

**SCRUTINY COMMISSION – 9<sup>th</sup> FEBRUARY 2004**

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

**CHIEF EXECUTIVE'S DEPARTMENT REVENUE BUDGET 2004/05 AND  
CAPITAL PROGRAMME 2004/05-2006/07**

**Purpose of Report**

1. The report provides information on the Chief Executive's Department's Revenue Budget for 2004/05 and Capital Programme for 2004/05 to 2006/07.

**Background**

2. The Cabinet approved the draft revenue budget and capital programme for consultation on 28<sup>th</sup> January 2004.
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 25<sup>th</sup> February 2004.

**Proposed Revenue Budget 2004/05**

**Volume Standstill**

4. The proposed 2004/05 budget is set out in Table 1 below. Appendix A provides more details. The budget includes provision for inflation to outturn prices based on:
  - Pay @ 2.5%
  - Running Costs @2.5%
  - Income @ 2.6%

**Table 1 - Summary Proposed Budget 2004/05**

	<b>Main Department</b>	<b>Youth Justice &amp; Safer Communities</b>	<b>General Items</b>	<b>TOTAL</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>2003/4 Original Budget</b>	<b>6,081,810</b>	<b>205,470</b>	<b>2,923,460</b>	<b>9,210,740</b>
<b>Inflation to outturn</b>	<b>197,910</b>	<b>11,950</b>	<b>71,500</b>	<b>281,360</b>
<b>Full year effect of previous years' growth and savings</b>	<b>5,000</b>	<b>80,000</b>	<b>-10,000</b>	<b>75,000</b>
<b>Other changes (Budget transfers, supplementary estimate and other changes)</b>	<b>298,440</b>	<b>576,560</b>	<b>-73,560</b>	<b>637,470</b>
<b>2004/5 Volume Standstill (App. A)</b>	<b>6,583,160</b>	<b>873,980</b>	<b>2,911,400</b>	<b>10,368,540</b>
<b>Add proposed Growth (App. B)</b>	<b>491,000</b>	<b>272,000</b>	<b>220,000</b>	<b>983,000</b>
<b>Less Proposed Savings (App. B) -</b>	<b>-235,000</b>	<b>0</b>	<b>0</b>	<b>-235,000</b>
<b>2004/5 Proposed Budget at Outturn Prices</b>	<b>6,839,160</b>	<b>1,145,980</b>	<b>3,131,400</b>	<b>11,116,540</b>

5. In relation to the full year effects of previous years' growth and savings, the main item is an additional amount for crime reduction initiatives agreed in last year's budget. There is also the full year effect of a partnership solicitor and a number of other minor changes. Taken together the result is a net increase of £75,000.
6. There are a significant number of other budget adjustments mainly resulting from the County Council's re-organisation. These include:
- The consolidation into Youth Justice & Safer Communities of the budgets for the Youth Offending Service, Crime Reduction Initiatives, Domestic Violence and Community Safety
  - The centralisation of part of the Human Resources function into the Department
  - The transfer of the management of County Hall Reception into the Department
  - The transfer into the Department of the International Links Co-ordinator
  - Allocations from the Central Provision for Job Evaluation.

#### Growth

7. Growth within the Chief Executive's Department totals £983,000. The main areas are:
- An additional £110,000 has been provided as the Council's corporate contribution to meet the increased pressures within the Youth Offending Service (YOS) resulting from the demands of increased numbers of referral orders and reparation demands and shortfall in partner contributions

- An additional £120,000 to improve delivery of the MTCS priority of Seeking a Safer Community by bringing together the YOS, Drug and Alcohol Action Team and Community Safety
- An additional £75,000 is required to meet increased costs associated with legislative requirements/government standards - £45,000 for child care legal matters and £30,000 for Health Scrutiny
- A further £100,000 to take the Better Access to Better Services Initiative forward, including funding improvements to face-to-face, telephone and internet access methods and developing information and records management to support this and comply with the Freedom of Information Act 2000
- £70,000 for staff support for the Equalities Board set up to respond to equalities/diversity issues across the County Council to comply with the Race Relations Amendment Act and other anti-discrimination legislation. £25,000 to deliver staff training, as required by the legislation
- £70,000 to respond to the requirements of the Strategic Review of Procurement currently being conducted to help deliver the requirements of the MTCS and ensure efficient use of resources
- A further £50,000 towards implementation of the Leicestershire Local Strategic Partnership Work Programme, including the Leicestershire Community Strategy
- An additional £120,000 is required to meet the additional costs of members' allowances and also the new costs of members' pensions
- Additional costs relating to the phased implementation of job evaluation are £132,000

### Savings

8. Efficiency savings of £235,000 will be required to be made by the Department. As reported to the Cabinet, some flexibility will be required in achieving these savings and examples were given in the Cabinet report:

"Inevitably some of these (savings) will involve staffing budgets. Savings will result from managing vacancies, permanently deleting posts which are vacant, and restructuring. At this time it is not possible to give an assurance that there will be no redundancies. Savings will also result from a range of good housekeeping measures. It is not anticipated that these savings will have any impact on front line services."

(Extract from paragraph 41 of Cabinet report, 28<sup>th</sup> January 2004.)

9. The Administration has stated that it requires substantial efficiency savings to be made in 2004/5 and the following year, in particular to keep down the level of Council Tax. The Government has also specifically stated that "the scope for efficiency improvements" is an important element in delivering low Council Tax rises.

### Capital

10. A summary of the proposed Capital Programme for the Department 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>2004/05 £'000</b>	<b>2005/06 £'000</b>	<b>2006/07 £'000</b>
350	350	350

11. The Chief Executive's Department's Capital Programme focuses on two areas:
12. The Protection of Local Services programme will support improvement to links with rural communities through consultation, supporting local services, development of local capacity and ICT.
13. There is also a block provision under the Better Access to Better Services (BABS). This is to provide improvements to face to face, telephone and electronic access, support systems and processes, including information and record management towards meeting the requirements of the Freedom of Information Act which comes fully into effect in 2005.

### **Recommendation**

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

### **Equal Opportunities Implications**

One of the growth items being put forward specifically concerns equalities/diversity issues.

### **Background Papers**

2003/04 Budget Monitoring & 2004/05 Revenue Budget and Capital Programme 2004/05-2005/07 report to Cabinet 28<sup>th</sup> January 2004.

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

None.

### **Officers to Contact**

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## **APPENDICES**

- A - 2004/05 Volume Standstill
- B - 2004/05 Growth & Savings
- C - Capital Programme 2004/05 to 2006/07