

## RURAL, ECONOMIC & ENVIRONMENTAL AFFAIRS COMMITTEE

2 NOVEMBER 2016

### REPORT OF HEAD OF CENTRAL SERVICES

#### REVENUE BUDGET 2017-18 COMMITTEE ESTIMATES

#### 1.0 PURPOSE OF REPORT

1.1 To inform members on the latest position of this committee's revenue budget estimates

#### 2.0 RECOMMENDATIONS

2.1 **Members to note the latest position on this committee's revenue budget estimates and make comments which can be taken forward through the remainder of the budget setting process.**

#### 3.0 KEY ISSUES

3.1 In early September 2016 budget holders were provided with budget working papers with the request that they forecast the estimated 2016/17 year end position and put together draft proposals for the 2017/18 budgets. Budget workshops were held for budget holders to provide guidance for the completion of the working papers in line with the budget framework. The working papers were completed by budget holders, in conjunction with the relevant Service Accountant and Head of Service.

3.2 In line with the Budget Framework, approved on 28th September 2016 at the Policy, Finance and Administration (PFA) Committee, the following table summarises the key stages in the budget setting process:

|  |                   |
|--|-------------------|
| Star Chamber Scrutiny of Budget Working Papers   | 10 October 2016   |
| Members Autumn Away Day – initial high level budget review and consideration of efficiency plans | 13 October 2016   |
| Budget and Strategic Planning Working Group meet to consider draft MTFS and budget submissions   | 9 November 2016   |
| Spending Review published by Government  | 23 November 2016  |
| PFA Committee consider first draft of revenue estimates  | 30 November 2016  |
| Settlement Announcement for Local Government   | Mid December 2016 |
| Strategic Planning Away Day (All Councillors)  | 11 January 2017   |
| PFA to review draft budget to Council following the Strategic Planning Away Day                  | 25 January 2017   |
| Full Council determines the budget   | 8 February 2017   |
| Full Council sets Council Tax and approves the budget book and the MTFS                          | 23 February 2017  |

3.3 The two appendices attached to this report provide a detailed summary of the overall Committee estimates. Appendix A provides a one line per service summary. Appendix B provides a more detailed analysis in the form of budget book pages. It should be noted that internal recharges have not yet been finalised and so are still included at current year

values. Budgets are still being refined and checked and therefore are subject to change between now and Full Council approval.

3.4 The following table provides a summary of the appendices as detailed above, further detail on the significant variations are shown below in paragraphs 3.5 and 3.6:

| <b>Fund</b>      | <b>2016/17 Original Budget</b> | <b>2016/17 Approved Budget at Period 4</b> | <b>2016/17 Estimated Year End Position</b> | <b>2017/18 Proposed Budget</b> |
|------------------|--------------------------------|--|--|--------------------------------|
|                  | £                              | £  | £  | £                              |
| General Expenses | 2,867,180                      | 3,377,690                                  | 3,284,480                                  | 2,474,890                      |

The approved budget above includes a £435k carry forward within the Local Plans budget and £120k within the Cattle Market Re-development budget.

3.5 **Variances +/- £10,000 in 2016/17 Estimated Year End Position against Approved Budget**

| <b>Service</b>            | <b>Variance</b> | <b>Detail</b>  |
|---------------------------|-----------------|--|
| Waste Management          | £95,640         | Shortfall in commingled income, budget at £51.74 per tonne but current values are at £43.64 per tonne with a previous quarter of £32.87 per tonne. |
| Car Parks and Bus Station | -£18,090        | Increase in parking fee income   |
| Development Control       | -£199,920       | Increase in planning application fees, two large applications have been received this year.  |
| Building Control          | -£10,950        | New fees introduced from 1 <sup>st</sup> October will result in additional income  |
| Local Plans               | £51,380         | Additional expenditure for staff resources as agreed at PFA. To be funded from additional income within Development Control budget.                |
| Licensing                 | -£10,630        | Change to the staffing structure has resulted in savings   |

3.6

**Variances +/- £10,000 in 2017/18 proposed budget against 2016/17 Estimated Year end Position**

| <b>Service</b>               | <b>Variance</b> | <b>Detail</b>   |
|------------------------------|-----------------|---|
| Waste Management             | -£154,420       | Reduced contract amount following extension of contract and anticipated increase in the value of commingled materials                                 |
| Car Parks and Bus Station    | £13,940         | Thorpe End Lease assumed not to continue in 2017-18 and one off receipt relating to VAT reclaimed on overpayments received in 2016-17                 |
| Cattle Market                | -£114,600       | NNDR liability falls to the Market Partners from 2017-18 and increase in income based on forecast following redevelopment works and the new contract. |
| Cattle Market Re-development | -£121,060       | As this budget was a one off, no revenue budget required in 2017-18, any underspend in 2016-17 will be carried forward into 2017-18                   |
| Development Control          | £86,260         | Two large planning applications received in 2016-17 will result in predicted year end position of £680k. 2017-18 budget is £600k                      |
| Local Plans                  | -£478,370       | Additional expenditure in 2016-17 relates to the Bypass Strategy (£400k), Community Infrastructure Levy (£35k) and Professional Fees (£44k)           |
| Industrial Estates           | -£13,580        | Increase in rent for 2017-18 (two units with rent   |

|                      |          |   |
|----------------------|----------|---|
|                      |          | free periods in 2016-17 will pay for the full year)   |
| Economic Development | -£25,050 | Establishment reduced by the Funding Officer post, as detailed in the efficiency statements.    |
| Licensing            | £14,190  | Year 2 of the 3 year licence cycle in 2017-18 will result in lower income than year 1 (2016-17) |

- 3.7 One growth item has been put forward:
- Support the Local Plan through to the Examination stage, this includes programme officer costs, examination costs, legal advice and adoption costs (£101,360)

3.8 There have been no saving proposals submitted.

### 3.9 **Next steps**

The above tables reflect any revisions made as part of the Star Chamber budget scrutiny on the 10<sup>th</sup> October. As stated in the timetable in 3.2 the Budget and Strategic Planning Working Group will be held on 9<sup>th</sup> November and PFA will consider the first draft of revenue estimates on 30<sup>th</sup> November, followed by the calculation of internal recharges and the Strategic Planning Away day on 11<sup>th</sup> January 2017.

### 4.0 **POLICY AND CORPORATE IMPLICATIONS**

4.1 Each relevant service plan shows the links and aims between service delivery and corporate priorities. The estimates have been prepared on this basis.

### 5.0 **FINANCIAL AND OTHER RESOURCE IMPLICATIONS**

5.1 All financial and resource implications have been addressed in section 3 above.

### 6.0 **LEGAL IMPLICATIONS/POWERS**

6.1 The legal implications of service growth, if applicable, will need to be assessed when and if such growth items are being considered.

### 7.0 **COMMUNITY SAFETY**

7.1 Community Safety is a key priority of the Council and the budget proposals need to take account of the requirements to support that strategy.

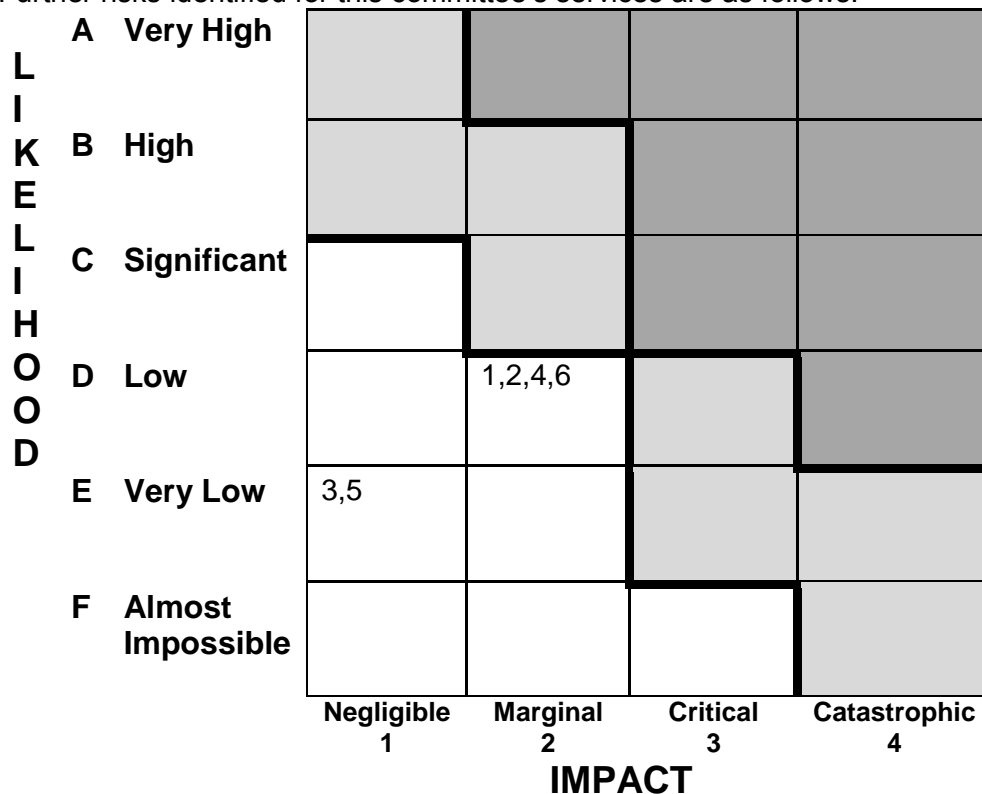
### 8.0 **EQUALITIES**

8.1 There are no direct links to Equalities, though some elements of the budget proposals will relate to Equalities issues. Any savings proposals will need to have equality impact assessments completed as appropriate by the service lead.

### 9.0 **RISKS**

9.1 There is always the risk that an item of income or expenditure is not adequately reflected in the budget for any financial year; this will be higher in some areas for the 2017/18 financial year due to the economy as well as any initiatives/policy changes arising from the government.

Further risks identified for this committee's services are as follows:



| Risk No | Risk Description   |
|---------|--|
| 1       | Budgeted Cattle Market income is less than that estimated  |
| 2       | Waste Management- Commingled tonnages forecast is not reached. Value of commingled waste per tonne falls below that budgeted for. Also risk that annual indexation on contract price is higher than budgeted for |
| 3       | Car Parks- Enforcement and Penalty Charge Notice issue costs increase/or income falls  |
| 4       | Development Control – Income falls below expectations  |
| 5       | Licensing – Impact of 3 year cycle on income   |
| 6       | Local Plan results in increased costs over that estimated  |

**10.0 CLIMATE CHANGE**

10.1 Climate change and our response to this could impact on a number of budgets and this should be considered as part of the service planning process.

**11.0 CONSULTATION**

- 11.1 The Service and Financial Planning timetable sets out the Council's approach to consultation and its links to the budget setting process. In addition, all Heads of Service and Members are involved in the process at various stages.
- 11.2 To this stage, Budget Holders have carried out the budget setting process with the assistance of the Service Accountant as required with reference to current budget protocols.
- 11.3 Further consultation at the Star Chamber took place on the 10<sup>th</sup> October and the Budget and Strategic Planning Working Group further scrutinised the budgets on the 9<sup>th</sup> November.
- 11.4 A high level budget review was also undertaken at the Members Autumn away day on the 13<sup>th</sup> October where union representatives were invited but declined to attend.
- 11.5 Extensive consultation was undertaken with the public over the Corporate Plan and this was reported to the Policy Finance and Administration Committee. Budget Proposals are prepared in line with the priorities contained within the Corporate Plan.

## 12.0 **WARDS AFFECTED**

- 12.1 All wards affected

|                    |   |
|--------------------|---|
| Contact Officer    | Emma Peters   |
| Date:              | 17 October 2016   |
| Appendices :       | Appendix A – Committee Summary of Estimates<br>Appendix B – Committee Budget Book Pages       |
| Background Papers: | Budget Working Papers<br>Oracle Financials  |
| Reference :        | X: C'ttee, Council & Sub-C'ttees /REEA/2016-17/02-11-16/DG – Revenue Budget 2017-18 Estimates |