

ECONOMIC DEVELOPMENT COMMITTEE REVENUE BUDGET 2018/19

1.0 Purpose of Report

- 1.1 To inform the Committee of the budget and scales of fees & charges for those areas falling under the remit of the Economic Development Committee for 2018/19.

2.0 Background Information

- 2.1 Business Managers and service budget officers have been working with officers from Financial Services to determine a first draft General Fund budget and Medium Term Financial Plan. The budgets have been prepared in line with the strategy agreed by Policy & Finance Committee on 21 September 2017.
- 2.2 As part of the budget strategy it was agreed that the functional Committees be requested to look at opportunities for savings in 2018/19 and also any investment potentials which would increase and support revenue income levels, in order to reduce the projected burdens in future years. Members of this Committee are asked to identify any 'spend to save' initiatives in order that these can be considered by the Policy and Finance Committee.
- 2.3 The Economic Development Committee met on 22 November 2017 to scrutinise the budget and continue to look for ways to achieve further savings in 2018/19 and future years. The budget proposals attached at **Appendix A** have been developed following consideration by the Committee.
- 2.4 It was agreed that Business Managers should continue to work with officers from Financial Services to formulate a final budget for submission to Policy & Finance Committee on 25 February 2018. The current budget proposals are attached at **Appendix A**. A schedule of fees and charges pertaining to Economic Development Committee are attached at **Appendix B**.

3.0 Revenue Budget Proposals

- 3.1 The current draft budget shows an increase in 2018/19. Direct service expenditure excluding deferred and capital charges, and all central services recharges currently shows an overall increase of £281,630 against 2017/18 budget. When central recharges and capital are included this becomes an increase of £428,180.
- 3.2 This budget figure includes an average of 2% inflation on expenditure and income, as approved by the Policy & Finance Committee at its meeting on 21 September 2017. It also assumes a 2.5% increase in salary and wages costs overall in 2018/19. Superannuation budgets include the increased percentage contribution announced by the actuary in February 2017.
- 3.3 Staffing costs of £2.61m account for approximately 45% of the gross service budget (excluding housing benefits, capital and central recharges) and significant budget savings cannot be achieved without affecting staffing levels.

- 3.4 Major variances between 2017/18 and 2018/19 are shown below:
- 3.4.1 Newark Castle & Grounds – the budget includes a full time apprentice.
 - 3.4.2 Heritage, Culture and Visitors – with a large number of front line staff being employed at living wage, the overall increase in staff costs is higher than the 2.5% inflation built into the base budget. During 2017/18 the exhibition and displays budget was reduced as there were no planned changes to the galleries. This has been re-instated (increase of £27K) for 2018/19 onward to accommodate 2 new temporary exhibitions per year, as per the original schedule. Museum admissions over 2017/18 have been variable, and it was thought prudent to reduce income by £30K in line with actuals, but this will be partly offset by the increase in box office income which has performed consistently well over the last few years.
 - 3.4.3 Promotion of Tourism – The budget has been increased to incorporate costs of the Pikes & Plunder event. Additionally, there was a 1 year reduction in budget in 17/18 to fund additional hours for a marketing assistant under the Heritage, Culture & Visitors budget.
 - 3.4.4 Development Management – in addition to the inflationary increases an additional member of staff has been appointed to deal with the additional requirements of the proposed Council housing new build – this post is being recharged to the Housing Revenue Account.
 - 3.4.5 Building Control – the budget includes a contribution from the Building Control partnership towards reducing the prior years' deficit, this is offset 'below the line'.
 - 3.4.6 Community Infrastructure Levy – a full time post has been replaced by 0.8 FTE.
 - 3.4.7 Development Costs – this is a new budget to fund feasibility studies for capital schemes. Where the studies result in a viable capital project the costs will be charged against the approved capital scheme.
 - 3.4.8 Development Company - the approved Medium Term Financial Plan included a sum of £120,000 for the setting up of the Corporate Projects Development Team including staffing costs which are being recharged to this cost centre. A further £20,000 expenditure to support the team was approved at Council on 10 October 2017. The increase in budget is funded from reserves.
 - 3.4.9 Parking Services Administration – a number of staff have now transferred to Newark Town Council, this is offset by a reduction in income from the Town Council. Cash collection is now undertaken by an external company.
 - 3.4.10 Surface Car Parks Newark - there have been significant increases in the rateable value which increases the annual amount of Non domestic rates payable on Newark town centre car parks by £60,000. Current projections of income from car park charges show a reduction of £35,000 against the 2017/18 budget.
 - 3.4.11 Other Properties & Workshop Voids – occupancy levels across all industrial units are currently good, therefore it has been possible to reduce the voids allowance.

3.4.11 Growth Investment Fund – income in respect of loans repaid is show in this budget, however this is transferred to reserves.

4.0 Fees and Charges

4.1 The level of fees and charges has been considered by officers within the framework set out in the Corporate Charging Policy. Proposals for increases in fees and charges are attached at **Appendix B** for consideration and recommendation to Policy & Finance Committee on 22 February 2018 and Council on 8 March 2018.

5.0 Conclusions

5.1 It is important that the Committee continues to scrutinise and review its budget in order to achieve additional savings in future years at a time when the Council is facing reducing government grants and other financial pressures.

6.0 RECOMMENDATIONS that:

(a) the final Committee budget as shown at Appendix A be recommended to Policy & Finance Committee at its meeting on 22 February 2018 for inclusion in the overall council budget; and

(b) the scales of fees and charges as shown at Appendix B be recommended to Policy & Finance Committee at its meeting on 22 February 2018 and Council on 8 March 2018.

Reason for Recommendations

To ensure that the final budget proposals and the level of fees and charges for 2018/19 are recommended to Policy & Finance Committee on 22nd February 2018.

Background Papers

None

For further information please contact Nick Wilson on Extension 5317 or Amanda Wasilewski on Extension 5738.

Nick Wilson

Business Manager Financial Services

BUDGET SUMMARY

ECONOMIC DEVELOPMENT

CODE	DESCRIPTION	2017/18 INITIAL BUDGET	2018/19 BASE BUDGET	MORE/(LESS)
A10104	GILSTRAP INTERPRETATION CENTR	0	0	0
A10105	NEWARK CASTLE/CASTLE GROUNDS	43,790	54,800	11,010
A10108	RESOURCE CENTRE. MUSEUMS	22,740	24,430	1,690
A10109	HERITAGE, CULTURE & VISITORS	523,670	630,470	106,800
A10813	LAND CHARGES	(63,490)	(63,130)	360
A11314	LINCOLN ROAD SPORTS HALL	14,770	16,450	1,680
A11331	PARKS AND PLAYING FIELDS	27,510	28,660	1,150
A11334	PRIVATE ESTATES	17,150	23,460	6,310
A11335	CLOSED CHURCHYARDS	4,900	4,950	50
A11336	VICAR WATER PARK	62,640	67,110	4,470
A11337	COMMUNITY FACILITIES MGMT	45,210	46,650	1,440
A11338	SCONCE & DEVON PARK	70,500	72,900	2,400
A11573	PROMOTION OF TOURISM	98,980	138,980	40,000
A11574	SHERWOOD YOUTH HOSTEL	(19,000)	(19,050)	(50)
A11601	GROWTH TECHNICAL SUPPORT	147,880	158,610	10,730
A11604	DEVELOPMENT MANAGEMENT	(110,890)	(72,410)	38,480
A11605	PLANNING POLICY	254,390	251,580	(2,810)
A11606	BUILDING CONTROL	120,840	88,190	(32,650)
A11610	LOCAL DEVELOPMENT FRAMEWORK	53,060	54,120	1,060
A11611	COMMUNITY INFRASTRUCTURE LEVY	23,310	0	(23,310)
A11702	ENVIRONMENTAL SCHEMES	18,930	21,320	2,390
A11810	NEWARK BUSINESS INNOVATION CENTRE	20,410	18,440	(1,970)
A11813	SUTTON ON TRENT WORKSHOPS	(32,970)	(32,480)	490
A11814	CREWE CLOSE BLIDWORTH WORKSHOP	(42,650)	(41,910)	740
A11815	BOUGHTON WORKSHOPS	(38,420)	(37,790)	630
A11816	CHURCH FARM WORKSHOPS	(20,000)	(21,640)	(1,640)
A11817	BILSTHORPE WORKSHOPS	(37,320)	(36,510)	810
A11818	BURMA ROAD WORKSHOPS	(14,480)	(14,820)	(340)
A11820	BURMA ROAD, BLIDWORTH	920	1,170	250
A11821	CLIPSTONE WORKSHOPS	(32,060)	(31,750)	310
A11822	BOUGHTON ADVANCE FACTORY	(36,040)	(35,530)	510
A11823	CLIPSTONE ADVANCED FACTORIES	(35,940)	(35,030)	910
A11824	SHERWOOD FOREST CRAFT CENTRE	(19,890)	(16,900)	2,990
A11826	CLIPSTONE HOLDING CENTRE	(14,690)	(10,460)	4,230
A11828	LEACH WAY BLIDWORTH ADV	(35,300)	(35,230)	70
A11829	KEEPERS COTTAGE	(1,780)	0	1,780
A11842	DEVELOPMENT COSTS	0	50,000	50,000
A11843	DEVELOPMENT COMPANY	0	114,380	114,380
A11851	ECONOMIC GROWTH	250,710	256,620	5,910
A12001	PARKING SERVICES ADMIN	100,370	131,690	31,320
A12011	SURFACE CAR PARKS NEWARK	(645,170)	(535,930)	109,240
A12014	NEWARK LORRY PARK	(257,180)	(256,740)	440
A12019	SURFACE CAR PARK OLLERTON	7,380	7,400	20
A12211	RIVERSIDE ARENA MARKET	(10,000)	(6,500)	3,500
A12401	OTHER PROPERTIES & WSHOP VOIDS	31,450	10,630	(20,820)
A12506	GROWTH INVESTMENT FUND	67,000	(118,200)	(185,200)

CODE	DESCRIPTION	2017/18 INITIAL BUDGET	2018/19 BASE BUDGET	MORE/(LESS)
A15002	CREW LANE DEPOT	(17,390)	(17,580)	(190)
A15023	GROUNDS MAINTENANCE	213,230	205,290	(7,940)
	TOTAL	757,080	1,038,710	281,630
	Central Recharges	1,765,870	1,941,350	175,480
	Capital Charges	343,980	333,650	(10,330)
	Income from recharges	(808,200)	(826,800)	(18,600)
	TOTAL	2,058,730	2,486,910	428,180

BUDGET SUMMARY

ECONOMIC DEVELOPMENT SUBJECTIVE SUMMARY

CODE	DESCRIPTION	2017/18 INITIAL BUDGET	2018/19 BASE BUDGET	More(Less)
111	SALARIES AND WAGES	2,112,050	2,129,070	17,020
113	NATIONAL INSURANCE	188,410	201,200	12,790
114	SUPERANNUATION	237,280	277,040	39,760
	EMPLOYEE SUB TOTAL	2,537,740	2,607,310	69,570
211	REPAIRS AND MAINTENANCE	112,670	111,070	(1,600)
212	ENERGY COSTS	128,720	128,470	(250)
213	RENT	124,490	142,090	17,600
214	RATES	108,190	164,790	56,600
215	WATER SERVICES	21,180	23,030	1,850
217	CLEANING AND DOMESTIC	1,170	1,350	180
219	CONTRIBUTION TO FUNDS	179,920	185,170	5,250
311	TRANSPORT	75,290	85,780	10,490
315	CAR ALLOWANCES	18,350	17,260	(1,090)
316	INSURANCE	11,110	12,250	1,140
411	EQUIPMENT AND FURNITURE	16,080	15,170	(910)
412	MATERIALS	19,300	16,710	(2,590)
421	CATERING	59,030	60,220	1,190
431	CLOTHING AND UNIFORMS	6,790	6,860	70
441	GENERAL OFFICE EXPENSES	153,960	147,660	(6,300)
451	CONTRACTUAL	489,380	537,440	48,060
452	OTHER SERVICES	249,210	396,640	147,430
453	LEASING PREMIUMS	0	332,290	332,290
461	COMMUNICATIONS AND COMPUTING	53,240	40,540	(12,700)
471	STAFF	9,000	12,410	3,410
481	GRANTS	10,000	0	(10,000)
482	SUBSCRIPTIONS	5,540	5,380	(160)
491	INSURANCE	82,540	107,860	25,320
492	CONTRIBS TO FUNDS AND PROVISNS	23,990	24,020	30
493	OTHER	517,050	577,720	60,670
497	DISCOUNTS	11,360	10,160	(1,200)
711	ADMIN BUILDINGS	357,940	375,140	17,200
712	CENTRAL DEPARTMENT SUPPORT	900,710	1,014,720	114,010
713	CSS MONTHLY PERCENTAGE RECHGS	21,700	25,520	3,820
714	CENTRAL EXPENSES	900	0	(900)
715	DEPARTMENTAL ADMINISTRATION	484,620	525,970	41,350
821	CAPITAL CHARGE	343,980	333,650	(10,330)
	RUNNING EXPENSES SUB TOTAL	4,597,410	5,437,340	839,930

CODE	DESCRIPTION	2017/18 INITIAL BUDGET	2018/19 BASE BUDGET	More(Less)
922	Contributions From Other Las	(115,490)	(34,830)	80,660
928	Recharge Non Gf Accounts	(204,770)	(279,060)	(74,290)
931	Sales	(325,110)	(293,110)	32,000
932	Fees And Charges	(2,623,270)	(2,585,640)	37,630
933	Rents	(659,940)	(947,190)	(287,250)
934	Loan Repayments	0	(180,000)	(180,000)
938	Fees And Charges	(176,520)	(255,140)	(78,620)
939	Other Receipts	(150,970)	(155,970)	(5,000)
951	Recharge Gf Rev Accounts	(808,200)	(826,800)	(18,600)
961	Revenue Appropriation Adjust	(12,150)	0	12,150
	INCOME SUB TOTAL	(5,076,420)	(5,557,740)	(481,320)
	COMMITTEE TOTAL	2,058,730	2,486,910	428,180

