

**APPROVAL OF REVISED REVENUE BUDGET FOR 2005/06, TO REFLECT NEW COUNCIL STRUCTURE.**

**EXECUTIVE MEMBER:** Cllr Elaine Woodburn

**LEAD OFFICER:** Sue Borwick, Head of Finance & Business & Development

**REPORT AUTHOR:** Catherine Nicholson, Accountancy Services Manager

**Summary:** To approve and recommend to Council the 2005/06 Revised Revenue Budget, which reflects the new Council staffing and departmental structures.

<b>Recommendation:</b>	That Council is recommended::  1) To approve the budget pages issued under separate cover and summaried in <a href="#">Appendix A.</a>  2) To approved the revised base budget of £9,429,712 and place an additional £65,581 in Contingencies.
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**Impact on delivering Copeland 2020 objectives:** The budget process is fully integrated into the planning process of the Council embracing all the objectives of the Council

**Impact on other statutory objectives (e.g. crime & disorder, LA21):** As above

**Financial and human resource implications:** The revised budget indicates that an additional saving of £65k over the proposed levy will be achieved by the end of 2005/06. It is recommended that this amount is set aside in Contingencies and be earmarked as part of the implications that may arise out of the Restructure Review report. The current balance on Contingencies is £149,851.

**Project & Risk Management:**

## Key Decision Status

- **Financial:** Yes
- **Ward:** Affects all wards

**Other Ward Implications:** Affects all wards

### 1. **INTRODUCTION**

- 1.1 In March 2005, Council approved a report which set out the Revenue Budget for 2005/06. This report also set out the Capital Programme for the current year and approved the Council Tax for this year.
- 1.2 Since the report was presented, there has been significant change within the Council, and it has therefore been necessary to revise the current approved revenue budget to reflect these changes.
- 1.3 Budget holders can only incur expenditure within a current approved budget, and it is therefore essential that revised budget pages are approved and issued, which allocate financial resources to the correct services and projects.

### 2. **COUNCIL RESTRUCTURING**

- 2.1 Following on from the work in re-organising the senior management structures during 2004/05, a report was approved by Executive which recommended new Council Structures below Corporate Team level.
- 2.2 It was envisaged that the key positions would be filled as soon as possible into the new financial year, with the structures being fully effective by 1st June 2005.
- 2.3 The Revised Budget has assumed that the new structures are in place as at 1<sup>st</sup> April 2005.

### 3 **FINDINGS**

- 3.1 Following the recommendations in the Council Restructuring (Phase 2) report, the revised budget pages are as follows:

	<b>£</b>
Service Provision as per budget pages	10,872,573
Add Loan Interest charges	378,000
Less Capital charges – nil impact on Council Tax payers	-1,545,653
Amount set aside to repay debt – Minimum Revenue Provision	254,870
	9,959,790
Income Due:	
Home Group	(231,828)
Externally Funded Posts	(298,250)
Revised Levy	9,429,712
Original Levy as per Council 1 Mar 05	9,795,293
<b>Additional Saving in Year 1</b>	<b>(65,581)</b>

- 3.2 It was originally estimated that during year 1 a saving of approximately £100k would be generated by implemented the revised structures.
- 3.3 These savings were to be used to fund the Process Improvement Team (PIT) and Procurement Officer. It is hoped that these positions will be able to find further savings in the future.
- 3.4 The costs of these posts have been built into the revised budget, and an additional £65,581 saving on budget has resulted. There are a number of reasons for the additional saving. The main one being that a lot of staff are not being paid at the top of their scale as yet.
- 3.5 Because this £65k is a budget, it is recommended that it is added to the Contingency balances until the actual final outturn position is determined. This sum can then be earmarked for any additional costs that may arise from the Restructure Review report.

#### **4 CONCLUSION**

- 4.1 This revised budget addressed all the implications of the new Council Structures that have been implemented since April 2005. The Original budget only reflected the previously approved Corporate Team level structure.
- 4.2 After costing in the additional posts that were to be funded from the savings, an additional budget saving of £65k has been generated.
- 4.3 A detailed Budget Book has been completed, and a copy of this will be placed in the Members Room. A summary of the revised budgets is attached at Appendix A.

#### **List of Appendices**

[Appendix A Revised Summary Budget Pages](#)

**List of background Documents:** Budget Report 2005/06, Council Restructuring (Phase 2), FMS Revised Budget and Recharge Module, Revised Budget Book

**Consulters:** Corporate team; Accountants