2012/13</b>	
<b>REPORT OF:</b>	<b>Officer Management Team -</b>	<b>Director of Resources</b>
	<b>Prepared by</b>	<b>- Head of Finance &amp; IT</b>

## 1. Purpose of Report

- 1.1. To provide members with information on the draft revenue budget for 2012/13, including the context of the overall financial position facing the Council for the coming year. The report will seek approval for the:
- 2012/13 draft revenue budget
  - 2011/13 fees and charges
- 1.2. Normally Members would also be requested to consider any revenue growth bids put forward at this stage and decide which if any should be supported to go forward for consideration by the Cabinet, and to indicate if appropriate any priority between the bids. However no revenue growth bids that fall within the remit of this PAG have been put forward.

## 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, and that any material risks are assessed.

## 3. Context to the 2012/13 Budget

- 3.1. The 2012/13 budget must be seen in the context of the most extensive reductions in funding of public services since the 1970's, as the Coalition Government seeks to reduce the national budget deficit.
- 3.2. In 2012/13 the amount of Government grant that this Council will receive will reduce by £371,000 (15%). This is on top of the cut of £545,000 (18%) in 2011/12. This funding reduction combined with the effect of continuing low interest rates has significant financial implications for South Bucks. The Council has already agreed a programme of reductions to expenditure and the savings relevant to this Portfolio area are reflected in the budgets in this report.

Grant figures    2010/11 - £3,014,634  
                       2011/12 - £2,469,990  
                       2012/13 - £2,098,543

- 3.3. At the time of preparing this report it is not known how much grant will be received from 2013/14 onwards, however further cuts in Government funding are to be expected. Therefore it is likely that further savings will be required between 2013/14 and 2014/15. Therefore there will be no discretionary increase in expenditure for the foreseeable future. The Council aims appended to the report will have to be achieved within existing resources.
- 3.4. Services are increasingly likely to be provided on a mixed commissioning model where the Council uses its resources through contracts or agreements with the private sector, the community sector, other local authorities, or local groups to deliver its services and achieve its aims.

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

- Salaries inflation from April 2012 of 2%
- Contracts inflation 3% (unless different rate specified within contract)
- Business rates 3%
- Gas 5%
- Electricity 5%
- Other expenditure heads 0%
- Income 2%.

3.6. In respect of pay settlements the Council will decide the final figure for any salary increase for next year based on the advice of Personnel Committee.

3.7. The Cabinet will consider the outcome of the PAG discussions at its February meeting when it will formulate a final draft of the overall 2012/13 budget for the Authority.

#### 4. Budget Booklet

4.1. 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.

#### 5. Revenue Budgets 2012/13

5.1. 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.

5.2. The budgets have been reviewed by the appropriate service manager for any material volume or changes related to maintaining current service standards.

5.3. The net budget figures for the Portfolio are shown below. A more detailed breakdown by service is shown on page 3 of the booklet.

Actuals 2010/11 £'000	Budget 2011/12 £'000	Draft Budget 2012/13 £'000
4,336	4,410	4,110

5.4. The decrease from the current year's approved budget to the 2012/13 draft budget is £300,000 (6.8%). The main changes are detailed below:

	£'000	Comment
<b>2011/12 Budget</b>	<b>4,410</b>	
Change in salaries - Cost of living increase & increments	47	Includes provisional allowance for 2% payrise
Inflation - On expenditure	63	
Unavoidable increases - Cut in housing benefit admin grant	22	Cut in Government grant
Transfer - To Community PAG	-3	
Saving - Rent reviews - No residents survey 12/13 - Democratic savings - Finance in house bid savings - External audit fee - ICT contract and other ICT savings - R&B contract - Additional CTax court costs - Reduction in training budgets - Reduction in printing budgets	-15 -9 -17 -29 -12 -35 -294 -20 -4 -3	£5k Stoke Place; £10k Bath Road Depot Including £9k saving on subscriptions Following market testing of finance service Reduction in scope of work Following retender of contract Following retender of contract Budget increased in line with likely income
Other Changes - Other	9	Various minor adjustments
<b>2012/13 Draft Budget</b>	<b>4,110</b>	

5.5. Full details of the budgets and the changes from the current year for each service are shown within the booklet.

5.6. The Portfolio Holder is asked to consider the 2012/13 draft revenue budget and consider whether to approve this.

### Risk Assessments

5.7. 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:

- Housing benefits - the grant should ensure that in most cases 100% of benefit paid is reclaimable however the various incentive areas introduce some variability to this and given the large sums involved there is still a risk that the amount payable may differ from the standard rate as some costs may be ineligible for grant.
- For property leases there are risks if void levels are higher than budgeted.

5.8. The Portfolio Holder may wish to review what actions are proposed to attempt to manage and mitigate these risks.

5.9. An overall review of the main risk issues for the 2012/13 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.

## 6. Fees and Charges

- 6.1. Included within the booklet (page 47) 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.
- 6.2. The fees and charges have mainly been increased by 2% unless a specific level of charge has been identified by Cost Centre Managers.
- 6.3. 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.

## 7. Recommendation

1. Members are requested to advise the Portfolio holder on the approval of the following items for onward submission to Cabinet:
  - the 2012/13 revenue budget (pages 3-45 of booklet)
  - the 2012/13 fees and charges (page 47 of booklet)

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<b>Background Papers:</b>	

## Appendix: Corporate Plan 2010-20 (Aims and Priorities)

<b>Aim 1: Thriving Economy - lifelong enterprise, the entrepreneurial heart of Britain</b>
<ul style="list-style-type: none"> <li>• Support for local businesses and families during the recession</li> <li>• Enable local people to live and work locally</li> <li>• Support a local economy which balances availability of labour with types and levels of employment, including developing skills required for the future</li> <li>• Increase affordable housing for local people entering the housing market, key workers and an ageing population</li> <li>• Help to keep essential services within our high streets and towns and village centres</li> <li>• Enable local people and businesses to take opportunity of 2012 Olympics</li> </ul>
<b>Aim 2: Sustainable and Clean Environment - protecting our heritage, protecting our future</b>
<ul style="list-style-type: none"> <li>• Support and educate residents and local businesses to achieve a reduction in carbon emissions and adapt to climate change. Lead by example</li> <li>• Place shaping - conserve and enhance towns and villages, whilst safeguarding the Green Belt</li> <li>• Review conservation areas and use key site briefs to take a proactive approach to plan ahead on specific sites</li> <li>• Continue to improve the street scene and cleanliness of the district as a key public services coordinator</li> <li>• Monitor, protect and plan for improvements to the environment</li> <li>• Increase participation in recycling, reusing and reduce waste going to landfill</li> </ul>
<b>Aim 3: Safe Communities- - being safe, feeling safe</b>
<ul style="list-style-type: none"> <li>• Achieve a reduction in crime and an increase in clear up rates, in partnership</li> <li>• Lobby and work with the Police to achieve more effective policing</li> <li>• Reduce the impact of antisocial behaviour in our community</li> <li>• Reduce fear of crime</li> <li>• Encourage Bucks County Council to improve traffic management and road safety</li> </ul>
<b>Aim 4: Health and well-being - healthier, happier and longer lives</b>
<ul style="list-style-type: none"> <li>• Support PCT and other partners in improving health and well-being of residents</li> <li>• Promote healthy lifestyles including reducing obesity particularly in young people</li> <li>• Design leisure services that encourage access for all, improve health and provide support for older and younger people</li> <li>• Reduce health inequalities and ensure comprehensive information on support and services is available to everyone</li> <li>• Deliver improved access to services, tailored to meet the needs of individuals and reduce social isolation</li> </ul>
<b>Aim 5: Cohesive and strong communities - strong, confident and active communities</b>
<ul style="list-style-type: none"> <li>• Increase community participation and volunteering and maintain support for the voluntary and community sector</li> <li>• Support individual Councillor engagement with their communities to feedback need</li> <li>• Encourage people to have their say and shape local decisions</li> <li>• Help communities to get on well together through encouraging and supporting community events</li> <li>• Better engagement with vulnerable and hard to reach groups to help improve community cohesion and tackle inequalities</li> <li>• Improve access to Council Services by encouraging use of the Council's website whilst improving other means of access for those without computers</li> </ul>