

HINCKLEY AREA COMMITTEE - 30 JANUARY 2012

REPORT OF DEPUTY CHIEF EXECUTIVE (CORPORATE DIRECTION) RE: HINCKLEY (SPECIAL EXPENSES) AREA REVENUE BUDGETS 2012/13

1. PURPOSE OF REPORT

To present the revenue budgets and Council Tax for 2012/13 for the Special Expenses area of Hinckley.

2. RECOMMENDATION

That the Committee considers the revenue budgets for 2012/13 for the Special Expenses Area of Hinckley, as set out in paragraph 3 of this report.

3. BACKGROUND TO REPORT

3.1 Introduction

The 2012/13 revenue budget will be presented to Council for approval on 24 February 2011 and these will include the budget for Special Expenses items in Hinckley. The Council's constitution requires that all budgets are approved by full Council.

This report presents the budget relating to the Special Expenses Area of Hinckley for the Committee to consider and make recommendations to Council.

3.2 Revenue Budgets 2012/13

The budget for 2012/13 together with the latest figures for 2011/12 are shown in Appendix 1.

The proposed budget has been drawn up in accordance with the principles set out in the Budget Strategy endorsed by Finance, Audit and Performance Committee and Executive in October 2011 and in accordance with the Medium Term Financial Strategy. Essentially this sets a target budget which is based on the original budget for 2011/12 adjusted for pay awards and contractual price reviews and the effect of previously approved growth items.

Revised budget 2011/12

The overall position is a reduction in net budgeted expenditure of £110. This is made up as follows:

i) Parks

This shows a net reduction in expenditure of £1,300 resulting from:

- Impact of zero pay award -£1,300

ii) Cemeteries

This shows an increase of £1,190 resulting from:

- Impact of zero pay award -£1,650

• Additional cost of maintenance of Cemetery Booking system	£2,840
	<hr/>
Total Reduction	<u>£110</u>

Budget 2012/13 (as compared to Original Budget 2011/12)

Parks

This shows an increase of £4,090 arising from:

• Increased staffing costs due to reallocation of Employees costs between services	+£11,770
• Increased costs of contracts	+£10,440
• Reduced cost of Pumping Station	-£8,260
• Reduced cost of Car Allowances	-£2,100
• Reduced Central Support Charges	-£ 990
• Additional income from shared employees	-£6,990

Cemeteries

This shows a £14,300 increase in net expenditure resulting from:

• Increased staffing costs due to reallocation of Employees costs between services	+£8,090
• Increased costs of contracts	+£4,170
• Reduced cost of Electricity	-£1,790
• Increased Central Support Charges	+£3,980
• Additional income from shared employees	-£2,330

4. LEVEL OF COUNCIL TAX

The Tax Base (number of chargeable properties) in the Special Expenses Area has increased by 0.8% for 2012/13, producing a proportionately greater amount of income for any given level of Council Tax. It is recommended that the Council Tax for the Special Expenses Area is frozen for 2012/13 at £59.22 for an average Band D property. This does however mean that there would be a surplus on the year of £67,100 which, if events were allowed to take their course, the balances at the end of the year would be £258,000. This level of balances is far in excess of the balances required to meet the Council's minimum policy of 10% of net budget requirement. In order to reduce these balances it is recommended that a Revenue Contribution to Capital Outlay be made of £25,170 in 2011/12 and £118,560 in 2012/13. This would relate to the two schemes currently in the draft capital programme as set out below.

Scheme	2011/12	2012/13
Richmond Park	18,560	118,560
Queen's Park	6,610	0
TOTAL	25,170	118,560

The draft budget is set out in Appendix A.

4. FINANCIAL IMPLICATIONS

As contained in the report.

5. **LEGAL IMPLICATIONS**

To be reported at the meeting (if any).

6. **CORPORATE PLAN IMPLICATIONS**

The recommended budgets will allow the relevant Corporate Plan objectives to be met.

7. **CONSULTATION**

No external consultation.

8. **RISK IMPLICATIONS**

It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives. It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision/project have been identified, assessed and that controls are in place to manage them effectively. The following significant risks associated with this report/decision were identified from this assessment:

9. **KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS**

None.

Management of Significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
None		

10. **CORPORATE IMPLICATIONS**

By submitting this report, the report author has taken the following into account:

- Community Safety Implications
- Environmental Implications
- ICT Implications
- Asset Management Implications
- Human Resources Implications

Background Papers: None

Contact Officer: David Bunker ext 5609

Revenue ESTIMATES

Appendix A

	2011/12 ORIGINAL ESTIMATE (Published) £	2011/12 LATEST ESTIMATE £	2012/13 ORIGINAL ESTIMATE £
SPECIAL EXPENSES (HINCKLEY)			
Urban parks	363,310	362,010	367,400
Cemeteries	161,770	162,960	176,100
Hinckley Town Centre Christmas Lights	2,000	2,000	2,000
Hinckley West Neighbourhood Watch	4,000	4,000	4,000
	<hr/> 531,080	<hr/> 530,970	<hr/> 549,500
Revenue Contribution to Capital Expenditure in Urban Parks	0	25,170	118,560
Contribution to Reserves	30,000	30,000	0
Contribution to/(from) balances	50,950	25,890	(51,460)
Net Expenditure	<hr/> 612,030	<hr/> 612,030	<hr/> 616,600
Tax Base (No. Band D Equivalent Properties)	10,335	10,335	10,412
Band D Equivalent Council Tax	<hr/> £59.22	<hr/> £59.22	<hr/> £59.22
SPECIAL EXPENSES BALANCES			
Balance (Deficit) b/fwd	<hr/> 89,200	<hr/> 139,958	<hr/> 165,848
Contribution to Balances	50,950	25,890	(51,460)
Use of Balances	0	0	0
	<hr/> 50,950	<hr/> 25,890	<hr/> (51,460)
Balance (Deficit) c/fwd	<hr/> 140,150	<hr/> 165,848	<hr/> 114,388