

Committee: Community and Housing

Agenda Item

Date: 20 January 2011

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Title: 2011/12 Budget

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Item for decision

Summary

1. The Committee is requested to approve its 2011/12 revenue budget, which shall be subject to final determination by the Council on 24 February.
2. All committees' budgets will be collated and reviewed by the Finance & Administration Committee on 8 February ahead of final determination.
3. Care has been taken to ensure that budgets reflect contractual commitments to staff, suppliers and service users. The budget includes realistic estimates of non-contractual expenditure required to deliver existing levels of service. Income budgets have been based upon realistic estimates of activity levels and the fees & charges considered earlier by this Committee.
4. Significant matters specific to this Committee's budget are detailed below.

Recommendations

5. The Committee is recommended to approve, for recommendation to the Finance & Administration Committee on 8 February, its 2011/12 revenue budget as set out in Appendix A.

Financial Implications

6. The budget proposed for the Committee is affordable within the context of the Council's General Fund budget as a whole and the Medium Term Financial Strategy.

Background Papers

7. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.

[Medium Term Financial Strategy](#) approved by Full Council 18 February 2010
[MTFS update report](#) to Finance & Administration Committee 16 September 2010

[2011/12 Budget Strategy report](#) to Finance & Administration Committee 16 September 2010

Budget Working Papers

Impact

Communication/Consultation	Public consultation was carried out in the Autumn. There was a majority of responses in favour of protecting all of the Committee's budgets except for Community Information Centres and Saffron Walden Museum. In the former case, efficiency savings have been found but there is a net budget increase due to investment in facilities at Stansted. A reduction in the Museum budget has been achieved.
Community Safety	No specific implications.
Equalities	No specific implications.
Health and Safety	No specific implications.
Human Rights/Legal Implications	No specific implications.
Sustainability	No specific implications.
Ward-specific impacts	No specific implications.
Workforce/Workplace	No specific implications.

Community & Housing Committee budget – significant issues

Conveniences – budget reduction £88,000

8. Most of this saving (£71,000) arises from the decision to terminate the Supaloos contract. The facilities themselves will be in situ until December 2011, but the costs will be charged to the 2010/11 financial year as part of the termination payment. The budget includes a sum to establish alternative provision in Stansted.
9. Net savings of £17,000 arise from the transfer of facilities in Great Dunmow and Saffron Walden to the respective Town Councils.

Drug Awareness – budget increase £2,000

10. This was a budget with net surplus of £2,000, whereby external partner contributions were used for training and awareness sessions. The partner contributions have been withdrawn for 2011/12, therefore the activity will cease. Removing the budgeted surplus gives in effect a budget increase of £2,000.

Grants & Contributions – budget reduction £23,000

11. A saving of £10,000 arises due to the tapering grant arrangement with Saffron Walden Town Council following the transfer of various local amenities in 2010.
12. The budget includes a growth item of £9,800 to enable the Council to take over the LSP contribution towards the Council for Voluntary Services in Uttlesford (CVSU).
13. The budget includes contractual indexation for certain grants including a grant payable to the Citizens Advice Bureau.

Homelessness – budget reduction £14,000

14. A modest saving has been made on bed and breakfast costs due to a new short term accommodation facility becoming available. However other costs are expected to increase and in anticipation of this the Government has increased its grant funding. An increase in demand for this service is expected to arise, as experience suggests would tend to happen at the end of a recession. £20,000 is to be earmarked into a new Homelessness Reserve to provide a contingency for this.

Leisure PFI – budget increase £55,000

15. Contractual indexation of £63,000 has been budgeted for; the actual indexation will depend on the prevailing rate of inflation. There is an increase in income of £8,000 which slightly offsets the additional cost.

Museum – budget reduction of £25,000

16. Savings of £20,000 have been achieved by taking the decision not to replace the Documentation & Exhibition officer. Modest savings in premises running costs are also being made.

Tourist Information Centre – budget reduction £10,000

17. 2010/11 was the final year of the tapering grant arrangement with Saffron Walden Town Council. Accordingly the budget is reduced to zero for 2011/12.

Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
In general, actual events may differ from the assumptions and estimates used to produce the draft budget, which will lead to variances from the budget.	2 (some risk that variances will occur requiring action to be taken)	3 (potential impact which could adversely affect the council's financial position if not managed)	Budget monitoring and corrective action taken as necessary.

Risk	Likelihood	Impact	Mitigating actions
Day Centres – in November the Committee endorsed Scrutiny Committee recommendations decided that alternative models for service provision be explored. Subject to the completion and implementation of any review, this could affect the 2011/12 budget	3 (likely that changes will be made)	2 (sums involved are not material)	Ensure financial implications of any changes are identified before decisions taken
Homelessness – B&B budgets reduced due to new facility being available, however with any new arrangement risks of variable costs exist. Service depends on £85,000 of Government grant, which appears to be safe for the time being.	2 (inherent risk in all new ways of working)	2 (sums unlikely to be significant)	Budget monitoring
Leisure PFI – service depends on £450,000 of Government grant, which appears to be safe for the time being. Inherent risks associated with a complex and major contract. Indexation estimate is based on RPI forecast.	2 (inherent risk in contracts of this type)	3 (if a serious problem arises, sums involved could be significant)	Contract management
Pest Control – seasonal variations affect demand for services such as wasp control. Private sector alternatives exist so there is a risk of loss of income due to competition.	3 (variability of some sort is common)	2 (amounts involved are not material)	Budget monitoring
Public Health – airport related income is variable due to commercial changes and economic downturn	2 (some risk)	2 (variances unlikely to be material)	Budget monitoring
Sports Development – risks to income from customers and partners due to economic downturn	2 (some risk)	2 (variances unlikely to be material)	If income reduces, activities will be curtailed.

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.

APPENDIX A

COMMUNITY & HOUSING COMMITTEE GENERAL FUND BUDGETS

£000	2009/10 Actual	2010/11 Original Budget (restated)	2010/11 Current Budget	2010/11 Forecast Outturn	2011/12 Original Budget	Original Budget increase / decrease (-)	Comments
Animal Warden	31	31	31	30	30	-1	
Bridge End Gardens	60	0	0	0	0	0	Service has transferred to SWTC
Community Information Centres	53	56	46	47	58	2	
Community Safety	52	54	54	56	55	1	
Community & Leisure Management	47	48	48	48	48	0	
Community Wardens	59	61	61	61	64	3	
Conveniences	140	122	122	362	34	-88	Supaloos contract terminated
Day Centres	48	58	58	74	55	-3	
Drug Awareness	-5	-2	-2	-2	0	2	Service to cease due to withdrawal of external funding
Emergency Planning	42	44	45	45	45	1	
Environmental Management & Admin	89	89	89	89	89	0	
Grants & Contributions	134	211	211	207	211	0	
Homelessness	64	87	90	94	73	-14	B&B cost savings / extra Govt funding (reserve set up)
Housing Grants	15	15	15	15	15	0	
Leisure & Administration	39	42	40	41	40	-2	
Leisure PFI	-133	-114	-114	-114	-59	55	Contractual indexation on PFI contract
Life Line	-84	-67	-66	-71	-75	-8	
Museum Saffron Walden	252	237	237	233	212	-25	Document'n & Exhb'n post deleted; premises cost savings
Pest Control	25	17	17	24	17	0	
Port Health	5	0	0	0	0	0	Service ceased in 2009/10
Public Health	370	374	374	377	382	8	
Sports Development	11	38	38	38	35	-3	
Tourist Information Centre	20	10	10	9	0	-10	Grant to SWTC finished in 2010/11
Committee Total	1,334	1,411	1,404	1,663	1,329	-82	

