

EXETER CITY COUNCIL
SCRUTINY COMMITTEE – COMMUNITY
14 JANUARY 2014

1. INTRODUCTION

1.1 Attached are the estimates for 2014/15

2. BUDGET FRAMEWORK

2.1 An overall allowance of £353,660 has been set aside for inflation. The inflationary increases allowed in the budget are:

Pay Award	1.0%
Pay – Increments	0.5%
Electricity	8.0%
Gas	5.0%
Oil	12.0%
Water	5.1%
Insurance	3.0%
Rates	3.0%
Fuel	6.0%
General Inflation	0.0%
Income (excluding Car Parks)	2.5%

2.2 General inflation has again been held at zero; however where there are contracts in place, inflation at around RPI has been added.

2.3 In respect of interest rates, next year's budget reflects the likelihood that whilst base rate may remain low, it is likely that the cost of borrowing will increase and the Council may begin to take out borrowing over a longer timeframe as a result.

2.4 The Government announced the provisional Local Government Settlement on 18 December 2013. The Council is to receive £7.832 million in 2014/15, which is £40,000 lower than predicted within the Medium Term Financial Plan. At this stage there is no intention to revisit the budgets set and the shortfall can be taken from balances.

2.5 The resources available to the Council to finance its net revenue budget are set out below:

	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000
Government Grant	9,062	7,872	6,714	5,785	5,071
Council Tax	4,391	4,513	4,637	4,767	4,898
Business Rates in excess of baseline	574	783	809	835	864
		0	0	0	0
Resources	14,027	13,168	12,160	11,387	10,833
Increase/(decrease)		(859)	(1,008)	(773)	(554)
Annual % change		-6.1%	-7.7%	-6.4%	-4.9%

- 2.6 The Chancellor of the Exchequer has again provided funding for local authorities who decide to freeze council tax next year. If they do, councils, police and fire authorities will stand to receive an equivalent to raising their 2013/14 council tax by one per cent. In addition, the Government is likely to maintain the local authority tax referendum threshold at two per cent. The budget strategy for next year assumes that council tax will increase by 2%, which will raise an extra £122,000.

Substantial work has been undertaken to identify savings over the next two years. The Savings proposed for this Committee will be set out in more detail later in this report however in total the Council has identified savings as summarised below:

	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000
Savings identified		(1,680)	(684)	(55)	0

- 2.7 The proposed General Fund Capital Programme for the next three years has been established; however this is subject to a further review of the pre-approved schemes by portfolio holders and senior managers to ensure that the need for the scheme remains. The total of the current programme is as follows

	2014/15 £'000	2015/16 £'000	2016/17 £'000
New Bids	1,743	1,895	764
Pre-approved	6,892	1,677	1,257
Total	8,635	3,572	2,021

- 2.8 A list of the proposed new schemes for Scrutiny Committee Resources is attached at Appendix 2.

3. ESTIMATES

- 3.1 The draft employer superannuation rates for 2014-15 and the following two years have been announced since the 11 December 2013 draft estimates meeting; the increase is reflected in the revised draft revenue estimates for this committee
- 3.2 Key revenue budget proposed changes for 2014/15 and are included in Appendix 1 attached, with the main changes as follows:

MU Code	Management Unit	Commentary
81A1	Environmental Protection	• No material changes
81A3	Licensing, Commercial, Health & Safety	• No material changes
81A4	Public Safety &	• No material changes

	Enforcement	
81A6	Grounds Maintenance	<ul style="list-style-type: none"> • Funding for two apprentices has been added to the estimates. • The estimate for dealing with illegal campers and travellers has been increased.
81B2	Bereavement Services	<ul style="list-style-type: none"> • Charges have been increased above inflation and this is expected to result in additional income.
81C2	SHS - Advisory Services	<ul style="list-style-type: none"> • Staffing costs have been reduced due to a post being deleted from the establishment. • The rental expenditure budget in respect of serviced accommodation has reduced. • Private Sector Leased and Extralet properties premises budgets have increased. • Additional expenditure on the Extralet and PSL properties has been offset by additional income from Housing Benefits.
81C3	SHS – Housing Development	<ul style="list-style-type: none"> • Savings have been made on the advertising and solicitors and legal fees budgets • An income budget for the recharge of costs to the HRA for works undertaken by the Housing Development Team on Council Own Build schemes has been included.
81C4	Private Sector Housing	<ul style="list-style-type: none"> • A new licensing scheme will be implemented • Charges for immigration visits are to be increased.
81C7	Senior Management - Community	<ul style="list-style-type: none"> • No material changes
81D2	Domestic Refuse Collection	<ul style="list-style-type: none"> • Fleet and staffing costs will reduce once the Energy from Waste plant becomes fully operational in 2014/15. • Charges for domestic bin provision and delivery will change resulting in additional income. • Promotion of the garden waste collection service is expected to result in increased customers. • New purchasing arrangements will reduce the cost of bins and bags used in the service. • Further savings on the cost of supplies and services throughout the unit are to be made. • The weekend bulky collection service will cease, reducing overtime and vehicle costs. • An additional supervisor post has been created using funding transferred from Street Cleansing (81D4 below). • The implementation of the Living Wage will have an impact on agency costs in this service.
81D4	Street Cleaning	<ul style="list-style-type: none"> • 2 Street Sweeper posts have been deleted. • Funding for a further Street Sweeper post has been transferred to Waste Operations (81D2 above and 81D6 below) to enable an additional supervisor post to be created. • A new purchasing arrangement will reduce the cost of bags used in the service. • Further savings on the cost of supplies and services

		<p>throughout the unit are to be made.</p> <ul style="list-style-type: none"> • The implementation of the Living Wage will have a material impact on this service.
81D5	Public Conveniences	<ul style="list-style-type: none"> • No material changes
81D4	Cleansing Rechargeable Services	<ul style="list-style-type: none"> • The estimate for waste disposal costs for Trade Refuse has been reduced reflecting revised arrangements with DCC. • New purchasing arrangements will reduce the cost of bins and bags used in the service. • Further savings on the cost of supplies and services throughout the unit are to be made. • A wider range of recycling services for commercial customers is expected to result in increased income. • Charges for the collection of bulky items from domestic customers will increase.
81D7	Exton Road Overheads and Fleet Management	<ul style="list-style-type: none"> • Changes to the cleaning and courier services will reduce costs. • Further savings on the cost of supplies and services throughout the unit are to be made. • The installation of solar panels is expected to reduce energy costs in this service.
81D8	Recycling	<ul style="list-style-type: none"> • Savings on the cost of supplies and services throughout the unit are to be made. • The installation of solar panels is expected to reduce energy costs in this service. • The implementation of the Living Wage will have a material impact on this service.

4 RECOMMENDATION

Scrutiny Committee – Community give officers their views on the contents of this report.

ASSISTANT DIRECTOR FINANCE

Local Government (Access to Information) Act 1985 (as amended)
Background papers used in compiling this report

None