

## Managing the Environment PDG

12 March 2013

### Budget 2013/14 – Statutory/Non Statutory Services

<b>Portfolio Holder Responsible Officer</b>	Cllr Neal Davey Head of Finance
<b>Reason for Report:</b>	To review our approved 2013/14 Budget to illustrate where service provision is a statutory requirement.
<b>RECOMMENDATION:</b>	To take account of required statutory service provision when considering savings options which we will be required to make in the light of the on-going reduction in Central Government Funding as identified in our Medium Term Financial Plan.
<b>Relationship to Corporate Plan:</b>	To deliver our Corporate Plan's priorities within existing financial resources.
<b>Financial Implications:</b>	The Council is likely to see an overall grant cut of £2.25m over the life of the CSR, this equates to a 40% reduction in Government Grant. To date budget reductions have been made without the need to reduce frontline service provision. Going forward, however, we are likely to face further reductions and our updated broad-brush forecast of the forward position is that we could be looking at a deficit of £1.1m over the next three years. This highlights the need to take steps to plan for further reductions to our on-going expenditure levels.
<b>Legal Implications:</b>	It is a statutory requirement for the Local Authority to set a balanced budget.
<b>Risk Assessment:</b>	Any future reduction in service provision resulting from reduced funding will need to take account of the Council's statutory obligations.

## **1.0 Introduction**

- 1.1 When considering options for our 2013/14 budget the Managing the Environment PDG Members requested information as to which of our services are provided as a statutory requirement and also those where shared services were a possibility.
- 1.2 Members felt that this information would be useful to them when considering budget reductions which will be required for 2014/15 and future years.

## **2.0 2013/14 Budget Analysis**

- 2.1 Appendix 1 details the final General Fund Budget approved by Council for 2014/15 showing the direct cost budgets attributable to each PDG.
- 2.2 Attached at Appendix 2 is a breakdown of service level budgets per PDG indicating whether services are Statutory or Non Statutory. It should be noted that in some cases the Service heading includes both and notated mix accordingly.

## **3.0 Considerations**

- 3.1. It should be remembered that whilst the Council may be required to provide a service - this should not preclude questioning the method and the level provided.
- 3.2. Also, just because the service is not a statutory requirement does not mean that we should automatically look to reduce our service provision. Corporate objectives and our local requirements will need to feature in our forward plans.

## **4.0 Shared service provision**

- 4.1 As to whether a service has the opportunity for shared provision with another authority this question should be applied across all services as part of our continuing efforts to operate more cost effectively.

## **5.0 Conclusion**

- 5.1 Due consideration should be given to both statutory and local requirements when considering the Council's options for future service provision.

**Contact for more information:** Andrew Jarrett – Head of Financial Services

**Background Papers:** 2013/14 Budget Papers  
MTFP report - Oct 2012 Cabinet

**File Reference:**

**Circulation of the Report:** Members, Management Team & Managers

**GENERAL FUND REVENUE ACCOUNT  
DRAFT BUDGET SUMMARY 2013/14**

	Approved Budget 2012/13 £	Budget Changes	Budget 2013/14 £
Managing the Environment	2,790,700	433,240	3,223,940
Decent & Affordable Homes	455,530	(60,070)	395,460
Community Well Being	3,138,070	23,620	3,161,690
Cabinet	3,793,160	(54,040)	3,739,120
<b>TOTAL NET DIRECT COST OF SERVICES</b>	<b>10,177,460</b>	<b>342,750</b>	<b>10,520,210</b>
Net recharge to HRA	(1,016,950)	(113,940)	(1,130,890)
Financing of Finance Leases	259,540	(204,000)	55,540
<b>NET COST OF SERVICES</b>	<b>9,420,050</b>	<b>24,810</b>	<b>9,444,860</b>
Provision for the financing of capital spending	128,000	(5,480)	122,520
Finance Lease interest	35,750	(27,640)	8,110
Interest from Funding provided for HRA	(125,000)	15,000	(110,000)
Interest Received on Investments	(30,000)	(35,000)	(65,000)
Contribution to Capital Programme	312,780	37,220	350,000
Transfer from Ear Marked Reserves - Play Park Maintenance	(30,000)	30,000	0
Temporary transfer from Reserves to Balance 2013/14 Budget		(150,090)	(150,090)
<b>TOTAL BUDGETED EXPENDITURE</b>	<b>9,711,580</b>	<b>(111,180)</b>	<b>9,600,400</b>
<b>Funded by:-</b>			
Formula Grant	4,168,690	(153,430)	4,015,260
Council Tax Freeze Grant - 2011/12 - 2012/13	258,830	(130,040)	128,790
Council Tax Freeze Grant - 2013/14 (1% of 12/13 Ctax)		51,740	51,740
Collection Fund Surplus	110,000	(10,000)	100,000
Council Tax (26,153.8 * £182.15)	5,174,060	(410,150)	4,763,910
Council Tax Support Scheme Grant		540,700	540,700
<b>TOTAL FUNDING</b>	<b>9,711,580</b>	<b>(111,180)</b>	<b>9,600,400</b>
<b>REQUIREMENT TO BALANCE THE BUDGET</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Assumptions:

- 1 - Council Tax frozen for 3rd successive year at a Band D figure of £182.15
- 2 - We will therefore receive a Council Tax Freeze Grant of £51.7k
- 3 - In order to balance the 2013/14 budget a temporary transfer from the GF Reserve of £150k has been required.
- 4 - The Council has received a provisional Formula Grant cut of £621k for 2014/15

<b>GENERAL FUND SUMMARY</b>	<b>Stat/Non Stat</b>	<b>Budget</b>
<b>(Direct costs)</b>		<b>Direct Cost</b>
		<b>2013/14</b>
<b>Managing the Environment</b>		
Parking Services	<b>NS</b>	(419,310)
Cemeteries	<b>S</b>	(23,590)
Public Health	<b>S</b>	2,690
Open Spaces	<b>NS</b>	171,750
Grounds Maintenance	<b>NS</b>	519,340
Asset Management	<b>NS</b>	11,070
Culture & Heritage	<b>NS</b>	970
Flood Defence And Land Drain	<b>S</b>	30,430
Street Naming & Numbering	<b>S</b>	8,200
Administration Buildings	<b>NS</b>	273,010
Mddc Depots	<b>NS</b>	83,370
Public Transport	<b>NS</b>	(17,480)
Office Building Cleaning	<b>NS</b>	55,920
Property Services Staff Unit	<b>NS</b>	247,620
Tourist Information Centre	<b>NS</b>	920
Public Conveniences	<b>NS</b>	131,270
Street Cleansing	<b>S</b>	331,480
Waste Collection ( inc Trade Waste)	<b>Mix</b>	1,190,990
Recycling	<b>S</b>	427,600
Waste Management	<b>Mix</b>	197,690
<b>M the Env - Total</b>		<b>3,223,940</b>

<b>GENERAL FUND SUMMARY</b>	<b>Stat/Non Stat</b>	<b>Budget</b>
<b>(Direct costs)</b>		<b>Direct Cost</b>
		<b>2013/14</b>
<b>Community Well-Being</b>		
Community Development	<b>NS</b>	448,020
Economic Development - Markets	<b>NS</b>	(18,300)
Customer Services Admin	<b>NS</b>	194,050
Customer First	<b>NS</b>	524,840
Emergency Planning	<b>S</b>	400
Community Safety - C.C.T.V.	<b>NS</b>	340
Es Staff Units/Recharges	<b>Mix</b>	658,030
Community Safety	<b>NS</b>	53,910
Food Safety	<b>S</b>	(6,150)
Health And Safety At Work	<b>S</b>	23,670
Health Education	<b>S</b>	(1,230)
Licensing	<b>S</b>	29,730
Pest Control	<b>S</b>	4,200
Pollution Reduction	<b>S</b>	7,360
Building Regulations	<b>Mix</b>	34,140
Enforcement	<b>Mix</b>	44,840
Development Control	<b>S</b>	107,280
Local Land Charges	<b>S</b>	(19,010)
Forward Planning	<b>Mix</b>	249,950
Regional Planning	<b>S</b>	66,020
Economic Development/Industrial Buildings	<b>NS</b>	(50,100)
Collection Of Council Tax	<b>S</b>	251,610
Collection Of Business Rates	<b>S</b>	(52,730)
Housing Benefit Admin & Fraud	<b>S</b>	78,670
Housing Benefit Subsidy	<b>S</b>	10,000
Debt Recovery	<b>NS</b>	33,540
Council Tax Benefit Subsidy	<b>S</b>	249,350
Recreation And Sport	<b>NS</b>	239,260
		<b>3,161,690</b>

<b>GENERAL FUND SUMMARY</b>	<b>Stat/Non Stat</b>	<b>Budget</b>
<b>(Direct costs)</b>		<b>Direct Cost</b>
		<b>2013/14</b>
<b>Cabinet</b>		
Chief Executive	Mix	139,280
Corporate Communications	NS	91,610
Corporate Fees/Charges	Mix	143,940
Pension Backfunding	NS	593,470
Accountancy Services	Mix	374,000
Internal Audit	Mix	97,810
Procurement	NS	49,080
Purchase Ledger	NS	49,820
Sales Ledger	NS	34,360
Human Resources	NS	239,960
Mddc Staff Training	NS	130,040
Payroll	NS	35,000
Learning And Development	NS	32,320
It Gazetteer Management	NS	69,810
It Information Management	NS	28,290
It Information Technology	NS	845,250
Electoral Registration	S	111,070
Election Costs	NS	20,000
Democratic Rep And Management	Mix	421,730
Messenger Services	NS	42,680
Legal Services	NS	189,600
		3,739,120
<b>Decent &amp; Affordable Homes</b>		
<b>General Fund</b>		
Private Sector Housing Grants	S	127,740
Housing Advice	S	102,440
Homelessness Accommodation	S	155,280
Gf Housing Management	Mix	10,000
		395,460
<b>TOTAL NET DIRECT COST OF SERVICES</b>		<b>10,520,210</b>
<b>Total - Statutory</b>	<b>S</b>	<b>2,056,650</b>
<b>Total - Non Statutory</b>	<b>NS</b>	<b>4,935,300</b>
<b>Total - Mixture of Statutory &amp; Non Statutory</b>	<b>Mix</b>	<b>3,528,260</b>
<b>TOTAL NET DIRECT COST OF SERVICES</b>		<b>10,520,210</b>

**NB - Finance section's interpretation of Statutory/Non- Statutory allocation**