



**REPORT of
DIRECTOR OF RESOURCES**

to
**COMMUNITY SERVICES COMMITTEE
21 NOVEMBER 2017**

**2018 / 19 REVENUE BUDGET, CAPITAL BUDGET, REPAIRS AND RENEWALS
RESERVE AND FEES AND CHARGES POLICY**

1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to consider the revenue growth, Capital projects, the repairs and renewals reserve projects and fees and charges policy proposals that have been put forward by officers, prior to the approval of the 2018 / 19 budget and updated medium term financial strategy in January 2018. The proposals only show items that are relevant to this Committee.

2. RECOMMENDATIONS

- (i) that the contents of the report be noted;

To the Finance and Corporate Services Committee

- (ii) that Members consider the proposals set out in **APPENDIX A** for growth items;
- (iii) that the updated fees and charges policy areas within the purview of this Committee outlined in **APPENDIX B** for 2018 / 19 be adopted;
- (iv) that the project bids set out in **APPENDIX C** to this report are considered and identify which items should be included for consideration in the 2018 / 19 capital programme;
- (v) that the Repairs and renewals projects set out in **APPENDIX D** are considered and identify which items should be funded from the Repairs and renewals reserve.

3. SUMMARY OF KEY ISSUES

- 3.1 For 2018 / 19, the Council are building a zero based budget, this in its nature identifies savings and builds them into the core budget building.
- 3.2 In line with previous Council approval that there should be no additional budget growth, this has been reinforced through the zero budget process to ensure that budgets are only built for the existing service provision. Officers have been advised

that growth bids should only be put forward if statutory; however there are a number of growth bids that are unavoidable and may result in service failure if not supported.

3.3 It was reported to the Finance and Corporate Services Committee in September 2017, that the current budget gap is £98,000. It is envisaged that the zero based budget process will generate sufficient savings / additional income to bridge this gap for 2018 / 19.

3.4 **Revenue Budget Growth**

3.4.1 Budget growth proposals relevant to this committee are set out in **APPENDIX A** for consideration.

3.4.2 The first item on **APPENDIX A** relates to the upgrade of software for the car park machines to enable them to continue taking card payments. There is also a capital bid requesting funds to replace the car parking machines all together, this is requested to improve reliability of the machines and also to enable additional forms of payments such as contactless. If the capital bid is approved, then this revenue bid will not be required.

3.5 **Fees and Charges**

3.5.1 Fees and charges set by the Council are one area where the Council may have the ability to generate increased resources, however each area is subject to different constraints. In looking at these policies, the following factors need to be considered:

- Corporate and service objectives / priorities;
- Seeking to make services self-financing, where there is scope to do so;
- The level of charges levied by commercial competitors and other local authorities;
- The introduction of new charges, where appropriate;
- Whether concessionary charges for specific users of the service would apply.

3.5.2 **APPENDIX B** shows the fees and charges policy for the approval of this committee with detail where a policy is proposed to be amended.

3.6 **Capital**

The 2018 / 19 project bids set out in **APPENDIX C** have been categorised by Officers into three main groups:

- Essential (E): Failure to carry out the project is likely to have health and safety implications and/or will have fundamental impact on service provision;
- Service failure (SF): Relating to an operational asset that requires capital funding to ensure continued reliability or service provision;
- Service improvement (SI): An asset that can be updated / upgraded to improve performance or function.

3.7 As part of the budget strategy the broad principles adopted in relation to capital are that expenditure should be financed from existing capital resources and not directly from revenue.

3.8 At the start of 2017 / 18 the Council had capital reserves totalling £3.51 million. £1.69m was scheduled to be used to support the 2017 / 18 capital programme, which will leave about £1.82m to support future programmes for 2018 / 19 and beyond.

3.9 **Repairs and Renewals**

3.9.1 The Council has a Repairs and Renewal Reserve; this reserve is there to provide funds to support additional costs arising from the need to maintain the Council's asset base. At the start of 2017 / 18, the reserve totalled £225,300. Projects already committed in 2017 / 18 are scheduled to draw £14,000 from the fund leaving a balance of £211,300.

3.9.2 Repairs and Renewals projects are set out in **APPENDIX D** for consideration.

4. **CONCLUSION**

4.1 It is essential for Members to consider the proposals set out in this paper in order to allow sufficient time for this to be built into the 2018 / 19 budget setting process.

4.2 It is considered that the indicated budget gap in 2018 / 19 is manageable at this time and can be dealt with once the detailed budgets for 2018 / 19 are built up. However, more work will be needed to close down the predicted budget gaps for future years.

4.3 Members are invited to comment on the capital scheme prior to their inclusion in the 2018 / 19 budget.

4.4 Members are invited to comment on the Repairs and Renewals projects to be funded from the reserve.

5. **IMPACT ON CORPORATE GOALS**

5.1 The Strategic and Financial Planning process contributes towards our Corporate Goal "Delivering good quality, cost effective and valuable services".

5.2 Each of the revenue proposals is also linked to the corporate goals.

6. **IMPLICATIONS**

(i) **Impact on Customers** – The fees and charges are for discretionary services and therefore impact on service users.

(ii) **Impact on Equalities** – None.

- (iii) **Impact on Risk** – The implementation of the budget setting process is designed to minimise the risk of not having a robust Medium Term Financial Strategy.
- (iv) **Impact on resources (financial)** – As outlined in this report.
- (v) **Impact on Resources (human)** – As well as financial factors, availability of staff has been considered for each of the projects and this has been included.
- (vi) **Impact on the Environment** – None.

Background Papers: None.

Enquiries to: Carrie Cox, Finance Manager, (Tel: 01621 875799).