

For Publication

Cabinet Member for Town Centre & Visitor Economy **Revenue Budgets 2017/18 to 2022/23**

Meeting: Cabinet

Date: 19th December 2017

Cabinet portfolio: Town Centre & Visitor Economy

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.

3.0 Probable 2017/18

- 3.1 The Probable Outturn for the current financial year is a surplus of £245,860, a decrease in the surplus of £172,000 or 41.2% on the original estimate of £417,860 .
- 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	(59)
Energy, Gas, Water, NNDR & Insurances	100
Refuse Collection Services	(20)
Reduction to Renewals Contributions	(160)
Museum Store Site Investigation	26
Coach Station – usage charges	7
Underwriting of Half Marathon	10
Town Centre Properties increased rents	(26)
Car Parking Fees & Charges	(47)
Markets reduced income	56
CCTV External Monitoring Fees	16
Markets Hall increased income	(20)
Market Hall Café reduced expenses	(102)
Market Hall Café reduced sales	144
Pavements general premises increases	19
Pavements reduced rents	62
Cultural Venues – Artistes Fees etc	11
Cultural Venues reduced income	23
Vicar Lane decreased rent (head rent)	115
Other Minor Variations	(9)
Changes to controllable budgets	146
Change in support service recharges	49
Changes to Asset Charges	(23)
Overall decrease in surplus	172

A detailed list of variances is shown at **Annexe 4**.

4.0 Draft Estimates 2018/19

4.1 The 2018/19 budget estimate is a surplus of £181,110, this is a decrease in surplus of £236,750 or 56.7% on the original estimates of £417,860.

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 Salaries – incl pay award etc	6
Premises Energy, Water & Insurances	(30)
Business rate increases	112
Half Marathon costs	5
Saltergate – closure of multi-storey	(36)
Car Parking reduced fees and charges	16
CCTV External Monitoring Fees	16
Cultural Venues increased supplies and services (new bar & artist fees etc.)	19
Cultural Venues increased income and services (new bar/fees & productions)	(23)
Reduction to Renewals contributions	(26)
Markets refuse collection charges	(7)
Markets reduced rents	56
Market Hall Café reduced expenses	(78)
Market Hall Café reduced sales	99
Markets Hall increased rents & recharges	(10)
Pavements general premises increase	45
Pavements increased rents & recharges	(23)
Town Centre Properties increase rents	(23)
Vicar Lane reduced rent (head rent)	75
Other Minor Variations	(16)
Changes to controllable budgets	177
Change in support service recharges	28
Changes in Asset Charges	32
Overall decrease in surplus	237

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

4.3 The following budget assumptions have been used to produce the draft budgets.

- Pay award of 2% for each of the years 2018/19 to 2022/23
- Inflation rates –
 - 3.5% Gas & Electricity 2018/19 & 3% for all future years

- General RPI 3.5% in 2018/19 and then 3.0% 2019/20 onwards.
- General CPI 2.3% in 2018/19 and then 2% 2019/20 onwards
- Rates 3.7% in 2018/19, 3.5% in 2019/20 and 3.0% onwards.
- Fees & Charges – minimum uplift of 3%

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.

5.0 Growth Requests

5.1 No growth requests have been received at this time.

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 EIAs 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.

10.0 Reasons for recommendations

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

Glossary of Terms	
RPI	Retail Price Index
CPI	Consumer Price Index

Decision information

Key decision number	764
Wards affected	All
Links to Council Plan priorities	To provide value for money services.

Document information

Report author	Contact number/email
Linda Coupe	Ext 2008 Linda.coupe@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