

<b>SUBJECT:</b>	Portfolio Budgets 2017/18
<b>REPORT OF:</b>	Councillor Luisa Sullivan – Environment Portfolio Holder
<b>RESPONSIBLE OFFICER</b>	Jim Burness – Director of Resources
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<b>WARD/S AFFECTED</b>	All

## 1. Purpose of Report

- 1.1. To provide Members with information on the draft revenue budget for 2017/18, including the context of the overall financial position facing the Council for the coming year.
- 1.2. This report provides summary information on the budgets and highlights issues for consideration. The accompanying booklet presents the detailed information to assist Members in their decision making.

## RECOMMENDATION

Members are requested to advise the Portfolio Holder on the approval of the following items for onward submission to Cabinet:

- the 2017/18 revenue budget
- the 2017/18 fees and charges.

## 2. Context to the 2017/18 Budget

- 2.1. As a result of the Government's deficit reduction strategy, local authority funding is subject to continuing significant reductions particularly from 2018/19 onwards. Local authorities also face constraints on the level of council tax increases. For South Bucks DC the position is set out in detail in the recently updated Medium Term Financial Strategy<sup>1</sup>.
- 2.2. It would therefore be prudent at this stage not to include any funding for new recurring expenditure to improve or expand services. The Authority also needs to identify measures to compensate for the reductions in resources referred to. Part of these measures will be the benefits from joint working with Chiltern DC.

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<sup>1</sup> Cabinet October 2016

2.3. All the teams covered by this Portfolio area are now joint teams with Chiltern DC. In the coming years the teams will be looking at ways to improve efficiency and customer service by changing way of working as part of the Stronger in Partnership phase of joint working.

**3. Budget Assumptions**

3.1. The budgets have been prepared in accordance with the following inflation assumptions:

- Salaries inflation from April 2017 of 1%
- Contracts inflation 2% (unless different rate specified within contract)
- Business rates 2.5%
- Gas 4.0%, Electricity 4% and Water 4.0%
- Insurance 0.5%
- Other 0%

**4. Summary Revenue Budgets**

4.1. The draft budgets presented to Members at this stage represent the net direct running costs of services. They do not contain the apportionment of support services such as accommodation, IT, finance etc. These will be included in the final approved budgets, once the budgets for these support services have been set. The budgets reflected in this report are therefore the direct costs under the Portfolio Holder’s control.

4.2. The budgets have been reviewed by the appropriate service manager for any material volume changes or changes related to maintaining current service standards.

4.3. The net budget figures for the Portfolio are shown below. A more detailed breakdown by service is shown within the booklet.

<b>Actuals 2015/16 £'000</b>	<b>Budget 2016/17 £'000</b>	<b>Draft Budget 2017/18 £'000</b>
2,106	2,571	2,393

4.4. The decrease from the current year’s approved budget to the 2017/18 draft budget is £178k (6.9%). The main changes are detailed below:

	<b>£'000</b>	<b>Comment</b>
<b>2016/17 Budget</b>	2,571	
<b>Change in Salaries</b> - Provision for pay increase	7	

	£'000	Comment
<b>Inflation</b>		
- On expenditure	5	
<b>Transfers</b>		
- To Customer Services for waste calls	-30	
<b>Savings / Income Increases</b>		
- Waste contract	-9	Increased income for bulky items collection
	-17	Savings on subscriptions for waste committee now dissolved
	-34	Increased green waste income
	-50	Savings on the contract
- Open Spaces	-5	Estates maintenance costs
- Street Naming	-6	Increased income for Street Naming
- Cemeteries	-21	Increase in income as per savings proposal <sup>2</sup>
- Stoke Poges Memorial Garden	-11	Maintenance contract
	-10	Increase in income as per savings proposal
<b>Other Changes</b>		
- Other minor changes	3	
<b>2017/18 Draft Budget</b>	<b>2,393</b>	

4.5. Further details of the budgets for each area are shown within the booklet.

## 5. Commentary on Budgets

### Main Elements of the Budget

5.1. The main elements of this budget are as follows.

- The refuse, recycling and street cleansing contract with Biffa Municipal Ltd is the Council's largest single contract. It changes annually in line with the indices chosen by the Council at the tendering stage.
- This budget also includes the management of three cemeteries and Stoke Poges Memorial Gardens. The main challenges here are increasing income to help reduce costs.

<sup>2</sup> Cabinet December 15

**Budget Priorities**

5.2. The budget reflects the following Council priorities.

- Provide great value services
- Conserve the environment
- Promote sustainability.

**Risks**

5.3. When considering the proposed budgets for the coming financial year it is important to be aware of the risks within the budgets. For this Portfolio the main risk areas are:

- Changing levels of recycling volumes of paper, glass and cans.
- The cost of the refuse, recycling and ancillary services contract.
- Achievement of income targets.

5.4 The actions taken to mitigate or monitor these risks are as follows.

- The contract costs are agreed in September/October for the following year in line with indices agreed at the tendering stage. Therefore the risk of a sudden increase is unlikely. Risks such as inclement weather are covered by internal procedures to reduce the likelihood of services being affected.

5.5. An overall review of the main risk issues for the 2017/18 budget will be undertaken once Cabinet has agreed a proposed budget. This review and proposed actions to mitigate the risks will be part of the final report to the Cabinet on the budget in February.

**Opportunities and Plans for Improvement**

5.5. Having rolled out a new refuse and recycling collection service, introduced a chargeable garden waste service district-wide and replaced our entire fleet, there are no large scale changes proposed at present.

**6. Fees and Charges**

6.1. The Budget Booklet also contains the list of proposed fees and charges. All of the proposed fee increases have been built into the draft revenue budgets.

6.2. The Portfolio Holder is asked to consider the list of fees and charges and consider whether to approve these. Income in some service areas may be an important factor in reducing net expenditure.

**7. Links to Council Policy Objectives**

- 7.1 One of the primary purposes of the Council's budget process is to ensure that, as far as possible, resources are aligned to the corporate priorities of the Council and that any material risks are assessed.

**8. Next Step**

- 8.1 The Cabinet will consider the outcome of the PAG discussions at its February meeting when it will formulate a final draft of the overall 2017/18 budget for the Authority.

<b>Background</b>	None
<b>Papers:</b>	