

**Report to** Mousehold Heath Conservators  
22nd January 2016

ITEM

**Report of** Chief Finance Officer

**Subject** Budget and Precept 2016-17

6

### **Purpose**

To set the budget and approve the precept for the Mousehold Heath Conservators budget 2016-17.

### **Recommendations**

That the Conservators:

1. Review the forecast balances position set out in paragraphs 3-4;
2. Consider the risk management arrangements set out in paragraphs 5-9;
3. Review the budget proposals set out in paragraph 10 and accordingly approve or amend 2016-17 budgets as set out in Appendix A;
4. Resolve to place a precept on Norwich City Council in the relevant amount for the financial year beginning 1st April 2016, as per paragraph 12;

### **Financial Consequences**

The agreed precept will be for the financial year beginning 1st April 2016. This forms part of the General Fund Budgetary Requirement for Norwich City Council.

### **Strategic Objective/Service Priorities**

The report helps to achieve the corporate priorities “city of character & culture” and “value for money services”.

### **Contact Officers**

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### **Background Documents**

None

## Report

1. Each year Conservators are required to determine and approve the budget for Mousehold Heath, and to make a levy on Norwich City Council.
2. This report also sets out details of the budget and forecast outturn for the current financial year, 2015-16, which informs the precept and budget proposals within this report.

### Balances

3. The current forecast is for a net underspend of £921 in 2015-16 to be added to the balance brought forward from previous years' precepts. The balances position for 1st April 2016 is therefore estimated at:

Balance brought forward at 1st April 2015	7,989
Impact of forecast outturn 2015-16	921
<b>Forecast Balance at 31st March 2016</b>	<b>8,910</b>

4. This level of balances represents 4.2% of the proposed budgeted expenditure (including accounting adjustments). Conservators may wish to consider the adequacy of this level in the light of the risks referred to in paragraphs below.

### Risk Management

5. 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).
6. 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.
7. Risks are managed and mitigation provided through, among other measures:
  - o Ensuring that appropriate systems and procedures are in place to safeguard the health & safety of staff, residents, and visitors;
  - o Taking steps to reduce the likelihood of adverse events occurring, through planning and risk assessment;
  - o Mitigating against the financial impact through insurance against adverse events;
  - o 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.
8. Financial risks, such as overspends resulting from adverse events, are therefore considered and provided for by the council at a corporate level.
9. The Conservators' reserves are expected to amount to £8,910 (see paragraphs 3-4) which represents 4.2% of the proposed budgeted expenditure (including accounting adjustments). This provides an initial level of internal risk management resource,

mitigating any need to call on the council for further support.

## Budgets

10. The following table summarises the proposed movements in the budget between the base budget carried forward from 2015-16, and the proposed budget for the 2016-17 financial year.

Base Budget 2015-16	211,073
A: Salary & pension cost increase	3,233
B: Contractual increases	1,393
C: Changes in overhead recharges	(3,330)
Other	(400)
<b>Proposed Budget 2016-17</b>	<b>211,969</b>

The detailed proposed budget for 2016-17 is set out in Appendix 1.

## Precept

11. The precept required to fund this expenditure would be **£211,969** (15/16 £211,073). This would be an increase of £896 over the 2015-16 precept, equivalent to 0.4%.
12. Should the Conservators wish to increase or decrease the level of balances, in light of the risk environment as discussed above, the proposed precept would need to be amended accordingly.
13. As a “local precepting authority”, the Conservators’ precept is not subject to the 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%.



## Appendix A

	<b>Mousehold Heath Conservators</b>			
<i>Revised</i>	<i>Forecast</i>		<i>Base Budget</i>	<i>Draft Budget</i>
<i>Budget</i>	<i>Outturn</i>		<i>2016/17</i>	<i>2016/17</i>
<i>2015/16</i>	<i>2015/16</i>			
64,668	64,668	1405 Salaries Full Time	64,668	66,660
8,708	8,708	1406 Salaries Employer PF Contrib'ns	8,708	8,781
4,732	4,732	1935 Pension Added Years share	4,732	4,804
7,783	7,783	1939 Pension Deficit Recovery share	7,783	8,894
505	1,060	1990 Employee/Liability Insurance	505	490
<b>86,396</b>	<b>86,951</b>	<b>Subtotal Employees</b>	<b>86,396</b>	<b>89,629</b>
4,000	1,440	2100 General Repairs & Maintenance	4,000	4,000
6,000	3,432	2600 Grounds General Mtce & Upkeep	6,000	6,000
71,855	71,855	2651 Grounds Maintenance contract	71,855	72,994
4,282	4,622	2655 Treew orks	4,282	4,380
598	1,451	2810 Electricity	598	598
750	750	2850 Water Charges Unmetered	750	750
750	750	2853 Sew erage Charge Metered	750	750
6,816	5,453	2875 Contract Cleaning	6,816	6,972
14	13	2900 Fire Insurance Buildings/Conts	14	14
<b>95,065</b>	<b>89,766</b>	<b>Subtotal Premises</b>	<b>95,065</b>	<b>96,458</b>
1,260	1,060	3080 Car and Cycle Allow ances	1,260	1,260
<b>1,260</b>	<b>1,060</b>	<b>Subtotal Transport</b>	<b>1,260</b>	<b>1,260</b>
450	197	3370 Equipment - Purchase	450	450
450	563	3371 Equipment - Repairs/Maintenance	450	450
290	-	3399 Stationery Recharges	290	290
190	266	3550 Clothing and Uniforms General	190	190
192	-	3570 DPP Printing Costs	192	192
100	-	3710 Telephones General	100	100
190	-	3715 Mobile Phone Rentals & Calls	190	190
960	1,483	3910 Advertising General	960	960
<b>2,822</b>	<b>2,509</b>	<b>Subtotal Supplies &amp; Services</b>	<b>2,822</b>	<b>2,822</b>
3,250	1,719	5701 Depreciation (Operational Assets)	3,250	1,719
<b>3,250</b>	<b>1,719</b>	<b>Subtotal Capital Financing</b>	<b>3,250</b>	<b>1,719</b>
<b>188,793</b>	<b>182,005</b>	<b>Subtotal EXPENDITURE</b>	<b>6,500</b>	<b>3,438</b>
(3,000)	(1,700)	8123 Football	(3,000)	(1,500)
(13,000)	(13,000)	9039 Other Rents	(13,000)	(14,900)
(1,800)	(1,800)	9132 Catering Concessn Pitch & Putt	(1,800)	(1,800)
<b>(17,800)</b>	<b>(16,500)</b>	<b>Subtotal Receipts</b>	<b>(17,800)</b>	<b>(18,200)</b>
(2,204)	-	7097 Government Grants: Specific	(2,204)	(2,204)
<b>(2,204)</b>	<b>-</b>	<b>Subtotal Government Grants</b>	<b>(2,204)</b>	<b>(2,204)</b>
<b>(20,004)</b>	<b>(16,500)</b>	<b>Subtotal INCOME</b>	<b>(20,004)</b>	<b>(20,404)</b>
-	964	P100 Programmed Maint (ES/Prop Grp)	-	-
14,000	14,000	R100 Day to Day Reps (ES/Prop Grp)	14,000	14,000
<b>14,000</b>	<b>14,964</b>	<b>Subtotal Centrally Managed</b>	<b>14,000</b>	<b>14,000</b>
4,172	4,040	4040 CDS IT Services Recharge	8,040	3,777
5,161	5,161	5022 CDS HR Services Recharge	5,161	4,275
1,814	1,814	5024 Property Services Recharge	1,814	1,207
7,075	7,075	5026 CDS Finance Services Recharge	7,075	5,774
6,671	6,671	5044 CDS Management Support Recharge	6,671	6,541
1,554	1,554	5047 CDS Comms + Research Recharge	1,554	1,543
5,087	5,087	5097 Recharge from AHOs/One Stop Shops	5,087	5,087
<b>31,534</b>	<b>31,402</b>	<b>Subtotal Recharge Expenditure</b>	<b>35,402</b>	<b>28,204</b>
<b>45,534</b>	<b>46,366</b>	<b>Subtotal INDIRECT</b>	<b>49,402</b>	<b>42,204</b>
<b>214,323</b>	<b>211,871</b>	<b>Total Mousehold Heath Conservators</b>	<b>218,191</b>	<b>213,688</b>
(3,250)	(1,719)	Less: Accounting Adjustments		(1,719)
<b>211,073</b>	<b>210,152</b>	Proposed Precept 2016/17		<b>211,969</b>