

SPECIAL SCRUTINY COMMISSION – 30 JANUARY 2012

REPORT OF DEPUTY CHIEF EXECUTIVE (CORPORATE DIRECTION)

RE: GENERAL FUND REVENUE BUDGET 2012/13

1.0 PURPOSE OF REPORT

The General Fund Revenue Budgets have been prepared taking into account the Capital and HRA budgets. The Capital and HRA budgets are presented as separate reports but should be read in conjunction with this report.

2.0 RECOMMENDATIONS

- 2.1 The General Fund service expenditure shown in Table 1 (page 2) be approved.
- 2.2 The Special Expenses area expenditure shown in Table 2 (page 3) be approved.
- 2.3 The total General Fund service expenditure for the Council shown in Table 3 (page 4) be approved.
- 2.4 The proposed movement of General Fund Reserves as set out in Appendix C (page 16/17) be approved.

3.0 BACKGROUND TO THE REPORT

- 3.1 The General Fund Revenue Budget for 2012/13 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. The key objectives can be summarised as follows:-
 - i) To align expenditure on services to the Council's Corporate Performance Plan.
 - ii) To provide for corporate-wide pressures for 2012/13 (and future years) as set out in the Council's Medium Term Financial Strategy (MTFS) and to provide accordingly for such expenditure. These corporate pressures are also set out in section 3.8.
 - iii) To maintain acceptable and viable levels of General Fund balances and reserves, to make provisions for known future funding and expenditure pressures as identified in the MTFS.
 - iv) To maintain an acceptable and viable level of balances in the Special Expenses Area. Details are provided in paragraph 3.3.2 of this report.
 - v) To keep the overall increase in average Band D Council Tax (including Special Expense Areas) to 0%. The General Fund budget presented in this report achieves this. Details are provided in section 6 of this report.

3.2 Budget Summary

The revised budget for 2011/12 and the original budget for 2012/13 are set out in Table 1 below. (Please note that for 2011/12 a formal revised budget has not been prepared)

Table 1 - General Fund Revenue Budget (excluding Special Expenses Area)

	Original Estimate 2011/12 £	Revised Estimate 2011/12 £	Original Estimate 2012/13 £
Central Services	3,183,820	3,207,940	2,898,560
Leisure and Environment	6,540,290	6,496,280	6,464,520
Housing (General Fund)	1,319,890	1,316,780	1,161,000
Planning	1,219,680	1,320,110	1,155,520
Direct Service Organisations	54,200	36,350	(53,190)
New Homes Bonus to Parishes	0	87,440	177,820
Identified Savings	0	1,044,940	0
Further Savings in Year	(175,000)	0	(100,000)
Total service expenditure	12,142,880	11,419,960	11,704,230
<i>Less:</i>			
<i>Special Expenses Area</i>	<i>(531,080)</i>	<i>(530,970)</i>	<i>(549,500)</i>
<i>Capital Accounting Adjustment</i>	<i>(1,133,060)</i>	<i>(1,136,160)</i>	<i>(1,461,900)</i>
<i>Net external interest (received)/paid</i>	<i>52,010</i>	<i>74,010</i>	<i>92,720</i>
<i>FRS17 Adjustment</i>	<i>(285,280)</i>	<i>(285,280)</i>	<i>(13,910)</i>
<i>Transfer to/(from) balances</i>	<i>(253,910)</i>	<i>217,492</i>	<i>(452,616)</i>
<i>Transfer to reserves</i>	<i>133,000</i>	<i>687,000</i>	<i>592,720</i>
<i>Transfer from reserves</i>	<i>(563,000)</i>	<i>(534,730)</i>	<i>(205,500)</i>
<i>Transfer to/(from) pensions reserves</i>	<i>115,470</i>	<i>115,470</i>	<i>119,030</i>
HBBC Budget Requirement	9,677,030	10,026,792	9,825,274

Note: The HBBC revised budget requirement differs from the original budget for 2011/12 because of the allocation of New Homes Bonus in 2011/12.

3.3 Special Expense Area

3.3.1 This represents the cost of parks, cemeteries and poop scoop schemes in the non-parished area of Hinckley. Whilst the cost will only fall on the residents of this area, the net expenditure is built into the service totals of Table 1 and must be included in the Council's overall budget requirement for capping purposes.

The proposed budgets for the Special Expenses area have been compiled in accordance with the approved General Fund Strategy.

Table 2 - Special Expenses Budget

	Original Estimate 2011/12 £	Revised Estimate 2011/12 £	Original Estimate 2012/13 £
Expenditure	531,080	530,970	549,500
<i>Transfer to/(from) balances</i>	50,950	25,900	(51,460)
<i>Transfer to Projects Reserve</i>	30,000	30,000	0
<i>Revenue contribution to Capital Expenditure in Urban Parks</i>	0	25,160	118,560
Net Expenditure	612,030	612,030	616,600

3.3.2 Balances in the Special Expenses Area at 31st March 2013 are estimated as follows:

	£
Balance at 1 st April 2011	139,958
Transfer to Balances 2011/12	25,900
	<hr/>
Estimated surplus at 31 st March 2012	165,858
Transfer from balances 2012/13	(51,460)
	<hr/>
Estimated Balance at 31 March 2013	114,398
	<hr/>

3.3.3 Earmarked reserves at 31 March 2013 are estimated to be £30,000 (31 March 2012: £30,000). An amount of £30,000 was put aside to meet the cost of Green Space projects within the Special Expenses Area principally the Brodick Road Open Space.

3.3.4 Revenue Contribution to Capital Expenditure in Urban Parks. In order to reduce the level of balances held in respect of Special Expenses it is suggested that a contribution from Revenue totalling £143,720 be made in respect of schemes in the 2011/12 and 2012/13 Capital Programmes in Queens Park and Richmond Park. This would ease the resource position in respect of the Capital Programme slightly.

A separate report was presented to the Hinckley Area Committee on 30 January 2012 and the Committee supported the recommendations contained in this report.

3.4 Total Council Budget for 2012/13

The total overall budget for 2012/13 in the direct control of the Council is therefore:

Table 3 - Total Council Budget 2012/13

	Original Estimate 2011/12	Revised Estimate 2011/12	Original Estimate 2012/13
HBBC Budget Requirement (Table 1)	9,677,030	10,026,792	9,825,274
Special Expenses Budget Requirement (Table 2)	612,030	612,030	616,600
Total Council Controlled Budget Requirement	10,289,060	10,638,822	10,441,874

3.5 Revised Original Budget 2011/12

3.5.1 At Council on 24 February 2011, the total service expenditure totals and the Authority's net budget requirement for the 2011/12 year were approved. As part of setting the budget for the forthcoming 2012/13 year, a revised budget for the current 2011/12 has not been prepared as the original budget for 2011/12 has, in accordance with the Council's agreed financial planning framework, been revised during the year to take account of Supplementary Budgets and Virements that have been approved during the year. To date it has been agreed that a net additional amount of £471,402 will be added to General Fund Balances, £110 added to Special Expenses Balances and a net additional £582,270 added to Earmarked Reserves to meet these changes in the budget.

At its meeting on 5th July 2011, the Council, when considering the final outturn position for 2009/10, agreed that £128,720 of the 2010/11 underspend should be carried forward to 2011/12 to allow for the completion of projects that were budgeted for in 2010/11 but not completed in that year. This was to be financed as follows:

	£'000
General Fund Balances	63
Reserves	59
Special Expenses Balances	3
Earmarked Grants and Income	4
TOTAL	129

During the year additional pressures and savings have been identified in the budget and these include the following significant items:

Additional Pressures

	£'000
New Homes Bonus to be paid to parishes	88
Additional MRP arising from additional borrowing in 2010/11 due to delays in Capital Receipts	79
Travel review buy out of Essential Users	60
TOTAL	227

Identified Savings/Income

	£'000
New Homes Bonus received	349
Zero pay award and no increments paid	171
Delays in recycling project - postponed to 2012/13	170
Additional recovery of overpaid housing benefit	170
Delays to Masterplanning in Earl Shilton and Barwell SUEs	69
Additional Planning fee income	50
TOTAL	979

3.6 Original Budget 2012/13

The 2012/13 General Fund revenue budget has been prepared following a robust budget process. This process is outlined below.

3.6.1 Budget Strategy

The budget strategy for 2012/13 was presented to the Executive in October 2011. In brief, the strategy was as follows:-

Each service area's "base budget" for the year 2012/13 to be based on the 2011/12 original budget after adjusting for capital accounting and external interest received. Supplies and Services budgets were to be based on the 2011/12 original budget. Non-recurring items were deducted from the base and recurring growth bids approved in 2011/12 were included. The "target" for 2012/13 budget is the "base budget" plus inflationary increases, taking into account pay and price increases (see paragraph 3.6.4 below). Each service manager reviewed the budgets for deliverable savings and where commitments or discretionary growths increased the budget above the target then these have been evaluated separately by the Strategic Leadership Board (SLB), Finance & Audit Select Committee and Executive members.

3.6.2 Consultation, Prioritisation and Resource Allocation

The Council consulted with the people of Hinckley & Bosworth Borough Council by conducting surveys through the Citizen's Panel. The purpose of the Survey was to obtain the views of people living in the Borough as to whether they considered the top five and bottom five priorities that they identified in 2006 remained the same and also asked the panel to identify areas where they would like to see more or less money being spent.

Managers have been tasked with examining the budgets under their control and to identify potential reductions in Expenditure or additional sources of Income in order to close the gap in the budgets.

3.6.3 Links with Strategic and Service Objectives

Clarity about priorities has allowed the Council to shift resources to support these priorities.

Clarity of priorities has also enabled cross-party members through the Scrutiny function to prioritise the projects included in the Capital Programme. Although the Capital Programme is the subject of a separate report, it is important to note that there are links between Capital and Revenue (e.g. interest from capital receipts, interest on borrowing, staffing costs etc). Therefore, the

Revenue Budgets have been prepared in conjunction with the Capital Budgets and not in isolation.

Service Improvement Plans have been prepared to support the Council's priority objectives. These Plans give a guide to how the Council will deliver the priorities and further clarify the resources needed to support them. This enables the service planning process to feed into the budget process and provides a mechanism for considering and approving changes and enhancements to service levels. The Service Improvement Plans for 2012/13 will be presented to the Strategic Leadership Board for approval in April 2012.

3.6.4 Pay and Price Increases

In order to drive efficiency savings within the cost of supplies and services, a rate of 0% has been applied to the 2011/12 original budget for non-contract related expenditure. As the average Retail Price Index for 2011/12 and 2012/13 is anticipated to be around 3.5%, the application of 0% represents an effective saving on running costs of around -3.5% or around £52,500.

For contracts, an inflation rate of 3.5% has been used, unless otherwise specified within the terms of the specific contract.

At just under £11m (including HRA : £1.4m) for 2012/13 the salaries and wages budget is a significant part of the total budget. For pay costs the 2012/13 estimates include a 1% increase for all employees.

Turnover of staff usually results in increased costs with advertising and use of temporary staff to cover key operational roles but inevitable delays in appointment arising from the Council's normal recruitment process will result in overall savings.

As usual, a full breakdown of the salary and wages figures by service areas will be supplied to members when final tax and spending decisions have been made.

The other significant change in the payroll budget is the increase in the employer's contributions for pensions' payments. The provision included in the 2012/13 budget and the implications for future years is dealt with in detail in paragraph 3.8.vi below.

3.7 Service Growths

Service Growths totalling £92,000 endorsed by the Strategic Leadership Board have been included in the draft budget and are detailed in Appendix A.

3.8 Corporate Issues

In addition to service pressures, there are a number of corporate issues, identified first in the MTFs, which have been addressed through the budget setting process and included in the base budget. These are fully detailed in the MTFs being considered at this meeting and the Budget Strategy approved by Executive in October 2011. A summary of these items is provided below.

i) Concessionary Travel

From 1 April 2011 responsibility for the administration and funding of the scheme transferred to the Leicestershire County Council. The funding for this (based on 2009/10 actual spend) has been removed from the Council's Grant Allocations and no expenditure or income have been included in either the 2011/12 or 2012/13 budgets.

ii) Income Reductions

A significant proportion of the Council's overall income comes from fees and charges made to users of particular services provided by the Council. The three major income streams are:

- a) Car Parks income
- b) Planning Application Fees
- c) Building Regulation Fees

In 2011/12 each of these income streams has behaved differently, Car Parks fees have been in line with the budget set for 2011/12 but it should be noted that the budget for that year was reduced to take into account the experience of 2010/11 and the impact of the current economic situation.

In respect of Planning Application Fees it is anticipated that the 2011/12 budget will be exceeded due in the main to a very large unexpected application being received. In view of major developments planned for the Borough in the next year the budget provision for Planning Fees has been increased to £500,000. This does not take into account the potential to increase the level of these fees mentioned in the Localism Bill.

Building Control Fees are likely to exceed budget in 2011/12 and the provision in 2012/13 has been adjusted to £152,640 this will show the service as breaking even as required by regulation.

iii) Interest Rate

The Base Rate is currently 0.5%. It has been at this level since March 2009. It is recognised that it is unlikely that the Base Rate will decrease any further and the next movement will be upwards, however there is a significant degree of uncertainty in the markets as to when this increase will occur, but it is not expected to be in the short term. HBBC has a positive cash flow i.e. its investments exceed its long-term and temporary loans. For the purpose of forecasts it is considered prudent to apply an average base rate of 0.75% for 2012/13. Reductions in interest rates have a significant impact on the Council's budget as its investment income has been significantly reduced in recent years.

iv) Benefit Payments

With a total budget for Council Tax Benefit and Housing Benefit of just over £15m a 1% variation can lead to an overspend (or underspend) of around £150,000. It was therefore considered prudent when agreeing the MTFs to set aside some funding as a contingency against an adverse variance. This reserve currently has a balance of £171,000. Central Government has also announced that it is looking to reduce the cost of Council Tax Benefits by 10% with effect from 2013/14. This is likely to cost this Council of the order of £740,000 in

reduced subsidy. It is therefore suggested that the Benefits Reserve be added to by £100,000 in 2011/12 and £250,000 in 2012/13 to help alleviate any costs that are not passed on to benefit recipients This would leave a balance of £521,000 in the reserve at 31 March 2013.

v) **Local Development Framework (LDF)**

The Local Development Framework consists of a series of statutory documents which set out the Council's spatial planning strategy for the local planning authority area. The requirement to produce this documentation is provided by the Planning and Compulsory Purchase Act 2004. This Act changes the approach to developing adopted policies used essentially to outline development plans across the Borough up until 2026 and to assess planning applications submitted to the Authority. Work on the LDF is ongoing and the timetable is laid out in the Local Development Scheme (originally published September 2004), a revised timetable for which was reported to Council in September 2009 and updated annually. An estimate of expenditure required to produce these documents has now been provided and profiled over the next 3 years. Qualifying expenditure will be funded from the Local Plan Reserve and provision will be made in future years to replenish this reserve and equalise the cost to the Tax payer over the years

vi) **Pension Fund Contributions**

The Leicestershire Pension Fund was re-valued as at 31 March 2010 in accordance with Statutory Requirements and was found to be in actuarial deficit i.e. the assets of the fund were less than those required to meet the long term liabilities in terms of benefits due to members. Whilst action is needed to remedy this position the timescales involved mean that there is sufficient time to recover the position in a phased manner over a number of years and valuations. To this end the Actuary has indicated that a phased increase in contribution rates of 2%, 1% and 1% of pay for each of the years 2011/12, 2012/13 and 2013/14 will be required taking the contribution rates to 18.1%, 19.1% and 20.1% in each of the 3 years stated. Provision for the 2012/13 increase has been included in the figures above. When the revised Pension Scheme was introduced in 2008 it made some significant changes to the scheme relating to enhancements given to employees having to retire early due to ill health, Whilst the enhancements payable to employees who were unfit to do the job for which they were employed but could undertake some form of work after a period of recovery were reduced, those payable to an employee who was unable to work again in any role were significantly improved.

Any payment of Pensions Benefits prior to the employee's expected retirement date and any enhancements involve a cost to the Pension Fund. Whilst in the past the actuary has had significant experience and knowledge of the impact of ill health retirements he has been able to include an amount in the valuation and resulting employers' contribution rates to cover the cost of the retirement without the need for the County Council to ask for an additional payment to cover the actuarial cost of the retirement. However, with the new arrangements the actuary has less experience of the costs involved and in certain cases the actuarial cost of the retirement may be very high and exceed the budget. To avoid the need to pay the County Council a significant unplanned sum to cover these costs the Council has agreed to insure against the costs of a high cost ill-health retirement. This insurance is arranged via the Pensions Fund Actuary

and the cost is reflected in an equivalent reduction to the employer's contribution rate (although the total cost of pensions remains the same)

vii) Local Elections

The last Borough Election took place in May 2011 with the cost reflected in the Budget for that year. As the cost of an election is of the order of £100,000 it was decided in 2007/08 to create an Election Reserve to even out the cost to the tax payer over a four year period and avoid peaks in the Council Tax. Provision has been made in the 2011/12 budget for money to be taken out of the reserve to meet the cost of the May 2011 election and provision has been made in the 2012/13 budget for a contribution to the reserve of £25,000 to meet the cost of the May 2015 election. The cost of County Council and National Elections are recovered from the County Council and Central Government respectively.

3.9 Efficiency Savings

The details of the Service savings included in the budget are attached at Appendix B.

3.10 New Homes Bonus

When the budget for 2011/12 was set the Government was still in the process of finalising the New Homes Bonus Scheme and this authority did not make any provision for income from this source when setting the budget for 2011/12. The final scheme was published in April 2011 and based on the number of new properties (net of the change in the number of empty properties) brought into Council Tax in the year to October 2010 this Council was allocated £349,762 in 2011/12 payable for six years (until 2016/17). Data used to calculate the New Homes Bonus is collected each year by CLG as part of the Council Tax Base 1 (CTB1) return which is submitted in October. Allocations are then made along with the Local Government Finance Settlement in December to allow authorities to take the amount allocated into account in setting their budgets. Based on the number of new properties brought into Council Tax from October 2010 to October 2011 this Council has been allocated £361,527 bringing the total New Homes Bonus to be received in 2012/13 to £711,289. This amount has been included in the budget for 2012/13. At its meeting on 20 December 2011 the Council agreed that this authority would passport 25% of the funding to parishes. This amounts to £87,440 in 2011/12 and £177,820 in 2012/13. These amounts have been included in the latest budget for 2011/12 and the original budget for 2012/13. There will be a further review of the percentage allocation to parishes if the target amount of New Homes Bonus as set out in the MTFs is exceeded.

3.11 Major Projects

Appropriate provision has been made in the budget for the Revenue consequences of the Council's Major Projects in the 2012/13 Budget. These projects are:

- Atkins Creative Industry (completed in 2011/12)
- Greenfields Industrial Estate (completed in 2011/12)
- Hinckley Hub (to be completed in 2012/13)

4.0 THE FINANCE SETTLEMENT

The Council's budgets are highly sensitive to changes in the finance settlement. The outcome of the Spending Review 2010 is having a significant impact on the financial position of the Council for 2012/13 and will continue to do so in subsequent years.

Considerable work has already taken place to identify further savings (beyond those already delivered under CSR04 and CSR07) for 2012/13. More work will be required during the period of the next MTF5 to identify areas for income/revenue generation and invest to save projects in order to meet the funding gap in 2012/13, 2013/14 and 2014/15.

The movement in Block Grant from 2011/12 to 2012/13 is as follows:

	£,000
Block Grant 2011/12	5,972
Reductions due to formula changes	
Private Sewers	40
Adjusted Block Grant 2011/12	5,932
Block Grant 2012/13	5,267
Reduction in grant 2012/13	665

In addition to the block grant, the Council adopted a zero increase in Council Tax for the year 2011/12 and will receive an additional £104,910 in grant in 2012/13 to compensate for this. This figure has been factored into the budget calculations

In addition if the Council adopts a zero Council Tax increase for 2012/13 it will receive additional grant of approximately £105,000 (equivalent to a 2.5% increase in its Council Tax) in 2012/13 only to compensate for this. This has been included in the draft budget.

Members should note that by freezing Council Tax for two successive years, the Council Tax base (which is already 10th lowest nationally) has been eroded and will therefore have a major influence on the ability of the Council to raise future funding from Council Tax increases (see also 6.0 below).

5.0 CONTRIBUTION FROM THE COLLECTION FUND

The latest estimates of the Collection Fund Balance at 31 March 2012 shows that there is likely to be a small surplus on the fund amounting to £20,000. This amount is available to be placed in the Pensions Contributions Reserve to meet any significant increases in Employers Pension Contributions that may arise from future triennial valuations of the Pension Fund.

The policy is that any surplus on the Collection Fund in the future is used to support either the capital programme or minimise the impact of the triennial revaluation of the Pension Fund.

The Pension Fund has been valued as at 31 March 2011 and the Actuary has recommended a phased increase in Employer's contributions from 2012/13 to meet the deficit. It is therefore recommended that any surplus on the Collection Fund is transferred to the Pensions Contribution Reserve to help finance future increases in Employers Pension Contributions.

6.0 COUNCIL TAX

One of the directions of the Comprehensive Spending Review (CSR10) published in October 2010 was that Council's should seek to set a zero increase in Council Tax for the year 2011/12, with additional grant funding equivalent to a 2.5% increase in Council Tax payable to those Council's who froze their tax level. This grant should also be payable in 2012/13. Central Government has also announced a Council Tax

freeze grant for those Councils which freeze their tax in 2012/13 which is only payable in that year. The budget proposals set out in this report seek to achieve a zero Council Tax increase, as set out by CLG and incorporates the “Freeze” grant in the calculations of the proposed tax levels. This will retain the Council’s current national position of having the 10th lowest Council Tax level.

Provisions exist for the Secretary of State for Communities and Local Government (CLG) to introduce a capping regime to curb excessive increases in Council Tax. CLG have announced that for 2012/13 Councils setting Council Tax increases of over 3.5% would need to carry out a referendum. The estimated cost of carrying out a referendum for this Borough would be between £110,000 and £120,000.

The Council is clearly restricted by the amount that Council Tax can be increased (see also 4.0 above) and thus if service expenditure rises Council Tax cannot necessarily be increased to match it. Instead, alternative financing needs to be obtained or reductions in other areas of service made.

7.0 USE OF GENERAL FUND RESERVES AND BALANCES

7.1 The Council has the following policies:

- Maintain general balances (non earmarked) at a minimum 10% of Hinckley & Bosworth Borough Council’s budget requirement (a minimum of around £1.1m for 2011/12 and 2012/13. The proposals in this Budget Report meet this minimum level.
- All actual service under-spends for 2011/12 be transferred to earmarked reserves.
- There is no direct contribution from revenue to capital except for specific identified projects.
- Any notional profit earned by the Direct Service Organisations will be transferred to general fund balances.

7.2. General Fund Balances

The projected movement of the General Fund Balances is as follows:

Table 4

	Total	General	Special Expenses
	£'000	£'000	£'000
Balances at 1 April 2011	1,933	1,793	140
Amount Taken to (+) from (-) Balances 2011/12	242	217	25
Balances at 31 March 2012	2,175	2,010	165
Amount Taken to (+) from (-) Balances 2012/13	503	452	51
Balances at 31 March 2013	1,672	1,558	114

7.3 Appendix C provides a summary of general fund reserves together with estimated movements during the year.

The use of reserve during 2011/12 and for 2012/13 are attributable to the following:

2011/12

Future Capital Schemes - £125,000
To meet part of cost of Minimum Revenue Provision (MRP)

Local Plans - £75,090
To meet approved LDF expenditure

Disaster Recovery - £118,000
To meet corporate budget shortfall

ICT Reserve - £50,000
To meet corporate budget shortfall

Pensions Contributions -£75,000
To meet part of cost of additional employers contributions

Elections Reserve - £80,000
To meet cost of Elections

Housing, Planning and Delivery Grant £38,640
To meet approved Expenditure in Planning Service Area

2012/13

Local Plans - £205,500
To meet approved LDF expenditure

8.0 FINANCIAL IMPLICATIONS (SK)

As contained in the report.

9.0 LEGAL IMPLICATIONS

As contained in the report.

10.0 CORPORATE PLAN IMPLICATIONS

None.

11.0 CONSULTATION

Citizens Panel, Executive Members

12.0 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:

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

13.0 KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

The Budget sets out the Council’s expenditure plans and takes into account rural and equality issues

14.0 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
- Planning Implications
- Voluntary Sector

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Executive Member : Councillor K.W.P. Lynch

REVENUE BUDGET 2012/13 GROWTH BIDS

Ref	Service	Description	Cost 2012/13 £	Ongoing cost £
1	Homelessness	Next Generation – Homelessness and Resettlement officer – funding for a third year for this post working with homeless or potentially homeless young people.	30,000	-
2	Private Sector Housing	This is to allow continuation of the proactive work by the Environmental Health Officer dealing with Housing Standards in Private Sector Housing (particularly in the rented sector) and in identifying and bring empty properties back into use as affordable housing. GOEM funding for this post will cease in September 2012	7,500	15,000
3	Community Safety	Project Endeavour is an initiative from the Locality Management theme of Leicestershire Together. The task group has identified a key position in the proposed new structure for improving joined up working between Police HBBC and other agencies such as the County Council is that of an Intelligence Officer (0.5FTE). This is a new role and does not come from any one service area. Funding is therefore requested to create a new code funding for this project. In addition a 0.5FTE post is required to support locality based community budget projects across the organisation. For these additional posts to be developed then additional funding above existing service budgets is required if this is considered to be a key priority for the authority	32,500	32,500
4	Community Safety	Revenue Costs of the Sentinel system. This is an integrated County-wide ASB recording system	5,000	5,000
5	Accountancy	Increased cost of bank charges following tender exercise	15,000	15,530
6	Corporate Management	Contribution to Better Business for all – a joint operation of all local and national government regulatory bodies to increase collaborative working	2,000	2,000
	Total		92,000	70,030

Efficiency Savings 2012/13

Service Area	Details of Saving	£
Finance Support	Impact of restructuring arising from voluntary redundancy of Accountancy Manager, Senior Accountant and Accountancy Assistant	80,610
Corporate and Customer Services	Reduction in Member Training	2,000
	Reduced administrative support achieved by natural wastage	17,730
	Reduced requirement for scanning due to Revenues and Benefits Function moving to Shared Service	12,000
	Committee Services restructure	12,000
Asset Management	Additional income from Atkins top floor following investment	25,000
Environmental Health	Reduced Pollution Technical Officer Support	1,000
	Reduced need for drainage works in default following transfer of responsibility for private sewers to STW in October 2011	900
Licensing	Non filling of vacant Licensing officer post covered by Admin and Licensing Officer	10,000
Climate Change and Environment	Reduction in Hired and Contracted Services	3,000
	Reduction in sustainable development fund	1,000
Land Drainage	Transfer of Planning consultation duties passed to Local Lead Flood Authority in 2012	5,000
Cultural Services	Reduced maintenance of Street Furniture and Bus Shelters	1,000
	Additional Market Income	5,000
Housing and Community Services	Domestic Violence projects	14,100
Asset Management	Leisure Centre Costs	950
	Attended Toilet Review	10,000
TOTAL		201,290

Reserve Movements 2011/12 and 2012/13

Appendix C

Description	Type	Balance 1/4/11	2011/12		Balance 31/3/12	2012/13		Balance 31/3/13		
			In	Out		In	Out			
				Revenue			Capital		Revenue	Capital
Relocation Reserve	C	182,000.00	180,000.00		40,000.00	322,000.00		322,000.00	0.00	
Future Capital Projects	C	486,000.00	125,000.00			611,000.00	205,000.00			816,000.00
Modern.E Gov Reserve	C	20,000.00			20,000.00	0.00				0.00
Planning Delivery Grant Reserve(Capital)	C	52,616.00			16,413.00	36,203.00				36,203.00
Special Expenses Projects	C		55,160.00		55,160.00	0.00	118,560.00		118,560.00	0.00
Grounds Maintenance	C	49,720.00	25,000.00			74,720.00	24,720.00			99,440.00
Greenfields Reserve	C	19,000.00				19,000.00				19,000.00
Atkins Top Floor	C	0.00	9,000.00		9,000.00	0.00				0.00
Historic Buildings Loan Fund	E	14,000.00				14,000.00				14,000.00
Building Control Reserve	E	63,820.41		-27,000.00		90,820.41				90,820.41
Land Charges Reserve	E	50,851.00				50,851.00				50,851.00
UG&C Non S106 Developer Contributions	EC	42,008.00				42,008.00				42,008.00
UG&C Section 106 Reserve	EC	449,314.39				449,314.39				449,314.39
UG&C Unapplied Conts Earmarked Reserve	EC	206,516.37				206,516.37				206,516.37
UG&C Other Open Space Receipts	EC	20,326.43				20,326.43				20,326.43
UG&C POS Reserve	EC	80,755.60				80,755.60				80,755.60
UG&C Ferndale Grove & Netherley Crt adopt	EC	61,323.00				61,323.00				61,323.00
Commutation & Feasibility Reserve	R	248,113.99	50,000.00	125,000.00		173,113.99				173,113.99
Benefits Reserve	R	171,370.00	100,000.00			271,370.00	250,000.00			521,370.00
Local Plan Procedure	R	389,961.00	68,000.00	75,090.00		382,871.00	68,000.00	205,500.00		245,371.00
Disaster Reserve (Corporate & I T)	R	118,000.00		118,000.00		0.00				0.00
Pensions Contribution	R	108,761.00	15,000.00	75,000.00		48,761.00	20,000.00			68,761.00
ICT Reserve	R	241,000.00		50,000.00		191,000.00				191,000.00
Waste Management Reserve	R	172,765.06	70,000.00			242,765.06				242,765.06
Project Management/Master Plan Reserve	R	333,000.00				333,000.00				333,000.00
Shared Services Reserve	R	74,000.00				74,000.00				74,000.00
Planning Delivery Grant Reserve (Revenue)	R	195,080.13		38,640.00		156,440.13				156,440.13
Flexible Working Reserve	R	15,000.00				15,000.00				15,000.00
IFRS Capacity Support Reserve	R	2,277.00				2,277.00				2,277.00
Freedom of Information Training Reserve	R	3,000.00				3,000.00				3,000.00

New Performance Improvement Reserve	R	10,000.00				10,000.00				10,000.00
Corporate Services (1) Reserve	R	0.00				0.00				0.00
Housing Energy Cert Training Reserve	R	10,500.00				10,500.00				10,500.00
Finance Capacity Fund Reserve	R	20,103.20				20,103.20				20,103.20
Well Being Fund Reserve	R	70,000.00				70,000.00				70,000.00
Workforce Strategy Reserve	R	3,000.00				3,000.00				3,000.00
Election Reserve	R	85,000.00	45,000.00	80,000.00		50,000.00	25,000.00			75,000.00
EMDA Greenfields Development	R	0.00				0.00				0.00
Transformation	R	50,000.00				50,000.00				50,000.00
		4,119,182.58	742,160.00	534,730.00	140,573.00	4,186,039.58	711,280.00	205,500.00	440,560.00	4,251,259.58
Capital	C	809,336.00	394,160.00	0.00	140,573.00	1,062,923.00	348,280.00	0.00	440,560.00	970,643.00
Ring Fenced	E	128,671.41	0.00	-27,000.00	0.00	155,671.41	0.00	0.00	0.00	155,671.41
Ring fenced Contributions unapplied	EC	860,243.79	0.00	0.00	0.00	860,243.79	0.00	0.00	0.00	860,243.79
Revenue	R	2,320,931.38	348,000.00	561,730.00	0.00	2,107,201.38	363,000.00	205,500.00	0.00	2,264,701.38
		4,119,182.58	742,160.00	534,730.00	140,573.00	4,186,039.58	711,280.00	205,500.00	440,560.00	4,251,259.58