

CABINET – 15TH DECEMBER 2016

**Report of the Head of Finance and Property Services
Lead Member: Councillor Tom Barkley**

Part A

ITEM DRAFT 2017/18 GENERAL FUND AND HRA BUDGETS

Purposes of the Report

1. To advise members of the projected base budget position for 2017/18 on the basis of the estimated grant settlement for 2017/18.
2. To review the savings and growth proposals put forward for the year 2017/18, and to begin a period of consultation.
3. To approve the details of how the Housing Revenue Account (HRA) Financing Fund budget can be released.

Recommendations

1. That the Cabinet endorses for consultation the General Fund and HRA Revenue Budgets for 2017/18 as set out in Tables 1 and 4, and the Loughborough Special Expense Budget and Levy for 2017/18 as set out in Appendix 2.
2. That HRA staffing decisions delegated to the Head of Paid Service which result in redundancy or salary protection costs, carry with them the authority to implicitly authorise expenditure from the HRA Financing Fund for the purposes of meeting any redundancy or salary protection costs that might arise.
3. That HRA service pressures be funded initially from HRA working balances. Where this would mean the HRA Working balances would be lower than the minimum recommended working balances (determined by the S151 officer) consideration would be made to fund these from the HRA Financing Fund.

Reasons

1. To provide the opportunity for consultation on the 2017/18 budgets as well as potential pressures and savings.
2. To ensure that the procedures governing the release of budgets in the HRA financing fund are clearly defined and are in line with those in place for the General Fund Reinvestment Reserve.
3. To build up the HRA Finance Fund by funding additional HRA service pressures from HRA working balances in the first instance and using the financing fund only where insufficient working balances are available.

Policy Justification

The Council's Budgets are fundamental to the delivery of all services.

Implementation Timetable including Future Decisions and Scrutiny

Cabinet is asked to endorse the Budget proposals contained in and appended to this report as a basis for consultation. These proposals will be subject to consultation over the period from 19th December 2016 to 17th January 2017. The Overview Scrutiny Group will have the opportunity to scrutinise this report as will the Budget Scrutiny Panel.

The Overview Scrutiny Group will also have the opportunity to scrutinise the final report to Cabinet on 13th February 2017. In addition, consultation will be with:

- Trade Unions;
- Local Businesses and Commercial Ratepayers;
- Formal consultation with key partners, including members of Charnwood Together, Towns and Parishes.

Proposals on the General Fund and HRA Budgets plus Council Tax will return to Cabinet on 16th February 2017 for recommendation to Council on 27th February 2017.

Report Implications

The following implications have been identified for this report.

Financial Implications

There are no direct financial implications from approving this report for consultation. However, if the final report is approved then there will be financial implications for the Council and these are set out in Part B of this report.

Risk Management

There are no specific risks associated with the decision Cabinet is being asked to make. However, Part B of the report identifies risks associated with the eventual adoption of the new Budgets.

Equality and Diversity

There are no specific Equalities and Diversity issues affecting the recommendation in this report, though any such issues affecting particular service pressures and savings will have been considered when those proposals were submitted.

Key Decision:	No
Background Papers:	None
Officer to Contact:	Clare Hodgson 01509 634810 clare.hodgson@charnwood.gov.uk

Part B

Background

1. As has been the case over recent years, this draft budget is being prepared without knowing the contents of the financial settlement from the government for 2017/18. This is likely to be communicated just before Christmas.
2. The Revenue Support Grant (RSG) from central government for 2017/18 will include an amount to partially cover the impact on the Council, as well as some towns and parishes, in respect of Council Tax Support. However, the actual amount is part of the overall grant and is not separately identified by the government.
3. The RSG is not ring-fenced and nor is this element of it. However, it is intended that the Council will distribute the grant to those towns and parishes that received it in 2013/14. The amount of the grant will be based on the amount paid in 2013/14 less a deduction which mirrors the indicated reduction in the total amount of RSG that the Council expects to receive in 2017/18 compared to 2013/14.
4. The Council's Medium Term Financial Strategy (MTFS) indicated that there will be a shortfall of £2.2m (£1.479m post efficiencies) in the General Fund for 2017/18. This is based on illustrative grant and National Non-Domestic Rate (NNDR) figures issued by the government in February 2016. The MTFS assumed that this shortfall would be covered by a combination of the Council's efficiency plan for 2017/18, use of reserves and the reallocation of budgets from areas which have underspent in previous financial years. There are many uncertainties going forward due to changes in government policy (for example the allocation of business rates and the New Homes Bonus payments) and the global economic environment which affects interest rates, inflation and demand for services.
5. The Draft Budget indicates a shortfall of £1.685m post efficiencies for 2017/18, an increase of £206k compared to the MTFS. This change is due to proposed additional service pressures of £459K, partially offset by a combination of additional efficiencies and lower General Fund service expenditure resulting from a detailed analysis of budgets and preparation of business cases. Of the proposed service pressures and savings, £257k net are one-off for 2017/18 and there are ongoing net efficiencies of £260k. It is proposed to fund this in year shortfall from the General Fund Working Balance reserve.
6. The Draft Budget assumes that no further Council Tax Freeze Grant will be offered for 2017/18. Given current service pressures, the potential reduction in New Homes Bonus payments and the fact that Charnwood Borough Council currently has one of the lowest council tax rates of all districts in the country, the budget assumes a council tax increase of £5 in total including the Loughborough Special Levy. This is equivalent to £4.47 per annum on a Band D property and £1.49 on the Loughborough Special Levy (the two figures will not add up to £5 because this is a Levy on overall

properties within the Borough and the Loughborough Special Levy only relates to properties within Loughborough itself)

7. The New Homes Bonus ('NHB') will continue in 2017/18, albeit it at a potentially reduced amount. The actual amount is not yet known and the MTFs estimate has been used.
8. United Kingdom base rates are at an historic low of 0.25% and this will continue to have a negative effect on the Council's income from its investments. The budget for interest receivable in 2017/18 of £30k reflects the dramatic decrease in current rates and the forecast that these will not rise for the foreseeable future and may even reduce.
9. There are some financially significant changes to the HRA included in this draft budget. Most notable is the continuation of the 1% rent reduction which was announced in the Chancellor's 2015 summer budget, from April 2016 for the next four years. Other changes are discussed in the HRA section of this report.
10. For the General Fund the main changes are the continued reduction in RSG, the forecast reduction in New Homes Bonus Payments following a Government consultation, the creation of an efficiencies plan and the further review of all budgets to identify patterns of underspending. This has enabled budget funding to be reallocated to areas of income or cost pressures. The efficiencies plan which was included in the MTFs has also given the Council access to a 3 year settlement figure for RSG which is due to be announced along with 2017/18 allocations just before Christmas.
11. A factor affecting both the General Fund and HRA is the rise in the cost of pension provision with the Council's contributions continuing to increase over the next couple of years.

Overview

12. During 2016/17 the Council has continued its culture of continuous improvement and actively seeking out partnership opportunities and value for money. As a result, the draft 2017/18 budget is still lower than the amount of actual expenditure in 2007/08. This has been achieved without any major reduction in services or cessation of services.
13. The draft budget constructed for 2017/18 contains £931k of service pressures, of which £320k are one-off's and £611k are ongoing. These are offset by efficiencies of £934k, of which £63k are one-offs and £871k are ongoing. If this draft budget is approved, and achieved, for 2017/18 it will result in revenue balances remaining above the minimum target levels at the end of March 2018.

Approach to the 2017/18 Budgets

14. The principles underpinning the Council's approach to constructing the budget are summarised above. The method by which the Council has addressed specific budgetary issues is detailed in the paragraphs below.

15. A base budget is established which reflects the current year budget for 2016/17 adjusted for inflation, where relevant, and known service changes. It also removes any one-off items that were included in the 2016/17 budget. Services then submit any pressures and savings they are aware of for the forthcoming year. These pressures and savings are split into one-off, i.e. will only impact in 2017/18, and ongoing which will continue for the foreseeable future. They are also categorised into their respective drivers from 'Contractual', 'Statutory', 'Member led' and 'Other'. The pressures and savings are then reviewed by the Directors and Heads of Service to determine whether these can be covered within the overall Directorate budget and to affirm the categorisations. Further information on the previous 3 financial years pressures and savings and the previous 3 years actuals against budget is also provided to inform discussion. At this stage pressures and savings sheets are amended where necessary and business cases for remaining pressures are prepared. For 2017/18 budget an efficiency plan was also prepared and included in the MTFS. This plan formed the basis for the 2017/18 savings figures which have now been prepared in more detail and are supported by a business case. Future years efficiencies will be subject to the same process for each budget year.
16. The finalised pressures and savings, along with the business cases and supplementary information, are then reviewed by the Senior Management Team and are set out by Service Area in Appendix 1 to this report.
17. The base position of the Council's General Fund spending proposals for 2017/18, incorporating the recommended pressures and savings, as shown in detail in Appendix 1, is set out in table 1 overleaf. The base position is compared with the original budget for 2016/17 and shows the major changes between the two years.
18. The remainder of this report covers:
 - Details of savings and pressure proposals in Appendix 1.
 - Information in respect of the Loughborough Special Expense Budget and Levy is detailed in Appendix 2.
 - A review of the Council's reserves. It is the duty of the Council under the Local Government Act 2003 to ensure that a balanced budget is set after due consideration of the duties and plans which are proposed for the coming year and that adequate financial reserves are held.
 - A section on the HRA.
 - A brief section on risks.

Table 1 - Draft General Fund Budget Summary

Actual 2015/16 £000	General Fund	Budget 2016/17 £000	Budget 2017/18 £000	Variance £000
14,672	General Fund Service Expenditure	19,161	18,730	(431)
0	Net Service (Savings) & Pressures	574	152	(422)
2,294	Add/(Less): Capital Charges & Asset Revaluation	(2,017)	(1,641)	376
(129)	Add Year End Pension, Accumulated Absence	0	0	0
16,837	Net Service Expenditure	17,718	17,241	(477)
99	Revenue Contributions to Capital	155	0	(155)
127	Council Tax Support Grants to Parishes/Towns	96	47	(49)
235	Interest Paid	240	240	0
(318)	Less: Interest on Balances	(265)	(30)	235
16,980	Total Borough Expenditure	17,944	17,498	(446)
(4)	Contribution (from) Reinvestment Reserve	0	(10)	(10)
1,594	Contribution(from)/to Working Balance to Fund Services	(248)	(930)	(682)
0	Contribution (from) Working Balance to Fund Collection Fund		(755)	(755)
850	Contribution to Capital Plan Reserve	0	0	0
38	Contribution (from)/to Other Reserves	0	0	0
(43)	Contribution (from)/to Growth Support Fund	0	0	0
(64)	Council Tax Freeze Grant	0	0	0
19,351	Precept Requirement	17,696	15,803	(1,893)
3,043	Revenue Support Grant	2,090	1,265	(825)
4,091	NNDR	4,409	4,542	133
5,366	Council Tax Receipts	5,733	6,062	329
1,111	Loughborough Special Levy	1,166	1,207	41
3,775	New Homes Bonus	4,491	3,482	(1,009)
755	General Government Grants/S31 Compensation	0	0	0
1,210	Collection Fund Surplus/(Deficit)	(193)	(755)	(562)
19,351	Precept Income	17,696	15,803	(1,893)
£p	<u>Council Tax for Band D</u>	£p	£p	£p
102.62	Base Borough Council Tax	107.09	111.56	4.47
73.51	Loughborough Special Levy	74.97	76.46	1.49

19. The level of uncertainty in the above figures should not be underestimated as the Revenue Support Grant, NNDR and New Homes Bonus, in total amounting to £9,289k, are estimates at the moment as final figures have not yet been released by the Government.
20. It is proposed to increase Council Tax by the permitted £5 per band D property for the second year in a row. Of this the Loughborough Special Levy will increase by 1.99% (£1.49) and general band D will increase by 4.17% (£4.47). This is a result of the current assumption that the Government will no longer offer a Council tax freeze grant, coupled with reductions in Revenue Support Grant funding and the potential reduction in NHB payments offset by net ongoing efficiencies proposed of £260K (Appendix 1). Charnwood still has a relatively low level of Council Tax and the increase is necessary to avoid reductions in service levels.
21. The £477k reduction in the levels of General Fund Net Service Expenditure between 2016/17 and 2017/18 is largely due to lower levels of ongoing service expenditure as a result of the efficiencies plan and a vigorous review of historic underspends in order to cover pressure areas. There are net one-off pressures of £257k which will only impact on the Council's budget in 2017/18. There are net ongoing efficiencies of £260k. (Appendix 1)
22. Table 2 – The ongoing budget pressures greater than £50,000 are:

	£'000
Statutory housing benefit top up in respect of Supported Accommodation	110
Reduction in DWP Housing Benefit Subsidy Grant	101
Statutory Apprenticeship Levy	52

The full list of pressures and savings are shown in Appendix 1

23. Revenue Contribution to Capital (RCCO) relates to planned property refurbishments which may be capitalised depending on the precise nature of the individual works. £155K (RCCO) is proposed as an efficiency saving for 2017/18. A £30K Service Pressure has been added to Property Services repairs budget in addition the current buildings repair budget. Any planned capital maintenance work in future will be covered through capital programme bids and funded by Capital Plan Reserve.
24. Council Tax Support Grants to parishes and towns are £47k. It should be noted that there is no legal requirement for Charnwood to passport this grant and the amount has been reducing in line with the reduction in overall RSG.
25. The forecast receipt of interest in 2017/18 is £30k, being 89% lower than the amount originally forecast for 2016/17 (£265k). This reflects the level of interest we now expect to receive following advice from our treasury advisers, which takes into account the prediction that the base rate will not rise until the latter part of 2019 and may even decrease.

26. The budget has been set as a balanced one with a shortfall contribution from the Working Balance of £1.685m. This would leave the Working Balance at £4.973m at the end of March 2018 which is above the minimum target of £2m for this reserve.
27. The base position includes provision for inflation at rates deemed appropriate to the major contracts, supplies and income streams. There is no general inflation provision and services are expected to manage within existing budgets. A 1% provision for salary increases is in the budget and this is in line with the recent pay settlement and the Chancellor's proposed cap on public sector pay rises.
28. 'On-costs' for salaries, such as employer's pension and National Insurance contributions, are calculated on an individual basis and overall will be higher in 2017/18. This is due to national increases to the employer's pension contributions.

Loughborough Special Levy

29. Appendix 2 shows the current estimated position of the Loughborough Special Expense budget and Levy for 2017/18, including relevant pressures and savings. There is a proposed increase of 1.99% to the Loughborough Special Levy in line with overall Council Tax and the Council Tax Support Grant is set at £45k, a reduction of £29k in line with the other parishes and towns and the percentage reduction in the overall RSG.
30. Detailed explanations of most differences between the 2016/17 and 2017/18 budgets are provided in Appendix 2. A one off item to be included in the Loughborough Special Expenses for 2017/18 is the Net cost of opening Biggin Street toilets for one extra day per week - £4k.
31. The proposed change to the constituent parts of the Loughborough Special Expenses will have to be approved by full Council on 27 February 2017 before they can become effective. This item had been previously been agreed on a temporary basis therefore, in this case, the agreement is for an extension for a further year.

Reserves and Balances

32. There is a requirement to ensure that the level of balances is appropriate for the Council's commitments and current level of expenditure. The following basis is used to determine the reserves and working balance.

33. **Working Balance**

The recommended minimum Working Balance is £2m, and this represents between 6 and 7 weeks net expenditure by the Council and is in line with good practice. The draft budget would result in the balance on this fund at the end of March 2018 being £4.973m, which is above this limit.

34. Reinvestment Reserve

This is used for three purposes, these being:

- For items that produce a payback to the Council;
- To fund costs that lead to appreciable service improvements;
- To fund one-off costs.

This reserve has a minimum target level of £500k and is predicted to be at £533k at 31 March 2018.

35. Capital Plan Reserve

This revenue reserve is used to finance General Fund capital expenditure and there are no restrictions on the types of capital schemes that this can be used for. In addition, there is no minimum balance for this reserve. This reserve is predicted to be at £829k at 31 March 2018.

36. Earmarked Revenue Reserves

There are five Earmarked Reserves and these will be utilised in line with the purpose of the reserve fund or for general purposes.

37. Table 3 - Revenue Reserves, assuming the draft budget set out in Table 1 above is adopted.

Reserve Balances	Estimated Balance at 1 April 2017	Used or Transferred To Other Reserves in 2017/18	Balance at 31 March 2018
	£'000	£'000	£'000
Working Balance	6,658	(1,685)	4,973
Reinvestment Reserve	543	(10)	533
Capital Plan Reserve	2,743	(1,914)	829
Growth Support Fund	113	0	113
Earmarked Reserves	439	0	439
Total Revenue	10,496	(3,609)	6,887

Housing Revenue Account

38. The overall budget position for 2017/18 is a surplus of £2.361m. This surplus is mainly the result of a smaller planned capital programme than in 2016/17, a reduction from £7.341m to £5.532m (£1,809m) in 2017/18. There are ongoing service savings of £47.4k, one off service pressures of £257.8k and ongoing service pressures of £74.1k, giving net pressures of £284.5k for 2017/18. These are detailed in Appendix 1. The budgets within Landlord Services inclusive of the staffing structure were re-organised and rebased during 2016/17.

HRA Balances

39. The Chief Financial Officer's recommended minimum level of working balances is £110 per property. There are 5,618 properties anticipated at 31st March 2017 (anticipating 40 RTB sales) and working balances have been adjusted to reflect the recommended minimum at £618k.

40. The reduction in the planned capital programme from £7.341m to £5.532m has led to an increase in the contribution to the HRA Financing Fund of £1.809m. The final 2017/18 HRA Capital Programme will be presented to Cabinet in March 2017 and may include additional capital expenditure relating to sheltered units. If this is included it will reduce the contribution to the HRA Financing Fund, and increase revenue funding to capital expenditure.
41. The HRA Financing Fund was set up in Minute 106 General Fund HRA Revenue Budgets 2015/16 Cabinet 18 February 2016. The fund is required in order to set aside monies to cover anticipated future financial burdens, the impact of which is not yet quantifiable. This includes the sale of High Value Void properties and the repayment of the principal of the £79m of debt interest incurred by self-financing which costs the HRA approximately £2.8m in interest payments each year.
42. During 2016/17 £35k has been used to finance the in year costs of the Housing Law Assistant Post. The anticipated contribution to the HRA Financing Fund in year is £2.494m making a total fund of £5.241m
43. Recommendations for future approval of the HRA Financing Fund are included in this report. Where additional service and budgetary pressures exist, the aim is for these to first be met from working balances. Where doing so would result in the working balance going below the S151 officer's recommended minimum balance, consideration will be given to using the HRA Financing Fund monies.

2017/18 HRA Budget

44. 2017/18 will be the second year of four in which the recommendation for rents will be a reduction of 1% in line with government guidance. The draft budget therefore proposes a reduction of 1% for all properties from their 2016/17 rental level. The gross rent reduction between the two years is £367k.
45. A service efficiency of £35k has been included for additional service charges, which would be de-pooled from the current rent. These de-pooled charges would not be subject to the 1% rent reduction. Consultation will be required with affected tenants. It is anticipated that for existing tenants the reduction would not impact on the amount of rent/service charge they pay (except for the 1% rent reduction element) but the whole cost would be incurred by new tenants who begin a tenancy during 2017/18. Service charges being considered include electricity recharge for communal areas within blocks of flats, emergency lighting testing, door entry maintenance and new services such as the cleaning of communal areas.
46. The budget for depreciation is £2.931m which is a reduction of £4.003m from the 2016/17 budget. The methodology for calculating depreciation has been reviewed following advice from our external auditors during their 2016/17 review. This is now calculated using the Existing Use Value – Social Housing – valuation which is 34% of the Existing Use Value figure that was used previously. The depreciation budget funds the HRA capital expenditure programme. Accounting regulations mean that when depreciation is higher than the capital programme, the surplus would remain in the Major Repairs Reserve until it financed capital expenditure; unlike Revenue Contribution to Capital which can be any amount providing the

HRA balances can afford it. The reduction in funding using depreciation is counter-balanced by an increase in Revenue Contribution to Capital.

Table 4 – Draft HRA 2017/18 Budget

2015/16 Actual	Housing Revenue Account	2016/17 Original Budget	2017/18 Draft Budget
£000	Expenditure	£000	£000
4,632	Supervision and Management	4,404	4,757
5,480	Repairs and Maintenance	6,104	6,279
105	Rents, Rates and other charges	128	128
1	Rent Rebates	1	1
281	Provision for Bad Debts and Other Charges	383	383
6,506	Depreciation	6,398	2,931
(4,127)	Net Revaluation increase of non-current assets	0	0
11	Debt Management Expenses	15	13
12,889	Expenditure Sub-total	17,433	14,492
	Income		
21,777	Dwelling Rent Income	21,518	21,160
356	Rent of Income from Shops, Land and Garages	354	377
322	Warden Service Charges	65	60
264	Central Heating and Communal Charges	322	360
126	Leasehold Flat and Shop Service Charges	128	128
14	Hostel Service Charges	13	24
11	Council Tax recharged	12	11
22,870	Income Sub-total	22,412	22,120
(9,981)	Net (income)/Cost of service	(4,979)	(7,628)
(83)	Transfer from General Fund - Grounds Maintenance	(76)	(83)
2,780	Interest Payable	2,780	2,781
(29)	Investment Income and Mortgage Interest	(17)	(32)
(7,313)	Net Operating Expenditure/(Income)	(2,292)	(4,962)
2,441	Revenue Contribution to Capital	702	2,601
(156)	Pension Adjustment	0	0
6	Accumulated Absence Adjustment	0	0
3,963	Reversal of Gain on Revaluation	0	0
153	Adjusted to charges based on impairment of General Fund Asset	0	0
6,407	Appropriations	702	2,601
(906)	(Surplus)/Deficit for the Year	(1,590)	(2,361)
	<u>HRA BALANCES-</u>		
(1,002)	HRA Balance at Beginning of Year	(1,158)	(751)
(906)	(Surplus)/Deficit for the Year	(1,590)	(2,361)
750	Transfer to/(from) the HRA Financing Fund	1,997	2,494
(1,158)	HRA Balance at end of Year	(751)	(618)
0	HRA Financing Fund at Beginning of Year	(750)	(2,747)
(750)	Transfer (to)/from the HRA Financing Fund	(1,997)	(2,494)
(750)	HRA Financing Fund at End of Year	(2,747)	(5,241)

Risks

Risk Identified	Likelihood	Impact	Risk Management Actions Planned
One off expenditure that is dependent, to a greater or lesser extent, on specific external funding is susceptible to that funding either not being forthcoming or being reduced.	Unlikely	Moderate	Expenditure will either be curtailed or scaled back and/or or alternative funding sought.
Government grants and other centrally set amounts are materially different to those assumed.	Possible	Major	Final budgets will not be approved until the settlement is known.

Appendices

Appendix 1 – General Fund and HRA Service Pressures and Savings 2017/18

Appendix 2 – Loughborough Special Expense Budget and Levy 2017/18

2017/18 General Fund Service Pressures and Savings	OneOff	Ongoing	Total
	2017-18	2017-18	2017-18
	£	£	£
Head of Strategic & Private Sector Housing			
Exhibition Expenses	0	(200)	(200)
Danwood Internal Printing contract saving	0	(900)	(900)
MTFS - Landlords Forum	0	(200)	(200)
Additional Housing Standards Licence income	(25,500)	0	(25,500)
Syrian Vulnerable Persons resettlement scheme	0	160,000	160,000
Home Office grant income relating to SVPRS 2017/18	0	(160,000)	(160,000)
Housing Renewal Travel expenses	0	(3,500)	(3,500)
Housing Renewal External Printing,Stat&Copying	0	(100)	(100)
Housing Needs additional staff resource service saving	0	(25,400)	(25,400)
Homelessness bed & breakfast accommodation	(10,000)	0	(10,000)
Subtotal for Head of Strategic & Private Sector Housing	(35,500)	(30,300)	(65,800)
Head of Landlord Services			
Additional income for the private Lifeline service due to Oadby & Wigston monitoring being carried out next year	0	(3,500)	(3,500)
Subtotal for Head of Landlord Services	0	(3,500)	(3,500)
Head of Planning & Regeneration			
External Printing,Stationery & Copying	0	(1,000)	(1,000)
Danwood Internal Printing contract saving	0	(4,900)	(4,900)
Building Control - Delete post P325 (vacant)	0	(10,200)	(10,200)
Building Control travel – budget review	0	(5,000)	(5,000)
Building Control Equipment/Postages	0	(1,200)	(1,200)
Economic regeneration consultant fees	0	(8,900)	(8,900)
Conservation Books/Promotional /Phone Allowance	0	(500)	(500)
Local Plans Publicity – budget review	(5,000)	0	(5,000)
Local Development Framework preparation consultant	89,900	0	89,900
Local Plans Postage – budget review	(2,600)	0	(2,600)
Local Plans Software Charges - budget review	0	(600)	(600)
Subtotal for Head of Planning & Regeneration	82,300	(32,300)	50,000
Head of Regulatory Services			
Environmental Protection Travel/Equipment – budget review	0	(5,000)	(5,000)
Danwood Internal Printing contract saving	0	(1,900)	(1,900)
Occupational Health Licenses – budget review	0	(1,500)	(1,500)
External Printing,Stationery & Copying	0	(2,000)	(2,000)
ALL Car Parks Cash Collection Service Retender	0	10,400	10,400
Beehive/Granby/Southfields Car Park Income	0	(60,000)	(60,000)
Granby Street PCN Processing Charges – budget review	0	(4,000)	(4,000)
Street Management MTFS Fuel/Equipment/Clothing – budget review	0	(7,000)	(7,000)
Subtotal for Head of Regulatory Services	0	(71,000)	(71,000)

Head of Waste, Engineering & Open Spaces			
Management of Open Spaces contract variations reduction	0	(6,000)	(6,000)
Danwood Internal Printing contract saving	0	(1,100)	(1,100)
Revenue support for the implementation of the Open Spaces Strategy that forms part of the capital programme.	0	20,000	20,000
Cleansing External Printing, Stationery & Copying	0	(100)	(100)
Contribution to Leicestershire Waste Partnership ceased	0	(10,300)	(10,300)
Increased Garden Waste Charges	0	(70,600)	(70,600)
Britain in Bloom - infrastructure savings	0	(5,000)	(5,000)
Increased Events Southfields & Queens Park Fee Income	0	(5,000)	(5,000)
Implement Parking Charges Outwoods	0	(20,000)	(20,000)
Increased Income/usage Mausoleum Turnover Commission	0	(20,000)	(20,000)
Increased Income/usage Cemetery Charges	0	(15,000)	(15,000)
Subtotal for Head of Waste, Engineering & Open Spaces	0	(133,100)	(133,100)
Head of Leisure & Culture			
Danwood Internal Printing contract saving	0	(400)	(400)
External Printing	0	(1,600)	(1,600)
Town Hall Concerts & Shows increased Income	0	(11,600)	(11,600)
Town Hall Concerts & shows increased Misc Sales	0	(1,100)	(1,100)
Visitor Centre Booking fee Income	0	(5,900)	(5,900)
Carillon increased fees	0	(200)	(200)
Annual maintenance costs of Carillon Bell Tower	0	2,200	2,200
Carillon Publicity – budget review	0	(200)	(200)
Carillon Misc Charges– budget review	0	(400)	(400)
Museum - Buildings Repairs – budget review	0	(3,100)	(3,100)
Museum - Boiler Repairs – budget review	0	(200)	(200)
Museum - increased Commission	0	(300)	(300)
Museum - Increased Sales of Goods	0	(1,000)	(1,000)
Museum - Donations	0	(500)	(500)
Museum Hire Charges – budget review	0	(100)	(100)
Town Centre Publicity 3– budget review	0	(300)	(300)
Town Centre Danwood Internal Printing contract saving	0	(600)	(600)
Daily usage charges for Shopmobility Scooters	0	(4,700)	(4,700)
Tourism Support - approved as part of 2016/17 budget process as a 2 years	20,000	0	20,000
Loogabaroooga Festival - approved as part of 2016/17 budget process as a 2 year	20,000	0	20,000
Continued staffing of Friday opening of Biggin Street Toilets	4,000	0	4,000
Subtotal for Head of Leisure & Culture	44,000	(30,000)	14,000

Head of Neighbourhood Services			
External Printing, Stationery & Copying	0	(300)	(300)
Danwood Internal Printing contract saving	0	(1,900)	(1,900)
Sport & Active recreation fee increase from additional activities	0	(2,000)	(2,000)
Community Development Grants - commitment to increase by inflation plus 1%	0	600	600
Voluntary Action Grant - cease contribution to Voluntary Action Leicestershire	0	(10,100)	(10,100)
Specialist Money Management and Debt Advice Grants	0	30,000	30,000
Increased Income from Parishes & other agencies for additional CCTV monitoring	0	(3,000)	(3,000)
Subtotal for Head of Neighbourhood Services	0	13,300	13,300
Chief Executive's Team			
Travel – budget review	0	(1,300)	(1,300)
Equipment – budget review	0	(100)	(100)
Danwood Internal Printing contract saving	0	(100)	(100)
Subtotal for Chief Executive's Team	0	(1,500)	(1,500)
Head of Finance and Property Services			
HSBC & Capita bank charges - charges increased from Sept 16	0	18,000	18,000
Credit cards surcharges	0	(1,600)	(1,600)
Pension LCC Added years cost reduced	0	(10,600)	(10,600)
External Printing, Stationery & Copying	0	(500)	(500)
Accountancy Danwood Internal Printing contract saving	0	(500)	(500)
Danwood Internal Printing contract saving	0	(2,000)	(2,000)
Property Services Building Repair Budget	0	30,000	30,000
Reduction in North West Leicestershire Contract Income	50,000	0	50,000
Management Charge on security charges to DWP at 10%	0	(12,600)	(12,600)
Town Hall Chambers – re-let at higher rent to Aspire Life Skills	0	(3,500)	(3,500)
Chainbridge Industrial Estate - rent higher occupancy	0	(800)	(800)
The Oak - less service charge income due to empty units	5,500	0	5,500
The Oak - less rent income due to empty units	19,500	0	19,500
Revenue Contribution to Capital (RCCO)	0	(155,000)	(155,000)
Subtotal for Head of Finance and Property Services	75,000	(139,100)	(64,100)
Head of Revenues, Benefits and Customer Services			0
Capita Contract Council Tax saving	0	(4,200)	(4,200)
Localisation of Council Tax Discretionary Housing payments CBC top up to £20K	0	10,000	10,000
Capita Contract NDR saving	0	(4,300)	(4,300)

Reduction in Court Costs Recovered	0	14,500	14,500
Capita Contract Benefits savings , Includes additional Benefits Fraud work	0	(101,800)	(101,800)
Housing Benefit Subsidy Reduction DWP Grant	0	100,800	100,800
Discretionary Housing Payments - top up of unsubsidied poayments	0	20,000	20,000
Additional unsubsidised rent payments for a new housing scheme (Carpenter's Arms)	0	110,000	110,000
Contact Centre - budget review	0	(700)	(700)
External Printing,Stationery & Copying	0	(400)	(400)
Danwood Internal Printing contract saving	0	(1,400)	(1,400)
ICS External training – budget review	0	(1,000)	(1,000)
ICS Travel – budget review	0	(1,200)	(1,200)
ICS Equipment – budget review	0	(400)	(400)
ICS Books 3– budget review	0	(400)	(400)
ICS subsistence – budget review	0	(400)	(400)
Data Protection Information Security Officer Post 18.5 hrs	0	11,800	11,800
Subtotal for Head of Revenues, Benefits and Customer Services	0	150,900	150,900
Head of Strategic Support			0
GF APPRENTICE LEVY 0.5% Salary Budget Less Allowance	0	52,400	52,400
Danwood Internal Printing contract saving	0	(9,600)	(9,600)
External Printing,Stationery & Copying	0	(600)	(600)
Corporate Learning - Corporate Training budget reduction	0	(10,000)	(10,000)
Members Allowances -budget in line with approved Scheme	0	(16,000)	(16,000)
Land Charge Fees Income budget re-alignment	0	15,000	15,000
Housing Law Assistant fixed 10.5 months (recharged to HRA)	33,700	0	33,700
Lone Worker Health & Safety Solution (General Fund)	2,400	0	2,400
Lone Worker Health & Safety Solution (General Fund)	0	5,200	5,200
Insurance: anticipated procurement savings	0	(20,000)	(20,000)
Insurance: anticipated procurement savings	(20,000)	0	(20,000)
Community Governance Review, Salaries, Printing, Postage	75,000	0	75,000
Subtotal for Head of Strategic Support	91,100	16,400	107,500
Total Savings and Pressures including RCCO £155K Saving	256,900	(260,200)	(3,300)

2017/18 HRA Service Pressures & Savings			
	One-Off	Ongoing	Total
	2017-18	2017-18	2017-18
Housing Revenue Account	£	£	£
Head of Housing Services - A.Simmons			
Corporate efficiency savings on Danwood printing contract	0	(2,900)	(2,900)
Savings on stationery, printing etc	0	(200)	(200)
Subtotal for Head of Housing Services	0	(3,100)	(3,100)
Head of Landlord Services - C.Ansell			
Corporate efficiency savings on Danwood printing contract	0	(6,300)	(6,300)
Feed in tariff income from solar panels	0	(3,000)	(3,000)
New service charges for council flats to be introduced	0	(35,000)	(35,000)
Increased maintenance costs for door entry panels	0	38,000	38,000
12 month temporary contract for extra TEM Officer	32,400	0	32,400
Laundry equipment replacement programme in the sheltered properties	40,800	0	40,800
Additional budget for planned maintenance/cyclical painting programmes	100,000	0	100,000
Additional compliance co-ordinator post to be filled by agency staff	24,600	0	24,600
Procurement of the new Decent Homes contract	60,000	0	60,000
Additional 22.5 hours Lifeline Assistant permanent post on the establishment	0	15,100	15,100
Apprentice levy 0.5% of salary budget less allowance	0	21,000	21,000
Subtotal for Head of Landlord Services	257,800	29,800	287,600
Total for the Housing Revenue Account	257,800	26,700	284,500

Appendix 2

Loughborough Special Expense Budget and Levy 2017/18						
2016/17		2017/18			2016/17 to 2017/18 Difference	Ref
Loughborough Special Expenses	Service	Total	District / Capital Charges	Loughborough Special Expenses		
£		£	£	£	£	
78,000	Loughborough CCTV	268,900	207,400	61,500	(16,500)	1
76,600	Community Grants - General / Fearon Hall / Gorse Covert	57,300	0	57,300	(19,300)	2
45,400	Marios Tinenti Centre and Altogether Place	44,900	0	44,900	(500)	3
9,100	Charnwood Water Toilets	9,200	0	9,200	100	4
31,100	Voluntary & Community Sector Dev Officer post (75% LSX)	0	0	0	(31,100)	5
2,500	Biggin Street Toilet - Friday Opening	4,000	0	4,000	1,500	6
7,500	Part Funding of Post Graduate Student for HMO Study (3years only)	7,500	0	7,500	0	7
(6,000)	November Fair	(9,400)	0	(9,400)	(3,400)	8
	<u>Parks:</u>					
376,900	Loughborough - including Loughborough in Bloom	502,800	81,800	421,000	44,100	9
64,200	Gorse Covert and Booth Wood	68,300	0	68,300	4,100	10
	<u>Sports Grounds:</u>					
118,600	Derby Road	132,900	12,500	120,400	1,800	11
34,800	Lodge Farm	44,100	0	44,100	9,300	12
53,900	Nanpantan	81,300	23,900	57,400	3,500	13
15,000	Park Road	23,700	2,600	21,100	6,100	14
24,000	Shelthorpe Golf Course	24,500	100	24,400	400	15
20,600	Loughborough Cemetery	7,600	0	7,600	(13,000)	16
69,900	Allotments - Loughborough	67,200	3,000	64,200	(5,700)	17
10,500	Carillon Tower	26,300	13,200	13,100	2,600	18
49,300	Festive Decorations and Illuminations	50,700	0	50,700	1,400	19
85,300	Town Centre Management	105,900	13,400	92,500	7,200	20
1,167,200	TOTAL	1,517,700	357,900	1,159,800	(7,400)	
86,120	Adjustments from Year 2014/15	0	0	0		
0	Adjustments from Year 2015/16	(73,590)	(166,065)	92,475		
1,253,320	AMENDED SUB TOTAL	1,444,110	191,835	1,252,275		
(12,696)	2015/16 Council Tax Freeze Grant maintained for 2016/17 only			0		
(74,526)	Council Tax Support Grant			(45,163)		
1,166,098	AMENDED TOTAL			1,207,112		
Divided by				Divided by		
15,554.20	Council Tax Base			15,787.50		
<u>74.97</u>	Special Council Tax			<u>76.46</u>		

Loughborough Special Expenses Notes

1	Despite there being an overall increase in the total number of cameras, the number funded by LSX has remained unchanged, resulting in a reduced percentage recharged to LSX from 30% in 2016/17 to 24% in 2017/18. This is because the additional cameras are either outside Loughborough, within the car parks or invoiced to external customers. The reduced charge to LSX is primarily due to this % decrease, as the overall cost of the service has remained relatively static. Increased employee costs, which include increased oncosts (NI/Pension) and 1% pay award are offset by reduced support service recharges and £3K additional income from external customers.
2	The £20K 2016/17 one-off Service Pressure for Loughborough Community Grants has not been included in the 2017/18 budgets. Fearon Hall & Gorse Covert grant payments have been increased by 1% plus inflation ref Cabinet 21st January 2016 min 93
3	This slight reduction in costs is due to lower electricity and gas charges and a 1% rent reduction for both properties.
4	£200 increased budget for Building Repair and Maintenance, NNDR has increased by £100, part offset by £200 reduced water charges.
5	The 2016/17 one-off Service Pressure to fund the continuation of the Voluntary and Community Sector Development post M298 has not been included in the 2017/18 budgets.
6	Continuation of this one-off Service Pressure as discussed at the Loughborough Special Levy meeting 20th July 2016. Increased employee costs are due to the additional hours required plus 1% pay award and additional pension/NI contributions. If this was to become a permanent arrangement, a review of the operatives hours would be undertaken, resulting in a possible reduction of approximate £1K annual saving, assuming income levels are achieved. Increased salary costs are part offset by estimated income for this extra day. Budget also more in line with 2015/16 actuals.
7	Final year of the 3 years agreed funding towards the cost of the Post Graduate Student to carry out work for HMO's, as approved by Budget Scrutiny Panel 5th January 2015 & Cabinet 12th February 2015 min 84.
8	Although the advertising budget has been reduced by £800, there is still a budget of £900 for future advertising as discussed with the showmen during the 2016/17 fair. This is offset by a £900 increased cost for Safety Inspections, this additional budget is required to make it more in line with operational requirements going forward. Support Service recharges have reduced by £3K, this is due to less time being spent in this area by the staff directly involved with the Management of Open Spaces contract and the Audit and Risk Service Unit.
9	Two Service Savings have been included in the 2017/18 budgets. Britain in Bloom budget has been reduced by £5K, less infrastructure costs are anticipated going forward and £5K additional income from an increased programme of events scheduled for Queens Park and Southfields Park, possibly rising to £10K in future years. The Environmental Services Budget has reduced by £2,400, this reflects a proportion of the savings made as part of the 3year contract extension agreed between Serco and the Council commencing 1st April 2017. The Metered Water Charges budget has been reduced by £1,100, in line with prior years actuals. The Play Equipment budget has been increased by £3,800, as additional requirements have been identified due to the age of the equipment. Following a settling down period for the Management of Open Spaces Contract & in line with last years actuals, the recharges from the staff directly involved with this and the Environmental Services Contract are now more accurately accounted for, resulting in a £55K additional Support Service Recharge in this area.
10	£4K increased Support Service recharges, mainly due to more time being spent in this area by the staff directly involved with the Management of Open Spaces and Environmental Services contracts.
11	The Building Repair and Maintenance budget has increased by £2K, in line with previous year actuals and expected ongoing costs. All commercial properties have been re-valued across the country, resulting in a reduced NNDR budget of £1,200. Utility costs are also slightly reduced and a £1K increase in income is expected from sports activities and rent of land. Support Service recharges have increased by £3K, this is mainly due to more time being spent in this area by the staff directly involved with the Management of Open Spaces and Environmental Services contracts.

12	The Building Repair and Maintenance budget has increased by £1,400, in line with previous year actuals and expected ongoing costs. A £2,800 budget has been allocated for fence repair/replacement due to a health and safety issue which was identified as part of the annual conditional survey carried out by Property Services. Support Service recharges have increased by £5K, this is mainly due to more time being spent in this area by the staff directly involved with the Management of Open Spaces and Environmental Services contracts.
13	Reduced budget for Water Charges £3,700, in line with previous year actuals. The Equipment budget has been increased by £1,200, as additional requirements have been identified due to the age of the equipment. Support Service recharges have increased by £6K, this is mainly due to more time being spent in this area by the staff directly involved with the Management of Open Spaces and Environmental Services contracts and Property Services.
14	Increased Bowls charges £500, following a new lease agreement with Loughborough Phoenix Bowls Club. Support Service recharges have increased by £7K, this is mainly due to more time being spent in this area by the staff directly involved with the Management of Open Spaces and Environmental Services contracts.
15	Golf income has increased by £1,500, this is part of the Management of Open Spaces contract whereby CBC receive a guaranteed income amount, pre-set by Quadron and increased by inflation each year. Recharges from Support Services have increased by £2K, this is mainly due to an Insurance Premium recharge, the amount is based on a percentage of the total costs of the public and employers liability claims received over the last three years.
16	Reduced budget for Water Charges £1,300, in line with previous year actuals, this is offset by slight increases to the Fencing & Gates and Building Repair and Maintenance budgets. Following an increase in fees and charges and higher usage, a £15K service saving for increased income has been included in the 2017/18 budgets.
17	The Equipment budget has been reduced by £1,600, the level of expenditure needed in 2016/17 is not required going forward. Support Service Recharges have also reduced by £5K, mainly due to less time being spent in this area by the staff directly involved with the Management of Open Spaces and Environmental Services contracts.
18	An on-going service pressure £2,200 has been included for the annual maintenance costs for the bell tower. Recharges from Support Services have increased by £3K, this is mainly due to an Insurance Premium recharge, to cover the cost of insuring the bells & the artefacts held within the Carillon. 50% of this cost is charged to the Loughborough Special Levy.
19	Support Service recharges have increased by £1,700, this is mainly due to more time being spent in this area by the Markets & Fairs officers and Property Services.
20	£2,800 increased employee costs is mainly due to the regrading of the Town Centre Assistant post, 1% pay award & additional pension/NI contributions. The Publicity budget has increased by £1K, making it more in line with previous year expenditure & expected future year costs. This is offset by £1K reduced Licences budget, as the number of Performing Rights Society licences required by the Council have been reduced. Support Services recharges have reduced £8K overall, this is mainly due to reduced Insurance Premium Recharge and less time being spent in this area by the L&E Admin & Business Support Team, ICS Services and the Plans Policy & Place Service Unit. However, this is offset by a £13K lower recharge from this cost centre for the time spent by the Town Centre officers towards supporting Loughborough Market & Public Conveniences.