

Report to Mousehold Heath conservators
18 January 2013
Report of Chief finance officer
Subject Budget and Precept 2013/14

Item

6

Purpose

For the Conservators to set the budget and approve the precept for the Mousehold Heath Conservators budget 2013-14.

Recommendations

That the Conservators:

- (1) Review the budget proposals set out in paragraph 4 and accordingly approve 2012/13 budgets as set out in Appendix A;
- (2) Resolve to place a precept on Norwich City Council in the relevant amount for the financial year beginning 1st April 2013, as per paragraph 6;
- (3) Consider the risk management arrangements set out in paragraphs 6-10.

Financial Consequences

The agreed precept will be for the financial year beginning 1st April 2013. This forms part of the General Fund Budgetary Requirement for Norwich City Council.

Strategic Objective/Service Priorities

The report helps to achieve the corporate priority “value for money services” and the service plan priority to maintain the streetscene and public space

Ward/s: All

Cabinet member: Councillor Gihawi – Play, parks and open spaces

Contact Officers

Mark Smith, Finance control manager

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Background Documents

Working papers

Report

1. Each year Conservators are required to determine and approve the budget for Household Heath and to make a levy on Norwich City Council.
2. A separate report on this agenda sets out details of the budget and expenditure and forecast outturn for the current financial year, 2012-13, which informs the precept and budget proposals within this report.

Balances

3. The current forecast is for a net overspend of £18,301 in 2011-12 to be met from the balance brought forward from previous years' precepts. The balances position for 1 April 2012 is therefore estimated at:

Balance brought forward at 1 April 2012	- £40,085
Impact of forecast outturn 2012/13	£18,301
Forecast Balance at 1 April 2013	- £21,784

Budgets

4. The following table summarises the proposed movements in the budget between the base budget carried forward from 2012-13, and the proposed budget for the 2013-14 financial year.

Base Budget 2012/13	198,251
A: Salary and pension cost increases	5,944
B: Contractual increases (nil – absorbed by contractor/partner)	0
C: Increased income – football pitches	- 3,000
D: Changes in overhead recharges (including AHO accommodation)	2,827
Other	99
Proposed Budget 2013/14	204,121

5. The detailed proposed budget for 2013-14 is set out in Appendix 1, cross-referenced to the budget movements summarised above

Precept

6. The precept required to fund this expenditure would be **£200,871**. This would be an increase of £19,776 over the 2012/13 precept, though £10,000 of this increase is due to last year's decision by Conservators to reduce the level of their balances.

7. As a “local precepting authority”, the Conservators’ precept is not subject to the coalition government’s determination of principles for “excessive” increases. The increase in precept will instead be contained within the council’s permitted increase in council tax without seeking approval through a local referendum of up to 2%.

Risk Management

8. The Conservators have previously expressed their wishes to consider, in conjunction with the budget and precept, risks to the financial position. These risks to the Conservators as the statutory decision-making body for the Heath, and to the council in implementing conservators’ decisions, are incorporated within the council’s own Risk Management Strategy (RMS).
9. The RMS requires that risks are considered at operational, tactical, and strategic levels, and escalated to an appropriate level for mitigation to be agreed and implemented.
10. Risks are managed and mitigation provided through, among other measures:
 - (a) Ensuring that appropriate systems and procedures are in place to safeguard the health and safety of staff, residents, and visitors;
 - (b) Taking steps to reduce the likelihood of adverse events occurring, through planning and risk assessment;
 - (c) Mitigating against the financial impact through insurance against adverse events;
 - (d) Holding sufficient reserves, both in the revenue Contingency and through the maintenance of a prudent minimum level of balances, to meet unexpectedly arising costs. The adequacy of these reserves is itself risk-assessed annually.
11. Financial risks, such as overspends resulting from adverse events, are therefore considered and provided for by the council at a corporate level.
12. The Conservators’ reserves are expected to amount to £21,784 (see paragraph 3) which represents 10.6% of budgeted annual expenditure. This provides an initial level of internal risk management resource, mitigating any need to call on the council for further support.

421020 Household Heath Conservators
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<i>Original Budget 2012/13</i>	<i>Revised Budget 2012/13</i>	<i>Forecast Outturn 2012/13</i>		<i>Base Budget 2013/14</i>	<i>Draft Budget 2013/14</i>	<i>Type of Movement</i>
EXPENDITURE						
Employees						
61,943	61,943	60,214	1405 Salaries Full Time	61,943	63,724	A
3,438	3,438	7,630	1406 Salaries Employer PF Contrib'ns	3,438	7,147	A
1,990	1,990	3,210	1939 Pension Deficit Recovery	1,990	2,140	A
374	374	0	1990 Employee/Public Liab. Insurance	374	473	
67,745	67,745	71,054	Subtotal Employees	67,745	73,484	
Premises						
4,523	4,523	186	2100 General Repairs & Maintenance	4,523	5,615	B
0	0	4,269	N100 Specified Works (ES/Prop Grp)	0	0	
14,000	14,000	4,605	R100 Day to Day Repairs	14,000	14,000	
0	0	14,863	T100 Day to Day Repairs (Tenants)	0	0	
2,000	2,000	0	2600 Grounds General Maint & Upkeep	2,000	2,000	
72,054	72,054	73,707	2651 Grounds Maintenance contract	72,054	72,054	
0	0	7,507	2653 Schedule of Rates/Dayworks	0	0	
4,497	4,497	5,723	2655 Treeworks	4,497	4,497	
598	598	236	2810 Electricity	598	598	
750	750	0	2850 Water Charges Unmetered	750	750	
750	750	0	2853 Sewerage Charge Metered	750	750	
6,850	6,850	5,118	2875 Contract Cleaning	6,850	5,758	B
106,022	106,022	116,213	Subtotal Premises	106,022	106,022	
Transport						
300	300	0	3020 Fuel	300	0	
960	960	1,130	3080 Car and Cycle Allowances	960	1,260	
1,260	1,260	1,130	Subtotal Transport	1,260	1,260	
Supplies & Services						
450	450	368	3370 Equipment Purchase	450	450	
450	450	406	3371 Equipomnt Maintenance	450	450	
290	290	0	3399 Stationery Recharges	290	290	
190	190	210	3550 Clothing and Uniforms General	190	190	
300	300	0	3570 DPP Printing Costs	300	300	
100	100	0	3710 Telephones General	100	100	
190	190	140	3715 Mobile Phone Rentals & Calls	190	190	
0	0	1	3901 Insurances Other	0	0	
960	960	1,150	3910 Advertising General	960	960	
2,930	2,930	2,275	Subtotal Supplies & Services	2,930	2,930	
Capital Charges						
637	3,250	3,250	5701 Depreciation (Operational Assets)	3,250	3,250	
637	3,250	3,250	Subtotal Capital Charges	3,250	3,250	
178,594	181,207	193,923	Subtotal EXPENDITURE	181,207	186,946	
INCOME						
Receipts						
0	0	-2,500	7825 Non-Gov't Grants & Contributions	0	0	
0	0	0	8123 Football Pitch income	0	-3,000	C
-13,000	-13,000	-14,600	9039 Other Rents	-13,000	-13,000	
-1,800	-1,800	-1,800	9132 Catering Concessn Pitch & Putt	-1,800	-1,800	
-14,639	-14,639	0	9722 Contribution to/from Balances	0	0	
-29,439	-29,439	-18,900	Subtotal Receipts	-14,800	-17,800	
-29,439	-29,439	-18,900	Subtotal INCOME	-14,800	-17,800	
INDIRECT						
Recharge Expenditure						
3,130	3,184	3,184	1935 CDS Added Years Payments	3,130	3,434	A
8,700	4,283	4,283	4040 CDS Norwich Connect Recharge	7,980	4,406	D
210	0	0	5021 CDS Legal Services Recharge	210	0	D
4,630	4,567	4,567	5022 CDS HR Services Recharge	4,600	4,370	D
2,400	3,034	3,034	5024 Property Services Recharge	3,034	3,034	D
4,690	5,474	5,474	5026 CDS Finance Services Recharge	5,020	6,972	D
6,430	5,569	5,569	5044 CDS Management Support Recharge	6,140	5,968	D
1,750	1,513	1,513	5047 CDS Comms + Research Recharge	1,730	1,704	D
0	0	0	5097 Recharge from Area Housing Offices	0	5,087	D
31,940	27,624	27,624	Subtotal Recharge Expenditure	31,844	34,975	
31,940	27,624	27,624	Subtotal INDIRECT	31,844	34,975	
181,095	179,392	202,647	Total Household Heath Conservators	198,251	204,121	

Less: Accounting Adjustments

-3,250

Proposed Precept 2013/14:

200,871