



To: Executive Councillor for Finance and Resources
Report by: Chief Executive, Strategic Directors and Head of Finance
Relevant scrutiny committee: Strategy and Resources
Scrutiny Committee 23 January 2017
Wards affected: All Wards

**Strategy and Resources - Finance and Resources Portfolio
Revenue and Capital Budget Proposals for 2016/17 to 2021/22**

Key Decision

1. Executive summary

Revenue and Capital Budgets

- 1.1 The following report details the budget proposals relating to this portfolio that are included in the Budget-Setting Report (BSR) 2017/18 which will be considered at the following meetings:

Date	Committee	Comments
23 January 2017	Strategy & Resources	Consider proposals / recommendations from all Scrutiny Committees in relation to their portfolios
26 January 2017	The Executive	Budget amendment may be presented
13 February 2017	Strategy & Resources	Consider any further amendments including opposition proposals
23 February 2017	Council	Approves General Fund Budget and sets Council Tax

- 1.2 The report also includes a recommendation concerning the review of charges for this portfolio.

2. Recommendations

The Executive Councillor is recommended to:

Review of Charges:

- a) Approve the proposed charges for this portfolio's services and facilities, as shown in Appendix A to this report.

Revenue:

- b) Consider the revenue budget proposals as shown in Appendix B.

Capital:

- c) Consider the capital budget proposals as shown in Appendix C.
- d) Adjust capital funding for item 2 (c).

3. Background

- 3.1 At its meeting on 20 October 2016, Council gave initial consideration to the budget prospects for the General Fund for 2017/18 and future years in the Medium-Term Financial Strategy (MTFS) 2016.
- 3.2 The overall BSR to Strategy & Resources Scrutiny Committee on 23 January 2017 will include a review of all the factors relating to the overall financial strategy that were included in the MTFS.
- 3.3 The report to The Executive on 26 January 2017 may include details of the Government's Final Settlement for 2017/18. The announcement is likely to be made shortly after the conclusion of the consultation period in January 2017.
- 3.4 Further work may be required on detailed budgets, so delegation to the Head of Finance will be sought from Council for authority to finalise changes relating for example, to the reallocation of departmental administration, support service and central costs, in accordance with the CIPFA Service Reporting Code of Practice for Local Authorities (SeRCOP).

Budget 2017/18 - Overall Revenue Budget Position

- 3.5 The budget proposals for this portfolio, as summarised in table 1, will be considered by The Executive at its meeting on 26 January 2017.

Table 1: Overall Revenue Proposals (see Appendix B)

Savings and Bids	2017/18 Budget £	2018/19 Forecast £
Savings:		
Increased Income	(415,000)	(740,000)
Savings	(25,000)	(25,000)
Total	(440,000)	(765,000)
Bids:		
Unavoidable Revenue Pressures	-	-
Reduced Income	35,000	35,000
Bids	157,000	57,000
Total	192,000	92,000
Net (savings)/bids	(248,000)	(673,000)

External Bids	-	-
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Non-Cash Limit Items	-	-
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Capital

- 3.6 The majority of capital bids address the on-going renewal, updating and major repairs of the council's buildings and operational assets. As such they support income generation (car parks, commercial property), and the delivery of services (vehicles, building repairs, etc). New capital proposals for this portfolio are shown in Appendix C.
- 3.7 Following a review of the capital plan, it is recommended that the funding from a number of schemes is released and made available for new capital proposals. There are none for this portfolio.

Table 2: Overall Capital Proposals (see Appendix C)

	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £
Capital Deletions	-	-	-	-	-	-
Capital Bids	-	614,000	-	-	-	-
Net Capital Bids	-	614,000	-	-	-	-

Public Consultation

- 3.8 The Council has carried out a budget consultation exercise annually since 2002.
- 3.9 This year the council commissioned Mel Research, an independent research company, to carry out a residents' survey following methodology set out in the Local Government Association's (LGA) 'Are you being served' guidelines, found at local.gov.uk/web/10180/home/-/journal_content/56/10180/3484891/ARTICLE.
- 3.10 This involved sending out by post a questionnaire to a random sample of 4,400 residents. From this random sample 1,250 people returned questionnaires, providing a robust view of what Cambridge residents think.
- 3.11 The questionnaire asked what residents thought about the council, the level of importance they attached to council services, how satisfied they were with services, and how they interacted with the council. Some questions were comparable with those asked in surveys carried out in 2011 and 2008, allowing for changes over a period of time to be identified. Where other local authorities have used the same LGA approach it has been possible to benchmark results.
- 3.12 The final report also includes insights provided by two workshops - the first involving residents from low income households and the second representatives from local businesses. These two groups are important because of the direction given by the council's Anti-Poverty Strategy and the need for the council's to fulfil its best value duty to consult about its budget priorities.
- 3.13 The results of the residents' survey was published on 17 November 2016 and can be found on the council's website at cambridge.gov.uk/budget-consultation.

4. Implications

All budget proposals have a number of implications. A decision not to approve a revenue bid will impact on managers' ability to deliver the service or scheme in question and could have financial, staffing, equality and poverty, environmental, procurement, consultation and communication and / or community safety implications. A decision not to approve a capital or external bid will impact on managers' ability to deliver the developments desired in the service areas.

(a) Financial Implications

Financial implications of budget proposals are summarised in the BSR 2017/18.

(b) **Staffing Implications**

See text above.

(c) **Equality and Poverty Implications**

A consolidated Equality Impact Assessment for the budget proposals is included in the BSR, reporting separately on this agenda. Individual Equality Impact Assessments have been conducted to support this and will be available on the Council's website.

A local poverty rating (using the classifications outlined in the BSR, preface to Appendix C) has been included in each budget proposal to assist with assessment.

(d) **Environmental Implications**

Where relevant, officers have considered the environmental impact of budget proposals which are annotated as follows:

- +H / +M / +L: to indicate that the proposal has a high, medium or low positive impact.
- Nil: to indicate that the proposal has no climate change impact.
- -H / -M / -L: to indicate that the proposal has a high, medium or low negative impact.

(e) **Procurement Implications**

Any procurement implications will be outlined in the BSR 2017/18.

(f) **Consultation and Communication Implications**

As outlined in 3 above, budget proposals are based on the requirements of statutory and discretionary service provision. Public consultations are undertaken throughout the year and can be seen at:

cambridge.gov.uk/current-consultations

(g) **Community Safety Implications**

Any Community Safety Implications will be outlined in the BSR 2017/18.

5. Background papers

These background papers were used in the preparation of this report:

- Budget Setting Report 2017/18
- Medium-Term Financial Strategy (MTFS) October 2016
- Individual Equality Impact Assessments

6. Appendices

The following items, where applicable, are included for discussion:

Appendix	Proposal Type	Included
A	Review of Fees & Charges	✓
B	Revenue Budget Proposals for this portfolio	✓
C	Capital Budget Proposals for this portfolio	✓

7. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

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Review of Charges

Conference/exhibition letting charges for Guildhall

DAILY LETS:-	Charges 2016/17 *	Charges 2017/18 *	% Increase
COMMITTEE ROOMS 1 AND 2:			
Morning or Afternoon (per session)	£131.08	£134.36	2.50%
Evening/Weekends/Bank Holidays (per hour)	£131.08	£134.36	2.50%
COUNCIL CHAMBER:			
Morning or Afternoon (per session)	£262.14	£268.69	2.50%
Evening/Weekends/Bank Holidays (per hour)	£157.28	£161.21	2.50%
EXHIBITION AREA (Outside Council Chamber):			
Monday to Friday, 9am to 5pm (per day)	£131.08	£134.36	2.50%
Saturday/Sunday, 9am to 5pm (per hour) + day rate	£49.94	£51.19	2.50%
Evening, after 5pm (per hour) + day rate	£49.94	£51.19	2.50%

* All charges are subject to VAT.

Review of Charges

Standard letting charges for Guildhall

DAILY LETS:-	Charges 2016/17 *	Charges 2017/18 *	% Increase
COMMITTEE ROOMS 1 AND 2:			
Morning or Afternoon (per session)	£81.14	£83.17	2.50%
Evening/Weekends/Bank Holidays (per hour)	£81.14	£83.17	2.50%
COUNCIL CHAMBER:			
Morning or Afternoon (per session)	£131.08	£134.36	2.50%
Evening/Weekends/Bank Holidays (per hour)	£81.14	£83.17	2.50%
EXHIBITION AREA (Outside Council Chamber):			
Monday to Friday, 9am to 5pm (per day)	£131.08	£134.36	2.50%
Saturday/Sunday, 9am to 5pm (per hour) + day rate	£49.94	£51.19	2.50%
Evening, after 5pm (per hour) + day rate	£49.94	£51.19	2.50%

* All charges are subject to VAT.

Finance & Resources Portfolio
Strategy & Resources Scrutiny Committee
Land Charges

Appendix A3

Charge Type and description	Charges 2016/17	Proposed Charges 2017/18	% increase 2017/18
Land Charges			
LLC1 *	£22.00	£22.00	0.0%
CON29R **	£100.00	£125.00	25.0%
Each additional Parcel of Land **	£12.00	£12.00	0.0%
Additional Enquiries **	£12.00	£12.00	0.0%
CON290 (Optional Enquiries) **			
Q6 - Advertisements	£8.00	£8.00	0.0%
Q7 - Completion Notices	£8.00	£8.00	0.0%
Q8- Parks & Countryside	£8.00	£8.00	0.0%
Q10 - House in Multiple Occupation	£8.00	£8.00	0.0%
Q11- Noise Abatement	£8.00	£8.00	0.0%
Q12 - Urban Development Areas	£8.00	£8.00	0.0%
Q13 - Enterprise Zones	£8.00	£8.00	0.0%
Q14 - Inner Urban Development Areas	£8.00	£8.00	0.0%
Q15 - Simplified Planning Zones	£8.00	£8.00	0.0%
Q16 - Land Maintenance Notices	£8.00	£8.00	0.0%
Q17 - Mineral Consultation Areas	£4.00	£4.00	0.0%
Q18 - Hazardous Substance Consents	£8.00	£8.00	0.0%
Q19 - Environmental & Pollution Notices	£8.00	£8.00	0.0%
Q20 - Food Safety Notices	£8.00	£8.00	0.0%
Q21 - Hedgerow Notices	£8.00	£8.00	0.0%
Q22 - Common Land, Town and Village Greens	£4.00	£4.00	0.0%

Notes

Cambridgeshire County Council increased their fee for answering CON29R highways questions from £20 to £45 on 4th April 2016. We are therefore recommending an increase to our CON29R fee of the same amount.

* Classed as non-business activity by HMRC and not subject to VAT

** These charges have been subject to the standard rate of VAT since 1 January 2017

Finance & Resources portfolio - Review of Charges - 2017/18

Charge Type and description	Charges 2016/17	Proposed Charges 2017/18	% increase 2017/18
Mooring Fees*			
2 or more adults	1,000.00	1,025.00	2.5%
Single adult	750.00	768.75	2.5%
<i>* provisional, subject to moorings review and to VAT at current rates</i>			

2017/18 Budget - Revenue proposals

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Reference	Item Description	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	Contact	Climate Effect & Poverty Ratings
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Bids

Finance & Resources

B3931	Expanded Property Services capacity	0	57,000	57,000	57,000	57,000	Dave Prinsep	Nil
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Additional staff to manage the planned commercial property acquisitions, the general fund development programme, the Housing Company and Investment Partnership. This proposal is linked to the commercial property acquisition capital bid in the Medium-Term Financial Strategy and the Commercial Property Acquisition Additional Income 'Increased Income' proposal. (Linked to proposal I13897).

B3940	Office Accommodation Strategy Phase III Feasibility Funding	0	100,000	0	0	0	Dave Prinsep	Nil
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The Office Accommodation Strategy approved at Strategy & Resources Scrutiny Committee (S&R) on 18/1/16 set out proposals for Phase III. Phase III will require feasibility funding to investigate and report on the options ahead of reporting deadlines. This is expected to include market valuations, architectural and quantity surveying support to cost options, planning advice, smart working requirements/support, and legal fees to advise on title and procurement issues. The business case for a preferred option is proposed to be reported for decision and funding by April 2018 supported by a project appraisal and funding issues reported to S&R in August 2017.

Total Bids in Finance & Resources

0	157,000	57,000	57,000	57,000
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Total Bids

0	157,000	57,000	57,000	57,000
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2017/18 Budget - Revenue proposals

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Reference	Item Description	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	Contact	Climate Effect & Poverty Ratings
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Increased Income

Finance & Resources

113862	Increase in benefit overpayments recovered	0	(50,000)	(50,000)	0	0	Naomi Armstrong	Nil
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Projected increase in repayments of housing benefit overpayments from claimants that are no longer claiming benefit (and who now have the means to make the repayments), who either gave the Council wrong information or could have known that they were being overpaid, or who didn't report a change in their circumstances. (This proposal refers to 2017/18 and 2018/19 only as the introduction of Universal Credit will significantly reduce the amount of housing benefit being paid out).

None

113896	Commercial Property Additional Income	0	(110,000)	(110,000)	(110,000)	(110,000)	Dave Prinsep	Nil
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Forecast additional net income reflecting expected rent reviews, lease renewals and lettings on the existing property portfolio.

None

113897	Commercial Property Acquisition Additional Income	0	(125,000)	(500,000)	(500,000)	(500,000)	Dave Prinsep	Nil
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Projected income generated from the further commercial property acquisition funding allocation of £20m in the Medium-Term Financial Strategy. Assumes 5.5% return on price after acquisition costs but adjusted for Minimum Revenue Provision based on 40 year asset life. Likely to be 2 to 6 lots acquired and assumes some income from January 2018 with full income from April 2018. (Linked to proposal B3931).

None

113916	Guildhall Letting - One-off Additional Rental Income	0	(50,000)	0	0	0	Trevor Burdon	Nil
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One-off additional rental income in respect of the 2017/18 financial year resulting from the rent commencement date for a new letting being earlier than originally estimated.

None

113971	Increased income from further investment in Local Authority Property Fund (General Fund share)	0	(80,000)	(80,000)	(80,000)	(80,000)	Charity Main	Nil
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Council approved a change to our Treasury Management Strategy in October 2016 which permits a further £5m to be invested in the CCLA Local Authority Property Fund. This will generate additional investment income above our base forecast.

None

Total Increased Income in Finance & Resources	0	(415,000)	(740,000)	(690,000)	(690,000)			
Total Increased Income	0	(415,000)	(740,000)	(690,000)	(690,000)			

2017/18 Budget - Revenue proposals

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Reference	Item Description	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	Contact	Climate Effect & Poverty Ratings
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Reduced Income

Finance & Resources

RI3942	Review of Moorings Fees and Charges	0	35,000	35,000	35,000	35,000	Alistair Wilson	Nil
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This proposal relates to an approved budget proposal from 2015/16, which identified an annual increase in revenue income from the moorings service of £17,500 in 2016/17 and £35,000 in 2017/18. The proposed budget adjustment removes the anticipated annual increase in income from moorings of £35,000 from 2017/18, in light of the Council's decision that any changes to mooring fees and charges will be dependent on the outcome of the moorings policy consultation.

Total Reduced Income in Finance & Resources

0	35,000	35,000	35,000	35,000
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Total Reduced Income

0	35,000	35,000	35,000	35,000
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2017/18 Budget - Revenue proposals

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Reference	Item Description	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	Contact	Climate Effect & Poverty Ratings
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Savings

Finance & Resources

S3907	Customer Service Transformation	0	(25,000)	(25,000)	(25,000)	(25,000)	Clarissa Norman	Nil
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This is a further phase in our work to modernise and improve our handling of telephone calls. Following on from new phones and the automated switchboard implementation, this will introduce a call triage system, which results in some cost savings. Call triage will apply to Waste and Streets service issues initially but there will be further phases to roll this out to other services at a later stage.

Low

Total Savings in Finance & Resources

0	(25,000)	(25,000)	(25,000)	(25,000)
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Total Savings

0	(25,000)	(25,000)	(25,000)	(25,000)
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Report Total

0	(248,000)	(673,000)	(623,000)	(623,000)
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2017/18 Budget - Capital Proposals

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Reference	Item Description	2016/17 Budget £	2017/18 Budget £	2018/19 Budget £	2019/20 Budget £	2020/21 Budget £	Contact	Climate Effect & Poverty Ratings
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Capital Bids

Finance & Resources

C3917	Re-roof the Guildhall	0	164,000	0	0	0	Andrew Muggeridge	+M
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Replace the existing asphalt flat roof covering on the upper and lower levels of the Guildhall with a new high performance covering, which will also offer improved insulation. The new roof will be covered by a 20 year guarantee and a condition inspection by the manufacturer after 10 years. In recent years, the existing roof has been patched as necessary.

None

C3934	Building works at the Guildhall to reduce carbon emissions and improve energy efficiency	0	450,000	0	0	0	Will Barfield	+H
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Energy efficiency works throughout the Guildhall to meet requirements of the Council's carbon management plan including Solar PV (£60k), heating controls (£140k), improved insulation (£25k) and LED lighting (£80k). Works will also improve energy efficiency with associated cost reduction.
[Funded from Climate Change Fund £300k and Reserves]

None

Total Capital Bids in Finance & Resources	0	614,000	0	0	0
Total Capital Bids	0	614,000	0	0	0
Report Total	0	614,000	0	0	0

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