

For publication

**Cabinet Member for Economic Growth
Revenue Budgets 2017/18 to 2022/23**

Meeting:	Cabinet
Date:	19 th December 2017
Cabinet portfolio:	Economic Growth
Report by:	Director of Finance & Resources

For publication

1.0 Purpose of report

- 1.1 To consider the probable outturn for the current financial year;
and
- 1.2 To consider the draft budget for 2018/19.

2.0 Recommendations

- 2.1 That the probable outturn for the current financial year be considered.
- 2.2 That the draft estimates for 2018/19 and future years be considered.
- 2.3 That the Growth request be considered.

3.0 Probable 2017/18

- 3.1 The Probable Outturn for the current financial year is £19,010, a decrease in the expenditure of £189,870 or 90.9% on the original estimate of £208,880.
- 3.2 The main reasons for the decreases are summarised below:

Table 1 – Significant Variances Original to Probable 2017/18

Description	Increase / (Decrease) £'000
<u>Changes to controllable budgets:</u>	
General Employee Savings	14
Energy, Water & NNDR	29
BCN Consortium charge	23
Contracted Services	(12)
Planning Application fees	(160)
Home Improvement Agency trf to Private Housing	(116)
Government Grants (REFCUS)*	(1,547)
Decrease in Industrial rents	61
Other Minor Variations	(39)
Changes to controllable budgets	(1,747)
Change in support service recharges	14
Change in Asset Charges*	1,543
Overall decrease in expenditure	(190)

A more detailed analysis of these changes is provided in **Annexe 4.**

4.0 Draft Estimates 2018/19

- 4.1 The draft estimates for 2018/19 total £163,790 a decrease in expenditure of £45,090 or 21.6% on the original estimate for 2017/18 of £208,880.
- 4.2 The most significant variances include:

Table 2 – Significant Variances Original 2017/18 to Original 2018/19

Description	Increase / (Decrease) £'000
<u>Changes to controllable budgets:</u>	
General Employee incl Pay Inflation	82
Planning application fees	(70)
Home Improvement Agency trf to Private Housing	(134)
Government Grants	1,080
Decrease in Industrial rents	57
Net of Minor Variations	3
Changes to controllable budgets	1,018
Change in support service recharges	16
Change in Asset Charges	(1,079)
Overall decrease in expenditure	(45)

A detailed list of variances is shown at **Annexe 5**.

4.3 The following budget assumptions have been used to produce the draft Cabinet Member for Economic Growth.

- Pay award of 2% for all years.
- Inflation rates –
 - General CPI 2.3% in 2018/19 & 2.0% for all future years
 - Utilities 3.5% in 2018/19 & 3.0% for all future years
 - Rates 3.7% in 2018/19, 3.5% 2019/20 and 3.0% onwards.

4.4 The budgets in this report are the first draft estimates which may need to be amended and refined before the final budget report is presented to Cabinet in February 2018.

5.0 Growth Requests

5.1 We have received one growth request for Skills Action Plan which is included at Annexe 6.

6.0 Medium Term Budget Issues

- 6.1 Forecast budgets for 2019/20 to 2022/23 have been included in annexes 1 to 3. Other than a provision for known inflationary pressures, there are no other issues to report.

7.0 Risk management

- 7.1 There are a number of significant risks inherent in any budget forecasting exercise and the risks increase as the period covered increases.

8.0 Equalities Impact Assessment (EIA)

- 8.1 The budget process and forecasts produced do not require an EIA but any decisions to vary budgets and service provision may require EIA's specific to those options.

9.0 Recommendations

- 9.1 That the probable outturn for the current financial year be considered.
- 9.2 That the draft estimates for 2018/19 and future years be considered.
- 9.3 That the Growth request be considered.

10.0 Reasons for recommendations

- 10.1 To enable the Council to set a balanced budget for 2018/19.

Glossary of Terms	
RPI/CPI	Retail Price Index/Consumer Price Index

Decision information

Key decision number	760
Wards affected	All
Links to Council Plan priorities	To provide value for money services.

Document information

Report author	Contact number/email
Paula Clayton	Ext 5597 Paula.clayton@chesterfield.gov.uk
Background documents	
These are unpublished works which have been relied on to a material extent when the report was prepared.	
Annexes to the report	
Annexe 1	Budget summary by programme area
Annexe 2	Detailed estimates by programme area
Annexe 3	Subjective analysis
Annexe 4	Variances – this year’s original estimate to revised
Annexe 5	Variances – this year’s original estimate to next year’s
Annexe 6	Growth Request