Report for Decision

Report to Mousehold Heath Conservators
30 January 2015

Item

6

Report of Chief Finance Officer

Subject Budget & Precept 2015/16

Purpose

For the Conservators to set the budget and approve the precept for the Mousehold Heath Conservators budget 2015-16.

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 2015/16 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 1 April 2015, as per paragraph 12;

Financial Consequences

The agreed precept will be for the financial year beginning 1 April 2015. 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

Working papers

Report

1. Each year the Conservators are required to determine and approve the budget for Mousehold Heath, and to make a levy on Norwich City Council.

2. A separate report on this agenda sets out details of the budget & expenditure and forecast outturn for the current financial year, 2014/15, which informs the precept and budget proposals within this report.

Balances

3. The current forecast is for a net underspend of £1,092 in 2014/15 to be added to the balance brought forward from previous years' precepts. The balances position for 1 April 2015 is therefore estimated at:

Balance brought forward at 1 April 2014	- £10,646
Impact of forecast outturn 2014/15	-£ 1,092
Forecast Balance at 1 April 2015	**- £11,738**

4. This level of balances represents 5.5% of the proposed budgeted expenditure (excluding 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:

   - Ensuring that appropriate systems and procedures are in place to safeguard the health & safety of staff, residents, and visitors;
   - Taking steps to reduce the likelihood of adverse events occurring, through planning and risk assessment;
   - Mitigating against the financial impact through insurance against adverse events;
   - 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 £11,738 (see paragraphs 3-4)

which represents 5.5% of the proposed budgeted expenditure (excluding 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 2014/15, and the proposed budget for the 2015/16 financial year.

Base Budget 2014/15	212,385
A: Salary & pension cost increase	1,687
B: Contractual decreases	-3,233
C: Changes in overhead recharges	3,726
Other	-242
Proposed Budget 2015/16	**214,323**

11. The detailed proposed budget for 2015/16 is set out in Appendix 1, cross-referenced to the budget movements summarised above

Precept

12. The precept required to fund this expenditure would be **£214,323**. This would be an increase of £6,772 over the 2014/15 precept, equivalent to 3.31%.

13. 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.

14. 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 by contained within the council’s permitted increase in council tax without seeking approval through a local referendum of up to 2%.

Appendix A

		Mousehold Heath Conservators			
Revised Budget 2014/15	*Forecast Outturn 2014/15*		*Basel Budget 2015/16*	*Draftl Budget 2015/16*	
65,925	66,593	1405 Salaries Full Time	65,925	64,668	•
7,536	8,983	1406 Salaries Employer PF Contrib'ns	7,536	8,708	•
4,108	4,108	1935 Pension Added Years share	4,108	4,732	•
6,095	6,095	1939 Pension Deficit Recovery share	6,095	7,783	•
1,045	1,045	1990 Employee/Liability Insurance	1,045	505	•
84,709	**86,824**	**Subtotal Employees**	**84,709**	**86,396**	
4,000	4,380	2100 General Repairs & Maintenance	4,000	4,000	
2,000	2,000	2600 Grounds General Mtce & Upkeep	2,000	8,772	
75,855	75,855	2651 Grounds Maintenance contract	75,855	65,215	•
4,239	4,239	2655 Treeworks	4,239	4,282	•
598	1,047	2810 Electricity	598	598	
750	0	2850 Water Charges Unmetered	750	750	
750	0	2853 Sewerage Charge Metered	750	750	
6,238	6,238	2875 Contract Cleaning	6,238	6,816	•
0	0	2900 Fire Insurance Buildings/Conts	0	14	
94,430	**93,759**	**Subtotal Premises**	**94,430**	**91,197**	
1,260	616	3080 Car and Cycle Allowances	1,260	1,260	
1,260	**616**	**Subtotal Transport**	**1,260**	**1,260**	
450	371	3370 Equipment - Purchase	450	450	
450	168	3371 Equipment - Repairs/Maintenance	450	450	
290	0	3399 Stationery Recharges	290	290	
190	264	3550 Clothing and Uniforms General	190	190	
300	0	3570 DPP Printing Costs	300	192	•
100	0	3710 Telephones General	100	100	
190	0	3715 Mobile Phone Rentals & Calls	190	190	
960	1,020	3910 Advertising General	960	960	
2,930	**1,823**	**Subtotal Supplies & Services**	**2,930**	**2,822**	
3,250	3,250	5701 Depreciation (Operational Assets)	3,250	3,250	
3,250	**3,250**	**Subtotal Capital Financing**	**3,250**	**3,250**	
186,579	**186,272**	**Subtotal EXPENDITURE**	**186,579**	**184,793**	
0	-4,610	8063 Insurance Costs Recovered	0	0	
-3,000	-1,572	8123 Football	-3,000	-3,000	
-13,000	-13,000	9039 Other Rents	-13,000	-13,000	
-1,800	-1,800	9132 Catering Concessn Pitch & Putt	-1,800	-1,800	
-17,800	**-20,982**	**Subtotal Receipts**	**-17,800**	**-17,800**	
0	-2,094	7097 Government Grants: Specific	0	-2,204	•
-2,070	0	7099 Government Grants: Non-Specific	-2,070	0	•
-2,070	**-2,094**	**Subtotal Government Grants**	**-2,070**	**-2,204**	
-19,870	**-23,076**	**Subtotal INCOME**	**-19,870**	**-20,004**	
14,000	14,000	R100 Day to Day Reps (ES/Prop Grp)	14,000	14,000	
14,000	**14,000**	**Subtotal Centrally Managed**	**14,000**	**14,000**	
4,426	4,426	4040 CDS IT Services Recharge	4,426	8,040	•
5,133	5,133	5022 CDS HR Services Recharge	5,133	5,161	•
1,814	975	5024 Property Services Recharge	1,814	1,814	
7,487	7,487	5026 CDS Finance Services Recharge	7,487	7,075	•
6,221	6,221	5044 CDS Management Support Recharge	6,221	6,671	•
1,508	1,508	5047 CDS Comms + Research Recharge	1,508	1,554	•
5,087	5,087	5097 Recharge from AHOs/One Stop Shops	5,087	5,087	
31,676	**30,837**	**Subtotal Recharge Expenditure**	**31,676**	**35,402**	
45,676	**44,837**	**Subtotal INDIRECT**	**45,676**	**49,402**	
212,385	**208,033**	**Total Mousehold Heath Conservators**	**212,385**	**214,323**	
	-3250	Less: Accounting Adjustments		-3250	
	204,783	Proposed Precept 2015/16		**211,073**	