

**ENVIRONMENT COMMITTEE
27 OCTOBER 2015**

BUDGET TARGETS FOR 2016/17

<u>Report of the:</u>	Director of Finance and Resources
<u>Contact:</u>	Lee Duffy
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	
<u>Annexes/Appendices (attached):</u>	None
<u>Other available papers (not attached):</u>	Budget Targets Report to Strategy & Resources Committee 29 September 2015

REPORT SUMMARY

This report informs the Committee of the Council's revenue budgets targets approved by the Strategy & Resources Committee. The report seeks support for changes to services and any further guidance on the preparation of the Committee's service estimates for 2016/17 and for the next 3 financial years.

RECOMMENDATIONS

- (1) That the Committee notes the implications of the budget targets approved by the Strategy & Resources Committee.**
- (2) That the Committee supports the changes to services identified in section 3.4 of this report and that these are included within the budget presented to this Committee in January 2016.**
- (3) That the Committee supports in principle the future savings options as set out in 3.5 of this report for further work and inclusion in the Medium Term Financial Strategy.**
- (4) That the Committee provides any further guidance on specific issues to be covered in the preparation of service estimates for 2016/17.**
- (5) That this Committee endorses the work plan as set out in 3.6 of this report.**

Notes

ENVIRONMENT COMMITTEE
27 OCTOBER 2015

1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

- 1.1 The Medium Term Financial Strategy aims to maintain the financial health of the Council whilst delivering the priorities in the Corporate Plan.
- 1.2 The Service Plan for the Corporate Priority "Managing Resources" includes service targets designed to maintain a balanced budget.

2 Background

- 2.1 Strategy & Resources Committee has approved the following General Fund budget targets for 2016/17:-
 - Estimates are prepared including options to reduce organisational costs to reduce organisational costs by £650,000 subject to government grant announcement, to minimise the use of working balances and maintain a minimum working balance of £2.5million in accordance with the Medium Term Financial Strategy;
 - That at least £400,000 additional revenue is generated from an increase in discretionary fees and charges, based on an overall increase in yield of 6.0%;
 - That a provision for pay award is made of £230,000 that represents a 1.5% increase;
 - That further savings are identified for inclusion within the medium term financial strategy that will reduce the Council's net operating costs by a minimum of £1,644,000 over the period 2017/18 to 2019/20;
 - That the Capital Member Group seeks to limit schemes included within the capital expenditure programme that enable the retention of agreed minimum level of capital reserves.

3 Budget Savings

- 3.1 The budget targets will require operational / efficiency savings across the organisation. These will need to be identified during the preparation of the detailed estimates.
- 3.2 Service Managers were asked to identify savings options across the Councils' services that will deliver £650,000 for 2016/17 and a further £1,644,000 for the years 2017/18 to 2019/20 to balance the overall budget.
- 3.3 The delivery of the savings options below should assist in the Council being able to deliver services in a sustainable way going forward with no reliance on the Council's limited working balances.
- 3.4 There are 4 savings options being proposed in 2016/17 budget for this Committee to consider these are;

ENVIRONMENT COMMITTEE
27 OCTOBER 2015

	2016/17 £'000
Introduce Planning Performance Agreements	12
Charging to variations to Section 106 Agreements	4
Charging for Enabling Officer	2
Parking income above 6% yield	328

	2017/18 £'000	2018/19 £'000	2019/20 £'000
Cease sweeping up highway verge cuttings after cutting		52	
Cease additional cuts to highway verges	150		
Charging for Enabling Officer	3		

3.5 This Committee is also being asked to support **in principle** the following saving option that will assist in addressing the funding shortfall over the 3 year period 2017/18 to 2019/20. More detail will be presented to this Committee for approval of these proposals.

3.6 In addition the Committee endorses the future work streams below;

3.6.1 Charging at Auriol, Kingston Road, Court Rec, Richards Fields, Ewell Court House, Harrier Centre and Downs car parks

3.6.2 Parking enforcement

3.6.3 CCTV provision

3.6.4 Car Parking service review

4 Capital

4.1 The capital programme agreed in February 2015 can be found on page 71 of the Policy Book 2015/16.

**ENVIRONMENT COMMITTEE
27 OCTOBER 2015**

- 4.2 The total of capital schemes approved is £5.3 million; £3.1 million for schemes brought forward and £2.2 million for new schemes in 2015/16.
- 4.3 The capital programme review for 2016-2017 is under way. The Capital Member Group will meet this month to review draft bids. However, no new capital receipts have been obtained, therefore any additional bids will need to be funded from reprioritising existing approved schemes.

5 Financial and Manpower Implications

- 5.1 If the Council delivers all the savings options being presented to the four policy committees it is anticipated that a balanced position can be achieved on the budget over each of the next 4 years.

6 Legal Implications (including implications for matters relating to equality)

- 6.1 The Council will continue to fulfil its statutory obligations on all services provided.

7 Partnerships

- 7.1 Partnership issues will be identified in the preparation of service budgets.

8 Risk Assessment

- 8.1 The Financial Plan includes an assessment of the main financial risks faced by the Council, along with measures to help manage those risks.

9 Conclusion and Recommendations

- 9.1 The current budget strategy involves continuing to deliver efficiency savings and generate extra service income whilst reviewing service levels so that service costs can be reduced as needed to achieve a balanced budget year on year.
- 9.2 This report identifies the impact of the budget targets on this Committee's budget. It also provides an opportunity for the Committee to give guidance on the preparation of the service estimates and savings options for 2016/17 and 2017/18 through to 2019/20.
- 9.3 The Committee will receive service estimates on 21 January 2016.

WARD(S) AFFECTED: ALL