

## **CABINET – 14TH DECEMBER 2017**

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

#### **Part A**

#### **ITEM 9 DRAFT 2018/19 GENERAL FUND AND HRA BUDGETS**

##### Purposes of the Report

1. To advise members of the projected base budget position for 2018/19 on the basis of the estimated grant settlement for 2018/19.
2. To review the savings and growth proposals put forward for the year 2018/19, and to begin a period of consultation.

##### Recommendation

That the Cabinet endorses for consultation the General Fund and HRA Revenue Budgets for 2018/19 as set out in Tables 1 and 4, and the Loughborough Special Expense Budget and Levy for 2018/19 as set out in Appendix 2.

##### Reason

To provide the opportunity for consultation on the 2018/19 budgets as well as potential pressures and savings.

##### 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 18th December 2017 to 16th January 2018. 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 12th February 2018. 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 15th February 2018 for recommendation to Council on 26th February 2018.

## 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

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## 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 2018/19. This is likely to be communicated just before Christmas.
2. The Revenue Support Grant (RSG) from central government for 2018/19 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 2018/19 compared to 2013/14.
4. The Council's Medium Term Financial Strategy (MTFS) indicated that there will be a shortfall of £893K in the General Fund for 2018/19. This is based on illustrative grant and National Non-Domestic Rate (NDR) figures issued by the government in February 2017. The MTFS assumed that this shortfall would be covered by a combination of the Council's efficiency plan, 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 £1.519m for 2018/19, an increase of £626k compared to the MTFS. This change is due to proposed service pressures of £763K, offset by £67K additional efficiencies and £70K lower General Fund service expenditure resulting from a detailed analysis of budgets and preparation of business cases. Of the proposed service pressures, £370k is for one-off items in 2018/19 and there are ongoing pressures of £393k, and ongoing efficiencies are £571K. It is proposed to fund this in year shortfall from the General Fund Working Balance reserve.
6. Given the reduction in RSG and New Homes Bonus payments, the uncertainty over future funding, service pressures and the fact that Charnwood Borough Council still has one of the lowest council tax rates of all districts in the country, the budget assumes a council tax increase of £5 per Band D equivalent property. This is in line with the increase allowable by Central Government and will not be subject to a referendum.

7. The New Homes Bonus ('NHB') will continue in 2018/19, albeit it at a reduced amount as this is now only payable for four years and has a 'deadweight' growth assumption of 0.4% upon which no NHB is payable.
8. United Kingdom base rates recently increased to 0.50% on the back of inflationary pressure, mainly resulting from increases on the cost of imported goods. The longer term view is that rates will remain low for the foreseeable future and this will continue to have a negative effect on the Council's income from its investments. The budget for interest receivable in 2018/19 of £300k reflects an assumption of increased returns based upon the longer term nature of some of the Council's investments which are generating better than market average returns.
9. There are some financially significant issues for 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 reduction in New Homes Bonus Payments, the uncertainty over future funding as a result of the potential delays in introducing 100% business rate retention and the fairer funding review and also the further review of all budgets to identify patterns of underspending. The latter has enabled budget funding to be reallocated to areas of income or cost pressures.
11. The Government had originally intended to introduce 100% business rate retention before the end of the current parliament. This coupled with the fairer funding review could have a significant effect upon general fund revenue budgets which cannot be quantified until further details are known. Implementation is now likely to be delayed as a result of other government priorities. However, a further pilot of 100% rate retention will be carried out in 2018/19 and the government particularly encouraged applications from two tier authorities and those with a business rates pool. Charnwood have applied to be part of this pilot scheme along with the other authorities in Leicester and Leicestershire who are in the current pooling arrangement across the county. The results of this application and the full details of the scheme will not be known in time for the draft budget therefore no account has been taken of this application. However, the application carries a 'no worse off' clause therefore any change between the draft and final budgets should the application be successful will be one in the council's favour financially.

## Overview

12. During 2017/18 the Council has continued its culture of continuous improvement and actively seeking out partnership opportunities and value for money. As a result, the draft 2018/19 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 for 2018/19 contains £763k of service pressures, of which £370k are one-off's and £393k are ongoing. These are offset by ongoing efficiencies of £571k, giving a net pressure in 2018/19 of £192K. Additionally the ongoing picture is one of net efficiencies of £178k. If this draft budget is approved, and achieved, for 2018/19 it will result in revenue balances remaining above the minimum target levels at the end of March 2019.

#### Approach to the 2018/19 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 2017/18 adjusted for inflation, where relevant, and for known service changes. It also removes any one-off items that were included in the 2017/18 budget. Heads of Service 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 2018/19, and ongoing which will continue for the foreseeable future. Pressures greater than £10,000 require the production of a business case.
16. The pressures, savings and business cases are then reviewed by Directors and Heads of Service to determine whether these can be covered within the overall Directorate budget and whether the business cases appear reasonable. 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. The remaining years of the efficiency plan prepared for 2017/18 MTFs were also reviewed and updated information provided as part of the service savings submitted.
17. 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.
18. The base position of the Council's General Fund spending proposals for 2018/19, 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 2017/18 and shows the major changes between the two years.
19. 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**

<b>Actual 2016/17 £000</b>		<b>Original Budget 2017/18 £000</b>	<b>Draft Budget 2018/19 £000</b>	<b>Variance £000</b>
18,231	General Fund Service Expenditure	18,628	19,049	421
0	Net Service (Savings) & Pressures	301	192	(109)
(1,583)	Add/(Less): Capital Charges & Asset Revaluation	(1,641)	(1,254)	387
270	Add Year End Pension, Accumulated Absence	0	0	0
<b>16,918</b>	<b>Net Service Expenditure</b>	<b>17,288</b>	<b>17,987</b>	<b>699</b>
413	Revenue Contributions to Capital	0	0	0
96	Council Tax Support Grants to Parishes/Towns	47	29	(18)
240	Interest Paid	240	240	0
(356)	Less: Interest on Balances	(30)	(300)	(270)
<b>17,311</b>	<b>Total Borough Expenditure</b>	<b>17,545</b>	<b>17,956</b>	<b>411</b>
(260)	Contribution(from) Reinvestment Reserve	(10)	0	10
997	Contribution(from)/to Working Balance to Fund Services	(499)	(1,269)	(770)
0	Contribution(from)/Working Balance to Fund Collection Fund	(431)	(250)	181
(336)	Contribution to Capital Plan Reserve	0	0	0
67	Contribution (from)/to Other Reserves	0	(8)	(8)
(61)	Contribution (from)/to Growth Support Fund	0	0	0
<b>17,718</b>	<b>Precept Requirement</b>	<b>16,605</b>	<b>16,429</b>	<b>(176)</b>
2,090	Revenue Support Grant	1,265	745	(520)
4,409	NNDR	4,465	4,617	152
5,733	Council Tax Receipts	6,118	6,519	401
1,166	Loughborough Special Levy	1,184	1,208	24
4,491	New Homes Bonus	4,004	3,590	(414)
22	General Government Grants	0	0	0
(193)	Collection Fund Surplus/(Deficit)	(431)	(250)	181
<b>17,718</b>	<b>Precept Income</b>	<b>16,605</b>	<b>16,429</b>	<b>(176)</b>
<b>£p</b>	<b>Council Tax for Band D</b>	<b>£p</b>	<b>£p</b>	
<b>107.09</b>	<b>Base Borough Council Tax</b>	<b>112.09</b>	<b>117.09</b>	
<b>74.97</b>	<b>Loughborough Special Levy</b>	<b>74.97</b>	<b>74.97</b>	

<b>£000 2016/17</b>	<b>REVENUE BALANCES</b>	<b>£000 2017/18</b>	<b>£000 2018/19</b>
6,658	<b>Working Balance at 1 April</b>	6,658	7,474
997	Transfer from/(to) General Fund	(930)	(1,519)
<b>7,655</b>	<b>Balance at 31 March</b>	<b>5,728</b>	<b>5,955</b>
1,037	<b>Reinvestment Reserve Balance at 1 April</b>	543	566
(260)	Transfers from/(to) General Fund	(10)	0
<b>777</b>	<b>Balance at 31 March</b>	<b>533</b>	<b>566</b>
3,862	<b>Capital Plan Reserve Balance at 1 April</b>	2,743	1,790
(336)	Funding of Capital Expenditure	(1,914)	(563)
<b>3,526</b>	<b>Balance at 31 March</b>	<b>829</b>	<b>1,227</b>
191	<b>Growth Support Fund Balance at 1 April</b>	113	96
(61)	Transferred from General Fund	0	0
0	Funding of Capital Expenditure	0	(96)
<b>130</b>	<b>Balance at 31 March</b>	<b>113</b>	<b>0</b>
439	<b>Other Revenue Reserves Balance at 1 April</b>	439	791
67	Transferred from General Fund	0	(8)
<b>506</b>	<b>Balance at 31 March</b>	<b>439</b>	<b>783</b>
<b>12,594</b>	<b>TOTAL RESERVE BALANCES</b>	<b>7,642</b>	<b>8,531</b>

20. The level of uncertainty in the above figures should not be underestimated as the NNDR and New Homes Bonus, in total amounting to £8,207k, are estimates at the moment as final figures have not yet been released by the Government.
21. It is proposed to increase Council Tax by the permitted £5 per band D property for the second year in a row. The Loughborough Special Levy will be frozen so the overall increase remains at £5. This is a result of reductions in Revenue Support Grant and New Homes Bonus funding coupled with uncertainties over future funding as a result of the delay in introducing 100% business rates retention and in the fairer funding review. Charnwood still has a relatively low level of Council Tax and the increase is necessary to avoid reductions in service levels.
22. The £699k increase in the level of General Fund Net Service Expenditure between the Original Budget 2017/18 and the Draft Budget 2018/19 are due to estimated increases in salary and utility costs (£300k and £85K respectively), lower net recharges from the general fund to the HRA (£92K), and a net reduction in income of £324K, partially offset by £102K budget transferred to the Local Plan earmarked reserve during 2017/18 for expenditure which covers more than one financial year. There are one-off pressures of £370k which will only impact on the Council's budget in 2018/19. There are net ongoing efficiencies of £178k, as detailed in Appendix 1.
23. Table 2 – The ongoing budget pressures greater than £50,000 are:

	£'000
Planning and Regeneration Service restructure - funded by 20% increase in Statutory Planning Fees	212
Bed and Breakfast Increased budget for temporary accommodation as a result of the new Homelessness Act	140
Flexible Homelessness Support expenditure - funded from the CLG grant	90
Review of Property Services	57

24. Council Tax Support Grants to parishes and towns are £29k. 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 2018/19 is £270k higher than the amount originally forecast for 2017/18. This reflects the level of interest we now expect to receive following advice from our treasury advisers and the loans made by the Council to other Local Authorities for 2 years which result in an interest rate higher than the benchmark.
26. The budget has been set as a balanced one with a shortfall contribution from the working Balance of £1.519m. This would leave the working Balance at £5.955m at the end of March 2019 which is above the minimum target of £2m for this reserve. It should be noted that the predicted use of reserves during 2017/18 has not been required to date and the Council is forecasting a transfer to the Working Balance in the region of £250k at the year-end. Reserves are therefore still at a healthy level and this transfer will not change that position.
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 settlements.

28. 'On-costs' for salaries, such as employer's pension and National Insurance contributions, are calculated on an individual basis.

#### Loughborough Special Levy

29. Appendix 2 shows the current estimated position of the Loughborough Special Expense budget and Levy for 2018/19, including relevant pressures and savings. There is no proposed increase to the Loughborough Special Levy and the Council Tax Support Grant is set at £27k, a reduction of £19k in line with the other parishes and towns and the percentage reduction in the overall RSG.
30. Detailed explanations of most differences between the 2017/18 and 2018/19 budgets are provided in Appendix 2.

#### 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. As a result of the uncertainty of future funding it is felt that holding a Working Balance of £3m or above would be prudent until further details are known. The draft budget balance on this fund at the end of March 2019 being £5.955m, 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 £566k at 31 March 2019.

#### 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 £1.227m at 31 March 2019.

#### 36. **Earmarked Revenue Reserves**

There are ten 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.

<b>Reserve Balances</b>	<b>Estimated Balance at 1 April 2018</b>	<b>Used or Transferred To Other Reserves in 2018/19</b>	<b>Balance at 31 March 2019</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Working Balance	7,474	(1,519)	5,955
Reinvestment Reserve	566	0	566
Capital Plan Reserve	1,790	(563)	1,227
Growth Support Fund	96	(96)	0
Earmarked Reserves	791	(8)	783
<b>Total Revenue Reserves</b>	<b>10,717</b>	<b>(2,186)</b>	<b>8,531</b>

### Housing Revenue Account

38. The overall budget position for 2018/19 is a surplus of £383k. This decrease in surplus compared with 2017/18, is the result of an increase in the capital programme, reduced rental income due to the 1% rent reduction as per government guidance and also of revenue pressures increasing the spend in the year. There are ongoing service savings of £115k, one off service savings of £38k, one off service pressures of £496k and ongoing service pressures of £146k, giving net pressures of £489k for 2018/19. These are detailed in Appendix 1.
39. 2018/19 will be the third 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 2017/18 rental level. The gross rent reduction between the two years is £379k.
40. The provision for bad debts has been retained at the 2017/18 level of £383k. This is a contribution into the bad debt reserve. The provision for rent arrears at 1 April 2017 was £844k against rent arrears of £819k and court costs of £78k. In 2018/19 there is anticipated a larger roll-out of universal credit for Rent Rebates and this could lead to an increase in rent arrears. Since 2016/17 in anticipation of the Universal Credit rollout the provision has been increased by approximately £100k each year to build up a higher reserve to offset any increase in rent arrears.

### HRA Balances

41. The Chief Financial Officer's recommended minimum level of working balances is £110 per property. There are 5,562 properties anticipated at 31st March 2018 (based on an estimated 40 RTB sales) and working balances have been adjusted to reflect the recommended minimum at £612k.
42. The service pressures for 2018/19 can be absorbed within the year's draft budgeted income so there is no requirement at this stage to fund these through using the HRAs working balances or the Housing Financing Fund.
43. The planned capital programme has increased from the 2017/18 original budget of £5.512m to £7.257m. The final 2018/19 HRA Capital Programme will be presented to Cabinet in March 2018 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.

44. The HRA Financing 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. The anticipated balance of the HRA Financing Fund at 31 March 2019 is £6.2m. This assumes the budgeted revenue and capital outturn for 2017/18 match the budgets. Any underspends will increase this reserve further.

**Table 4 – Draft HRA 2018/19 Budget**

2016/17 Actual	Housing Revenue Account	2017/18 Final Budget	2018/19 Draft Budget
		£000	£000
	<b>Expenditure</b>		
4,429	Supervision and Management	4,735	4,867
5,644	Repairs and Maintenance	6,350	6,520
88	Rents, Rates and other charges	138	138
1	Rent Rebates	1	1
379	Provision for Bad and Other Charges	383	383
2,835	Depreciation	2,931	2,955
(56,050)	Net Revaluation increase of non-current assets	0	0
11	Debt Management Expenses	13	12
(42,663)	<b>Expenditure Sub-total</b>	14,551	14,876
	<b>Income</b>		
21,451	Dwelling Rent Income	21,052	20,673
370	Rent of Income from Shops, Land and Garages	373	384
59	Warden Service Charges	59	58
316	Central Heating and Communal Charges	325	309
117	Leasehold Flat and Shop Service Charges	128	118
19	Hostel Service Charges	24	27
10	Council Tax recharged	11	11
22,342	<b>Income Sub-total</b>	21,972	21,580
(65,005)	<b>Net (income)/Cost of service</b>	(7,421)	(6,704)
(77)	Transfer from General Fund - Grounds Maintenance	(83)	(83)
2,779	Interest Payable	2,781	2,742
(40)	Investment Income and Mortgage Interest	(19)	(54)
2,662	<b>Net Operating Expenditure/(Income)</b>	2,679	2,605
3,645	Revenue Contribution to Capital	2,581	3,716
94	Pension Adjustment	0	0
55,814	Reversal of Gain on Revaluation	0	0
47	Adjusted to charges based on impairment of General Fund Asset	0	0
59,600	Appropriations	2,581	3,716
(2,743)	<b>(Surplus)/Deficit for the year</b>	<b>(2,161)</b>	<b>(383)</b>
	<b>HRA Balances:</b>		
(1,158)	<b>HRA Balance at beginning of year</b>	(621)	(616)
(2,743)	(Surplus)/Deficit for the year	(2,161)	(383)
3,280	Transfer to/from the HRA Financing Fund	2,166	387
(621)	<b>HRA Balance at end of year</b>	<b>(616)</b>	<b>(612)</b>
(750)	<b>HRA Financing Fund at beginning of year</b>	(4,030)	(6,196)
(3,280)	Transfer to/from the HRA Financing Fund	(2,166)	(387)
(4,030)	<b>HRA Financing Fund at end of year</b>	<b>(6,196)</b>	<b>(6,583)</b>
(3,400)	<b>Major Repairs Reserve at end of the year</b>	<b>(1,505)</b>	<b>(1,505)</b>
(8,051)	<b>Overall HRA balances at end of the year</b>	<b>(8,317)</b>	<b>(8,700)</b>

## Risks

<b>Risk Identified</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Risk Management Actions Planned</b>
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 2018/19

Appendix 2 – Loughborough Special Expense Budget and Levy 2018/19

**2018/19 General Fund Service Pressures & Saving Summary**
**Appendix 1**

	<b>One Off 2018/19</b>	<b>Ongoing 2018/19</b>	<b>Total 2018/19</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Housing, Planning, Regeneration &amp; Regulatory Directorate</b>			
Printing savings	0	(100)	(100)
<b>Subtotal for Housing, Planning &amp; Regeneration Director</b>	<b>0</b>	<b>(100)</b>	<b>(100)</b>
Syrian Vulnerable Person Resettlement Service (SVPRS) Costs for CBC scheme families matched by Home Office Grant	0	101,100	101,100
SVPRS Home Office Grant income for CBC scheme families	0	(101,100)	(101,100)
Printing savings	0	(1,400)	(1,400)
Flexible Homelessness Support expenditure - funded from the CLG grant	0	89,900	89,900
CLG Flexible Homelessness Support Grant	0	(89,900)	(89,900)
Increased budget for temporary accommodation	0	140,000	140,000
Housing Needs Recharge 50% From HRA	0	21,800	21,800
Housing Needs Recharge 50% from HRA	12,000	0	12,000
<b>Subtotal for Head of Strategic &amp; Private Sector Housing</b>	<b>12,000</b>	<b>160,400</b>	<b>172,400</b>
General Fund Private Lifeline income	0	20,600	20,600
<b>Subtotal for Head of Landlord Services</b>	<b>0</b>	<b>20,600</b>	<b>20,600</b>
Planning & Regeneration Service restructure	0	212,000	212,000
20% increase in statutory planning fee income	0	(212,000)	(212,000)
Printing savings	0	(11,200)	(11,200)
Car Allowance/Travel 3 year underspend	0	(1,800)	(1,800)
<b>Subtotal for Head of Planning &amp; Regeneration</b>	<b>0</b>	<b>(13,000)</b>	<b>(13,000)</b>
Printing savings	0	(5,100)	(5,100)
Reduction in Car Allowance provided	0	(2,300)	(2,300)
Additional Income	0	(1,000)	(1,000)
Dog Contract savings	0	(2,500)	(2,500)
3 Year Underspend Car Park Rental Districts	0	(900)	(900)
Street Management Increase in reimbursement fee	0	(3,500)	(3,500)
<b>Subtotal for Head of Regulatory Services</b>	<b>0</b>	<b>(15,300)</b>	<b>(15,300)</b>
<b>Total Housing, Planning, Regeneration &amp; Regulatory Directorate</b>	<b>12,000</b>	<b>152,600</b>	<b>164,600</b>
	<b>One Off 2018/19</b>	<b>Ongoing 2018/19</b>	<b>Total 2018/19</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Neighbourhoods &amp; Community Wellbeing Directorate</b>			
Printing savings	0	(2,200)	(2,200)
Implementation of the Open Spaces Strategy	20,000	0	20,000
Implementation of Commercial Waste Collection - Net cost year 1	40,000	0	40,000
Garden Bin Income	0	(325,100)	(325,100)
Closed Churchyards priority 2 survey recommendation essential works	50,000	0	50,000
Cost to maintain the newly adopted recreational ground at Allendale Road Crematorium Income	0	10,700	10,700
	0	(24,100)	(24,100)
<b>Subtotal for Head of Waste, Engineering &amp; Open Spaces</b>	<b>110,000</b>	<b>(340,700)</b>	<b>(230,700)</b>
Printing savings	0	(100)	(100)
<b>Subtotal for Neighbourhoods &amp; Community Wellbeing Director</b>	<b>0</b>	<b>(100)</b>	<b>(100)</b>
Printing savings	0	(3,800)	(3,800)
Capital Appraisal - Loughborough Markets Development – estimated additional income	0	(4,000)	(4,000)
Town Hall Essential building works	47,500	0	47,500
Town Hall Seating Replacement additional income from increased capacity	0	(23,000)	(23,000)
Old Rectory Museum Essential building works	7,000	0	7,000
Festive Lights and Street Dressing – increased income per capital bid	0	(1,500)	(1,500)
Tourism support through a 2 year SLA agreement	40,000	0	40,000
Deliver major event programme including a key anniversary for the Commemoration of WW1 (net cost)	17,000	0	17,000
Biggin Street toilets Friday Opening (funded through L'boro Special Rate)	5,700	0	5,700
Public Convenience's 3 year underspend building repairs	0	(1,500)	(1,500)

<b>Subtotal for Head of Leisure &amp; Culture</b>	<b>117,200</b>	<b>(33,800)</b>	<b>83,400</b>
Printing savings	0	(4,900)	(4,900)
Sport & Active Recreation additional activity income	0	(2,000)	(2,000)
Community Development Grants - manifesto commitment to increase by inflation plus 1%	0	2,400	2,400
Loughborough Community Grant (LSX) £20K as discussed at the L'Boro special rate meetings in 2017/18	20,000	0	20,000
Loughborough Community Grant - manifesto commitment to increase by inflation plus 1%	0	400	400
Strategic Partner Grants - manifesto commitment to increase by inflation plus 1% - Cabinet Item January 2018 to approve strategic partner 2year SLA's	0	9,900	9,900
Implementation of on-line lottery (net) - estimated start date June 2018	0	(17,800)	(17,800)
Additional Hours to cover CCTV advisors holiday & sickness to enable retention of 24/7 365 days cover	0	18,700	18,700
CCTV maintenance contract increased costs	0	5,000	5,000
<b>Subtotal for Head of Neighbourhood Services</b>	<b>20,000</b>	<b>11,700</b>	<b>31,700</b>
<b>Total for Neighbourhoods &amp; Community Wellbeing Directorate</b>	<b>247,200</b>	<b>(362,900)</b>	<b>(115,700)</b>
	<b>One Off 2018/19</b>	<b>Ongoing 2018/19</b>	<b>Total 2018/19</b>
<b>Corporate Services Directorate</b>	<b>£</b>	<b>£</b>	<b>£</b>
Printing contract savings	0	(400)	(400)
<b>Subtotal for Chief Executive's Team</b>	<b>0</b>	<b>(400)</b>	<b>(400)</b>
Loss of income from Credit Cards surcharges	0	11,200	11,200
Pension Added Years reduction in costs	0	(2,400)	(2,400)
Printing savings	0	(6,400)	(6,400)
Savings on postages, copying, etc		(800)	(800)
Payment section reduced cheque printing costs	0	(500)	(500)
Temporary Strategic Asset Management Resource	57,000	0	57,000
Property Services Review	0	57,400	57,400
Furniture cost savings	0	(2,000)	(2,000)
Inflation adjustments on Rental Income Southfields Offices	0	3,700	3,700
NNDR revaluation adjustment	0	22,300	22,300
Inflation adjustments Southfields Offices	0	2,900	2,900
Adjustment to Property Rental for lease values	0	7,800	7,800
Business Unit Vacancies – rental and service charges	53,700	0	53,700
Inflation Adjustments Business Units	0	3,000	3,000
<b>Subtotal for Head of Finance and Property Services</b>	<b>110,700</b>	<b>96,200</b>	<b>206,900</b>
Capita Council Tax 10% variation increase	0	30,000	30,000
Capita Additional Pension cost	0	(30,200)	(30,200)
Training	0	(5,200)	(5,200)
Printing savings	0	(4,100)	(4,100)
Customer Service and ICS Restructure	0	23,900	23,900
<b>Subtotal for Head of Customer Experience</b>	<b>0</b>	<b>14,400</b>	<b>14,400</b>
Printing savings	0	(27,900)	(27,900)
Training	0	(3,600)	(3,600)
Digital Democracy software licence and support and mobile dongles	0	22,000	22,000
Room Hire	0	(2,300)	(2,300)
Travel Exps/Car Allowance	0	(1,000)	(1,000)
Advertising	0	(1,000)	(1,000)
Purchase of Computer Equipment	0	(700)	(700)
Members Allowances	0	(1,000)	(1,000)
Software Annual Charges/Maintenance Costs	0	(2,000)	(2,000)
Stationery and Copying savings	0	(300)	(300)
External Training & Seminars	0	(1,300)	(1,300)
Legal Charges/Court fees Recovered	0	(600)	(600)

Agency Staff	0	(3,700)	(3,700)
Employee Insurance Premiums	0	(25,400)	(25,400)
Premises Insurance Premiums	0	(22,000)	(22,000)
Other Insurance Premiums	0	(6,300)	(6,300)
Postages Savings	0	(100)	(100)
Professional Subscriptions	0	(200)	(200)
<b>Subtotal for Head of Strategic Support</b>	<b>0</b>	<b>(77,400)</b>	<b>(77,400)</b>
<b>Total for Corporate Services Directorate</b>	<b>110,700</b>	<b>32,800</b>	<b>143,500</b>
<b>General Fund Overall (Savings) and Pressures</b>	<b>369,900</b>	<b>(177,500)</b>	<b>192,400</b>

<b>2018/19 HRA Service Pressures &amp; Savings</b>			
	<b>One-Off</b>	<b>Ongoing</b>	<b>Total</b>
	<b>2018/19</b>	<b>2018/19</b>	<b>2018/19</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Housing Revenue Account</b>			
<b>Head of Housing Services</b>			
Printing savings		(6,600)	(6,600)
Homelessness Reduction Act – New burdens CLG grant	(26,400)		(26,400)
Savings on Optitime software costs (replaced with Service Connect software)		(20,700)	(20,700)
Recharge to General Fund for Homelessness Reduction Act pressures in HRA	(12,000)	(21,800)	(33,800)
Service Connect licence cost (replaces Optitime software)		32,400	32,400
1 x Housing Officer for Homelessness Reduction Act permanent staff		32,900	32,900
0.5 x Housing Assistant 12 month fixed term	13,500		13,500
2 x Housing Officers 6 months only	34,000		34,000
Car Allowances for 2 x new posts	2,800		2,800
Car Allowance for 1 x new post		1,400	1,400
Legal costs for additional reviews following Homelessness Reduction Act		10,000	10,000
Staff training following Homelessness Reduction Act		5,000	5,000
Price increase on QL licence fee		5,300	5,300
<b>Subtotal for Head of Housing Services</b>	<b>11,900</b>	<b>37,900</b>	<b>49,800</b>
<b>Head of Landlord Services</b>			
Printing savings		(16,200)	(16,200)
Savings on void repairs materials		(15,000)	(15,000)
Savings on void decorating vouchers		(2,100)	(2,100)
Savings on void repairs tool replacements		(2,200)	(2,200)
Savings on Capital team software		(1,300)	(1,300)
Savings on Allpay charges		(700)	(700)
Community grants budget reduced due to reduction in demand		(500)	(500)
Sheltered furniture replacements reduced following completion of programme		(1,000)	(1,000)
Savings on door entry budgets for sheltered courts		(4,400)	(4,400)
MOS variation budget not required		(2,000)	(2,000)
Savings on staff training		(10,000)	(10,000)
Compliance subscriptions no longer required		(400)	(400)
Savings on fire extinguisher service/repairs following contract negotiations		(500)	(500)
Savings on Health & Safety equipment based on previous years spends		(9,900)	(9,900)
Star surveys (3 yearly)	16,000		16,000
Additional 37 hours Universal Credit officer-salary	32,900		32,900
Additional 37 hours Universal Credit officer-recruitment	4,200		4,200
Additional 37 hours Universal Credit officer-travel	1,800		1,800
External Wall Insulation surveys and works	72,900		72,900
Health & Safety training		28,000	28,000
Electrical testing & works (5 year programme)	318,100		318,100
HRA tenants lifeline income due to number of customers		21,100	21,100
Insurance excess increases		10,300	10,300
<b>Subtotal for Head of Landlord Services</b>	<b>445,900</b>	<b>(6,800)</b>	<b>439,100</b>
<b>Total for the Housing Revenue Account</b>	<b>457,800</b>	<b>31,100</b>	<b>488,900</b>

LOUGHBOROUGH SPECIAL EXPENSES						
2017/18		2018/19				
Loughborough Special Expenses	Service	Total	District / Capital Charges	Loughborough Special Expenses	2017/18 to 2018/19 Difference	Note
£		£	£	£	£	
61,200	Loughborough CCTV	310,800	243,200	67,600	6,400	1
77,300	Community Grants - General / Fearon Hall / Gorse Covert	79,600	0	79,600	2,300	2
44,900	Marios Tinenti Centre / Altogether Place / Community Hubs	45,100	0	45,100	200	3
9,200	Charnwood Water Toilets	9,100	0	9,100	(100)	4
32,600	Voluntary & Community Sector Development Officer post (75% LSX)	33,200	0	33,200	600	5
4,000	Biggin Street Toilet - Friday Opening	5,700	0	5,700	1,700	6
7,500	Part Funding of Post Graduate Student for HMO Study (3 years only)	0	0	0	(7,500)	7
35,000	Support for Loughborough Heritage Initiatives	0	0	0	(35,000)	8
117,900	Contribution towards Loughborough Open Spaces Grounds Maintenance	118,700	0	118,700	800	9
(9,400)	November Fair	(6,500)	0	(6,500)	2,900	10
421,000	<u>Parks:</u> Loughborough - including Loughborough in Bloom	525,400	99,300	426,100	5,100	11
68,300	Gorse Covert and Booth Wood	68,800	0	68,800	500	12
120,200	<u>Sports Grounds:</u> Derby Road	126,100	12,500	113,600	(6,600)	13
44,100	Lodge Farm	46,700	0	46,700	2,600	14
57,400	Nanpantan	91,500	28,800	62,700	5,300	15
21,100	Park Road	24,100	3,000	21,100	0	16
24,400	Shelthorpe Golf Course	23,500	100	23,400	(1,000)	17
7,400	Loughborough Cemetery	18,300	0	18,300	10,900	18
64,200	Allotments - Loughborough	56,400	0	56,400	(7,800)	19
13,100	Carillon Tower	25,600	12,900	12,700	(400)	20
50,700	Festive Decorations and Illuminations	49,200	0	49,200	(1,500)	21
92,100	Town Centre Management	103,300	11,700	91,600	(500)	22
1,364,200		1,754,600	411,500	1,343,100	(21,100)	
(134,811)	Adjustments from Year 2015/16					
	Adjustments from Year 2016/17	(74,955)	33,633	(108,588)		
1,229,389	AMENDED SUB TOTAL	1,679,645	445,133	1,234,512		
(45,163)	Council Tax Support Grant			(26,601)		
1,184,226	AMENDED TOTAL			1,207,911		
Divided by 15,796.00	Council Tax Base			Divided by 16,111.92		
<b>74.97</b>	<b>Special Council Tax</b>			<b>74.97</b>		

## Loughborough Special Expense Notes

- 1 Two on-going service pressures have been included in the 2018/19 budgets, £18,700 for increased salary costs which are required to cover CCTV advisors holiday/sickness to enable retention of the 24/7 365 days cover & £5,000 for increased maintenance contract costs. 23% of these costs are charged to the Loughborough Special Rate. Increased Employee costs include an assumed 1% pay award and additional NI/Pension contributions.
- 2 The 2018/19 budget includes the continuation of the £20K one-off service pressure for Loughborough Community Grants, as discussed at the Loughborough Special Expenses meetings as well as £400 on-going service pressure for the manifesto commitment to increase by 1% plus inflation . A further £1,900 on-going service pressure has also been included for Fearon Hall & Gorse Covert to increase the grant payments by 1% plus inflation, assuming Cabinet approve the Strategic Partner 2 year SLA's Grant item to be included on the January 2018 agenda.
- 3 no comment required
- 4 no comment required
- 5 Increased costs are due to an assumed 1% pay award and additional pension/NI contributions for the Voluntary and Community Sector Development post M298. Cabinet 16/02/17 (min 88) approved the 2017/18 ongoing service pressure for the continuation of this post, 75% of which is funded by Loughborough Special Expenses.
- 6 The 2018/19 budget includes the continuation of this one-off service pressure originally approved in 2015/16 . Increased employee costs are due to the additional hours being paid at time and a half plus 1% assumed pay award and additional pension/NI contributions. If this was to become a permanent arrangement, a review of the operatives hours would be undertaken, which would reduce the requirement for overtime payments, assuming income levels are achieved. Increased salary costs are part offset by estimated income for this extra day.
- 7 2017/18 was the final year of the 3 years agreed funding towards the cost of the Post Graduate Student to carry out work for HMO's, originally approved by Budget Scrutiny Panel 5th January 2015 & Cabinet 12th February 2015 min 84.
- 8 This was a one-off 2017/18 service pressure as approved by Cabinet 16/02/17 (min 88)
- 9 This minimal increase is due to inflation. Future years funding via the Loughborough Special Rate is to be reviewed each subsequent year, as approved by Cabinet 16/02/17 (min 88).
- 10 The Site Preparation & Clearance budget has been increased by £4K, funded by reducing the Security Services budget by £4K, making them both more in-line with previous year actuals. Income from Site Rentals has increased by £1K, also making it more in-line with previous year actuals and expected ongoing achievable income. Support Service Recharges have increased £3,400, this is mainly due to increased time spent by the Income Section on work associated with showman fees raised in advance of the annual fair.
- 11 The budget for tree maintenance work has been increased by £2800 for 2018/19, this is part of the £40K ongoing service pressure approved as part of the 2016/17 budget process (Cabinet 18/02/16 min 106), tree maintenance work elsewhere has been reduced accordingly due to work being carried out as needed previous years. Both the Environmental Services and Management of Open Spaces budgets have increased by inflation £1,400 & £900 respectively. The £5K service saving approved as part of the 2017/18 budget process (Cabinet 16/02/17 min 88) for additional income from increased programme of events is not achievable in 2018/19 and the income budget has been reduced accordingly, the overall income budget has been reduced by £6K in total. Support Service recharges have reduced £6K overall, this is mainly due to reduced time being spent in this area by Accountancy, the Head of Leisure & Culture and the Policy & Green Spaces Development Team.
- 12 This increase is due to inflation on the Management of Open Spaces Contract.
- 13 The Building Repair and Maintenance budget has been reduced by £3K to reflect expected reduced ongoing costs and used to provide an electrical works budget of £3K, which is needed annually for hard wire testing &/or repairs. The electricity budget has reduced by £3,400, Idverde pay CBC an amount based on usage for 2meters at Derby Road offices and workshop. Uprating of the NNDR formula has resulted in an increase of £600. Both the Environmental Services and Management of Open Spaces budgets have increased by inflation £700 in total. Income from Cricket and Football has increased by £600, this is part of the Management of Open Spaces contract whereby CBC receive a guaranteed income amount, pre-set by Idverde and increased by inflation each year. Support Service recharges have reduced £3,600 overall, this is mainly due to slightly less time being spent in this area by the Management of Open Spaces Service Unit.

- 14 The £2,800 fence repair/replacement budget which was required for health & safety reasons in 2017/18 has been reduced by £2K. This £2K has been used to increase the Building Repair & Maintenance budget, making it more in line with previous year actuals and expected ongoing costs. The electricity budget has increased by £2,600, making it more in line with previous year actuals.
- 15 An electrical works budget of £1K has been included wef 2018/19, this is needed annually for hard wire testing &/or repairs, previous year spend was funded from underspends elsewhere. The electricity budget has increased by £5,400, making it more in line with previous year actuals. Uprating of the NNDR formula has resulted in an increase of £400. Support Service recharges have reduced £1,400 this is mainly due to slightly less time being spent in this area by the Management of Open Spaces Services Unit.
- 16 no comment required
- 17 Golf income has increased by £2,100, this is part of the Management of Open Spaces contract whereby CBC receive a guaranteed income amount, pre-set by Idverde and increased by inflation each year. This is part offset by a number of small expenditure increases due to inflation, namely Electricity, NNDR and the Environmental Services and Management of Open Spaces Contracts.
- 18 The budget for tree maintenance work has been increased by £1K for 2018/19, this is part of the £40K ongoing service pressure approved as part of the 2016/17 budget process (Cabinet 18/02/16 min 106), tree maintenance work elsewhere has been reduced accordingly due to work being carried out as needed previous years. The Metered Water and Gas budgets have increased £800, in line with previous year actuals. Uprating of the NNDR formula as well as the rateable value more than doubling has resulted in an increased cost of £2K. The income budget has increased by £2K for inflation. Support Service Recharges have increased £8K, this is mainly due to increased time being spent in this area by the Customer Services and the Cleansing Service Unit Team due to the ongoing review for the provision of bereavement services and the potential need for additional space to cover future years' requirements.
- 19 The Metered Water budget has reduced by £1,100, in line with previous year actuals. Support Service Recharges have reduced £6,600 this is mainly due to less time being spent in this area by the Income Section and the Cleansing Service Unit Team due to completion of a project at Mountfields allotments in 2017/18.
- 20 The Electricity budget has reduced by £1K, in line with previous years actuals. 50% of this cost is charged to the Loughborough Special Rate.
- 21 Less time is being spent in this area by the Head of Leisure & Culture, resulting in a reduced Support Services Recharge.
- 22 The salary for the Assistant Town Centre Operations Officer post M322 has been increased to include an assumed 1% pay award and additional pension/NI contributions. The purchase/hire of Equipment budget has increased by £2800 to cover essential equipment to deliver the current events programme. The Income expected from Trading Consents has reduced by £4K, making it more in-line with previous year actuals & expected ongoing achievable income. There are 2 on-going service savings included for this cost centre, £900 reduced printing/copying budget, which is part of an overall corporate saving & £1,500 additional income from Street Food Trading Consents, this additional income is subject to the Capital Scheme being approved. Support Service Recharges have reduced £5K, this is mainly due to less time being spent in this area by Head of Leisure & Culture.