

**SCRUTINY COMMISSION – 1<sup>st</sup> FEBRUARY 2006**

**REPORT OF THE CHIEF EXECUTIVE AND  
THE DIRECTOR OF RESOURCES**

**CHIEF EXECUTIVE'S DEPARTMENT REVENUE BUDGET 2006/07  
AND CAPITAL PROGRAMME 2006/07-2008/09**

**Purpose of Report**

1. The report provides information on the Chief Executive's Department's Revenue Budget for 2006/07 and Capital Programme for 2006/07 to 2008/09.

**Background**

2. The Cabinet approved the draft revenue budget and capital programme for consultation on 12<sup>th</sup> January 2006.
3. Reports setting out the proposed budget and capital programme are being presented to the relevant Scrutiny Committees and to the Scrutiny Commission. The Cabinet will consider the results of the scrutiny process before recommending a budget and capital programme to the County Council on 22<sup>nd</sup> February 2006.

**Proposed Revenue Budget 2006/07**

4. Table 1 below summarises the proposed 2006/07 budget for the Chief Executive's Department. Appendix A provides more details.

**Inflation**

5. The 2006/07 budget includes provision for inflation to outturn prices based on:
  - pay @ 2.95%
  - additional employers' pension contributions @ 1.2% of pay
  - running costs @2.5%

**Table 1 - Summary Proposed Budget 2006/07**

	<b>£'000</b>
<b>2005/06 Original Budget</b>	12,399
<b>Inflation to outturn</b>	407
<b>Full year effect of previous years' growth and savings</b>	-424
<b>Other changes (Budget transfers etc.)</b>	-76
<b>Add proposed Growth (App. B)</b>	372
<b>Less Proposed Savings (App. B) -</b>	-431
<b>2006/07 Proposed Budget at Outturn Prices</b>	<b>12,247</b>

**Full Year Effects of Previous Years' Growth & Savings**

6. The reduction of £424,000 mainly relates to the one-off provision in 2005/06 for the costs of the County Council elections.

**Other Changes**

7. The reduction of £76,000 reflects the net effect of transfers of budgets between departments to match where members of staff have also transferred.

**Growth**

8. The key elements making up the growth of £372,000 provided for in the Chief Executive's Department budget are:
- Additional resources to increase the number of Police Community Support Officers - £150,000
  - Funding to develop the County Council's strategic spatial planning - £30,000
  - Funding to enable individual Member learning and development needs to be identified - £14,000
  - Other additional staffing costs, mainly increments including those as a result of job evaluation - £178,000
9. The details are shown in Appendix B.

**Savings**

10. The proposed budget for the Department incorporates savings of £431,000 which are summarised below and detailed in appendix B. Of the total, £194,000 are efficiency savings, representing 1.6% of the Departmental budget.
- The deletion of posts no longer required - £94,000

- Reduction in the provision for catering services to be met by reorganisation and increased income - £27,000
- Reduction in hospitality and professional fees budget - £22,000
- Reduced running costs in a number of areas of the Department - £56,000
- Reductions in the budget for support to services in local communities including the rural partnership - £76,000
- Removal of the budgets for urban development and community information - £34,000
- Removal of the community safety grants - £22,000
- Reduction in the subscriptions budget - £50,000
- Reduction in the BABS I budget - £50,000

### **Capital**

11. A summary of the proposed Capital Programme is set out in Table 2 below. The detailed programme over the three years is shown in Appendix C.

**Table 2 – Summary Capital Programme**

<b>2006/07 £'000</b>	<b>2007/08 £'000</b>	<b>2008/09 £'000</b>
160	100	100

12. The Chief Executive's Department's Capital Programme focuses on two areas. There is £100,000 in each of the three years for Protecting and Enhancing Rural Leicestershire. Also there is £60,000 in for 2006/07 for 'Have Your Say'. This is to develop further the consultation toolkit by building on the first two phases of the consultation database and the successful web-site development work.

### **Corporate Change Management**

13. In addition to the revenue and capital resources outlined above, making up the Chief Executive's Department budget and capital programme, resources have also been allocated to support the Corporate Change Management programme.
14. The County Council faces a major task in delivering an increasing range of initiatives, programmes and projects, as well as maintaining quality and responsive services. A new framework is being developed under the leadership of the Director of Corporate Management, Tony Harrop, to rationalise the County Council's approach to delivering a significant change agenda. The work will be grouped under the following programmes:-

Efficiency  
 Children and Adult Services  
 Customer First (incl BABS I)  
 Human Resources Transformation

15. The Corporate Change Management Project will provide stronger leadership, clearer objectives and more effective prioritisation, better decision making, more joined up working and improved use of resources.
16. Revenue of £949,000 was included in the 2005/6 budget to cover the costs of the Contact Centre, Electronic Document & Records Management and E-procurement. Also £1,507,000 has been built into the 'Other Corporate' Capital Programme to be used to fund the capital implications of the Change Programme including Customer First/BABSI. At present the programme is being developed and as a result existing and new corporate projects are being prioritised to determine which projects will proceed.
17. It is proposed to use one-off funding is expected from the performance reward grant for the Public Service Agreement and income from the Local Authority Business Growth Incentive Scheme. This will total £1,600,000 revenue and £1,000,000 capital. These funds will be used to support the Corporate Change Programme as well as pump prime the new Local Area Agreement.

### **Medium Term**

18. The budget report considered by Cabinet on the 12<sup>th</sup> of January stated that a Medium Term Financial Strategy will be presented to the County Council in February.
19. The Cabinet report also sets out an overview of the medium term position. This shows that the Council faces tight financial settlements over the medium term whilst at the same time facing some significant spending pressures. The strategic approach to the medium term will be considered by the Scrutiny Commission in early February.

### **Recommendation**

20. Members are asked to consider the report and any response they may wish to make to the Cabinet and County Council.

### **Equal Opportunities Implications**

No direct implications.

### **Background Papers**

2005/06 Budget Monitoring & 2006/07 Revenue Budget and Capital Programme  
2006/07-2008/09 report to Cabinet 15<sup>th</sup> January 2006.

### **Members Advised Under Sensitive Issues Procedure**

None.

### **Officers to Contact**

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### **APPENDICES**

- A    -    2006/07 Departmental Budget Statement
  
- B    -    2006/07 Growth & Savings
  
- C    -    Capital Programme 2006/07 to 2008/09