

POLICY & FINANCE COMMITTEE REVENUE BUDGET 2018/19

1.0 Purpose of Report

- 1.1 To inform the Committee of the budget and scales of fees & charges for those areas falling under the remit of the Policy & Finance Committee for 2018/19.

2.0 Background Information

- 2.1 Business Managers and service budget officers have been working with officers from Financial Services to determine a first draft General Fund Budget and Medium Term Financial Plan. The budgets have been prepared in line with the strategy agreed by Policy & Finance Committee on 21 September 2017.
- 2.2 As part of the budget strategy it was agreed that the functional Committees be requested to look at opportunities for savings in 2018/19 and also any investment potentials which would increase and support revenue income levels, in order to reduce the projected burdens in future years. Members of this Committee are asked to identify any 'spend to save' initiatives in order that these can be considered by the Policy and Finance Committee.
- 2.3 The Policy & Finance Committee met on 30 November 2017 to scrutinise the budget and continue to look for ways to achieve further savings in 2018/19 and future years. The budget proposals attached at **Appendix A** have been developed following consideration by the Committee.
- 2.4 It was agreed that Business Managers should continue to work with officers from Financial Services to formulate a final budget for submission to Policy & Finance Committee on 25 February 2018. The current budget proposals are attached at **Appendix A**. A schedule of fees and charges pertaining to Policy & Finance Committee are attached at **Appendix B**.

3.0 Revenue Budget Proposals

- 3.1 The current draft budget shows a decrease in 2018/19. Direct service expenditure excluding deferred and capital charges, and all central services recharges currently shows an overall reduction of £126,040 against 2017/18 budget. When central recharges and capital are included this becomes a saving of £237,340.
- 3.2 This budget figure includes an average of 2% inflation on expenditure and income, as approved by the Policy & Finance Committee at its meeting on 21 September 2017. It also assumes a 2.5% increase in salary and wages costs overall in 2018/19. Superannuation budgets include the increased percentage contribution announced by the actuary in February 2017.
- 3.3 Staffing costs of £3.724m account for approximately 63% of the gross service budget (excluding housing benefits, capital and central recharges) and significant budget savings cannot be achieved without affecting staffing levels.
- 3.4 Major variances between 2017/18 and 2018/19 are shown below:

- 3.4.1 Electoral Registration – the savings are as a result of Government grant towards implementing individual electoral registration which continues to be received.
- 3.4.2 Bank Charges – additional costs of Girobank charges as a result of the move to cashless offices.
- 3.4.3 Human Resources – the increase is due to inflationary pressures as shown in 3.2 above.
- 3.4.4 Policy & Commissioning – a restructure has resulted in the Policy & Commissioning and Performance business units being combined and a new Corporate Development team being created.
- 3.4.5 Committee Section – in addition to the inflationary pressures in 3.2 above there is a further budget of £7k for ongoing maintenance of the Modern.Gov committee management software solution which Democratic Services are looking to purchase.
- 3.4.6 Kelham Hall & Kelham Hall Events – following the sale of Kelham Hall there are no budgets for future years.
- 3.4.7 Building Services – this budget has been combined incorporated into the Castle House budget.
- 3.4.8 Corporate Management Team – in addition to the inflationary pressures at 3.2 above a one off budget of £40k for professional services has been included in 2018/19.
- 3.4.9 Financial Services – the budget for 2018/19 includes a sum of £35k for a one off purchase of new income processing software. This will be funded from the ICT Repairs and Renewals reserve.
- 3.4.10 Performance – see 3.4.4 above
- 3.4.11 Rent Allowances – the level of anticipated government grant has been reduced.
- 3.4.12 Housing Benefit Administration - the increase is due to inflationary pressures as shown in 3.2 above.
- 3.4.13 Castle House – the budget for 2018/19 is a full year budget (17/18 – 7 months) and includes the budget for Building Services.
- 3.4.14 Ollerton Hall – includes a small budget for emergency repairs.
- 3.4.15 Corporate Property - the increase is due to inflationary pressures as shown in 3.2 above.
- 3.4.16 Corporate Development – see 3.4.4 above
- 3.4.17 Other Financial Transactions – the provision for savings from vacant posts has been increased from £150k to £320k as agreed as part of the budget strategy
- 3.4.18 Moving Ahead – this budget contained all the costs of the project to move to Castle House and has been funded from reserves. The project is now complete.

4.0 Fees and Charges

4.1 The level of fees and charges has been considered by officers within the framework set out in the Corporate Charging Policy. Proposals for increases in fees and charges are attached at **Appendix B** for consideration and recommendation to Policy & Finance Committee on 22 February 2018 and Council on 8 March 2018.

5.0 Conclusions

5.1 It is important that the Committee continues to scrutinise and review its budget in order to achieve additional savings in future years at a time when the Council is facing reducing government grants and other financial pressures.

6.0 RECOMMENDATIONS that:

(a) the final Committee budget as shown at Appendix A be recommended to Policy & Finance Committee at its meeting on 22 February 2018 for inclusion in the overall council budget; and

(b) the scales of fees and charges as shown at Appendix B be recommended to Policy & Finance Committee at its meeting on 22 February 2018 and Council on 8 March 2018.

Reason for Recommendations

To ensure that the final budget proposals and the level of fees and charges for 2018/19 are recommended to Policy & Finance Committee on 22 February 2018.

Background Papers

None

For further information please contact Nick Wilson on Extension 5317 or Amanda Wasilewski on Extension 5738.

Nick Wilson
Business Manager - Financial Services

BUDGET SUMMARY

APPENDIX A

POLICY & FINANCE

CODE	DESCRIPTION	2017/18 INITIAL BUDGET	2018/19 BASE BUDGET	MORE/(LESS)
A10601	ELECTORAL REGISTRATION	85,390	69,990	(15,400)
A10803	INTERNAL AUDIT	80,670	76,920	(3,750)
A10805	INCOME SECTION	24,770	26,220	1,450
A10806	BANK CHARGES	93,370	113,820	20,450
A10807	MORTGAGE ADMINISTRATION	(2,860)	(3,090)	(230)
A10812	HUMAN RESOURCES	182,390	193,240	10,850
A10815	POLICY & COMMISSIONING	148,430	0	(148,430)
A10818	COMMITTEE SECTION	200,490	218,840	18,350
A10819	LEGAL SECTION	176,700	182,840	6,140
A10821	KELHAM HALL	62,330	0	(62,330)
A10827	BUILDING SERVICES	96,320	0	(96,320)
A10832	CENTRAL TELEPHONES	50,460	48,150	(2,310)
A10833	CENTRAL POSTAGES	44,880	39,780	(5,100)
A10841	CENTRAL PERSONNEL EXPENSES	111,140	111,390	250
A10842	OTHER EMPLOYEE EXPENSES	17,770	19,450	1,680
A10845	INFORMATION GOVERNANCE	65,120	72,340	7,220
A10864	CORPORATE MANAGEMENT TEAM	649,020	736,400	87,380
A10895	FINANCIAL SERVICES	402,920	442,610	39,690
A10896	PERFORMANCE	81,390	165,290	83,900
A10897	PROCUREMENT	40,810	41,200	390
A10898	ADMINISTRATION SERVICES	338,540	348,300	9,760
A10904	COUNCIL TAX	(25,380)	(21,210)	4,170
A10905	RENT ALLOWANCES	(16,950)	25,500	42,450
A10907	RENT REBATES	20,070	20,000	(70)
A10908	HOUSING BENEFIT ADMIN	71,040	81,420	10,380
A10910	DISCRETIONARY HOUSING PAYMENTS	0	0	0
A11122	RISK MANAGEMENT	67,200	71,670	4,470
A11332	KELHAM HALL GROUNDS	(1,120)	0	1,120
A11831	CASTLE HOUSE	47,020	118,810	71,790
A11832	OLLERTON HALL	0	15,000	15,000
A11841	CORPORATE PROPERTY	217,200	229,150	11,950
A11844	CORPORATE DEVELOPMENT	0	67,610	67,610
A11901	MEMBERS EXPENSES	281,520	276,970	(4,550)
A11902	CIVIC EXPENSES	24,380	20,910	(3,470)
A11911	OTHER FINANCIAL TRANSACTIONS	(150,000)	(320,000)	(170,000)
A11912	MISCELLANEOUS LOANS	0	0	0
A12301	ELECTION EXPENSES	37,030	33,440	(3,590)
A12505	TRANSFERRED ASSETS	0	0	0
A12507	MOVING AHEAD	122,110	0	(122,110)
A12510	DEMOCRATIC REPRESENTATION	5,000	500	(4,500)
A12512	ETHICAL GOVERNANCE & STANDARDS	500	300	(200)
A12520	CORPORATE MANAGEMENT	209,540	180,390	(29,150)
A12530	NON DISTRIBUTED COSTS	0	0	0
A15028	COMBINED SERVICE COSTS	133,930	125,680	(8,250)
A15029	CORPORATE PRINTERS	37,460	38,220	760
A15030	KELHAM HALL EVENTS	(36,510)	0	36,510
	TOTAL	3,994,090	3,868,050	(126,040)

CODE	DESCRIPTION	2017/18 INITIAL BUDGET	2018/19 BASE BUDGET	MORE/(LESS)
	Central Recharges	3,469,520	3,607,770	138,250
	Capital Charges	103,930	175,270	71,340
	Income from recharges	(4,375,850)	(4,696,740)	(320,890)
	TOTAL	3,191,690	2,954,350	(237,340)

BUDGET SUMMARY

POLICY & FINANCE SUBJECTIVE SUMMARY

CODE	DESCRIPTION	2017/18 INITIAL BUDGET	2018/19 BASE BUDGET	MORE/(LESS)
111	SALARIES AND WAGES	3,146,710	2,877,540	(269,170)
112	OTHER SALARIES/WAGES PAYMENTS	31,390	31,390	0
113	NATIONAL INSURANCE	323,630	351,130	27,500
114	SUPERANNUATION	398,990	442,570	43,580
115	OTHER EMPLOYERS CONTRIBUTIONS	24,500	21,000	(3,500)
	EMPLOYEE SUB TOTAL	3,925,220	3,723,630	(201,590)
211	REPAIRS AND MAINTENANCE	52,240	111,130	58,890
212	ENERGY COSTS	100,800	27,000	(73,800)
214	RATES	130,800	120,200	(10,600)
215	WATER SERVICES	15,090	7,500	(7,590)
217	CLEANING AND DOMESTIC	4,660	7,000	2,340
219	CONTRIBUTION TO FUNDS	135,700	115,150	(20,550)
315	CAR ALLOWANCES	35,140	63,190	28,050
411	EQUIPMENT AND FURNITURE	7,420	5,750	(1,670)
412	MATERIALS	200	200	0
421	CATERING	550	10,500	9,950
431	CLOTHING AND UNIFORMS	1,280	750	(530)
441	GENERAL OFFICE EXPENSES	84,350	85,040	690
451	CONTRACTUAL	362,590	385,880	23,290
452	OTHER SERVICES	194,730	233,090	38,360
461	COMMUNICATIONS AND COMPUTING	528,830	494,470	(34,360)
471	STAFF	15,760	19,590	3,830
472	MEMBERS	253,310	247,350	(5,960)
473	CHAIRMAN	10,180	7,630	(2,550)
482	SUBSCRIPTIONS	38,740	41,240	2,500
491	INSURANCE	85,900	84,120	(1,780)
493	OTHER	131,550	139,210	7,660
611	HOUSING BENEFITS	25,262,000	24,475,000	(787,000)
711	ADMIN BUILDINGS	217,630	182,110	(35,520)
712	CENTRAL DEPARTMENT SUPPORT	2,527,030	2,913,390	386,360
713	CSS MONTHLY PERCENTAGE RECHGS	61,350	59,600	(1,750)
714	CENTRAL EXPENSES	508,200	416,670	(91,530)
715	DEPARTMENTAL ADMINISTRATION	155,310	36,000	(119,310)
821	CAPITAL CHARGE	103,930	175,270	71,340
	RUNNING EXPENSES SUB TOTAL	31,025,270	30,464,030	(561,240)

CODE	DESCRIPTION	2017/18 INITIAL BUDGET	2018/19 BASE BUDGET	MORE/(LESS)
911	Government Grants	(25,440,880)	(24,628,500)	812,380
922	Contributions From Other Las	(182,860)	(164,300)	18,560
928	Recharge Non Gf Accounts	(898,040)	(919,770)	(21,730)
931	Sales	(1,500)	0	1,500
932	Fees And Charges	(373,000)	(416,100)	(43,100)
933	Rents	(235,220)	(191,400)	43,820
939	Other Receipts	(251,450)	(251,500)	(50)
951	Recharge Gf Rev Accounts	(4,375,850)	(4,696,740)	(320,890)
	INCOME SUB TOTAL	(31,758,800)	(31,268,310)	490,490
	COMMITTEE TOTAL	3,191,690	2,919,350	(272,340)