



Prosperous Communities

Tuesday, 29 January 2019

Subject: Prosperous Communities Committee Budget 2019/20

Report by:

Executive Director of Resources

Contact Officer:

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Purpose / Summary:

The report sets out details of the Committee's draft revenue budget for the period of 2019/20 and estimates to 2023/24

RECOMMENDATION(S):

1. That Members recommend the draft Prosperous Communities budget 2019/20 and revenue estimates to 2023/24 to Corporate Policy and Resources Committee for the purpose of budget setting 2019/20 and for inclusion in the Medium Term Financial Plan 2019/20 – 2023/24.

IMPLICATIONS

Legal: None arising as a result of this report.

(N.B.) Where there are legal implications the report MUST be seen by the MO

Financial : FIN/189/19

The 2019/20 base budgets and variance to the 2018/19 base budget are explained in the body of this report.

After taking a robust approach to the estimations within the budget for this Committee the total cost of services will be £4.068m.

This has resulted in base budget increase of £0.65m, and additional income of £0.634m resulting in a net movement of £0.016m. In addition £0.165m of budgets to support service investment projects have been included which are to be funded from Earmarked Reserves.

The overall impact is therefore a decrease of £0.149m, excluding use of Earmarked Reserves, details of which are contained within the report.

(N.B.) All committee reports MUST have a Fin Ref

Staffing: None arising as a result of this report.

Equality and Diversity including Human Rights :

The Equality Act 2010 places a responsibility on councils to assess their budget options before taking decisions on areas that could result in discrimination. Where appropriate assessments have been undertaken by the relevant service areas.

Risk Assessment :

All items where necessary have been risk and equality impact assessed by the relevant budget holder.

Climate Related Risks and Opportunities :

There are no significant climate related risks and opportunities relating to this report.

Title and Location of any Background Papers used in the preparation of this report:

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

Yes No

Key Decision:

Yes No

1 Introduction

1.1 This report sets out the Prosperous Communities Committee base budget position for 2019/20 – 2023/24, incorporating the medium term financial planning principals;

- The overarching principal is the commitment to achieve affordable investments over the longer term.
- To pursue all available external funding options and opportunities for leverage of external resources
- Value for money investment over full life cycle.
- Robust financial implications and appraisals are included within all Business Cases and Invest to Save scheme proposals and schemes are costed on a whole life basis.
- The development of partnerships, including the pursuit of shared services, joint ventures and community arrangements, where appropriate, to achieve the Council's investment aspirations and value for money.
- Monitoring and evaluation of approved schemes will form part of Progress and Delivery project monitoring reporting.
- Encourage community engagement by informing on priorities and consultation on proposals.

1.2 The Committee are required to propose the 2019/20 budget only to Corporate Policy and Resources Committee for the purpose of setting the 2019/20 budget.

1.3 The process for the preparation of this budget has included the following;

- Meetings with Budget Managers to ensure resources align to the delivery of Corporate Priorities and to review budgets, identifying ongoing pressures/savings and horizon scanning for future issues, including political, economic or legislative implications.
- Business Planning reviews have been undertaken to identify further income generation opportunities and budget reduction proposals which can be delivered to ensure a sustainable budget.
- A robust Fees and Charges review, which resulted in an increase in income budgets of £6.8k. Full Details of proposed fees and charges were presented to Prosperous Communities Committee on the 23 October 2018.

- Regular updates have been provided to the Management Team who have also reviewed, challenged and proposed inclusion of the pressures and savings incorporated into this budget which have not already been approved by the Corporate Policy and Resources Committee. In addition to the assumptions included within the budget i.e. pay award levels, inflation on utilities, Business Rates (NNDR) growth etc.
 - Regular meetings have been held with the Chairs and Vice Chairs of Committees to ensure they are fully engaged in the process.
 - Inclusion of the revenue implications of the DRAFT Capital Programme 2019/20 – 2023/24.
 - Consultation with Parish Councils, residents and business rate payers has been undertaken.
 - The review of Earmarked Reserves and approved additional resources being funded from these reserves and/or external grant income.
 - Consideration of other Strategies i.e. Car Parking Strategy, Housing Strategy etc.
- 1.4 This Budget Preparation process has achieved a High Assurance rating from our Internal Auditors in September 2018.
- 1.5 Where additional expenditure and unavoidable costs are identified Business Units try to accommodate these extra costs by working more efficiently, generating extra income or reducing base budgets in non-priority areas. These items of additional expenditure and unavoidable costs, together with budget reductions are described below and have been built in to the base budgets.
- 1.6 The Prosperous Communities base budgets have been developed from the forecast budgets presented to Council in March 2018 and reflect the corporate priorities agreed in the Corporate Plan. To aid comparison capital charges and central support recharges have been omitted to present only controllable costs.
- 1.7 The Income and Expenditure Budget of the Committee is shown at Appendix A.
- 1.8 The overall net Budget per Cluster (People, Places, Policy and Resources) is attached at Appendix B.
- 1.9 The overall net Budget per Business Unit is attached at Appendix C.
- 1.10 The Business Units income and expenditure budgets are included at Appendix D.

- 1.11 The budget consultation report is attached at Appendix E for information.
- 1.12 No allowance has been made for price increases within general budgets for 2019/20 other than contractual obligations. Pay budgets for 2019/20 have been increased by 2% as per the latest employers offer, and employer's superannuation in line with that provided by the Actuary.

2. Significant Variations

When compared to the 2018/19 base budget the 2019/20 base budget shows a budget decrease of £0.149m (£1.647m 2018/19). The major variances to the 2018/19 base budget are provided below;

- 2.1 **Green Waste Charging** – Net additional income of £204.7k to be generated from the introduction of charging for green waste has been built into the MTFP from 19/20 based on the subscription base achieved during the first year of delivering the service. Maintaining the current charge of £35 per annum was approved by Corporate Policy and Resources Committee 13 December 2018.
- 2.2 **Leisure Management Contract** – the successful procurement of a 15 year contract for the provision of Leisure Management and the ability to part fund a new dry leisure facility in the Market Rasen area has resulted in a £205.9k reduction to the 2018/19 base budget.
- 2.3 **Car Parks** – £80k reduction in car park income. Analysis of actual and forecast car park fee income against strategy budgets built into the MTFP for 2018/19 has identified a shortfall in income. This is consistent with the pressure reported for 2018/19 outturn.
- 2.4 **Planning Fees** – £185.1k reduction in income. We have benefitted from significant levels of planning fee income over the past 3 years. A variety of economic factors and the adoption of the Local Plan is now impacting above the reductions projected, reflected by less applications to date during the current year.
- 2.5 **Trade Waste Service** – the performance of the Trade Waste service has been reviewed and the expected increase in customer base has been reflected in the future year budgets. This has resulted in a net positive impact of £31.6k on the 2018/19 base budget.
- 2.6 Approved changes to the establishment during the year have resulted in a net reduction in budget of £35.4k.
- 2.9 Other significant variances within individual Business Units are the result of budget movements within the Committee, and do not impact on the budget movement for the Committee overall.

3. Fees and Charges

The Corporate Policy and Resources Committee held on 8th November 2018 considered the Fees and Charges recommended by this Committee.

4. Budget Consultation

A number of events were held with Parish Councils, businesses and the wider community during November 2018. New for 2017 was an online Budget Allocator tool which was launched to encourage members of the public online, easy access to engage in the process, in addition a paper based survey was issued to the West Lindsey Citizen Panel.

Topics covered included;

Level of Council Tax
Service investment priorities
New Homes Bonus allocation

The process has provided constructive feedback on budget proposals. The full report is attached at Appendix E for information.

5. Recommendations

That Members recommend the draft Prosperous Communities budget 2019/20 and revenue estimates to 2023/24 to Corporate Policy and Resources Committee for the inclusion in the Medium Term Financial Plan 2019/20 – 2023/24.