

# Public Document Pack



## RUSHMOOR BOROUGH COUNCIL

### CABINET

*at the Council Offices, Farnborough on  
Tuesday, 6th February, 2018 at 7.00 pm*

To:

Cllr D.E. Clifford, Leader of the Council  
Cllr K.H. Muschamp, Deputy Leader and Business, Safety and Regulation Portfolio  
Holder

Cllr Barbara Hurst, Health and Housing Portfolio Holder  
Cllr G.B. Lyon, Concessions and Community Support Portfolio Holder  
Cllr M.L. Sheehan, Leisure and Youth Portfolio Holder  
Cllr P.G. Taylor, Corporate Services Portfolio Holder  
Cllr M.J. Tennant, Environment and Service Delivery Portfolio Holder

Enquiries regarding this agenda should be referred to Chris Todd, Democratic  
Services, on 01252 398825 or e-mail: [chris.todd@rushmoor.gov.uk](mailto:chris.todd@rushmoor.gov.uk)

## A G E N D A

1. **MINUTES** – (Pages 1 - 4)

To confirm the Minutes of the meeting held on 9th January, 2018 (copy attached).

2. **REVENUE BUDGET, CAPITAL PROGRAMME AND COUNCIL TAX LEVEL** –  
(Pages 5 - 124)  
(Cllr David Clifford, Leader of the Council)

To consider Report No. FIN1808 (copy attached), which makes recommendations on the budget, Council Tax Requirement and proposals for budget savings for 2018/19, for submission to the Council on 22nd February, 2018.

3. **ANNUAL TREASURY MANAGEMENT STRATEGY 2018/19 AND PRUDENTIAL INDICATORS FOR CAPITAL FINANCE** – (Pages 125 - 148)  
(Cllr Paul Taylor, Corporate Services Portfolio Holder)

To consider Report No. FIN1802 (copy attached), which seeks approval of the Treasury Management Strategy, the Annual Borrowing Strategy and the Annual Investment Strategy for the year 2018/19, Prudential Indicators for Capital Finance and the Minimum Revenue Provision Statement, for submission to the Council on 22nd February, 2018.

4. **RUSHMOOR BOROUGH COUNCIL PLAN 2018/19** – (Pages 149 - 154)  
(Cllr David Clifford, Leader of the Council)

To consider Report No. DMB1802 (copy attached), which seeks approval of the Council Plan for the year 2018/19, for submission to the Council on 22nd February, 2018.

5. **COUNCIL PLAN THIRD QUARTER 2017/18 PERFORMANCE UPDATE REPORT**  
– (Pages 155 - 168)  
(Cllr David Clifford, Leader of the Council)

To receive Report No. DMB1801 (copy attached), which sets out the Council's performance monitoring information for the third quarter of 2017/18.

6. **ENVIRONMENTAL LITTERING - PILOT PROJECT WITH EAST HAMPSHIRE DISTRICT COUNCIL** – (Pages 169 - 172)  
(Cllr Martin Tennant, Environment and Service Delivery Portfolio Holder)

To consider Report No. COMM1802 (copy attached), which sets out a proposal to enter into a one-year agency agreement with East Hampshire District Council to better tackle littering and dog fouling in the Borough.

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# CABINET

Meeting held on Tuesday, 9th January, 2018 at the Council Offices, Farnborough at 7.00 pm.

## Voting Members

Cllr D.E. Clifford, Leader of the Council  
Cllr K.H. Muschamp, Deputy Leader and Business, Safety and Regulation Portfolio Holder

Cllr Barbara Hurst, Health and Housing Portfolio Holder  
Cllr G.B. Lyon, Concessions and Community Support Portfolio Holder  
Cllr M.L. Sheehan, Leisure and Youth Portfolio Holder  
Cllr P.G. Taylor, Corporate Services Portfolio Holder  
Cllr M.J. Tennant, Environment and Service Delivery Portfolio Holder

The Cabinet considered the following matters at the above-mentioned meeting. All executive decisions of the Cabinet shall become effective, subject to the call-in procedure, from **22nd January, 2018**.

### 61. MINUTES –

The Minutes of the meeting of the Cabinet held on 12th December, 2017 were confirmed and signed by the Chairman.

### 62. COUNCIL TAX SUPPORT SCHEME 2018/19 AND COUNCIL TAX DISCOUNTS – (Councillor Gareth Lyon, Concessions and Community Support Portfolio Holder)

The Cabinet considered Report No. FIN1801, which set out the outcome of the recent public consultation exercise and the recommendations and comments of the Council's Welfare Reform Task and Finish Group in respect of potential changes to the Council Tax Support Scheme and to the level of discounts allowed against Council Tax for certain empty properties. The Chairman welcomed Cr. A.H. Crawford, who had requested to address the Cabinet on this issue.

Members were reminded that the Council had been running its own Council Tax Support Scheme since 2013, replacing the previous national Council Tax Benefit Regulations. The recent public consultation exercise had run for six weeks, starting on 6th November, 2017, and had been carried out, primarily, using an online survey. A total of 482 responses had been received and a detailed consultation report was set out in Appendix 1 to the Report. It was noted that this level of responses was considerably higher than in previous years.

The Welfare Reform Task and Finish Group had continued to meet during 2017 and had met most recently in December 2017 to consider the consultation responses. The Group had recommended three changes to the Council Tax Support Scheme and two changes to the level of Council Tax discounts in relation to empty properties, summarised as:

- To increase the minimum amount of Council Tax that working age people would pay from 10% (90% discount) to 15% (85% discount) for 2018/19 and to hold the minimum contribution at that level for 2019/20
- To exclude the new bereavement support payment when calculating Council Tax support
- To limit the number of dependent children to two when calculating Council Tax support
- To award 50% discount for six months for homes that were having major repairs or structural alterations done to them (currently twelve months)
- To award 100% discount for two months for homes that were unoccupied and unfurnished (currently three months)

In discussing the recommendations, it was proposed that, to make any increases more affordable, it would be fairer to phase these over two years as opposed to one. It was, therefore, proposed that an increase to 12% should be implemented in 2018/19 and, subject to analysis of the impact of this increase on recipients, the contribution should be increased to 15% from 2019/20.

Cr. Crawford expressed opposition to any increase of the minimum contribution from 10% and requested that the Cabinet should delay any increase until the impact of the rollout of Universal Credit was known. He also expressed concern in relation to the content of the consultation document issued by the Council.

The Cabinet discussed the proposals and considered that it was appropriate to increase the level of contribution payable in order to protect other Council Tax payers in the Borough, especially those on low incomes. Members agreed, however, that the increase to a contribution of 15% should be phased over two years, with the impacts of the increases being closely monitored by the Council.

**The Cabinet RECOMMENDED TO THE EXTRAORDINARY MEETING OF THE COUNCIL ON 30TH JANUARY, 2018** that the following changes to the Council Tax Support Scheme and the level of Council Tax discounts, as set out in Report No. FIN1801 and amended at the meeting, be approved:

- (i) to increase the current 10% minimum contribution (90% discount) for those of working age to 12% minimum contribution (88% discount) for 2018/19;
- (ii) to set the minimum contribution at 15% for the subsequent year (2019/20) to allow sufficient time to consider the impact of the increase on residents;
- (iii) to exclude bereavement support payments from the calculation of Council Tax Support from 2018/19;
- (iv) to limit the number of dependent children to two when calculating Council Tax Support from 2018/19;

- (v) to change the level of discounts given for homes that are empty due to undergoing major repairs or structural alterations from a 50% discount for twelve months to a 50% discount for six months; and
- (vi) to change the level of discounts given for homes that are unoccupied and unfurnished from a 100% discount for 3 months to a 100% discount for 2 months.

**63. REGENERATION PROGRAMME –**

(Councillor Martin Tennant, Environment and Service Delivery Portfolio Holder)

The Cabinet considered Report No. CD1801, which set out the current regeneration programme for the Council, requested funding to support the delivery of the programme and sought delegated authority to move forward with processes to secure investment, development and delivery partners as required.

It was reported that a supplementary estimate of £50,100 was required to support the regeneration programme for the remainder of the municipal year. Members had been previously informed that the Aldershot Railway Station Project had been delayed due to a change of franchise owner and that the funding that had been secured from the Enterprise M3 Local Enterprise Partnership in this respect had not, to date, been taken up. The Cabinet agreed that, in the event that the project could not proceed, the Local Enterprise Partnership should be requested to divert this funding to other Aldershot projects in the programme.

In response to a question, it was confirmed that the Council had identified consultants that were well qualified to help to progress the Council's regeneration plans across the Borough. Members reaffirmed the Cabinet's commitment to regeneration as its top priority and assured that tough decisions would be taken when required.

**The Cabinet RESOLVED that**

- (i) the update and funding allocations, as set out in Report No. CD1801, be noted;
- (ii) a supplementary estimate of £50,100, to support the delivery of the regeneration programme for the remainder of the 2017/18 financial year, be approved;
- (iii) in the event that it was not possible to proceed with the Aldershot Railway Station Project, the Enterprise M3 Local Enterprise Partnership be requested to divert funding for the scheme to other Aldershot projects in the programme and the Council's own current capital allocation for the project be released for other projects within the programme for 2018/19 onwards; and
- (iv) the Corporate Director, in consultation with the Leader, the Environment and Service Delivery Portfolio Holder, the Corporate Services Portfolio Holder and the Chief Executive, be authorised to agree the selection criteria and undertake the appropriate selection or procurement processes to select an investment or development partner or partners, to enable the delivery of sites

within the regeneration programme, for recommendation to the Cabinet and the Council in due course.

64. **FARNBOROUGH AIRPORT COMMUNITY ENVIRONMENTAL FUND –**  
(Councillor Martin Tennant, Environment and Service Delivery Portfolio Holder)

The Cabinet considered Report No. COMM1801, which sought approval to award grants from the Farnborough Airport Community Environmental Fund to assist local projects.

The Environment and Service Delivery Portfolio Holder had considered two applications and had recommended that both awards should be made.

**The Cabinet RESOLVED** that grants be awarded from the Farnborough Airport Community Environmental Fund to the following organisations:

Pinewood Park Infant School	£6,583
Fernhill Primary School	£2,000

The Meeting closed at 7.59 pm.

CLLR D.E. CLIFFORD, LEADER OF THE COUNCIL

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**CABINET**

**6 FEBRUARY 2018**

**COUNCILLOR PAUL TAYLOR  
CORPORATE SERVICES PORTFOLIO HOLDER  
REPORT NO. FIN1808**

**KEY DECISION - NO**

**REVENUE BUDGET, CAPITAL PROGRAMME AND COUNCIL TAX LEVEL**

**SUMMARY AND RECOMMENDATIONS:**

This report contains recommendations for the budget, Council Tax Requirement and proposals for budget savings for 2018/19. The report includes:

- Appendix 1: General Fund Revenue Budget Summary
- Appendix 2: Detailed base revenue budgets in portfolio order
- Appendix 3: List of additional items for inclusion in the budget
- Appendix 4: Capital Programme
- Appendix 5: Strategy for the Flexible Use of Capital Receipts

Cabinet are requested to consider and approve for recommendation to Council:

- i) the General Fund Revenue Budget Summary set out in Appendix 1
- ii) the detailed General Fund Revenue Budget set out in Appendix 2
- iii) the additional items for inclusion in the budget, set out in Appendix 3
- iv) the Council Tax Requirement of £6,147,591 for this Council
- v) the Council Tax level for Rushmoor Borough Council's purposes of £198.49 for a Band D property in 2018/19
- vi) the Capital Programme, set out in Appendix 4
- vii) the Strategy for the Flexible use of Capital Receipts set out in Appendix 5
- viii) the Head of Financial Services' report under S.25 of the Local Government Act 2003 as set out in section 9
- ix) the holding of reserves and use of the Service Improvement Fund as set out in the report

Cabinet are recommended to approve delegation to the Council's Section 151 officer, in consultation with the Leader of the Council and the Portfolio Holder for Corporate Services:

- i) for any changes to the General Fund Summary stemming from final confirmation of the Local Government Finance Settlement and the Business Rates Retention Scheme estimates

## **1. INTRODUCTION**

- 1.1 This report sets out the key factors taken into account in preparing the budget plans for Rushmoor Borough Council for 2018/19, with detailed budget proposals for both Revenue and Capital spending contained in Appendices 1 to 4.
- 1.2 The report also incorporates the Strategy for the flexible use of capital receipts, which has previously been contained within a separate report.
- 1.3 The budget proposals underpin the delivery of the Council Plan, which is to be considered by Council alongside the budget at its meeting of 22<sup>nd</sup> February 2018.
- 1.4 This is a key decision as it sets out the Council' financial plans for 2018/19, specifically its overall budget for the year for both revenue and capital spending and affects all wards within the Borough.

## **2. BACKGROUND**

- 2.1 The budget proposals for 2018/19 have been put together within the framework set out in the Medium-Term Financial Strategy for 2017/18 – 2020/21 which was considered by Cabinet on 17<sup>th</sup> October 2017 (Report no: FIN1731).
- 2.2 The Medium-Term Financial Strategy (MTFS) complements the Council Plan by providing a framework for financial decision-making. While the Council Plan sets out the Council's priorities and how it intends to meet the needs of its residents, businesses and visitors, the Financial Strategy describes how the financial management process will contribute to delivering these priorities.
- 2.3 Ahead of the Chancellor's Autumn Budget and the release of the provisional Local Government Finance Settlement, the report focused on setting the high-level strategic financial direction for the Council after taking account of the Medium-Term Financial Forecast. This forecast has been updated, as it is important to set the 2018/19 budget in the context of the longer-term financial position of the Council. This is particularly pertinent when considering Capital expenditure plans as the consequences of decisions made now will have long reaching effects in terms of borrowing costs for many years in to the future.
- 2.4 The Medium-Term Financial Strategy was approved by Council on 7th December 2017 and included an approved range for the General Fund balance of £1m - £2m and a minimum expected level for total working balances of 5% of gross expenditure.

## **3. FINANCE SETTLEMENT AND BUSINESS RATES ESTIMATES**

- 3.1 This report has been prepared on the basis of figures contained within the provisional local government finance settlement, which are therefore subject to change when the final settlement figures are released in late February. For example, Council's affected by the so-called negative Revenue Support Grant (commencing in 2019/20) have been lobbying hard for change and the



government has confirmed an intention to consider the settlement in light of this response.

- 3.2 In the Provisional Settlement, the Government made several decisions in recognition of representations made by councils to the 2018/19 local government finance settlement technical consultation including the New Homes Bonus, the Rural Services Delivery Grant, and council tax precepts for newly created Mayoral Combined Authorities.
- 3.3 The most relevant of these for Rushmoor was the decision not to amend the baseline for growth for the award of New Homes Bonus or to introduce further reforms to withhold part of the bonus from councils who were not seen to be planning effectively for new homes. However, this decision was just for 2018/19 and there is no guarantee that scheme changes will not be introduced in future years.
- 3.4 In October 2016, the Council accepted the Government's multi-year settlement offer and published an efficiency plan spanning 2016/17 to 2019/20, setting out the Council's plans for achieving financial sustainability. This provided the Council with greater certainty over central funding over the medium-term.
- 3.5 The provisional settlement for 2018/19 therefore contained figures that had already been factored into the Council's medium-term forecast (with the exception of changes due to the business revaluation exercise) but only for the period up to 2019/20. 2020/21 is outside the multi-year period and will be subject to a new Spending Review. This reduces longer-term certainty moving forward as potentially the settlement for 2019/20 will revert to being a single year settlement.
- 3.6 The Provisional Settlement also included an announcement of a move to a 75% Business Rates Retention Scheme in 2020/21. This means that local government as a whole will keep 75% of business rates income, subject to redistribution between authorities as part of the needs assessment (Fair funding Review), any transition arrangements and the rolling in of Revenue Support Grant and Public Health grant for example, to make the scheme fiscally neutral for central government.
- 3.7 This has further complicated estimates for 2020/21, requiring key assumptions to be made about the extent of any baseline resets within the system, the removal of the levy and any retained surplus.
- 3.8 The Council is required to finalise its Business Rates estimates for 2018/19 and its initial estimate of any surplus or deficit for 2017/18<sup>1</sup>, by 31<sup>st</sup> January 2018. The return (NNDR1) is complicated by the necessity to incorporate an estimate of the provision to be held back by the Council to settle appeals from ratepayers against the rateable value set by the Valuation Office and to provide an estimate of any growth or decline in rates in the year ahead.

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<sup>1</sup> The difference between the amount of business rates income originally forecast for collection in 2017/18 and the latest estimate of the outturn position for that year

- 3.9 Final agreement of the Business Rates estimates will be made by the Council's Section 151 Officer in consultation with the Leader of the Council, under the delegation agreed by Council on 20<sup>th</sup> January 2014, and an update will be provided to Cabinet alongside this report.
- 3.10 Should the final settlement figures or the business rates estimates be materially different from those presented in this report, the General Fund Summary will be updated by the Council's Section 151 Officer in consultation with the Leader of the Council and the Portfolio holder for Corporate Services, prior to consideration of the budget by Council on 22<sup>nd</sup> February 2018.
- 3.11 While writing this report, several last minute changes have been announced by government in respect of Business Rates Tariffs and Top-ups and to the compensation methodology for the effects of changes to both the multiplier and various grants. It has not been possible to work all of these through to the budget estimates contained in this report due to the timing of these changes.
- 3.12 In addition, the Local government Association has been lobbying that the Treasury should use its central share of business rates to ensure that no Council is worse off than what they would have planned for following the allocations published in the Provisional Settlement. In line with other authorities, Rushmoor can only wait for the Final Settlement figures to be published to confirm its final funding position.
- 3.13 The Final Settlement is expected prior to Parliament rising for recess on the 8<sup>th</sup> February 2018.

#### **4. MEDIUM-TERM FINANCIAL FORECAST 2017/18 – 2020/21**

- 4.1 The Medium-Term forecast has been updated to ensure that budget decisions for 2018/19 are taken in light of that wider context and direction of travel.

	Original Estimate 2017/18 £000	Revised Estimate 2017/18 £000	Forecast 2018/19 £000	Forecast 2019/20 £000	Forecast 2020/21 £000
<b>Net Cost of Services by Portfolio</b>					
1 Corporate Services	415	557	770	885	1,078
2 Environment and Service Delivery	3,723	3,413	3,331	3,416	3,585
3 Concessions and Community	1,714	1,945	2,034	2,170	2,381
4 Health and Housing	1,335	1,504	1,352	1,368	1,407
5 Business, Safety and Regulation	2,673	2,689	2,736	2,829	2,897
6 Leisure & Youth	4,447	3,795	3,948	4,027	4,107
7 <b>PORTFOLIO NET EXPENDITURE</b>	14,307	13,903	14,171	14,695	15,455
8 Capital Accounting Charges - Reversed	(1,761)	(1,241)	(1,491)	(1,491)	(1,491)
9 Pension Adj/Employee Benefits Reversed	10	(568)	(613)	(635)	(727)
10 <b>NET EXPENDITURE AFTER ADJUSTMENTS</b>	12,556	12,094	12,067	12,569	13,237
<b>Provisions for Budget Re-structuring:</b>					
11 Reductions in Service Costs/Income Generation	(550)		(1,550)	(2,800)	(3,785)
12 Vacancy Monitoring	(320)	(50)	(325)	(330)	(335)
13 Variations in Service		117	272	372	472
14 Non-recurring Items		34	99	50	50
15 <b>Corporate Income and Expenditure</b>	93	44	163	972	1,767
16 <b>Contributions to/(from) Reserve Accounts</b>	(351)	(257)	69	(39)	(44)
17 <b>Central Government Funding</b>	(5,139)	(5,580)	(4,888)	(4,683)	(4,720)
18 <b>NET TOTAL EXPENDITURE</b>	6,289	6,402	5,907	6,111	6,642
19 Contribution to/(from) balances	(425)	(538)	240	284	10
20 <b>COUNCIL TAX REQUIREMENT</b>	5,864	5,864	6,147	6,395	6,652
<b>REVENUE BALANCES</b>					
21 1 April	1,945	2,000	1,462	1,702	1,986
22 General Fund Transfer	(425)	(538)	240	284	10
23 31 March	1,520	1,462	1,702	1,986	1,996

Illustrative CT Levels (£)	192.73	192.73	198.49	204.43	210.54
CT Base	30,424.24	30,424.24	30,971.38	31,281.09	31,593.90
& CT Increase (%)	2.66	-	2.99	2.99	2.99

<b>15 Corporate Income and Expenditure</b>					
Interest Receivable	(839)	(839)	(846)	(824)	(824)
Interest payable	51	106	296	489	710
Minimum Revenue Provision	190	150	807	1,423	1,997
Collection Fund (surplus)/deficit - Ctax	(88)	(88)	(100)	(100)	(100)
- NNDR	779	779	22	-	-
Other Corporate Income and Expenditure	-	(64)	(16)	(16)	(16)
<b>Total</b>	93	44	163	972	1,767

<b>16 Contributions to/(from) Reserve Accounts</b>					
Transfers to CPE Surplus Account	205	133	212	201	185
Contributions to/(from) earmarked reserves/prior yr grants	(76)	(310)	(143)	(240)	(229)
Contributions to/(from) Service Improvement Fund	(80)	(80)	-	-	-
Contributions to/(from) Stability & Resilience Reserve	(400)	-	-	-	-
<b>Total</b>	(351)	(257)	69	(39)	(44)

<b>17 Central Government Funding</b>					
New Burdens and other non-ring-fenced grants	(40)	(93)	-	-	-
New Homes Bonus	(1,450)	(1,450)	(1,095)	(1,179)	(1,272)
Revenue Support Grant	(536)	(536)	(189)	-	-
RBC share of rates collected	(18,990)	(18,990)	(19,790)	(20,266)	(20,712)
Tariff payable	15,443	15,252	15,710	16,256	18,163
Retained surplus					(86)
Levy /(Safety net)	828	1,022	1,257	1,303	-
s31 grants in relation to business rates	(394)	(785)	(781)	(797)	(813)
<b>Total</b>	(5,139)	(5,580)	(4,888)	(4,683)	(4,720)

- 4.2 As can be seen from the updated forecast (line 11), the savings requirement over the medium-term is £3.785 million as compared to £2.2 million when forecast in October 2017.
- 4.3 The change in the medium-term savings requirement is due to a combination of factors as follows:
- 4.4 While the projections for portfolio expenditure (line 10) include a number of significant income streams (such as rental income from commercial property acquisition and new fees and charges approved by Cabinet in November) alongside reductions in expenditure from retendering major contracts, other forecast pressures have increased such as the potential for higher wage increases than previously estimated. Nevertheless, these figures remain marginally below those previously forecast over the medium-term.
- 4.5 Total provision for growth in the budget (lines 13 and 14) has decreased since the last forecast but the phasing is higher in earlier years. Significant items include provision for resourcing regeneration projects within the Borough and other essential costs to deliver the Council's priorities. The full list of additional items is set out at Appendix 3. Growth items have been subject to a high-level of scrutiny by the Cabinet during the first of two Cabinet and Corporate Leadership Team away days at which the Cabinet removed a number of growth items or challenged the method of delivery and associated costs.
- 4.6 Corporate income and expenditure (line 15) shows significant increase of around £2 million compared with the earlier forecast. This is not unexpected, as the capital programme now includes a number of major, strategic projects, which will be funded from borrowing. This in turn increases the costs of borrowing shown in the revenue account i.e. interest payable on borrowing and an allowance for the repayment of debt known as Minimum Revenue Provision (MRP). As a broad "rule of thumb", £1 million borrowing incurs around £31,000 of costs assuming a 40-year asset life and utilising current short-term borrowing rates.
- 4.7 It should be noted however, that a large proportion of this increase will be due to factoring in the costs of borrowing for further commercial property acquisition, which will produce an investment yield. This yield has not been incorporated into the revenue forecast but instead is included within the list of items that shows how the Council plans to close its budgetary gap, as set out in section 5 of this report.
- 4.8 Estimates of interest receivable on other investments continue to hold up well in spite of drawing down on cash reserves to defer borrowing. The Council continues to hold around £20 million in Pooled Funds, which are performing well. Additional interest of around £50,000 per annum has been projected in respect of rebalancing this portfolio by divesting some existing holdings and reinvesting in another. This activity also produced a one-off net gain on sale of the assets of £38,000 due to changes in capital value of the funds.
- 4.9 The forecast does not include any drawdown from the Stability and Resilience Reserve (previously included within Line 16). It also assumes that the General

Fund will be restored by 2019/20 to the top of the £1 million - £2 million range agreed in the Financial Strategy and will hold steady thereafter. This provides additional flexibility within the general fund and maintains the Stability and Resilience Reserve at current levels, keeping it aside for one-off, unforeseen shocks to the budget rather than supporting core financial requirements. This supports commentary from the recent LGA Peer Review undertaken by the Council in December 2017. A further note on the level of reserves can be found in section 5 of the report.

## **5. MEETING THE FINANCIAL CHALLENGES AHEAD**

- 5.1 While the Council's 8-point plan for achieving financial sustainability has resulted in some significant savings and efficiencies in addition to generating new income streams, the scale of the future financial challenge is such that a refresh of the programme is required, underpinned by a strong focus on performance and delivery.
- 5.2 Over the past few months the Council has participated in a Peer Review with the Local Government Association (LGA) and commissioned the not for profit social enterprise iESE to carry out a customer focus assessment to inform how we can improve our services and put our customers at the centre of all we do. Based on systems thinking principles, which the Council has used in some areas of its work already, transforming our services in this way should also lead to cost reductions.
- 5.3 The Chief Executive, having been in place since May 2017, has been reviewing the way the organisation works and is considering whether the current structure best aids delivery of the Council's priorities.
- 5.4 All of these strands will be brought together under an improvement plan for the Council, to be considered by Cabinet in April 2018.
- 5.5 The savings plan has been updated to take account of the various work streams mentioned above and will continue to be monitored by senior officers and Members and revised and updated as those work streams progress. This will continue to form a key element of the role of the Cabinet-appointed, cross-party, Budget Strategy Working Group.
- 5.6 The plan shows savings targets being exceeded in each year from 2018/19 to 2020/21, which allows for some flexibility within the plan.
- 5.7 Some lines contain a number of individual projects of a similar nature. For example, organisational redesign covers structural changes that will come forward from the iESE work stream as well as from the Chief Executive's review of structure and from individual services.
- 5.8 It should be noted that the figures for income generation through commercial property acquisition are presented differently from those in the MTFF. The figures in the plan are net of any operating costs of the properties but do not include any borrowing costs as these are now shown in the Revenue Summary rather than

being netted off against the potential income. The income figures are also considerably higher as they are now based on further property investment in both 2018/19 and 2019/20.

5.9

<b>Savings plan</b>	2018/19	2019/20	2020/21
<b>Cumulative Indicative Values</b>	£000	£000	£000
<b>Cost Reductions</b>			
- Efficiency savings (Customer & Digital/Service Transformation)	85	90	90
- Organisational Redesign	17	389	689
- Better Procurement & major contract renewal	83	400	400
- Service reviews		125	250
<b>Income Generation</b>			
- Investment in Property - Commercial	1,456	2,038	2,619
- Investment in Property - Residential		70	140
- Reviewing fees, charges and concessions	24	59	94
<b>Total potential revenue generated</b>	<b>1,665</b>	<b>3,171</b>	<b>4,282</b>
<b>Cumulative Funding Gap</b>	<b>1,550</b>	<b>2,800</b>	<b>3,785</b>
<b>Surplus/(Deficit)</b>	<b>115</b>	<b>371</b>	<b>497</b>

5.10 The Council's financial position is supported by its working reserves as set out below:

<b>Revenue Balances</b>	Revised Estimate 2017/18 £000	Forecast 2018/19 £000	Forecast 2019/20 £000	Forecast 2020/21 £000
General Fund Balance	1,462	1,702	1,986	1,997
Stability & Resilience Reserve	3,808	3,808	3,808	3,808
Service Improvement Fund	488	382	312	212
<b>Estimated Balances at 31 March</b>	<b>5,758</b>	<b>5,892</b>	<b>6,106</b>	<b>6,017</b>
	7.20%	7.36%	7.63%	7.52%

5.11 The Financial Strategy sets a target for these reserves to be maintained at a minimum of 5% of gross expenditure. For the reasons described earlier in the report (paragraph 4.9) the estimated balance on these funds will be above that level during the forecast period. It is important to review the level of reserves regularly in light of the increasing financial risk facing the Council. While the General Fund and the Stability and Resilience Reserve provide flexibility for the Council to weather short-term fluctuations in its income and expenditure, they should not be utilised to fund normal, on-going service provision. Otherwise, balances will fall below a prudent level associated with the prevailing risk.

5.12 The Service Improvement Fund has been set aside to support invest-to-save schemes, funding short-term costs that will lead to on-going revenue savings or efficiencies and improvement in service provision. Latest estimates for use of the fund are set out in the following table:

SERVICE IMPROVEMENT FUND	2017/18 Original Budget	2017/18 Supplementary Estimates	2017/18 Approved Budget	2017/18 Forecast	2018/19 Forecast	2019/20 Forecast
Opening balance on Fund	608,956		608,956	608,956	487,656	381,966
Digital & Customer Workstream	20,000	10,000	30,000	30,000	0	0
HR Policy	59,680	0	59,680	59,680	9,950	0
Finance Improvement Projects	0	5,210	5,210	3,470	10,810	1,800
Legal Compliance	0	8,000	8,000	8,000	0	0
Temporary Property Assistant	0	5,150	5,150	5,150	24,930	8,390
Regeneration Backfill*	0	0	0	15,000	60,000	60,000
Expenditure in year	79,680	28,360	108,040	121,300	105,690	70,190
<b>Closing balance</b>	<b>529,276</b>		<b>500,916</b>	<b>487,656</b>	<b>381,966</b>	<b>311,776</b>

- 5.13 The Service Improvement Fund was replenished at the end of the 2016/17 Financial Year, by around £480,000. This was a vital injection of funds to support key projects that underpin the Council's plan for financial sustainability. If additional resourcing had not been allocated, the Service Improvement Fund would have been nearly depleted by the end of 2017/18. However, given the additional resources, further projects have been approved to be funded by the Fund including work to ensure the compliance with the upcoming General Data Protection Regulations and a temporary resource to support property acquisitions, one of the key priorities of the Council.
- 5.14 The item headed Regeneration Support\* is linked to a growth item shown in the list of additional item bids at Appendix 3, which will enable in part, the delivery the Council's Regeneration Programme, a key priority of the Council.
- 5.15 The table at 5.10 assumes further use of £100,000 of the Service Improvement Fund in 2020/21. Additionally, should the over-achievement of savings in the plan at 5.9 come to fruition, with no significant downturn in the general fund, the additional savings could be used to top up either the Service Improvement Fund or the Stability and Resilience Fund, or to provide new reserves to mitigate against identified risk. This will be considered by Cabinet at the end of each financial year as part of the reporting of the revenue outturn position.
- 5.16 In April 2016, the Council approved a strategy for the flexible use of capital receipts, setting aside £500,000 to meet costs incurred in order to generate ongoing revenue savings in the delivery of services and/or transform service delivery in a way that reduces costs or demand for services. In 2017/18, a further £480,000 of qualifying costs have been identified.
- 5.17 The Strategy is required to be updated annually, providing an update on existing projects and estimates of cost and benefits attributable to any new projects. The Strategy for 2018/19 is set out at Appendix 5.

## 6. GENERAL FUND REVENUE BUDGET 2018/19

- 6.1 All of the above provides the context for setting the Revenue and Capital budgets for 2018/19.

- 6.2 The General Fund Revenue Budget Summary is set out in Appendix 1; the detailed revenue budgets in portfolio order are shown at Appendix 2 and Appendix 3 sets out the lists of additional items for inclusion in the revenue budget.
- 6.3 The proposed General Fund Revenue Budget will enable the Council, in broad terms, to deliver services at similar levels to the present while identifying reductions in the level of net spend of £1.55 million to be delivered during 2018/19. While this level of variation could have a large impact on the Council's general fund balance, it represents just 1.3% of the Council's gross annual turnover (combined income and expenditure excluding Business Rates and Council Tax) of around £115 million.
- 6.4 The General Fund Summary shows that revenue balances are expected to be around £1.7 million by the end of 2018/19, which is towards the top end of the approved range of £1m - £2m. This is an acceptable outcome given the levels of risks and uncertainty faced by the Council and provides a reasonable buffer against adverse budgetary movements.

#### Council Tax

- 6.5 The referendum threshold for 2018/19 for Shire Districts such as Rushmoor is 3%, or more than 3%, and more than £5 greater than its relevant basic amount of council tax for 2017/18.
- 6.6 The Local Government Finance Settlement assumes within its calculations of local authority funding assessments, that all authorities will raise their Council Tax towards the maximum allowable amounts. Factoring such increases into the funding assessment, removes flexibility for local authorities to take local decisions about tax levels and to use increases in local taxation to offset local spending pressures. Councils now need to make these increases just to keep total funding levels at a standstill.
- 6.7 The revenue budget assumes a 2.99% increase in a Band D charge for Council Tax, which falls within the permissible level of increase before triggering a local referendum, and equates to an increase of £5.76 per annum for a Band D property. Around 64% of properties within Rushmoor fall into Bands A to C meaning that their increases will be lower. The increase will be further reduced by discounts such as single person discount.
- 6.8 Increasing Rushmoor's Council Tax by 2.99% (£5.76) for 2018/19 will provide £175,000 additional funding compared to 2017/18 tax levels, and would increase the Band D Council Tax charge by approximately 11p per week. On-going increases over the medium-term at 2.99% would see total Council Tax income at £542,000 above current levels by 2020/21, with £17.81 added to the Band D charge (34p per week). The cumulative effect of annual increases of 2.99% would realise approximately £1.07 million of additional income to support Council services over the whole period.
- 6.9 Even factoring in these increases, the Medium-Term forecast shows a potential funding gap by 2020/21 of around £3.785 million, putting significant pressure on



the Council to deliver the right combination of cost reductions and increased income to meet the gap.

- 6.10 The funding assessment also includes assumptions of increases in council tax bases<sup>2</sup>. The estimated tax base increase for Rushmoor for 2018/19 is 1.8%, providing a tax base of £30,971.38. The combination of tax base and tax level provides a total precept (or Council Tax Requirement) of £6,147,591.
- 6.11 Additional income is also provided from the calculation of the surplus on the Council Tax Collection Fund of £100,509 for Rushmoor, due to the continued success in collecting arrears from previous years and the better than expected collection rate for 2016/17, supported by successful management of the Council's localised Council Tax Support Scheme. The Council Tax base and surplus were agreed under delegated powers by the Council's Section 151 Officer, in consultation with the Leader of the Council, during January 2018.

#### Business Rates Retention

- 6.12 Both the Business Rates Retention Scheme and the Council Tax Support Scheme transferred significant levels of risk to the Council in 2013/14 that in the past would have been borne by central government. For example, a fall in business rates collected will now directly affect the Council (to safety net level) as will an increase in the number of residents requiring support with their Council Tax. Such changes, when combined with the economic uncertainty caused by the UK's decision to leave the European Union, support the strategy of setting aside sufficient reserves to manage fluctuations in the Council's income and expenditure.
- 6.13 While business rates income is currently showing a favourable position, we have seen since the inception of the Business Rates Retention Scheme, how volatile this income stream can be. A simple decision to relocate a company headquarters, for example, for any of the large businesses in our area, can have a dramatic consequence on the level of income retained by the Council. While the Council works closely with local business to encourage and facilitate growth in its area, there are many external factors instrumental to such decisions on which the Council may have little influence.
- 6.14 As discussed earlier in this report, one of the significant factors affecting the level of business rates income declared in the Council's budget is the amount the Council deems necessary to hold back for repayment of business rates to ratepayers who appeal their rateable value with the Valuation Office. This is complicated by moving into a new ratings list following revaluation as it becomes increasingly difficult to model future behaviour based on past patterns (particularly as the appeals system has been amended under the new "Check, challenge, appeal" process). The extent of mandatory and discretionary reliefs awarded will also affect the final figures.
- 6.15 As previously highlighted, final estimates for Business Rates will be completed by 31<sup>st</sup> January 2018 and updated to Members prior to budget setting. The extent of volatility in the business rates system continues to support the need for sufficient reserves to meet any unforeseen shocks to the system. Should the business rates

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<sup>2</sup> Tax base – the number of Band D equivalent properties, adjusted for discounts and exemptions and estimated losses on collection

estimates fall significantly below current estimates, the projected over-achievement of the savings target should be used to meet the shortfall in the first instance before consideration of use of reserves to support balances (in the short-term) at around the level shown in Appendix 1.

#### New Homes Bonus

- 6.16 The proposed budget for 2017/18 contains the provisional allocations issued alongside the Settlement – should these figures change once the final settlement is issued, the budget will be updated as described in paragraph 3.7. (Assuming the final settlement is published prior to the Council meeting).

#### Impact of invest-to-save and regeneration

- 6.17 The pace and extent of the Council's invest-to-save programme and regeneration plans, could increase the impact of borrowing on the Council's revenue fund. An estimate of borrowing costs (interest costs plus minimum revenue provision i.e. a provision for the repayment of debt) are included in the proposed budget based on the core capital programme, shown at Appendix 4. Any significant additional capital expenditure approved during the year will increase these costs. Scrutiny of business cases as they arise will take into account the revenue effects of any additional borrowing requirement and the potential for a positive return to the revenue fund in respect of invest-to-save schemes, which may increase income or reduce revenue costs. The subsequent section on the Capital Programme, and the associated Prudential Indicators for Capital Financing contained within the Annual Treasury Management Report, explore this issue in more detail.

#### Additional items

- 6.18 In view of the on-going financial constraints in which the Council is operating, additional items for inclusion in the budget were scrutinised carefully by both the Corporate Leadership Team (CLT) and Cabinet, as described previously in this report. These requests for both one-off items of expenditure in both 2017/18 and 2018/19 and on-going expenditure are detailed in Appendix 3. Other items of supplementary expenditure may be agreed during 2018/19 as the Council reacts to changing conditions or levels of demand, for example. Each item will be reviewed individually as part of the normal in-year process through the CLT and Cabinet, in line with current financial regulations.

## **7. CAPITAL PROGRAMME**

- 7.1 The capital programme, which totals £28.7 million in 2018/19, is set out at Appendix 4 of this report.
- 7.2 The capital programme contributes towards the Council's priorities by concentrating resources in the following areas:

Projects with a clearly defined financial return to the Council or economic benefit to the Borough such as:

- Invest-to-save schemes
- Income generation projects
- Town Centre regeneration

Projects that support the delivery and development of core services;

- Asset enhancement
- ICT strategy

The programme also includes support for the provision of local housing through social housing grants and the Council's statutory duties in respect of Disabled Facilities Grants.

- 7.3 Major invest-to-save projects within the programme include investment in commercial property of £15 million in both 2017/18 and 2018/19 and £17 million in 2019/20. These investments should provide significant returns to the Council (as shown in the savings plan earlier in the report) as well as contributing to key strategic aims of regeneration and promoting local economic growth. Other similar projects include regeneration plans for Aldershot Town Centre and Farnborough Civic Quarter and the development of housing initiatives that will either make a return for the Council or will meet wider strategic priorities. Detailed business cases will be required for these key projects to progress.
- 7.4 Also included in the programme are some major recreational facilities, which are completely funded from external sources, and some provision for a rolling plan of updates to existing playground facilities. A playground strategy will be coming forward for consideration by Cabinet before any significant playground refurbishment takes place.
- 7.5 Implementation of the core programme in 2018/19 will require the use of £21.1 million of Council resources, largely through borrowing, together with £7.6 million use of grants and contributions including Better Care Fund and an element of developers' S.106 contributions.

## **8. RISK**

- 8.1 The budget has been prepared in light of key financial risks facing the Council over the medium- term, principally:
- Changes to central government funding, including the transfer of risks and responsibilities to local government
  - Local and national issues for the Business Rates Retention Scheme – variability, appeals provision, revaluation, moves towards a 100% local retention scheme and Fair Funding Review
  - Uncertainty over New Homes Bonus and reliance on this funding stream for on-going expenditure
  - Treasury management issues including interest rates, level of capital expenditure, use of internal resources, borrowing costs and the potential for regulatory change in this area
  - Local demand pressures (stemming from demographic change, Welfare Reform, local growth, local economic conditions )
  - The devolution agenda
  - Impact of the UK's decision to leave the European Union

- The impact of Hampshire County Council's Transformation programme on the financial forecast and on local services
- Loss of income and chargeable services
- Regulatory changes such as the application of International Financial reporting Standard (IFRS) 9 which has the potential to cause major fluctuations in the General fund balance

## **9. CHIEF FINANCE OFFICER'S REPORT**

- 9.1 Under Section 25 of the Local Government Act 2003, the Council's Chief Finance Officer (Head of Financial Services) is required to report to Council on:
- the robustness of the estimates contained in the budget and
  - the adequacy of the reserves maintained by the Council.
- 9.2 In order to comply with the Act, the Council must have regard to this report when making its decisions on the budget.
- 9.3 The budget has been constructed following a detailed process involving budget holders, Corporate Leadership Team and Cabinet, flowing from the Medium Term Financial Strategy through to detailed budget estimates. Estimates have been carefully considered during the budget process, with two targeted sessions with Cabinet to consider revenue growth and capital bids. In addition, the Budget Strategy Working Group has been involved in detailed scrutiny of budgetary issues throughout the year and have input into the process of how to engage all Members in the budget proposals prior to the budget-setting meeting on 22<sup>nd</sup> February 2018.
- 9.4 In preparing the budget, account has been taken of financial issues identified during the current year, new legislative requirements, service pressures and key economic indicators such as RPI, pay inflation etc. Realistic assumptions have been made and key risks identified. Risks are managed through timely and comprehensive in-year budget monitoring and performance reporting and with regard to the corporate risk register, which leads to prompt identification of problems and management of risks.
- 9.5 The Corporate Risk Register has recently been updated to reflect good practice and to focus effort on priority risk areas. The Licensing and General Purposes Committee considered the register and the Risk Policy at its meeting on 29<sup>th</sup> January 2018. It should be recognised that this is a rolling document, which will be updated and reported to Members on a regular basis. Further work needs to be carried out on risk management however, to ensure a robust, corporate approach is embedded within the organisation.
- 9.6 The proposed Capital Programme supports the Council's current infrastructure through asset enhancement and ICT strategy, while focussing on projects that will deliver financial return or economic benefit to the Borough. The Capital Programme clearly identifies which projects will only be brought forward when robust implementation plans are developed. This applies to the Council's major regeneration schemes and support for housing initiatives, for example, where clear business cases, including identified resources, both financial and in terms of

project delivery, will be developed on a case-by-case basis. The pace of investment in these schemes will determine the timing and scale of the Council's borrowing requirement, as will prevailing interest rates and decisions taken on utilisation of short or long-term borrowing. The need to absorb borrowing costs in the general fund has been taken into account in the medium-term budget plans.

- 9.7 The general fund is forecast to remain within the £1 million - £2 million range of balances approved in the financial strategy. The Stability and Resilience Reserve set up during 2012/13 provides sufficient resource to allow the Council to react to the increase in risk and uncertainty it faces over the medium-term and any consequential adverse affect on its financial position. The Service Improvement Fund and the current freedoms over use of capital receipts, also support the Council's endeavour to achieve a sustainable financial position over the medium-term, by supporting key projects, which deliver significant financial benefit to the organisation.
- 9.8 These proposals will enable the Council to meet the challenges of achieving a balanced budget in the current year, to be protected from potential volatility in its finances and to reshape the organisation to be sustainable over the longer-term.
- 9.9 In conclusion, I am satisfied that the budget is robust and is supported by adequate reserves.

## **10. CONSULTATION**

- 10.1 All Members of the Council were invited to a budget seminar on the 18<sup>th</sup> January 2018 to discuss the budget proposals and the full budget report is available online. Key issues have been highlighted in presentations to various local interest groups.

## **11. CONCLUSIONS**

- 11.1 In spite of the difficult economic situation, the uncertainties about government funding and the pressures on services, the Council has been able to prepare a sound budget whilst maintaining services to residents. The budget will also provide a platform for Rushmoor to address future challenges.
- 11.2 The budget adheres to all of the elements within the previously approved budget strategy. In particular, this includes the principle of maintaining the Council's general fund revenue balances within a range of £1million - £2 million and maintaining other usable reserves to mitigate risk and support improvement. The budget also takes account of feedback from the Peer review in that it does not assume any use of balances to support on-going expenditure.
- 11.3 The budget allows for the implementation of essential additional revenue items and a substantial capital programme of approximately £27.8 million in 2018/19.
- 11.4 The budget proposals provide for the current Council Tax level to increase by £5.76 or 2.99% for a Band D property (from £192.73 per annum to £198.49) – an

increase of 11p per week) in line with government assumptions within its settlement funding formula.

- 11.5 In order to achieve this, the budget proposals will require the implementation of budget savings of £1.55 million in 2018/19, together with further savings over the medium term, totalling approximately £3.785 million over the period to 2020/21. This will require reductions in the Council's service expenditure, and increased income generation, in accordance with the Medium-Term Financial Forecast and the Financial Strategy.
- 11.6 The level of savings for 2018/19 is achievable, based on past experience and current plans. It will be essential however, to increase the pace of delivery for net reductions (cost savings and income generation) during the forthcoming period in order to achieve the savings required by 2020/21.
- 11.7 As part of this process, reserves continue to be held to support the implementation of key projects and to mitigate against the substantial increased risk the Council is facing, which will be monitored and reported to Cabinet throughout 2018/19 and subsequent years.

Background documents:

Medium Term Financial Strategy 2017/18– 2020/21

[Agenda for Cabinet on Tuesday, 17th October, 2017, 7.00 pm - Rushmoor Borough Council](#)

Provisional Local Government Finance Settlement for 2018/19

[Provisional local government finance settlement: England, 2018 to 2019 - GOV.UK](#)

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## GENERAL FUND REVENUE BUDGET SUMMARY

	Original Estimate 2017/18 £000	Revised Estimate 2017/18 £000	Forecast 2018/19 £000
<b>Net Cost of Services by Portfolio</b>			
<b>Page</b>			
1 Corporate Services	415	557	770
2 Environment and Service Delivery	3,723	3,413	3,331
3 Concessions and Community	1,714	1,945	2,034
4 Health and Housing	1,335	1,504	1,352
5 Business, Safety and Regulation	2,673	2,689	2,736
6 Leisure & Youth	4,447	3,795	3,948
7 <b>PORTFOLIO NET EXPENDITURE</b>	14,307	13,903	14,171
8 Capital Accounting Charges - Reversed	(1,761)	(1,241)	(1,491)
9 Pension Adj/Employee Benefits Reversed	10	(568)	(613)
10 <b>NET EXPENDITURE AFTER ADJUSTMENTS</b>	12,556	12,094	12,067
<b>Provisions for Budget Re-structuring:</b>			
11 Reductions in Service Costs/Income Generation	(550)		(1,550)
12 Vacancy Monitoring	(320)	(50)	(325)
13 Variations in Service		117	272
14 Non-recurring Items		34	99
15 <b>Corporate Income and Expenditure</b>	93	44	163
16 <b>Contributions to/(from) Reserve Accounts</b>	(351)	(257)	69
17 <b>Central Government Funding</b>	(5,139)	(5,580)	(4,888)
18 <b>NET TOTAL EXPENDITURE</b>	6,289	6,402	5,907
19 Contribution to/(from) balances	(425)	(538)	240
20 <b>COUNCIL TAX REQUIREMENT</b>	5,864	5,864	6,147
<b>REVENUE BALANCES</b>			
21 1 April	1,945	2,000	1,462
22 General Fund Transfer	(425)	(538)	240
23 31 March	1,520	1,462	1,702

Illustrative CT Levels (£)	192.73	192.73	198.49
CT Base	30,424.24	30,424.24	30,971.38
& CT Increase (%)	2.66	-	2.99

15 <b>Corporate Income and Expenditure</b>			
Interest Receivable	(839)	(839)	(846)
Interest Payable	51	106	296
Minimum Revenue Provision	190	150	807
Collection Fund (surplus)/deficit - Ctax	(88)	(88)	(100)
- NNDR	779	779	22
Other Corporate Income and Expenditure	-	(64)	(16)
<b>Total</b>	93	44	163

16 <b>Contributions to/(from) Reserve Accounts</b>			
Revenue Contributions to Capital Programme	-	-	-
Revenue Contributions to Improvement Grants	-	-	-
Transfers to CPE Surplus Account	205	133	212
Contributions to/(from) earmarked reserves/prior yr grants	(76)	(310)	(143)
Contributions to/(from) Service Improvement Fund	(80)	(80)	
Contributions to/(from) Stability & Resilience Reserve	(400)		
<b>Total</b>	(351)	(257)	69

17 <b>Central Government Funding</b>			
New Burdens and other non-ring-fenced grants	(40)	(93)	-
New Homes Bonus	(1,450)	(1,450)	(1,095)
Revenue Support Grant	(536)	(536)	(189)
RBC share of rates collected	(18,990)	(18,990)	(19,790)
Tariff payable	15,443	15,252	15,710
Levy /(Safety net )	828	1,022	1,257
s31 grants in relation to business rates	(394)	(785)	(781)
<b>Total</b>	(5,139)	(5,580)	(4,888)

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## REVENUE BUDGET 2018/19

<b>CORPORATE SERVICES PORTFOLIO</b>	<b>2016/17 Actual £</b>	<b>2017/18 Original Estimate £</b>	<b>2017/18 Revised Estimate £</b>	<b>2018/19 Estimate £</b>
<b>STATUTORY</b>				
Council Tax Collection	310,931	363,390	364,710	387,720
Corporate Finance	118,928	117,040	122,380	130,370
Corporate Policy Support to Members	105,105	108,980	106,700	117,160
Admin Support to Members	94,233	100,970	94,400	110,600
Chief Executive	70,958	72,620	81,080	91,770
Treasury Management & Bank Charges	54,096	57,710	70,780	84,700
External Audit and Inspection Fees	62,037	62,510	63,580	64,810
Attendance at Member Meetings	52,120	53,340	55,160	57,240
Public Performance Reporting	19,241	19,880	24,990	25,500
Cost of NNDR Collection	(31,262)	(19,520)	(13,660)	(7,990)
Land Charges	618	(27,340)	(32,530)	(29,500)
<b>Sub Total</b>	<b>857,004</b>	<b>909,580</b>	<b>937,590</b>	<b>1,032,380</b>
<b>DISCRETIONARY</b>				
Members Expenditure	362,163	379,840	361,020	365,720
Corporate Investigation	95,843	98,120	116,430	116,150
Land & Property Management	65,074	65,160	96,080	73,700
Mayoral Costs	46,920	52,480	55,270	56,340
Local Government Association	24,362	29,090	29,000	28,860
Civic Ceremonial	25,231	27,810	23,880	25,540
Corporate Events	7,272	6,730	7,930	7,950
35/39 High Street Offices	(13,789)	(20,000)	(22,060)	(24,200)
Belle Vue Enterprise Centre	(123,509)	(97,100)	(115,780)	(106,570)
Town Centres	(731,590)	(673,260)	(704,410)	(693,600)
Investment Properties	(474,101)	(911,590)	(808,440)	(826,050)
Industrial Estates	(932,956)	(954,810)	(1,014,030)	(961,000)
<b>Sub Total</b>	<b>(1,649,080)</b>	<b>(1,997,530)</b>	<b>(1,975,110)</b>	<b>(1,937,160)</b>
<b>Total</b>	<b>(792,075)</b>	<b>(1,087,950)</b>	<b>(1,037,520)</b>	<b>(904,780)</b>
<b>UNAPPORTIONABLE CENTRAL OVERHEADS</b>				
Retirement/Pension Costs	(500)	-	-	-
Corporate Management Expenses	44,131	46,860	62,740	46,070
Corporate Support Service	4,758,113	4,889,050	5,056,750	5,155,470
<b>NET DIRECT COSTS</b>	<b>4,009,668</b>	<b>3,847,960</b>	<b>4,081,970</b>	<b>4,296,760</b>
Support Service Recharges	(3,826,397)	(3,829,140)	(3,939,320)	(3,986,990)
Capital Accounting Charges	774,245	396,080	414,130	460,830
<b>NET EXPENDITURE</b>	<b>957,516</b>	<b>414,900</b>	<b>556,780</b>	<b>770,600</b>

**Notes:**

A budget increase of £58,637 equates to a council tax increase of 1%, equivalent to an increase of £1.93 per year for a Band D property.

Employee costs vary year on year. Common reasons for fluctuations in employee costs are:-

- 1) Pay inflation - the budget assumes that employees will receive a cost of living pay increase of 2% for 2018/19.
- 2) Changes to time allocations. Employee costs are allocated to the service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent.
- 3) Incremental progression within individual employee pay band.
- 4) Vacancies - Actuals and Revised Estimates will reflect any vacancies during the year and are therefore likely to be lower than Original Estimates, which assume that the services are fully staffed.
- 5) Accounting regulations for pension costs. Each year following a valuation provided by our actuaries, it is usual to adjust our forecast pension costs.
- 6) Employers' pension contributions increased from 1st April 2018 following actuarial changes.

**STATUTORY SERVICES****COUNCIL TAX COLLECTION****Service Purpose:**

To issue accurate bills and collect money due from local residents for Council Tax.

**Service Activity:**

Assessing liability for Council Tax. Issuing bills and arranging collection. Taking recovery and enforcement action. Dealing with discounts and exemptions. Handling customer enquiries. Liaison with the Valuation Officer regarding properties to be charged.

Cost Centre 3805	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate	
Budget Officer: Amanda Fahey	£	£	£	£	
<b>EXPENDITURE</b>					
Employees	323,518	351,640	353,190	374,520	
Transport Related	1,098	1,700	1,300	-	
Supplies & Services	78,055	94,050	92,170	93,200	1
	402,671	447,390	446,660	467,720	
<b>INCOME</b>					
Customer and Client Receipts	(91,740)	(84,000)	(81,950)	(80,000)	2
<b>NET EXPENDITURE</b>	310,931	363,390	364,710	387,720	

**Notes:**

- 1 The 2017/18 revised estimates and 2018/19 estimates include costs relating to the new Citizen Access Account
- 2 2016/17 Actuals includes higher court costs recovered than estimated will receive for future years

**CORPORATE FINANCE****Service Purpose:**

Provision of financial advice and support to the Council.

**Service Activity:**

Provide for the preparation of budgets, closure of accounts and financial advice at the corporate level.

Cost Centre 3402	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate	
Budget Officer: Amanda Fahey	£	£	£	£	
<b>EXPENDITURE</b>					
Employees	110,566	114,480	119,780	127,770	1
Transport Related	120	140	80	80	
Supplies & Services	8,242	2,420	2,520	2,520	2
	118,928	117,040	122,380	130,370	
<b>NET EXPENDITURE</b>	118,928	117,040	122,380	130,370	

**Notes:**

- 1 Increase in budget due, in part to service restructure
- 2 Increase in use of external consultancy in 2016/17

**CORPORATE POLICY SUPPORT TO MEMBERS****Service Purpose:**

To provide support to the Council and Members to ensure their duties are undertaken effectively and within the law.

**Service Activity:**

Provide advice and co-ordination on the policy and procedural aspects of the decision-making process; ensure corporate documents and information (especially the Constitution) are maintained and up to date.

Cost Centre 1317	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: Andrew Colver</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	105,105	108,980	106,700	117,160
<b>NET EXPENDITURE</b>	105,105	108,980	106,700	117,160

**ADMIN SUPPORT TO MEMBERS****Service Purpose:**

To support the Council and Members in undertaking their duties.

**Service Activity:**

Provide administrative support to the Council, including the Cabinet, Committees, Policy and Review Panels and other Member groups.

Cost Centre 1316	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: Andrew Colver</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	84,235	83,800	90,570	93,510
Transport Related	134	270	390	390
Supplies & Services	9,864	16,900	16,900	16,700
	94,233	100,970	107,860	110,600
<b>INCOME</b>				
Customer and Client Receipts	-	-	(13,460)	-
<b>NET EXPENDITURE</b>	94,233	100,970	94,400	110,600

**Notes:**

- 1 2017/18 includes software costs for the new modern government tool which is to help streamline the democratic and meeting administration process
- 2 Revised 17/18 estimates includes a contribution for providing admin and executive support to the Local Enterprise Partnership (Enterprise M3)

**CHIEF EXECUTIVE****Service Purpose:**

Chief Executive's operational budget.

**Service Activity:**

To support the Chief Executive function.

Cost Centre 1407	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: Andrew Colver</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	70,958	72,620	81,080	91,770
<b>NET EXPENDITURE</b>	70,958	72,620	81,080	91,770

**TREASURY MANAGEMENT & BANK CHARGES****Service Purpose:**

Management of the Council's funds.

**Service Activity:**

The management of the Council's investments, borrowing and cash flows, its banking and money market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

Cost Centre 3403	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: Amanda Fahey</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	29,134	30,240	32,130	34,030
Transport Related	91	120	60	60
Supplies & Services	15,572	12,350	29,090	40,610
Bank Charges	9,299	15,000	9,500	10,000
<b>NET EXPENDITURE</b>	54,096	57,710	70,780	84,700

**Note:**

- 1 Part consultancy budget moved from Financial Services Support in 2017/18 only  
Increase in brokers fees due to increase in borrowing activity
- 2 Reduction in budget due to change in banking provider

**EXTERNAL AUDIT AND INSPECTION FEES****Service Purpose:**

External approval of the Council's financial management and governance.

**Service Activity:**

Assisting external auditors in review and inspection work; Liaison at the operational and strategic level on the issues arising from the audit and payment of the subsequent fees for the work.

Cost Centre 3404	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: Amanda Fahey</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	12,185	12,640	13,710	14,940
Transport Related	12	30	30	30
External Audit Fees	49,840	49,840	49,840	49,840
<b>NET EXPENDITURE</b>	62,037	62,510	63,580	64,810

**ATTENDANCE AT MEMBER MEETINGS****Service Purpose:**

To provide professional and administrative support to the Council and Members at meetings.

**Service Activity:**

Provide advice and co-ordination on procedural and administrative aspects of the decision making structure and processes at meetings.

Cost Centre 1318	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: Andrew Colver</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	52,042	53,240	55,100	57,180
Transport Related	78	100	60	60
<b>NET EXPENDITURE</b>	52,120	53,340	55,160	57,240

**PUBLIC PERFORMANCE REPORTING****Service Purpose:**

Publication of the Corporate Plan and other corporate reports.

**Service Activity:**

Production and printing of the Corporate Plan.

Cost Centre 1408	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: Andrew Colver</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	19,087	19,410	24,520	25,030
Transport Related	25	70	70	70
Supplies & Services	129	400	400	400
<b>NET EXPENDITURE</b>	19,241	19,880	24,990	25,500

**COST OF NNDR COLLECTION****Service Purpose:**

To issue accurate bills and collect money due from local businesses for Non Domestic Rates.

**Service Activity:**

Assessing liability for business rates. Issuing bills and arranging collection. Taking recovery and enforcement action. Dealing with rating reliefs. Liaison with ratepayers about rating matters and customer enquiries and with the Valuation Officer regarding properties to be charged.

Cost Centre 3804	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: Amanda Fahey</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	85,373	94,230	92,610	99,040
Transport Related	256	440	230	-
Supplies & Services	9,908	12,150	18,130	16,600
	95,537	106,820	110,970	115,640
<b>INCOME</b>				
Customer and Client Receipts	(126,799)	(126,340)	(124,630)	(123,630)
	(126,799)	(126,340)	(124,630)	(123,630)
<b>NET EXPENDITURE</b>	(31,262)	(19,520)	(13,660)	(7,990)

**Notes:**

- 1 The 2017/18 revised estimates and 2018/19 estimates includes costs relating to the new Citizen Access Account

**LAND CHARGES****Service Purpose:**

To provide a land charges service.

**Service Activity:**

The registration of land charges; the collating of information; the compilation of official searches and the answering of Con 29 enquiries.

Cost Centre 1200	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: Ann Greaves</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	65,057	67,620	64,920	68,180
Supplies & Services	27,558	40,040	27,320	27,320
	92,615	107,660	92,240	95,500
<b>NON RECURRING ITEM</b>				
Preparatory work for the transfer of responsibility to the Land Charges Registry (funded by Service Improvement Fund)	9,001	-	-	-
Legal Costs	20,692	-	230	-
	122,308	107,660	92,470	95,500
<b>INCOME</b>				
Customer and Client Receipts	(121,690)	(135,000)	(125,000)	(125,000)
<b>NET EXPENDITURE</b>	618	(27,340)	(32,530)	(29,500)

**Notes:**

- 1 Changes to time allocations in 2017/18  
 2 Original 2017/18 Estimates anticipated higher number of searches, increasing HCC search costs and income  
 3 Litigation costs in 2016/17 relating to Environmental Information Regulations, predominately funded by earmarked reserves

**DISCRETIONARY SERVICES****MEMBERS EXPENDITURE****Service Purpose:**

To support the Council and elected Members in undertaking their duties.

**Service Activity:**

Provide Members with the necessary support and resources within the framework set by the Council.

Cost Centre 1310	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: Andrew Colver</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	52,947	54,630	41,410	42,670
Travel & Subsistence	1,023	800	800	800
Members Allowances	297,534	304,000	305,000	308,000
Transport Related	108	210	120	120
Supplies & Services	10,551	20,200	13,690	14,130
<b>NET EXPENDITURE</b>	362,163	379,840	361,020	365,720

**Notes:**

- 1 Reduction in costs due to dispatch to Members being sent out by post not couriered

**CORPORATE INVESTIGATION****Service Purpose:**

To investigate internal and external allegations of fraud, corruption and dishonesty in accordance with prevalent legislation and utilising appropriate investigative techniques.

**Service Activity:**

To plan and undertake investigations into allegations of fraud and corruption of varying nature and complexity using the most cost effective and efficient methods. To comply with legislative requirements, Council policies and procedures governing the conduct of investigations. To assist in the identification of control weaknesses and implementing solutions and controls for future improvements. To assist in the development and delivery and to participate in education, training and awareness activities as part of the fraud prevention programme.

Cost Centre 3809	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: Amanda Fahey</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	90,749	92,860	111,960	112,500
Transport Related	1,311	2,110	820	-
Supplies & Services	3,783	3,150	3,650	3,650
<b>NET EXPENDITURE</b>	95,843	98,120	116,430	116,150

**LAND & PROPERTY MANAGEMENT****Service Purpose:**

To provide strategic advice on property related matters.

**Service Activity:**

To include asset management strategy and asset valuations on former operational properties.

Cost Centre 1209	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate	
Budget Officer: Ann Greaves	£	£	£	£	
<b>EXPENDITURE</b>					
Employees	69,844	83,060	100,920	104,670	1
Premises Related	16,357	15,890	18,490	15,890	2
Transport Related	25	120	200	200	
Supplies & Services	696	1,000	14,720	10,070	3
	86,922	100,070	134,330	130,830	
<b>NON RECURRING ITEMS</b>					
Support for Legal/Planning: Getting better return, 8 point plan work, review of historic records and transfer responsibility for Land Changes (funded by Service Improvement Fund)	13,429	-	-	-	4
	100,351	100,070	134,330	130,830	
<b>INCOME</b>					
Customer and Client Receipts	(35,277)	(34,910)	(38,250)	(57,130)	
<b>NET EXPENDITURE</b>	65,074	65,160	96,080	73,700	

**Notes:**

- 1 Changes to time allocations in 2017/18
- 2 Combination of increased expenses for repairs and maintenance and an additional cost for council tax of Manor Park Lodge and Cottages in 2017/18 only
- 3 Additional management fee for Manor Park Cottage and vacant property inspection costs in Revised 2017/18 Estimates
- 4 Non-recurring item for 2016/17 is a one-off payment



**MAYORAL COSTS****Service Purpose:**

To support the Mayor and Deputy Mayor in carrying out their duties.

**Service Activity:**

Co-ordinate and make arrangements for all Mayoral engagements, organise certain events and provide support for the Mayor and Deputy Mayor during the Mayoral year.

Cost Centre 1304	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: Andrew Colver</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	37,937	40,280	43,980	44,940
Mayor's Transport Costs	4,853	7,150	7,240	7,250
Supplies & Services	14,130	16,500	15,500	15,600
	56,920	63,930	66,720	67,790
<b>INCOME</b>				
Customer and Client Receipts	(10,000)	(11,450)	(11,450)	(11,450)
<b>NET EXPENDITURE</b>	46,920	52,480	55,270	56,340

**LOCAL GOVERNMENT ASSOCIATION****Service Purpose:**

To support the Council with its involvement in external organisations working for local government.

**Service Activity:**

Provide Members and Officers with support and resources to work with local and national bodies including the Local Government Association and The Hampshire & Isle Of Wight Local Government Association.

Cost Centre 1313	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: Andrew Colver</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	12,706	13,550	14,470	15,330
Transport Related	8	40	30	30
Supplies & Services	11,648	15,500	14,500	13,500
<b>NET EXPENDITURE</b>	24,362	29,090	29,000	28,860

**CIVIC CEREMONIAL****Service Purpose:**

To carry out civic activities within the community.

**Service Activity:**

Make arrangements for civic events in the Borough; provide civic support to events organised within the local community.

Cost Centre 1300	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: Andrew Colver</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	17,863	17,780	14,910	15,570
Transport Related	25	80	70	70
Supplies & Services	7,343	9,950	8,900	9,900
<b>NET EXPENDITURE</b>	25,231	27,810	23,880	25,540

**CORPORATE EVENTS****Service Purpose:**

To enable the Council to engage with the local community at local events in the Borough.

**Service Activity:**

To enable the Council to engage with the local community and support events in the Borough including Farnborough Donkey Derby, Victoria Day, the Aldershot Military Festival, Christmas lights and the North Camp Summer Fayre.

Cost Centre 1412	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: Andrew Colver</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	3,527	2,730	5,430	4,950
Supplies & Services	3,745	4,000	2,500	3,000
<b>NET EXPENDITURE</b>	7,272	6,730	7,930	7,950

**35/39 HIGH STREET OFFICES****Service Purpose:**

To provide a safe, secure and comfortable working environment for users of the premises.

**Service Activity:**

Ensure the building is maintained to the necessary standards, including health and safety, security and cleanliness.

Cost Centre 1212	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate	
Budget Officer: Ann Greaves	£	£	£	£	
<b>EXPENDITURE</b>					
Employees	18,995	15,590	14,900	12,680	1
Premises Related	18,974	26,370	26,370	26,370	2
Supplies & Services	3,252	5,500	4,130	4,210	3
	41,221	47,460	45,400	43,260	
<b>INCOME</b>					
Customer and Client Receipts	(55,010)	(67,460)	(67,460)	(67,460)	4
<b>NET EXPENDITURE</b>	(13,789)	(20,000)	(22,060)	(24,200)	

1 Changes to time allocation in 2017/18

2 Increases in General Repairs and Maintenance costs for 2017/18

3 Increases in insurance costs for 2017/18

4 Service charges for 2016/17 Actual reflects reduction in costs for this period.

**BELLE VUE ENTERPRISE CENTRE****Service Purpose:**

To provide starter units for small businesses.

**Service Activity:**

To manage the estate, collect income, arrange repairs and lettings.

Cost Centre 1206	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate	
Budget Officer: Ann Greaves	£	£	£	£	
<b>EXPENDITURE</b>					
Employees	13,268	15,830	18,760	19,580	1
Premises Related	5,149	11,450	10,900	11,280	2
Supplies & Services	14,496	13,360	17,450	15,750	
	32,913	40,640	47,110	46,610	
<b>NON RECURRING ITEMS</b>					
Service Transformation funded by the Service Improvement Fund	2,686	-	-	-	
<b>INCOME</b>					
Customer and Client Receipts	(159,108)	(137,740)	(162,890)	(153,180)	3
<b>NET EXPENDITURE</b>	(123,509)	(97,100)	(115,780)	(106,570)	

**Notes:**

1 Additional costs for repairs and maintenance for 2017/18

2 Revision of costs for vacant units. Revised 2017/18 Estimate allows for a reduction to one vacancy from three vacancies

3 Revision of rental income for vacant units. Revised 2017/18 Estimate allows for a reduction to one vacancy from three vacancies

**TOWN CENTRES****Service Purpose:**

To manage the Council's town centre holdings.

**Service Activity:**

Estate management of lettings, repairs, collection of rents etc.

Cost Centre 1208	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate	
<b>Budget Officer: Ann Greaves</b>	£	£	£	£	
<b>EXPENDITURE</b>					
Employees	21,951	29,030	37,230	38,650	1
Premises Related	76,570	86,580	71,600	66,210	2
Supplies & Services	36,807	34,470	42,590	38,330	2
	135,328	150,080	151,420	143,190	
<b>NON RECURRING ITEMS</b>					
Service Transformation funded by the Service Improvement Fund	8,058	-	-	-	
<b>INCOME</b>					
Customer and Client Receipts	(874,976)	(823,340)	(855,830)	(836,790)	3
<b>NET EXPENDITURE</b>	(731,590)	(673,260)	(704,410)	(693,600)	

**Notes:**

- 1 Change of grounds maintenance contractor and alterations in costs
- 2 Increase in insurance costs
- 3 Revised 2017/18 Estimates includes fluctuations due to level of profit share from Kingsmead and the Wellington Centre of £25,000

**INVESTMENT PROPERTIES ACQUIRED WITHIN THE YEAR 2016/17 AND IN FUTURE YEARS****Service Purpose:**

To manage a number of properties acquired in the year 2016/17. Three of the six properties acquired are located outside of the Council's area.

**Service Activity:**

Management of lettings, repairs and collection of rents from tenants.

Cost Centre 1230/1/2/3/4/5/6	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate	
<b>Budget Officer: Ann Greaves</b>	£	£	£	£	
<b>EXPENDITURE</b>					
Premises Related	16,090	11,400	49,870	53,590	1
Supplies & Services	13,656	28,360	58,750	52,990	2
	29,746	39,760	108,620	106,580	
<b>INCOME</b>					
Customer and Client Receipts	(503,847)	(951,350)	(917,060)	(932,630)	3
<b>NET EXPENDITURE</b>	(474,101)	(911,590)	(808,440)	(826,050)	

**Notes:**

- 1 Combination of the Council's liability to pay for general repairs/maintenance and business expenses for vacant units at Wellesley House that are difficult to rent out and, to a lesser extent, other units that are vacant as part of regular turnover.
- 2 Combination of the Council's liability to pay for service charges and insurance costs for vacant units that are difficult to rent at Wellesley house, and agents' commission to market said vacant properties. Regular turnover of properties and the Council's liability to meet the service charge and insurance costs in the vacancy interim. Plus unexpected service charges that are over and above agreed charge to tenants at Optrex Business Centre as part of rental agreements.
- 3 Changes in rental income from 2016/17 - 2017/18 due to rent reviews and ability to charge higher rental fees. Income decreases in the Revised Estimate and 2018/19 Estimate due to vacancy projections

**INDUSTRIAL ESTATES****Service Purpose:**

To manage the industrial estates.

**Service Activity:**

To deal with estate management matters and asset strategy in relation to Farnborough, Black Water Valley and Holder Road Industrial Estates, including variations, covenant issues, renewals, extensions and rent reviews.

Cost Centre 1205	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: Ann Greaves</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	10,697	13,200	16,020	16,740
Premises Related	950	200	200	200
	11,647	13,400	16,220	16,940
<b>NON RECURRING ITEMS</b>	2,686	0	0	0
Non-Recurring Item for 2016/17 regarding Service Transformation funded by the Service Improvement Fund				
<b>INCOME</b>				
Customer and Client Receipts	(947,289)	(968,210)	(1,030,250)	(977,940)
<b>NET EXPENDITURE</b>	(932,956)	(954,810)	(1,014,030)	(961,000)

1

**Notes:**

- 1 Alterations in income are accounted for by a combination of rental reviews and back-dated rent on these reviews.

**UNAPPORTIONABLE CENTRAL OVERHEADS****RETIREMENT/PENSION COSTS****Service Purpose:**

To reflect the cost to the Council of early retirement costs, added years and other pension scheme costs.

**Service Activity:**

To record payments to Hampshire Pension Fund.

Cost Centre 1416	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate	
Budget Officer: Rachel Gray	£	£	£	£	
<b>EXPENDITURE</b>					
Other Retirement/Pension Costs	292,635	306,000	299,970	291,500	1
Employer's Fixed Super Amount	582,400	628,560	633,700	689,400	1
IAS19 Adjustments	(875,535)	(934,560)	(933,670)	(980,900)	2
<b>NET EXPENDITURE</b>	(500)	-	-	-	

**Notes:**

- 1 Pension costs payable to Hampshire Pension Fund. Values are dependent upon actual pensions in payment and estimated costs of future payments.
- 2 Accounting adjustment for pension costs based on actuarial data - this has no effect on the General Fund balance.

**DEPARTMENTAL SALARIES SUMMARY**

	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate	
	£	£	£	£	
Corporate Director's Service	755,231	713,200	869,840	779,370	1
Chief Executives Office	158,979	172,270	173,840	201,660	
Community Services	2,708,341	2,769,230	2,615,750	2,715,040	
Democratic and Customer Services	1,103,036	1,158,560	1,172,720	1,218,750	
Environmental Health	1,217,699	1,273,480	1,169,800	1,214,990	
Financial Services	1,563,072	1,634,970	1,582,970	1,684,500	
Housing Services	803,222	765,250	831,500	806,130	
IT and Facilities	737,527	926,810	825,800	963,020	
Legal & Estates	518,172	663,060	691,710	678,240	1
Planning Services	1,443,302	1,475,350	1,467,800	1,449,900	1
<b>NET UNDER/(OVER) RECOVERY</b>	11,008,580	11,552,180	11,401,730	11,711,600	

**Notes:**

- 1 Movement of staff to Corporate Directors from Legal and Planning Services

## CORPORATE MANAGEMENT EXPENSES

The following cost centres collect the management expenses involved in running the services within the portfolio. They are recharged to other Direct and Support cost centres.

<b>CORPORATE MANAGEMENT EXPENSES SUMMARY</b>	<b>2016/17 Actual</b>	<b>2017/18 Original Estimate</b>	<b>2017/18 Revised Estimate</b>	<b>2018/19 Estimate</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>NET EXPENDITURE</b>				
Information Technology Management	19,347	18,510	24,980	16,780
Democratic Services Management	14,939	14,360	23,670	14,510
Customer Services Management	9,895	12,870	11,950	12,870
Corporate Director	4,888	2,880	3,830	3,670
Legal & Estates Management	(4,939)	(1,760)	(1,690)	(1,760)
<b>NET EXPENDITURE (excludes Recharges to Services)</b>	<b>44,131</b>	<b>46,860</b>	<b>62,740</b>	<b>46,070</b>

## CORPORATE SUPPORT SERVICES

<b>CORPORATE SUPPORT SERVICES SUMMARY</b>	<b>2016/17 Actual</b>	<b>2017/18 Original Estimate</b>	<b>2017/18 Revised Estimate</b>	<b>2018/19 Estimate</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>NET EXPENDITURE</b>				
Customer Services	578,737	686,050	655,920	711,420
IT Applications Support	508,279	530,870	512,090	538,400
IT Technical Services	421,476	443,710	481,730	515,570
Financial Services	381,902	386,040	405,000	473,880
Legal Support Services	371,248	310,180	412,790	423,650
Corporate Policy Support	497,595	396,620	434,950	415,030
Council Offices	325,719	407,130	385,170	375,800
Personnel Services	349,361	394,440	419,000	341,170
Communications Support	282,037	306,320	328,390	317,370
IT Service Desk	207,705	237,870	224,880	243,660
Print Room	143,664	105,050	133,050	135,200
Systems Thinking	135,338	148,810	120,060	126,960
Audit Services	142,884	151,870	118,410	122,370
Building Services Support	119,146	114,570	130,450	120,880
Facilities	91,076	90,390	94,680	98,670
Estates Support Services	82,704	64,970	86,370	75,500
Payroll Services	47,942	48,330	53,910	56,420
Democratic Support Service	36,502	37,250	32,850	33,550
Debtors Support Services	34,797	28,580	27,050	29,970
<b>NET EXPENDITURE (excludes Recharges to Services)</b>	<b>4,758,113</b>	<b>4,889,050</b>	<b>5,056,750</b>	<b>5,155,470</b>

**CUSTOMER SERVICES****Service Purpose:**

To answer enquiries from the general public calling at the Council offices in person, by telephone, letter and e-mail.

**Service Activity:**

To run the Council's main reception area, the Council switchboard service and the customer service response team, answer e-mails and respond to enquiries via the Council's website. Process payments made to the Council in person, by phone and by post; and carry out meeting room administration and post services.

Cost Centre 1327	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate	
<b>Budget Officer: Andrew Colver</b>	£	£	£	£	
<b>EXPENDITURE</b>					
Employees	431,597	506,230	484,550	540,410	1
Transport Related	272	460	350	350	
Supplies & Services	157,259	187,360	177,720	177,360	2
	589,128	694,050	662,620	718,120	
<b>INCOME</b>					
Customer and Client Receipts	(10,391)	(8,000)	(6,700)	(6,700)	
<b>NET EXPENDITURE</b>	578,737	686,050	655,920	711,420	

**Notes:**

1 Reductions in 2016/17 actuals and revised estimates due to vacancies.

2 2016/17 actuals reduction in postage costs

**IT APPLICATIONS SUPPORT****Service Purpose:**

- Maintaining, upgrading and developing applications to meet user requirements.
- Liaise with customer departments and suppliers on planning upgrades and implementing new requirements.
- Co-ordinate and project manage upgrade process or installation of new applications.
- Production of statutory and other reports for service departments.
- Maintain databases to ensure efficient running.
- Departmental administration.
- Corporate Gazetteer (LLPG) maintenance and information provision to external bodies.
- Corporate Geographical Information Systems.
- Web Site and Channel Shift development.

**Service Activity:**

Liaise with suppliers on planning upgrades and new requirements; co-ordinate and project manage upgrade process or installation of new applications; maintain databases to ensure efficient running.

Cost Centre 3302	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate	
<b>Budget Officer: Nick Harding</b>	£	£	£	£	
<b>EXPENDITURE</b>					
Employees	323,230	332,720	280,010	313,580	1
Transport Related	283	310	-	-	
Supplies & Services	185,594	197,840	232,080	224,820	2
	509,107	530,870	512,090	538,400	
<b>INCOME</b>					
Customer and Client Receipts	(828)	-	-	-	
<b>NET EXPENDITURE</b>	508,279	530,870	512,090	538,400	

**Notes:**

1 Reductions in spend due to vacant posts in 2017/18, budget allows for full establishment in 2018/19

2 Increase in budget due to software providers increasing prices at a higher rate than budgeted



**IT TECHNICAL SERVICES****Service Purpose:**

- Maintaining, upgrading and developing ICT infrastructure (data network, telephony and server system environments, key corporate systems, ISO 27001 information security policy, security/ firewalls etc.).
- Provision of 3rd line technical support, liaison with suppliers and customer departments on planning upgrades and implementing new requirements.
- Provision and support for Public Services Network (GC) services.
- Research in changes in ICT infrastructure market and the potential benefits to the organisation.
- IT procurement & 3rd line telephony support.
- Data centre operations – back up and recovery.

**Service Activity:**

Research in changes in ICT infrastructure market and the potential benefits to the organisation.

Cost Centre 3304	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate	
<b>Budget Officer: Nick Harding</b>	£	£	£	£	
<b>EXPENDITURE</b>					
Employees	188,169	185,590	221,990	250,140	1
Premises Related	8,309	8,900	8,900	8,900	
Transport Related	115	210	80	80	
Supplies & Services	225,433	249,010	250,760	256,450	2
	422,026	443,710	481,730	515,570	
<b>INCOME</b>					
Other Grants & Contributions	(550)	-	-	-	
<b>NET EXPENDITURE</b>	421,476	443,710	481,730	515,570	

**Notes:**

- 1 Increase in spend on temporary staff used to cover vacant posts. Assumed full establishment in 2018/19
- 2 Main increases relate to increased number of home workers (additional costs include the purchase of G/On tokens)

**FINANCIAL SERVICES****Service Purpose:**

To provide financial support to all areas of the Council.

**Service Activity:**

Provide a comprehensive budgeting and accounting service including the provision of financial advice, the exercising of financial control, the maintenance of financial systems, insurances and the payment of the Council's creditors.

Cost Centre 3401	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate	
<b>Budget Officer: Amanda Fahey</b>	£	£	£	£	
<b>EXPENDITURE</b>					
Employees	361,501	364,600	391,120	451,070	1
Transport Related	321	380	240	250	
Supplies & Services	21,038	21,560	14,140	23,060	2
	382,860	386,540	405,500	474,380	
<b>INCOME</b>					
Customer & Client Receipts	(958)	(500)	(500)	(500)	
<b>NET EXPENDITURE</b>	381,902	386,040	405,000	473,880	

**Notes:**

- 1 Additional resource in 2018/19 to support major projects and transformation.
- 2 Part consultancy budget moved to treasury management cost centre in 2017/18 only

**LEGAL SUPPORT SERVICES****Service Purpose:**

The provision of legal advice to the Council; the carrying out of the role of Monitoring Officer.

**Service Activity:**

The provision of legal advice to officers, Members and the Council. To include general advice on planning, housing, local government law, environmental health, licensing, contracts and procurement, prosecutions, conveyancing, Freedom of Information requests and Data Protection duties.

Cost Centre 1202	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate	
<b>Budget Officer: Ann Greaves</b>	£	£	£	£	
<b>EXPENDITURE</b>					
Employees	370,803	276,350	373,830	380,190	1
Transport Related	187	320	70	70	
Supplies & Services	48,512	98,010	103,890	101,390	2
	419,502	374,680	477,790	481,650	
<b>NON RECURRING ITEMS</b>					
Better Procurement and LA Data Transparency code 2014 funded by Service Improvement Fund for 2016/17	35,702	-	-	-	
<b>INCOME</b>					
Customer & Client Receipts	(83,956)	(64,500)	(65,000)	(58,000)	3
	371,248	310,180	412,790	423,650	
<b>NET EXPENDITURE</b>	371,248	310,180	412,790	423,650	

**Notes:**

- 1 Changes to time allocations, pension adjustments and training expenses
- 2 Increases in spending on books and publications
- 3 2016/17 Actual includes income for staff member working at another authority

**CORPORATE POLICY SUPPORT****Service Purpose:**

Development, implementation and monitoring of the Council's corporate strategies, policies and plans.

**Service Activity:**

Collating, analysing and sharing key data to drive and inform decision making. Performance management and development of corporate strategy and planning, the production of quarterly monitoring reports to Corporate Leadership Team and Cabinet and corporate programme management. Community cohesion and integration strategy.

Cost Centre 1409	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate	
<b>Budget Officer: Andrew Colver</b>	£	£	£	£	
<b>EXPENDITURE</b>					
Employees	385,150	369,880	412,090	408,140	
Transport Related	292	740	860	890	
Supplies & Services	22,729	6,000	6,000	6,000	1
Grants & Contributions	-	-	-	-	
	408,171	376,620	418,950	415,030	
<b>NON RECURRING ITEMS</b>					
Channel Shift Implementation (funded by Service Improvement Fund)	89,424	20,000	20,000	-	
	497,595	396,620	438,950	415,030	
<b>INCOME</b>					
Other Grants & Contributions	-	-	(4,000)	-	2
<b>NET EXPENDITURE</b>	497,595	396,620	434,950	415,030	

**Notes:**

- 1 Actual 2016/17 includes recruitment costs for the appointment of a new Chief Executive
- 2 2017/18 Revised estimate contribution towards procurement work for an outside organisation

**COUNCIL OFFICES****Service Purpose:**

To provide a safe, secure and comfortable environment for all users of the Council Offices.

**Service Activity:**

Ensure the building is maintained to the necessary standards of health and safety and meets the Council's needs. Maximise usage of the offices to provide capacity for use by external organisations where appropriate.

Cost Centre 3305	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate	
Budget Officer: Nick Harding	£	£	£	£	
<b>EXPENDITURE</b>					
Employees	113,750	130,840	132,740	131,740	
Premises Related	407,074	438,280	430,580	436,220	1
Transport Related	897	420	690	690	
Supplies & Services	53,247	59,700	54,800	55,260	2
	574,968	629,240	618,810	623,910	
<b>INCOME</b>					
Customer and Client Receipts	(249,249)	(222,110)	(233,640)	(248,110)	3
<b>NET EXPENDITURE</b>	325,719	407,130	385,170	375,800	

**Notes:**

- 1 Reduction in spend in 2016/17 on utilities due to change in energy provider. Increase in business rates in 2017/18 due to valuation
- 2 Increase in insurance costs
- 3 Increase in income received from external occupants including additional room booking income not anticipated in 2017/18 estimate

**HUMAN RESOURCES****Service Purpose:**

To assist the Council in its objectives by: - advising, supporting and guiding individuals and the organisation on people management issues, - by achieving and facilitating learning and improvement, and through interpretation and application of employment law and good employment practices.

**Service Activity:**

Provide support to managers and employees through various activities - including employee relations, policy development, recruitment and selection and learning and development.

Cost Centre 1415	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
Budget Officer: Paul Shackley	£	£	£	£
<b>EXPENDITURE</b>				
Employees	256,960	253,460	281,370	264,370
Transport Related	116	-	-	100
Supplies & Services	48,781	52,200	53,850	50,600
Grants & Contributions	-	40,000	35,000	37,000
	305,857	345,660	370,220	352,070
<b>NON RECURRING ITEMS</b>				
HR Development ( funded by Service Improvement Fund)	54,116	59,680	59,680	-
	359,973	405,340	429,900	352,070
<b>INCOME</b>				
Customer & Client Receipts	(10,611)	(10,900)	(10,900)	(10,900)
<b>NET EXPENDITURE</b>	349,361	394,440	419,000	341,170

**COMMUNICATIONS****Service Purpose:**

To communicate, consult and engage with local residents. To maintain and develop the Council's website.

**Service Activity:**

To promote Council services, protect its reputation and ensure the Council communicates effectively and professionally through a broad range of communication channels and engages meaningfully with the Rushmoor community, staff, Members and partners using

- Public, social and media relations
- Marketing, campaigns and publications
- Effective consultation, engagement and involvement

Cost Centre 1411	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
Budget Officer: Andrew Colver	£	£	£	£
<b>EXPENDITURE</b>				
Employees	232,642	219,000	252,270	249,000
Transport Related	6	220	270	270
Supplies & Services	49,684	87,100	75,850	68,100
	282,332	306,320	328,390	317,370
<b>INCOME</b>				
Other Grants & Contributions	(295)	-	-	-
<b>NET EXPENDITURE</b>	282,037	306,320	328,390	317,370

**Notes:**

1 Fluctuations reflect a fixed term post being employed to cover review and project work.

**IT SERVICE DESK****Service Purpose:**

- Provide an integrated central contact point via central service desk system for users to report service requests or log incidents so that the IT service can resolve them
- To periodically analyse the type and frequency of requests and incidents
- Review with the IT management team, the analysis to enable learning, leading to changes in the ICT service/ infrastructure and training plan
- IT purchasing and 1st line telephony support
- Moves and change management
- Ad-hoc technical implementation support for ICT projects
- IT Project and Programme Management

**Service Activity:**

To periodically analyse the type and frequency of requests and incidents and review with the IT management team, the analysis to enable learning, leading to changes in the ICT service/ infrastructure and training plan.

Cost Centre 3303	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: Nick Harding</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	201,791	232,490	219,510	238,290
Transport Related	157	80	70	70
Supplies & Services	5,757	5,300	5,300	5,300
<b>NET EXPENDITURE</b>	207,705	237,870	224,880	243,660

**Notes:**

- 1 Part budget moved to other areas of IT services to assist with temporary staff  
Assumed full establishment across service in 2018/19

**PRINT ROOM****Service Purpose:**

To provide comprehensive printing, copying and finishing services to Council services and external customers.

**Service Activity:**

Manage photocopier contracts; deal with external printing requirements; provide volume and specialist printing services from within the Print room.

Cost Centre 3306	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: Nick Harding</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	72,449	27,880	61,170	63,310
Transport Related	68	160	170	170
Supplies & Services	74,060	80,010	74,710	74,720
	146,577	108,050	136,050	138,200
<b>INCOME</b>				
Customer & Client Receipts	(2,913)	(3,000)	(3,000)	(3,000)
<b>NET EXPENDITURE</b>	143,664	105,050	133,050	135,200

**Notes:**

- 1 Use of temporary staff in 2016/17 only (budget moved from other areas within the service). Full establishment following service restructure in 2017/18

**SYSTEMS THINKING****Service Purpose:**

To improve services to our customers by enhancing the design and management of our work.

**Service Activity:**

Help improve the delivery of services to our customers; support managers by carrying out interventions in service areas; coaching in system thinking principles and work design; review data and redesign processes; run workshops and presentations.

Cost Centre 3103	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate	
Budget Officer: Nick Harding	£	£	£	£	
<b>EXPENDITURE</b>					
Employees	144,318	148,270	153,930	126,680	1
Transport Related	53	20	-	-	
Supplies & Services	1,351	520	280	280	
	145,722	148,810	154,210	126,960	
<b>INCOME</b>					
Customer & Client Receipts	(10,384)	-	(34,150)	-	2
<b>NET EXPENDITURE</b>	135,338	148,810	120,060	126,960	

**Notes:**

- 1 Change in staffing requirement
- 2 Income received relating to work carried out on behalf of another Local Authority

**AUDIT SERVICES****Service Purpose:**

The purpose of Internal Audit is to:

- Evaluate and assist in improving the effectiveness of governance, risk management and control processes within the Council.
- Provide the Council with anti-fraud and corruption, and internal investigation expertise.
- Provide assurance to External Audit on the controls within key financial systems.

**Service Activity:**

To meet the above purpose the following activities are carried out by Internal Audit:

- Audit reviews of corporate and service activities.
- Significant financial audits.
- Work with management to address risks and issues identified.
- Provide advice on system controls, legislation and policies.
- Proactive anti-fraud and corruption work as well as investigations when required.

Cost Centre 3106	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate	
Budget Officer: Amanda Fahey	£	£	£	£	
<b>EXPENDITURE</b>					
Employees	140,490	149,840	117,290	120,650	1
Transport Related	9	30	20	20	
Supplies & Services	2,385	2,000	1,100	1,700	
<b>NET EXPENDITURE</b>	142,884	151,870	118,410	122,370	

**Notes:**

- 1 Reduction in agency staff spend in 2016/17

**BUILDING SERVICES SUPPORT****Service Purpose:**

To provide a building support service for the Council's property portfolio.

**Service Activity:**

Provision of administrative and management support, building surveying service, repairs and maintenance, health and safety issues for the Council's estate.

Cost Centre 1210	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: Ann Greaves</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	107,804	107,410	123,140	113,670
Premises Related	10,665	6,000	6,000	6,000
Transport Related	361	360	510	410
Supplies & Services	316	800	800	800
<b>NET EXPENDITURE</b>	119,146	114,570	130,450	120,880

**FACILITIES****Service Purpose:**

To provide appropriate facilities to maintain effective working arrangements within the Council.

**Service Activity:**

Carry out all work associated with incoming and out-going mail and parcels; deal with all central purchasing of stationery and associated products; maintain the civic suite and provide appropriate meeting facilities.

Cost Centre 3307	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: Nick Harding</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	77,551	76,260	82,300	86,280
Transport Related	688	410	790	790
Supplies & Services	12,837	13,720	11,590	11,600
<b>NET EXPENDITURE</b>	91,076	90,390	94,680	98,670

**ESTATES SUPPORT SERVICES****Service Purpose:**

To provide an Estate Management Service for the residual estate within the Communities portfolio.

**Service Activity:**

Provision of admin and management support to the residual estate within the Communities portfolio.

Cost Centre 1203	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
Budget Officer: Ann Greaves	£	£	£	£
<b>EXPENDITURE</b>				
Employees	52,565	53,590	59,980	59,130
Transport Related	252	280	290	270
Supplies & Services	29,887	11,100	26,100	16,100
<b>NET EXPENDITURE</b>	82,704	64,970	86,370	75,500

**Notes:**

1 Combination of expenses for a specialist recruitment charge and changes in suppliers

**PAYROLL SERVICES****Service Purpose:**

To provide a payroll service to employees and Councillors.

**Service Activity:**

To process 100% of changes to salary, including starters leavers, salary changes on a monthly basis.

Cost Centre 1414	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
Budget Officer: Rachel Gray	£	£	£	£
<b>EXPENDITURE</b>				
Employees	46,632	47,630	53,510	55,820
Supplies & Services	1,310	700	400	600
<b>NET EXPENDITURE</b>	47,942	48,330	53,910	56,420



**DEMOCRATIC SUPPORT SERVICE****Service Purpose:**

To provide support to corporate groups.

**Service Activity:**

To provide administrative support to corporate groups including organising and attending meetings.

Cost Centre 1312	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: Andrew Colver</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	36,368	37,110	32,780	33,480
Transport Related	69	140	70	70
Supplies & Services	65	-	-	-
<b>NET EXPENDITURE</b>	36,502	37,250	32,850	33,550

**DEBTORS SUPPORT SERVICES****Service Purpose:**

To issue accurate bills and collect money due from individuals and businesses for rents and services.

**Service Activity:**

Issue bills, make collection arrangements and undertake recovery and enforcement for sums due. Liaise with Council Service areas to raise bills and establish liability and payment arrangements for debts from their area. Assist customers with enquiries about bills issued.

Cost Centre 3807	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: Amanda Fahey</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	33,575	25,240	24,160	27,080
Supplies & Services	1,222	3,340	2,890	2,890
<b>NET EXPENDITURE</b>	34,797	28,580	27,050	29,970

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REVENUE BUDGET 2018/19

Appendix 2

<b>ENVIRONMENT &amp; SERVICE DELIVERY PORTFOLIO</b>	<b>2016/17 Actual</b>	<b>2017/18 Original Estimate</b>	<b>2017/18 Revised Estimate</b>	<b>2018/19 Estimate</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>STATUTORY</b>				
Domestic Refuse	1,365,688	1,409,030	1,328,740	1,118,880
Street Cleansing	863,392	912,800	933,730	939,650
Recycling	359,931	393,030	239,770	331,900
Planning Policy	350,981	352,180	475,940	326,950
Conservation	68,020	74,890	80,060	82,050
Land Drainage/Sewerage	20,027	21,370	16,850	18,540
Abandoned Vehicles	4,085	5,270	5,710	6,230
Sub Total	3,032,124	3,168,570	3,080,800	2,824,200
<b>DISCRETIONARY</b>				
Town Centre Management	102,852	104,920	123,510	118,740
Other Highways	164,562	167,890	185,170	99,930
Aldershot Regeneration	75,151	85,420	95,850	99,010
Farnborough Town Centre Regeneration	37,047	47,370	53,610	55,230
Maintenance Team	77,748	45,120	48,750	44,900
Street Furniture	20,323	31,390	26,390	26,390
Street Lighting	9,834	7,400	7,400	7,400
Parking Management	(395,975)	(375,990)	(329,860)	(390,400)
Car Parks	(830,181)	(762,000)	(874,750)	(792,560)
Sub Total	(738,639)	(648,480)	(663,930)	(731,360)
<b>Total</b>	<b>2,293,485</b>	<b>2,520,090</b>	<b>2,416,870</b>	<b>2,092,840</b>
Environment & Service Delivery Management Expenses	67,850	61,970	59,870	59,570
Environment & Service Delivery Support Service	20,923	21,720	24,830	24,170
<b>NET DIRECT COSTS</b>	<b>2,382,258</b>	<b>2,603,780</b>	<b>2,501,570</b>	<b>2,176,580</b>
Support Service Recharges	986,620	1,012,240	1,018,790	1,021,580
Capital Accounting Charges	270,648	107,280	(106,980)	132,550
<b>NET EXPENDITURE</b>	<b>3,639,526</b>	<b>3,723,300</b>	<b>3,413,380</b>	<b>3,330,710</b>

**Notes:**

A budget increase of £58,637 equates to a council tax increase of 1%, equivalent to an increase of £1.93 per year for a Band D property.

Employee costs vary year on year. Common reasons for fluctuations in employee costs are:-

- 1) Pay inflation - the budget assumes that employees will receive a cost of living pay increase of 2% for 2018/19.
- 2) Changes to time allocations. Employee costs are allocated to the service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent.
- 3) Incremental progression within individual employee pay band.
- 4) Vacancies - Actuals and Revised Estimates will reflect any vacancies during the year and are therefore likely to be lower than Original Estimates, which assume that the services are fully staffed.
- 5) Accounting regulations for pension costs. Each year following a valuation provided by our actuaries, it is usual to adjust our forecast pension costs.
- 6) Employers' pension contributions increased from 1st April 2018 following actuarial changes.

**STATUTORY SERVICES****DOMESTIC REFUSE****Service Purpose:**

Protecting public health and developing a clean, sustainable and green environment by provision of a regular domestic waste collection.

**Service Activity:**

Weekly collection of household residual waste from 39,250 households; weekly household clinical waste collection service; collection service for bulky/heavy items of household waste.

Cost Centre 2553	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate	
Budget Officer: James Duggin	£	£	£	£	
<b>EXPENDITURE</b>					
Employees	64,781	70,030	74,140	79,010	
Transport Related	636	700	700	700	
Supplies & Services	112,258	111,860	156,340	56,650	1
Payment to Contractor	1,299,287	1,368,090	1,172,970	1,082,870	2
	1,476,962	1,550,680	1,404,150	1,219,230	
<b>NON RECURRING ITEM</b>					
Service Transformation and Service Review (funded by Service Improvement Fund)	13,366	-	-	-	
Procurement support for major contract review (funded by Service Improvements Fund)	32,918	-	-	-	1
	1,523,246	1,550,680	1,404,150	1,219,230	
<b>INCOME</b>					
Other Grants and Contributions	(4,461)	(3,070)	(3,070)	(3,070)	
Customer and Client Receipts	(153,097)	(138,580)	(72,340)	(97,280)	3
	(157,558)	(141,650)	(75,410)	(100,350)	
<b>NET EXPENDITURE</b>	1,365,688	1,409,030	1,328,740	1,118,880	

**Notes:**

For 2016/17 actual the Non-Recurring Item for procurement support relates to the Refuse, Recycling, Street Cleansing, Grounds Maintenance and Public Conveniences Cleaning contract procurement

- 2017/18 Revised Estimate & 2018/19 Estimate include the cost of mobilising the new Waste, Recycling, Cleansing of Streets, car parks and open spaces, Grounds Maintenance and Public Convenience Cleaning contract from the Doman Road depot whilst our new depot is being constructed.
- Fluctuations in the contractor payment following the procurement of the new Waste, Recycling, Cleansing of Streets, car parks and open spaces, Grounds Maintenance and Public Conveniences Cleaning contract which commenced on 31st July 2017.
- 2016/17 Actual includes additional income from bulky waste collections. 2017/18 Revised Estimate onwards reflects changes to recharge income following the commencement of the new Waste, Recycling, Cleansing of Streets, car parks and open spaces, Grounds Maintenance and Public Convenience Cleaning contract. 2018/19 Estimate Onwards includes the Council's income from the Contractor for Commercial Activities

**STREET CLEANSING****Service Purpose:**

To maintain and enhance the visual appearance and environmental quality of the Borough, thus protecting and developing a clean, sustainable and green environment, helping to make Rushmoor a place that our communities want to live and work in and reducing the fear of crime.

Adequately ensuring levels of public hygiene and health by regularly removing litter.

**Service Activity:**

Removal of litter, flyposting, flytips, graffiti and shopping trolleys; sweeping of streets; leaf collection; emptying of litter bins, gum removal and street washing. All of these activities take place on the public highway, in town centres, parks, playgrounds, Council land and public open space.

Cost Centre 2556	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate	
Budget Officer: James Duggin	£	£	£	£	
<b>EXPENDITURE</b>					
Employees	40,191	44,680	45,930	49,350	
Premises Related	-	10,000	5,370	8,190	1
Transport Related	574	620	620	620	
Supplies & Services	10,878	15,100	30,100	30,100	2
Payment to Contractor	995,290	1,056,140	1,009,130	1,004,500	3
	1,046,933	1,126,540	1,091,150	1,092,760	
<b>NON RECURRING ITEM</b>					
Procurement support for major contract review (funded by Service Improvements Fund)	6,952	-	-	-	
Service Transformation and Service Review (funded by Service Improvement Fund)	17,121	-	-	-	
	1,071,006	1,126,540	1,091,150	1,092,760	
<b>INCOME</b>					
Customer and Client Receipts	(8,847)	(10,000)	(10,000)	(27,820)	4
Other Grants & Contributions	(198,767)	(203,740)	(147,420)	(125,290)	5
	(207,614)	(213,740)	(157,420)	(153,110)	
<b>NET EXPENDITURE</b>	863,392	912,800	933,730	939,650	

**Notes:**

- 1 2016/17 Actual includes an underspend on specialist cleaning.
- 2 2017/18 Revised Estimate onwards includes the cost of monitoring the contract performance.
- 3 Fluctuations in the contractor payment following the procurement of the new Waste, Recycling, Cleansing of Streets, car parks and open spaces, Grounds Maintenance and Public Convenience Cleaning contract which commenced on 31st July 2017.
- 4 2018/19 Estimate Onwards includes the Council's income from the Contractor for Commercial Activities
- 5 Fluctuations in internal recharges following the procurement of the new Waste, Recycling, Cleansing of Streets, car parks and open spaces, Grounds Maintenance and Public Conveniences Cleaning contract which commenced on 31st July 2017

**RECYCLING****Service Purpose:**

To protect and develop a clean, sustainable and green environment by providing a regular collection service for recyclable materials, which also contributes to conservation of natural resources, energy saving – (CO2 reduction & climate change) and cost avoidance.

**Service Activity:**

Mixed dry recyclables are collected via a blue 240L wheeled bin or equivalent to 38,750 properties;  
Compostable garden waste is collected via re-useable green sacks or 240L brown bins;  
Glass collection via a basket to all houses or via 240L purple bin to flats;  
Provision of circa. 50 bring sites across the Borough for a variety of household recyclables;  
Problems and queries associated with both household and commercial recycling are dealt with;  
Advice is provided to developers on the provision of recycling and refuse facilities for residential developments.

Cost Centre 2554	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
Budget Officer: James Duggin	£	£	£	£
<b>EXPENDITURE</b>				
Employees	82,111	87,920	94,100	100,050
Transport Related	1,753	3,780	3,780	3,780
Supplies & Services	49,167	55,570	49,310	49,710
Payment to Contractor	770,907	814,760	773,110	797,460
	903,938	962,030	920,300	951,000
<b>NON RECURRING ITEM</b>				
Service Transformation and Service Review (funded by Service Improvement Fund)	3,955	-	-	-
Procurement support for major contract review (funded by Service Improvement Fund)	9,740	-	-	-
	917,633	962,030	920,300	951,000
<b>INCOME</b>				
Other Grants and Contributions	(6,717)	(4,000)	(4,000)	(4,100)
Customer and Client Receipts	(550,985)	(565,000)	(676,530)	(615,000)
	(557,702)	(569,000)	(680,530)	(619,100)
<b>NET EXPENDITURE</b>	359,931	393,030	239,770	331,900

**Notes:**

For 2016/17 actual the Non-Recurring Item for procurement support relates to the Refuse, Recycling, Street Cleansing, Grounds Maintenance and Public Convenience Cleaning contract procurement

- 1 2016/17 Actual includes an underspend on publicity & promotion. 2017/18 Revised Estimate onwards reflects a reduction as some costs have transferred to the contractor under the new Waste, Recycling, Cleansing of Streets, car parks and open spaces, Grounds Maintenance and Public Conveniences Cleaning contract which commenced on 31st July 2017
- 2 Fluctuations in the contractor payment following the procurement of the new Waste, Recycling, Cleansing of Streets, car parks and open spaces, Grounds Maintenance and Public Conveniences Cleaning contract which commenced on 31st July 2017.
- 3 2017/18 Revised Estimate & 2018/19 Estimate includes the anticipated increase in subscribers to the Green Waste service. 2017/18 Revised Estimate also includes a change in the accruals estimate for Green Waste Service Income.

**PLANNING POLICY****Service Purpose:**

Prepare the planning policy framework for the Borough.

**Service Activity:**

Preparation of the Local Plan for Rushmoor. Review policy documents from central government, regional bodies and adjoining local authorities. Prepare detailed planning guidance for important development sites within the Borough.

Cost Centre 2609	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate	
<b>Budget Officer: Keith Holland</b>	£	£	£	£	
<b>EXPENDITURE</b>					
Employees	303,521	320,940	335,820	306,550	1
Transport Related	521	630	690	640	
Supplies & Services	50,691	33,300	61,330	22,500	2
PDG LDF Examinations	-	-	65,510	-	3
	354,733	354,870	463,350	329,690	
<b>NON RECURRING ITEM</b>					
LDF Exams	-	-	15,300	-	4
	354,733	354,870	478,650	329,690	
<b>INCOME</b>					
Customer and Client Receipts	(3,752)	(2,690)	(2,710)	(2,740)	
<b>NET EXPENDITURE</b>	350,981	352,180	475,940	326,950	

**Notes:**

- 1 Budget increased for 2017/18 to allow for the recruitment of a temporary Senior Planning Officer position.
- 2 Spend on the Local Plan varies from year to year depending on the delivery cycle.
- 3 The Local Plan Examination is due to be done in 2017/18 but may now occur in 2018/19, the funding is transferred from earmarked reserves.
- 4 The Local Plan Examination is budgeted in 2017/18 but may now occur in 2018/19.

**CONSERVATION****Service Purpose:**

Preserve and enhance the Borough's Conservation Areas and ensure that its Listed Buildings and preserved trees are adequately protected.

**Service Activity:**

Provision of advice on works to listed buildings and within conservation areas. Determination of applications for works to preserved trees, and provide specialist advice on ecology, biodiversity and landscaping.

Cost Centre 2610	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate	
<b>Budget Officer: Keith Holland</b>	£	£	£	£	
<b>EXPENDITURE</b>					
Employees	89,081	89,410	93,590	91,020	
Transport Related	567	540	910	910	
Supplies & Services	5,878	12,450	12,450	7,450	1
	95,526	102,400	106,950	99,380	
<b>INCOME</b>					
Customer and Client Receipts	(27,506)	(27,510)	(26,890)	(17,330)	2
<b>NET EXPENDITURE</b>	68,020	74,890	80,060	82,050	

**Notes:**

- 1 A £5k one-off additional item budget was agreed for 2017/18 to commence appraisals of the 8 conservation areas. However, the appraisals have not proceeded and the budget is instead to be utilised against priority local plan work.
- 2 Reduction in income in 2018/19 due to the Conservation SLA ceasing as Hart District Council have given notice to terminate the agreement. The Conservation Officer's hours are reducing accordingly resulting in an overall net effect of zero.

**LAND DRAINAGE/SEWERAGE****Service Purpose:**

Inspection of ditches and watercourses to ensure free flow of water. To ensure that the Council carries out it's riparian duties and also that others with riparian responsibilities are required to complete necessary works. Inspection of watercourses and removal of obstructions where necessary, working with the Environment Agency and Hampshire County Council as the Lead Local Flood Risk Authority.

**Service Activity:**

Blockages are cleared and obstructions removed; provision of sandbags, inspections carried out; minor works undertaken e.g. digging. Laying of new pipes to assist land drainage.

Cost Centre 2227	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: Colin Alborough</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	10,370	10,540	6,020	7,710
Premises Related	427	1,600	1,600	1,600
Supplies & Services	9,230	9,230	9,230	9,230
<b>NET EXPENDITURE</b>	20,027	21,370	16,850	18,540

**ABANDONED VEHICLES****Service Purpose:**

Protecting and maintaining a clean, sustainable and green environment by removing abandoned vehicles; removal of these helps reduce fear of crime; prevents abuse of unsafe abandoned vehicles (e.g. burnt out vehicles) and maintains local environmental quality.

**Service Activity:**

Collection of abandoned and end of life vehicles; problems and queries associated with nuisance vehicles and implementation of collection and disposal legislation.

Cost Centre 2557	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: James Duggin</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	3,183	3,310	3,750	4,270
Transport Related	57	60	60	60
Supplies & Services	845	1,900	1,900	1,900
<b>NET EXPENDITURE</b>	4,085	5,270	5,710	6,230



**DISCRETIONARY SERVICES****TOWN CENTRE MANAGEMENT****Service Purpose:**

Improve and promote Aldershot Town Centre.

**Service Activity:**

Improve the appearance of the town centre, support retailers, organise events, etc.

Cost Centre 2543	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate	
Budget Officer: Peter Amies	£	£	£	£	
<b>EXPENDITURE</b>					
Employees	51,357	87,810	71,910	103,110	
Premises Related	24,294	-	19,600	-	1
Transport Related	126	820	220	130	
Supplies & Services	37,678	16,290	31,780	15,500	2
	113,455	104,920	123,510	118,740	
<b>INCOME</b>					
Customer & Client Receipts	(4,130)	-	-	-	3
Other Grants & Contributions	(6,473)	-	-	-	2
	(10,603)	-	-	-	
<b>NET EXPENDITURE</b>	102,852	104,920	123,510	118,740	

**Notes:**

- 1 National Non Domestic Rates cost for the digital wayfinders/advertising totems and Aldershot Town Centre.
- 2 2016/17 Actual includes additional costs for various events covered by contributions from companies and a the cost for the temporary installation of an ice rink at Princes Gardens for December 2016. 2017/18 Revised Estimate includes a carry forward of promotions budgets from 2016/17 .
- 3 2016/17 Revised Estimate includes the ticket sales income following the temporary installation of an ice rink at Princes Gardens for December 2016.

**OTHER HIGHWAYS****Service Purpose:**

Maintenance of the highway grass verges, shrubs and hedges on behalf of Hampshire County Council.

**Service Activity:**

To maintain highway grass verges, shrub beds and hedges in accordance with grounds maintenance specifications and to facilitate non routine works to maintain a clean, bright and attractive urban environment.

Cost Centre 2540	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate	
<b>Budget Officer: Peter Amies</b>	£	£	£	£	
<b>EXPENDITURE</b>					
Employees	268,585	209,450	168,890	128,500	1
Premises Related	6,576	5,050	5,050	5,050	
Transport Related	2,731	3,580	1,910	1,330	
Supplies & Services	39,264	32,610	32,160	32,550	2
Payment to Contractors	209,655	221,300	194,870	136,670	3
	526,811	471,990	402,880	304,100	
<b>INCOME</b>					
Customer & Client Receipts	(149,204)	(131,100)	(100,710)	(87,170)	4
HCC Agency Contributions	(213,045)	(173,000)	(117,000)	(117,000)	5
	(362,249)	(304,100)	(217,710)	(204,170)	
<b>NET EXPENDITURE</b>	164,562	167,890	185,170	99,930	

**Notes:**

- 1 2016/17 Actual includes the transfer of the Admin/Contracts Apprentice post to the Highways Team and the additional costs incurred by the highways team as they have been covering some of the Market Manager duties. 2017/18 Estimate onwards reflects the deletion of one post from within the team, 2017/18 Revised Estimate onwards reflects the deletion of another post which has a corresponding reduction in income.
- 2 2016/17 Actual includes the increase expenditure on temporary traffic regulation orders.
- 3 Fluctuations in the contractor payment are as a result of the savings achieved with the procurement of the new Waste and Recycling Collection Services and the Cleansing of Street, car parks and open spaces and the Grounds Maintenance and Public Convenience Cleaning contract which commenced on 31st July 2017. A further variation is shown in 2018/19 Estimate as a result of a reduction in service specification (and funding) by Hampshire County Council for Highway grass, shrubs and hedges .
- 4 2016/17 Actual includes the increase income from temporary traffic regulation orders. 2017/18 Revised Estimate onwards reflects the reduction in fee income which is offset by a reduction in employee costs detailed in note 1
- 5 2017/18 Estimate reflects the reduction in funding from Hampshire County Council in its traffic management and environmental works agency agreements. 2017/18 Revised Estimate reflects the reduction in service specification (and funding) by Hampshire County Council for Highway grass, shrubs and hedges .

**ALDERSHOT REGENERATION****Service Purpose:**

To work with commercial and other organisations to facilitate the redevelopment and regeneration of the town.

**Service Activity:**

Redevelopment of the town.

Cost Centre 1100	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate	
<b>Budget Officer: Karen Edwards</b>	£	£	£	£	
<b>EXPENDITURE</b>					
Employees	73,798	85,170	93,270	96,430	1
Transport Related	153	250	230	230	
Supplies & Services	1,200	-	2,350	2,350	2
	75,151	85,420	95,850	99,010	
<b>NET EXPENDITURE</b>	75,151	85,420	95,850	99,010	

**Notes:**

- 1 Salaries include the additional resources to deliver regeneration works.
- 2 Consultancy fees for town centre regeneration.

**FARNBOROUGH TOWN CENTRE REGENERATION****Service Purpose:**

To work with commercial and other organisations to facilitate the redevelopment and regeneration of the town.

**Service Activity:**

Redevelopment of the town.

Cost Centre 2102	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: Karen Edwards</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	36,972	47,300	53,560	55,180
Transport Related	75	70	50	50
<b>NET EXPENDITURE</b>	37,047	47,370	53,610	55,230

**Notes:**

- 1 Salaries include the additional resources to deliver regeneration works, all other variances as described on the portfolio summary page

**MAINTENANCE TEAM****Service Purpose:**

To maintain and improve the environment.

**Service Activity:**

To address vandalism, flytipping, graffiti, damage to street furniture and playground equipment; Installation of litter bins and street furniture; assist in emergencies as and when required.

Cost Centre 2549	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: John Trusler</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	129,082	110,020	100,930	109,670
Transport Related	22,246	15,900	18,500	18,500
Supplies & Services	52,942	31,330	50,950	30,860
	204,270	157,250	170,380	159,030
<b>INCOME</b>				
Other Grants and Contributions	(126,522)	(112,130)	(121,630)	(114,130)
<b>NET EXPENDITURE</b>	77,748	45,120	48,750	44,900

**Notes:**

- 1 2016/17 Actual includes costs associated with the skilled up project (funded by external income and earmarked reserves)
- 2 2016/17 Actual includes additional spend on hiring of an extra vehicle.
- 3 2016/17 Actual includes additional expenditure on handyman materials. 2016/17 Actual and 2017/18 Revised Estimate include skilled up project costs which are funded by external income & earmarked reserves
- 4 2016/17 Actual and 2017/18 Revised Estimate include skilled up projects external income

**STREET FURNITURE****Service Purpose:**

To improve the street scene.

**Service Activity:**

Provide items of street furniture such as street name plates and public benches, in accordance within the requirements of the Highways Act 1980.

Cost Centre 2541	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
Budget Officer: Peter Amies	£	£	£	£
<b>EXPENDITURE</b>				
Premises Related	2,100	2,000	2,000	2,000
Supplies & Services	18,223	29,390	24,390	24,390
<b>NET EXPENDITURE</b>	20,323	31,390	26,390	26,390

**Notes:**

- 1 Fluctuations in spending on Street Names Plates.

**STREET LIGHTING****Service Purpose:**

To maintain and where appropriate improve street lighting throughout our parks & open spaces.

**Service Activity:**

To provide lighting of footways and public areas.

Cost Centre 2542	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
Budget Officer: Peter Amies	£	£	£	£
<b>EXPENDITURE</b>				
Premises Related	2,249	3,300	3,300	3,300
Supplies & Services	7,585	4,100	4,100	4,100
<b>NET EXPENDITURE</b>	9,834	7,400	7,400	7,400

**PARKING MANAGEMENT****Service Purpose:**

Effect strategic traffic management objectives through powers delegated by Hampshire County Council to secure safe and accessible town centres and residential areas .

**Service Activity:**

On-street enforcement against parking contraventions; on-street charging; on-street residents permit parking facilities.

Cost Centre 2538	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
Budget Officer: Kirsty Hosey	£	£	£	£
<b>EXPENDITURE</b>				
Employees	333,652	358,190	398,930	390,030
Premises Related	6,629	9,300	9,300	9,300
Transport Related	7,327	7,700	7,410	7,410
Supplies & Services	68,494	71,220	76,560	78,410
	416,102	446,410	492,200	485,150
<b>INCOME</b>				
Customer and Client Receipts	(812,077)	(822,400)	(822,060)	(875,550)
<b>NET EXPENDITURE</b>	(395,975)	(375,990)	(329,860)	(390,400)

**Notes**

1 2017/18 Revised Estimate onwards reflects the cost to the Council of credit and debit card surcharges following the installation of new Pay & Display machines that now offer our customers these payment methods.

2 2018/19 reflects the full year effect of the revised parking tariffs introduced in January 2018.

**CAR PARKS****Service Purpose:**

Effect strategic traffic management objectives through the provision of structured off-street parking to secure safe

**Service Activity:**

Ensure car parks remain available and accessible for use. Ensure the car parks are safe, accessible and of acceptable quality. Protect and account for income received.

Cost Centre 2537	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate	
<b>Budget Officer: Kirsty Hosey</b>	£	£	£	£	
<b>EXPENDITURE</b>					
Employees	133,799	141,760	132,620	156,230	
Premises Related	223,231	238,230	225,650	242,820	1
Transport Related	2,449	4,040	3,050	3,050	
Supplies & Services	262,104	277,840	288,710	332,660	2
Payment to Contractor	96,402	101,440	98,600	106,790	3
	717,985	763,310	748,630	841,550	
Other Grants and Contributions	(80,568)	(52,000)	(98,060)	(94,790)	4
Customer and Client Receipts	(1,467,598)	(1,473,310)	(1,525,320)	(1,539,320)	
	(1,548,166)	(1,525,310)	(1,623,380)	(1,634,110)	
<b>NET EXPENDITURE</b>	(830,181)	(762,000)	(874,750)	(792,560)	

**Notes:**

- 1 2016/17 Actual reflects the underspend on general repairs & maintenance, lighting repairs and lift maintenance. The underspend on the lift maintenance & general repairs and maintenance continues into the 2017/18 Revised Estimate.
- 2 2016/17 Actual includes underspends mainly on car park machine maintenance, external printing and publicity & advertising some of which continue into 2017/18 Revised Estimate. 2017/18 Revised Estimate onwards reflects the cost to the Council of credit and debit card surcharges following the installation of new Pay & Display machines that now offer our customers these payment methods.
- 3 Fluctuations in the contractor payment are mainly as a result of the savings achieved with the procurement of the new Waste and Recycling Collection Services and the Cleansing of Street, car parks and open spaces and the Grounds Maintenance and Public Convenience Cleaning contract which commenced on 31st July 2017.
- 4 This budget reflects the notional income of granting parking permits to various charities and voluntary organisations. The main increase in the notional income is due to a change in the way we are issuing the parking permits to these organisations, in previous years these organisations were given smartcards and the credit on the smartcard was consumed as the smartcard was used. The use of smartcards has now stopped and instead the organisations are issued with parking permits, the value of the the parking permit is calculated depending on the allocated car park and the hours the permit covers each day. The notional cost for these parking permits is shown in the Grants to Major Voluntary Organisations cost centre note.

**ENVIRONMENT & SERVICE DELIVERY MANAGEMENT EXPENSES**

The following cost centres collect the management expenses involved in running the services within the portfolio. They are recharged to other Direct and Support cost centres.

<b>ENVIRONMENT &amp; SERVICE DELIVERY MANAGEMENT EXPENSES SUMMARY</b>	<b>2016/17 Actual</b>	<b>2017/18 Original Estimate</b>	<b>2017/18 Revised Estimate</b>	<b>2018/19 Estimate</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>NET EXPENDITURE</b>				
Environmental Health Management	50,211	42,150	42,100	41,800
Planning Policy Management	7,074	6,210	6,100	6,100
Conservation Management	2,805	3,300	3,220	3,220
Corporate Director	7,760	10,310	8,450	8,450
<b>NET EXPENDITURE</b>	<b>67,850</b>	<b>61,970</b>	<b>59,870</b>	<b>59,570</b>
<b>Recharges to Services</b>				
Allocated to Services	67,850	61,970	59,870	59,570
<b>Net Under/(Over) Recovery</b>	-	-	-	-

**Notes**

1 2016/17 Actual includes additional training expenditure for the organisation

**ENVIRONMENT & SERVICE DELIVERY SUPPORT SERVICE****ENVIRONMENTAL HEALTH SUPPORT**

Cost Centre 2217	<b>2016/17 Actual</b>	<b>2017/18 Original Estimate</b>	<b>2017/18 Revised Estimate</b>	<b>2018/19 Estimate</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Budget Officer: Qamer Yasin</b>				
<b>EXPENDITURE</b>				
Employees	20,814	21,660	24,770	24,110
Transport Related	109	60	60	60
<b>NET EXPENDITURE (excludes Recharges to Services)</b>	<b>20,923</b>	<b>21,720</b>	<b>24,830</b>	<b>24,170</b>

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REVENUE BUDGET 2018/19

<b>CONCESSIONS &amp; COMMUNITY PORTFOLIO</b>	<b>2016/17 Actual</b>	<b>2017/18 Original Estimate</b>	<b>2017/18 Revised Estimate</b>	<b>2018/19 Estimate</b>
	£	£	£	£
<b>STATUTORY</b>				
Council Tax Support	196,515	204,400	211,180	217,960
Electoral Registration	96,766	123,780	165,430	130,550
Elections	65,111	27,590	41,340	126,770
Rent Allowances	(92,269)	(35,120)	10,710	95,690
Emergency Planning	34,823	38,090	42,240	43,290
Sub Total	300,946	358,740	470,900	614,260
<b>DISCRETIONARY</b>				
Grants to Major Voluntary Organisations	552,546	510,670	567,350	553,070
Grants to Local and National Organisations	234,422	195,250	249,420	200,020
Community Transport	45,408	45,930	46,000	46,080
Sustainability Initiatives	13,096	14,370	16,030	16,660
Meals on Wheels	(108)	4,840	4,840	3,900
Sub Total	845,364	771,060	883,640	819,730
<b>NET DIRECT COSTS</b>	<b>1,146,310</b>	<b>1,129,800</b>	<b>1,354,540</b>	<b>1,433,990</b>
Support Service Recharges	573,301	583,700	589,750	599,880
Capital Accounting Charges	7,654	680	680	80
<b>NET EXPENDITURE</b>	<b>1,727,265</b>	<b>1,714,180</b>	<b>1,944,970</b>	<b>2,033,950</b>

**Notes:**

A budget increase of £58,637 equates to a council tax increase of 1%, equivalent to an increase of £1.93 per year for a Band D property.

Employee costs vary year on year. Common reasons for fluctuations in employee costs are:-

- 1) Pay inflation - the budget assumes that employees will receive a cost of living pay increase of 2% for 2018/19.
- 2) Changes to time allocations. Employee costs are allocated to the service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent.
- 3) Incremental progression within individual employee pay band.
- 4) Vacancies - Actuals and Revised Estimates will reflect any vacancies during the year and are therefore likely to be lower than Original Estimates, which assume that the services are fully staffed.
- 5) Accounting regulations for pension costs. Each year following a valuation provided by our actuaries, it is usual to adjust our forecast pension costs.
- 6) Employers' pension contributions increased from 1st April 2018 following actuarial changes.

**STATUTORY SERVICES****COUNCIL TAX SUPPORT****Service Purpose:**

To assess claims for council tax support quickly and accurately.

**Service Activity:**

Assist customers with their application for council tax support. Assessing and awarding any support due. Reviewing customer's circumstances as they change. Providing advice about other related welfare benefits.

Cost Centre 3806	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
Budget Officer: Amanda Fahey	£	£	£	£
<b>EXPENDITURE</b>				
Employees	185,535	194,010	200,870	207,950
Transport Related	347	390	310	10
Council Tax Support Scheme Hardship Fund	10,633	10,000	10,000	10,000
<b>NET EXPENDITURE</b>	196,515	204,400	211,180	217,960

**ELECTORAL REGISTRATION****Service Purpose:**

To maintain an up-to-date electoral register and to provide associated registration services.

**Service Activity:**

Compile and maintain the electoral register through the yearly canvass and rolling registration; Maintain the lists of postal and proxy voters and overseas and service voters; promote and develop initiatives to increase the level of registration.

Cost Centre 1302	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
Budget Officer: Andrew Colver	£	£	£	£
<b>EXPENDITURE</b>				
Employees	50,108	52,150	76,080	68,920
Transport Related	117	180	230	230
Supplies & Services	72,381	79,650	77,700	77,900
	122,606	131,980	154,010	147,050
<b>NON RECURRING ITEM</b>				
Transitional cost for Individual Elector Registration	243	8,500	32,060	-
	122,849	140,480	186,070	147,050
<b>INCOME</b>				
Customer and Client Receipts	(1,359)	(1,700)	(1,500)	(1,500)
Government Grant	(24,724)	(15,000)	(19,140)	(15,000)
	(26,083)	(16,700)	(20,640)	(16,500)
<b>NET EXPENDITURE</b>	96,766	123,780	165,430	130,550

**Notes:**

1 2016/17 underspend against budget on transitional costs for Individual Elector Registration (IER), this budget has been carried forward to 2017/18

2 Funding received towards IER from Central government is being reduced year on year

**ELECTIONS****Service Purpose:**

To arrange and manage elections in the Borough.

**Service Activity:**

Organise all parliamentary, European and local elections in the Borough and the Aldershot Constituency; ensure compliance with legislative provisions and guidance relating to all administrative aspects of elections; promote and develop initiatives to increase turnout at elections.

Cost Centre 1303	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate	
Budget Officer: Andrew Colver	£	£	£	£	
<b>EXPENDITURE</b>					
Employees	62,409	33,330	43,260	73,400	
Premises Related	4,088	-	5,800	5,800	
Transport Related	1,231	800	150	800	
Supplies & Services	23,500	5,460	14,210	54,890	
	91,228	39,590	63,420	134,890	
Other Grants and Contributions	(26,117)	(12,000)	(22,080)	(8,120)	2
	(26,117)	(12,000)	(22,080)	(8,120)	
<b>NET EXPENDITURE</b>	65,111	27,590	41,340	126,770	1

**Notes:**

1 There are no local elections in the year 2017/18. Borough elections will occur in May 2018.

2 Contributions are made towards some of the Council's costs for administering elections organised on behalf of the Government and Hampshire County Council.

**RENT ALLOWANCES****Service Purpose:**

To assess claims for housing benefit quickly and accurately; to prevent and detect housing & council tax benefit fraud; and to collect amounts of overpaid housing benefit.

**Service Activity:**

Assist customers with their application for housing benefit, assessing and awarding any benefit due. Review customer's circumstances as they change. Provide advice about other related welfare benefits. Make payment arrangements and take enforcement action in respect of customers that have been overpaid housing benefit. Making arrangements with customers who owe the Council debts for both housing benefit and council tax sums.

Cost Centre 3811	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate	
Budget Officer: Amanda Fahey	£	£	£	£	
<b>EXPENDITURE</b>					
Employees	388,990	398,560	452,980	459,130	1
Transport Related	657	790	580	-	
Supplies & Services	66,194	53,290	55,010	47,120	2
Allowances Granted/Transfer Payments	36,450,946	36,351,000	35,330,000	34,300,000	
Bad Debt Provision	166,418	175,000	175,000	175,000	3
Discretionary Housing Payments	167,958	100,000	240,000	240,000	
	37,241,163	37,078,640	36,253,570	35,221,250	
<b>INCOME</b>					
Discretionary Rent Allowances	(167,839)	(100,000)	(240,000)	(240,000)	
Housing Benefit Subsidy	(36,424,682)	(35,897,000)	(34,827,360)	(33,765,600)	
Flexible homelessness income	-	-	(220,000)	(260,000)	
Housing Benefits Admin Subsidy	(441,126)	(399,960)	(399,960)	(359,960)	
Overpayments Recovered	(241,825)	(700,000)	(500,000)	(500,000)	3
Other Income	(135)	-	-	-	
Government Grants	(22,532)	-	(38,740)	-	4
Universal Credit Funding	(35,293)	(16,800)	(16,800)	-	5
	(37,333,432)	(37,113,760)	(36,242,860)	(35,125,560)	
<b>NET EXPENDITURE</b>	(92,269)	(35,120)	10,710	95,690	

**Notes:**

- 1 2017/18 revised estimates include £22,810 for additional work on overpayments using Real time Information funded by government grant.
- 2 Fluctuations reflect additional software changes funded by government grant
- 3 Overpayments and bad debt provision figures fluctuate and are dependant upon recovery of overpayments identified
- 4 Fluctuations in Government grants towards software changes, together with £22,810 grant towards additional salaries costs in revised 2017/18
- 5 Government funding towards administration costs of phased migration of benefits claimants to Universal Credits

**EMERGENCY PLANNING****Service Purpose:**

To meet the statutory requirements of the Civil Contingencies Act 2004.

**Service Activity:**

Preparing the Council's response to a Major Civil Emergency. Including liaising with partners, updating the Emergency Plan, running a programme of training exercises, reviewing the Rushmoor Area Risk Register and participating in the delivery of NI188 Climate Change mitigation.

Cost Centre 1404	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: Andrew Colver</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	13,762	15,180	19,320	20,170
Transport Related	3	10	20	20
Supplies & Services	21,058	22,900	22,900	23,100
<b>NET EXPENDITURE</b>	34,823	38,090	42,240	43,290

**DISCRETIONARY SERVICES****GRANTS TO MAJOR VOLUNTARY ORGANISATIONS****Service Purpose:**

To provide assistance to non-profit making organisations through the granting of discretionary rent relief or contribution to rent payments.

**Service Activity:**

Providing financial and advisory support to organisations who provide benefit to the Borough.

Cost Centre 2535	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: Peter Amies</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	3,345	3,480	3,490	3,780
Transport Related	1	10	10	10
Supplies & Services	76,248	46,770	93,440	90,170
Citizens Advice	272,802	261,870	271,870	259,590
Farnborough & Cove War Memorial Hospital Trust	112,570	102,570	102,570	103,000
Rushmoor Voluntary Service	74,210	74,950	74,950	75,500
35-39 High Street Service Charge	13,370	21,020	21,020	21,020
<b>NET EXPENDITURE</b>	552,546	510,670	567,350	553,070

**Notes:**

- 1 This budget reflects the notional cost of granting parking permits to various charities and voluntary organisations. The main increase in the notional cost is due to a change in the way we are issuing the parking permits to these organisations, in previous years these organisations were given smartcards and the credit on the smartcard was consumed as the smartcard was used. The use of smartcards has now stopped and instead the organisations are issued with parking permits, the value of the the parking permit is calculated depending on the allocated car park and the hours the permit covers each day. The notional income for these parking permits is shown in the car parks cost centre note.
- 2 2016/17 Actual and 2017/18 Revised Estimate include additional grant funding agreed in year.
- 3 2017/18 Estimate onwards reflects the reduction in grant for Farnborough & Cove War Memorial Hospital Trust

**GRANTS TO LOCAL & NATIONAL ORGANISATIONS****Service Purpose:**

To provide small grants to voluntary, community, sports and arts and youth related groups.

**Service Activity:**

The aim of the grant is to support non-profit making groups that require financial support to provide or improve services that will benefit the people of Rushmoor.

Cost Centre 2513	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate	
Budget Officer: Peter Amies	£	£	£	£	
<b>EXPENDITURE</b>					
Employees	18,428	19,440	20,320	21,240	
Transport Related	37	10	10	10	
Grants & Contributions	44,530	20,000	20,000	20,000	1
Farnborough Airport Community Environmental Fund	56,146	-	-	-	2
Service Charge	1,390	2,190	2,190	2,190	
Community Matters Partnership	5,000	5,000	5,000	2,500	
Community Lottery	3,163	-	1,070	1,070	
Rent Relief	156,421	148,610	200,830	153,010	3
	285,115	195,250	249,420	200,020	
<b>INCOME</b>					
Farnborough Airport Community Environmental Fund	(50,693)	-	-	-	2
<b>NET EXPENDITURE</b>	234,422	195,250	249,420	200,020	

**Notes:**

- 1 2016/17 Actual includes the costs of grants awarded during 2015/16 but not processed until 2016/17 and a one-off grant of £20,000 to a local school for education attainment.
- 2 2016/17 shows the amount of Farnborough Airport Community Environmental Fund received and used in year.
- 3 2017/18 Revised Estimate includes the cost of awarding rent relief for both of the Borough's major football clubs

**COMMUNITY TRANSPORT****Service Purpose:**

To support residents who may become isolated due to lack of transport.

**Service Activity:**

To provide Dial a Ride in liaison with Rushmoor Voluntary Services and Hampshire County Council.

Cost Centre 2534	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate	
Budget Officer: Peter Amies	£	£	£	£	
<b>EXPENDITURE</b>					
Employees	1,392	1,460	1,530	1,610	
Payment to Contractor	10,455	10,570	10,570	10,570	
Dial A Ride	33,561	33,900	33,900	33,900	
<b>NET EXPENDITURE</b>	45,408	45,930	46,000	46,080	

**SUSTAINABILITY INITIATIVES****Service Purpose:**

To plan and deliver the Council's work to promote sustainability in the Borough.

**Service Activity:**

Develop, implement and monitor the Council's Climate Change Strategy and Action Plan; promote sustainability initiatives and implement associated actions with the community and partnership organisations; initiate, manage and support the delivery of projects to improve the Council's and its partners sustainability performance, particularly in relation to resource use.

Cost Centre 1211	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
Budget Officer: Ann Greaves	£	£	£	£
<b>EXPENDITURE</b>				
Employees	24,873	25,320	26,910	27,540
Transport Related	541	550	620	620
Supplies & Services	7,128	8,300	8,300	8,300
	32,542	34,170	35,830	36,460
<b>INCOME</b>				
Other Grants and Contributions	(19,446)	(19,800)	(19,800)	(19,800)
<b>NET EXPENDITURE</b>	13,096	14,370	16,030	16,660

**MEALS ON WHEELS****Service Purpose:**

To support a luncheon club at the Aldershot and Fleet Rugby Club and the County's Food and Friendship programme.

**Service Activity:**

Provide grants to Age Concern.

Cost Centre 2536	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
Budget Officer: Peter Amies	£	£	£	£
<b>EXPENDITURE</b>				
Employees	1,391	1,330	1,330	1,390
Transport Related	1	10	10	10
Third Party Payment	(4,000)	1,000	1,000	-
Direct Grant	2,500	2,500	2,500	2,500
<b>NET EXPENDITURE</b>	(108)	4,840	4,840	3,900

**Notes:**

1 2016/17 Actual includes the reimbursement of surplus funds for the Food & Friendship project which finished in March 2017.

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## REVENUE BUDGET 2018/19

<b>HEALTH &amp; HOUSING PORTFOLIO</b>	<b>2016/17 Actual</b>	<b>2017/18 Original Estimate</b>	<b>2017/18 Revised Estimate</b>	<b>2018/19 Estimate</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>STATUTORY</b>				
Houses in Multiple Occupation	115,797	101,110	103,880	106,950
<b>DISCRETIONARY</b>				
Healthy Rushmoor	7,000	7,000	7,000	7,000
<b>MIXED</b>				
Housing Advice	512,806	571,860	712,740	638,470
Improvement Grants	130,874	133,470	154,540	161,120
Housing Strategy	156,133	145,030	125,460	130,180
	799,813	850,360	992,740	929,770
<b>Total</b>	<b>922,610</b>	<b>958,470</b>	<b>1,103,620</b>	<b>1,043,720</b>
Health & Housing Support Service	24,060	24,310	25,690	26,570
<b>NET DIRECT COSTS</b>	<b>946,670</b>	<b>982,780</b>	<b>1,129,310</b>	<b>1,070,290</b>
Support Service Recharges	257,517	253,900	276,750	281,280
Capital Accounting Charges	49,400	98,500	98,500	1,000
<b>NET EXPENDITURE</b>	<b>1,253,586</b>	<b>1,335,180</b>	<b>1,504,560</b>	<b>1,352,570</b>

**Notes:**

A budget increase of £58,637 equates to a council tax increase of 1%, equivalent to an increase of £1.93 per year for a Band D property.

Employee costs vary year on year. Common reasons for fluctuations in employee costs are:-

- 1) Pay inflation - the budget assumes that employees will receive a cost of living pay increase of 2% for 2018/19.
- 2) Changes to time allocations. Employee costs are allocated to the service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent.
- 3) Incremental progression within individual employee pay band.
- 4) Vacancies - Actuals and Revised Estimates will reflect any vacancies during the year and are therefore likely to be lower than Original Estimates, which assume that the services are fully staffed.
- 5) Accounting regulations for pension costs. Each year following a valuation provided by our actuaries, it is usual to adjust our forecast pension costs.
- 6) Employers' pension contributions increased from 1st April 2018 following actuarial changes.

**STATUTORY SERVICES****HOUSES IN MULTIPLE OCCUPATION****Service Purpose:**

Safeguard the public from poor housing conditions. Licence high-risk houses in multiple occupation.

**Service Activity:**

All high risk houses; 3 storey and above, housing 5 people or more not in the same household. Licensing will ensure properties are maintained to legal requirement minimising risk to residents.

Cost Centre 2403	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: Qamer Yasin</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	144,167	113,930	116,760	120,830
Transport related	2,185	1,180	1,120	1,120
	146,352	115,110	117,880	121,950
<b>INCOME</b>				
Customer and Client Receipts	(30,555)	(14,000)	(14,000)	(15,000)
<b>NET EXPENDITURE</b>	115,797	101,110	103,880	106,950

**Notes:**

- 1 2016/17 included additional salary costs to cover a one-year contract for a targeted survey of specific areas of private rented accommodation in the Borough.
- 2 Fluctuations in licencing income is as a result of variations in number of HMOs registered and renewals each year. Licences are for a 5 year period

**DISCRETIONARY SERVICES****HEALTHY RUSHMOOR****Service Purpose:**

The promotion of good health and healthy lifestyles across the Borough.

**Service Activity:**

The service is delivered by a charity Rushmoor Healthy Living and covers a wide variety of health-related projects.

Cost Centre 2248	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: Qamer Yasin</b>	£	£	£	£
<b>EXPENDITURE</b>				
Third Party Payments	7,000	7,000	7,000	7,000
<b>NET EXPENDITURE</b>	7,000	7,000	7,000	7,000

**MIXED SERVICES****HOUSING ADVICE****Service Purpose:**

To help people solve their housing problem and to provide a suitable home to those in housing need.

**Service Activity:**

Manage the housing allocation pool and choice based lettings home finder scheme. Provide temporary and permanent accommodation to priority homeless people and those in housing need. Make referrals to other agencies as appropriate.

Cost Centre 2402	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate	
Budget Officer: Qamer Yasin	£	£	£	£	
<b>EXPENDITURE</b>					
Employees	401,860	419,860	490,650	445,080	1
Transport related	1,712	1,680	1,250	970	
Supplies & Services	114,164	121,620	137,490	131,520	2
Step by Step	40,642	27,400	40,640	27,400	3
Rent Deposits	24,970	36,000	36,000	36,000	4
HCC Childs Safeguarding Board	2,494	2,500	2,500	2,500	
Housing Advice Direct Grants	19,954	17,500	20,000	15,000	
Flexible Homeless Cost	-	-	246,610	283,750	5
	605,796	626,560	975,140	942,220	
<b>NON RECURRING ITEMS</b>					
Housing Advice under occupancy scheme	13	-	4,210	-	
	605,809	626,560	979,350	942,220	
<b>INCOME</b>					
Customer Clients and Receipts	(23,673)	(25,000)	(266,610)	(303,750)	5
Other Grants and Contributions	(69,330)	(29,700)	-	-	6
	(93,003)	(54,700)	(266,610)	(303,750)	
<b>NET EXPENDITURE</b>	512,806	571,860	712,740	638,470	

**Notes:**

- 1 2017/18 revised estimates includes a temporary contract that ends March 2018
- 2 2016/17 reduction in Bed and Breakfast costs. Revised 2017/18 and Estimate 2018/19, Bed and breakfast costs include anticipated increases for Severe Weather Emergency protocol as no Winter watch shelter and changes to legislation from April 2018
- 3 2016/17 and revised estimate 2017/18 additional funding agreed to provide help for youth homelessness
- 4 2016/17 reduction in rent deposits as more landlords agreed to be part of the bond scheme.
- 5 In 2017/18 there were changes to the subsidy support that the Rushmoor received for those in temporary accommodation, to cover this the government have provided a grant to support Homelessness costs for 2 years.
- 6 2016/17 all the grant income to support costs for the North Lane lodge was received, any unspent monies were transferred to an earmarked reserve to drawn down against costs in future years

**IMPROVEMENT GRANTS****Service Purpose:**

The provision of funding to vulnerable people who are not able to afford essential repairs and or adaptations to their home.

**Service Activity:**

All cases applying for grants are means tested and funding provided to vulnerable and eligible people. Essential repairs and adaptations (recommended by Social Service Occupational Therapists) are approved where there is a high risk of injury or a person is unable to remain in their home without the necessary work being carried out.

Cost Centre 2404	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: Qamer Yasin</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	124,388	127,060	163,030	169,610
Transport related	1,394	1,310	1,410	1,410
Supplies & Services	5,092	5,100	5,100	5,100
	130,874	133,470	169,540	176,120
<b>INCOME</b>				
Other Grants and Contributions	-	-	(15,000)	(15,000)
<b>NET EXPENDITURE</b>	130,874	133,470	154,540	161,120

**Notes:**

- 1 In 2016/17 funding to support the provision of Housing Improvement Agency services was shown in Housing Strategy. In 2017/18 agreed to employ a member of staff to carry out this work with costs now showing in Improvement grant salary budget with a contribution to cover any additional costs from the Better Care Fund.

**HOUSING STRATEGY****Service Purpose:**

To prepare the Council's Housing Strategy and ensure the delivery of affordable housing.

**Service Activity:**

To prepare and publish a rolling five year Housing and Homelessness Strategy, to keep updated and to monitor delivery of strategy objectives. Work to achieve an average 150 units per year over a rolling 3 year period to deliver affordable housing - including; affordable rented, social rented, market rent, shared ownership and home buy. This will involve providing top up funding to partners to ensure target on delivery of new housing is met.

Cost Centre 2401	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: Qamer Yasin</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	123,650	122,270	123,630	128,350
Transport related	341	260	530	530
Supplies & Services	32,142	22,500	1,300	1,300
	156,133	145,030	125,460	130,180
<b>NET EXPENDITURE</b>	156,133	145,030	125,460	130,180

**Notes:**

- 1 2016/17 additional funding agreed to support the provision of Housing Improvement Agency services. In 2017/18 it was agreed to employ a member of staff to do do this work and the budget is shown in Improvement Grants budget do this work

**HOUSING SUPPORT SERVICE COSTS**

Cost Centre 2405	<b>2016/17 Actual</b>	<b>2017/18 Original Estimate</b>	<b>2017/18 Revised Estimate</b>	<b>2018/19 Estimate</b>
<b>Budget Officer: Qamer Yasin</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>EXPENDITURE</b>				
Employees	23,913	24,130	25,620	26,500
Transport related	147	180	70	70
<b>NET EXPENDITURE (excludes Recharges to Services)</b>	<b>24,060</b>	<b>24,310</b>	<b>25,690</b>	<b>26,570</b>

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## REVENUE BUDGET 2018/19

<b>BUSINESS, SAFETY &amp; REGULATION PORTFOLIO</b>	<b>2016/17 Actual</b>	<b>2017/18 Estimate</b>	<b>2017/18 Revised Estimate</b>	<b>2018/19 Estimate</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>STATUTORY</b>				
Development Management	146,801	316,860	342,460	382,110
Pollution & Environmental Control	262,073	289,070	317,970	319,630
Food Safety	146,047	167,250	163,840	156,610
Health & Safety	119,366	127,180	113,870	121,790
Building Control - non fee earning	94,513	86,520	91,820	95,080
Licensing General	55,463	73,660	82,730	85,700
Hackney Carriages	62,205	70,770	56,040	60,920
Building Control - fee earning	(50,579)	(44,630)	(46,030)	(39,860)
Sub Total	835,889	1,086,680	1,122,700	1,181,980
<b>DISCRETIONARY</b>				
Integrated CCTV	205,792	210,180	214,690	219,460
Public Conveniences	200,172	198,380	181,020	172,030
Economic Development	171,656	174,980	174,270	169,570
Community Patrol Team	200,879	212,380	158,940	166,810
Dog Warden	19,511	22,400	49,710	67,860
Emergency Callout	37,814	33,340	33,550	33,910
Pest Control	26,870	35,200	25,580	24,520
Cemeteries	114,959	85,670	34,910	4,420
Markets & Car Boot Sales	(94,015)	(182,930)	(27,640)	(31,600)
Crematorium	(811,604)	(683,490)	(823,540)	(862,680)
Sub Total	72,034	106,110	21,490	(35,700)
<b>MIXED</b>				
Community Safety	107,443	143,110	144,230	150,120
<b>Total</b>	<b>1,015,366</b>	<b>1,335,900</b>	<b>1,288,420</b>	<b>1,296,400</b>
Business, Safety & Regulation Management Exp	25,593	17,710	19,780	18,530
Business, Safety & Regulation Support Service	356	370	390	410
<b>NET DIRECT COSTS</b>	<b>1,041,315</b>	<b>1,353,980</b>	<b>1,308,590</b>	<b>1,315,340</b>
Support Service Recharges	1,227,826	1,205,970	1,276,620	1,309,360
Capital Accounting Charges	160,956	112,830	103,420	111,030
<b>NET EXPENDITURE</b>	<b>2,430,097</b>	<b>2,672,780</b>	<b>2,688,630</b>	<b>2,735,730</b>

**Notes:**

A budget increase of £58,637 equates to a council tax increase of 1%, equivalent to an increase of £1.93 per year for a Band D property.

Employee costs vary year on year. Common reasons for fluctuations in employee costs are:-

- 1) Pay inflation - the budget assumes that employees will receive a cost of living pay increase of 2% for 2018/19.
- 2) Changes to time allocations. Employee costs are allocated to the service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent.
- 3) Incremental progression within individual employee pay band.
- 4) Vacancies - Actuals and Revised Estimates will reflect any vacancies during the year and are therefore likely to be lower than Original Estimates, which assume that the services are fully staffed.
- 5) Accounting regulations for pension costs. Each year following a valuation provided by our actuaries, it is usual to adjust our forecast pension costs.
- 6) Employers' pension contributions increased from 1st April 2018 following actuarial changes.

**STATUTORY SERVICES****DEVELOPMENT MANAGEMENT****Service Purpose:**

Promote and enable good development in the Borough.

**Service Activity:**

The provision of informal planning advice and the determination of planning applications. The provision of planning enforcement, investigating breaches of planning control and taking appropriate action. Presentation of the Council's submission at appeal.

Cost Centre 2604	2016/17 Actual	2017/18 Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: Keith Holland</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	722,818	725,160	764,180	754,860
Transport Related	2,429	1,920	2,470	2,420
Supplies & Services	15,697	6,890	8,600	6,900
	740,944	733,970	775,250	764,180
<b>INCOME</b>				
Customer and Client Receipts	(594,143)	(417,110)	(432,790)	(382,070)
<b>NET EXPENDITURE</b>	146,801	316,860	342,460	382,110

**Notes:**

- 1 A paper went to Cabinet on 15 November 2016 to seek approval to advertise only regarding what is required. As a result of the approval, the budget required in 2017/18 is significantly less than expenditure in 2016/17.
- 2 The 2016/17 Actuals reflect an increase in income due to some large planning applications being received. However, this is not an increase which can be relied upon year on year and therefore the 2017/18 Estimate did not reflect such an increase. The 2018/19 Estimate has been reduced as a contribution from HCC will no longer be received as the Transportation Officer post no longer exists.



**POLLUTION & ENVIRONMENTAL CONTROL****Service Purpose:**

The service responds to complaints from residents regarding potential nuisance including noise, drainage, odour, smoke, rubbish and unauthorised encampments.

**Service Activity:**

- Response to service requests.
- Air quality measurements in accordance with Government guidance.
- Identification of potential contaminated land and control potentially polluting industries.
- Responsible authority under the Licensing Act 2003 for applications for Premises and Club Premises Licences to ensure that the licensing objective ("Prevention of Public Nuisance") is successfully achieved.
- Working with other statutory agencies; responsibility for surface water drainage and land drainage with the aim of preventing potential flooding.

Cost Centre 2213	2016/17 Actual	2017/18 Estimate	2017/18 Revised Estimate	2018/19 Estimate
Budget Officer: Qamer Yasin	£	£	£	£
<b>EXPENDITURE</b>				
Employees	281,073	303,170	332,900	335,340
Premises Related	138	400	400	400
Transport Related	1,984	2,840	2,720	2,700
Supplies & Services	3,649	8,010	57,730	7,740
	286,844	314,420	393,750	346,180
<b>INCOME</b>				
Customer and Client Receipts	(6,586)	(6,850)	(7,100)	(7,100)
Government Grant	-	-	(50,000)	-
Other Grants & Contributions	(18,185)	(18,500)	(18,680)	(19,450)
	(24,771)	(25,350)	(75,780)	(26,550)
<b>NET EXPENDITURE</b>	262,073	289,070	317,970	319,630

**Notes**

- 1 2017/18 Revised Estimate reflects the expenditure for the Air Quality Feasibility Study on the A331. This expenditure is covered by a grant from DEFRA.

**FOOD SAFETY****Service Purpose:**

To ensure that food and drink on sale for human consumption in the Borough is without risks to the health of the consumer.

**Service Activity:**

Inspection of food premises in accordance with the Food Standards Agency Framework Agreement;  
Maintenance of a 100% level of customer satisfaction with the food safety regulatory service;  
Response to service requests in an appropriate manner, with a same day response to matters of evident concern;  
Support and develop the public health benefits of the National Food Hygiene Rating Scheme.

Cost Centre 2208	2016/17 Actual	2017/18 Estimate	2017/18 Revised Estimate	2018/19 Estimate
Budget Officer: Qamer Yasin	£	£	£	£
<b>EXPENDITURE</b>				
Employees	175,132	177,600	168,120	174,810
Transport Related	882	820	650	670
Supplies & Services	763	2,030	1,500	1,500
	176,777	180,450	170,270	176,980
<b>INCOME</b>				
Customer and Client Receipts	(30,730)	(13,200)	(6,430)	(20,370)
<b>NET EXPENDITURE</b>	146,047	167,250	163,840	156,610

**Notes:**

- 1 Fluctuations due to biennial Air Show food inspections. 2017/18 Revised Estimate onwards reflects the reduction in Health & Safety income generation.

**HEALTH & SAFETY****Service Purpose:**

To ensure the Borough's workplaces are healthy and safe.

**Service Activity:**

Inspection of premises to ensure health and safety standards;

Maintenance of 100% level of customer satisfaction with the food safety regulatory service;

Response to service requests (e.g. accidents, notifications, complaints and requests for assistance);

Maximisation of public health benefits arising from the Rushmoor Health and Wellbeing Partnership.

Cost Centre 2206	2016/17 Actual	2017/18 Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: Qamer Yasin</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	130,445	134,720	120,990	126,870
Transport Related	810	780	570	570
Supplies & Services	2,733	3,080	2,810	2,850
	133,988	138,580	124,370	130,290
<b>INCOME</b>				
Customer & Client Receipts	(14,622)	(11,400)	(10,500)	(8,500)
<b>NET EXPENDITURE</b>	119,366	127,180	113,870	121,790

**BUILDING CONTROL - NON FEE EARNING****Service Purpose:**

Ensure the safe condition of buildings and structures in the Borough.

**Service Activity:**

The provision of advice on building regulations, demolition licences, dangerous structures and street naming and numbering within the Borough.

Cost Centre 2601	2016/17 Actual	2017/18 Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: Martin Hobley</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	151,279	89,220	92,760	96,040
Transport Related	1,512	930	1,060	1,060
Supplies & Services	-	1,000	1,000	1,000
	152,791	91,150	94,820	98,100
<b>INCOME</b>				
Customer and Client Receipts	(58,278)	(4,630)	(3,000)	(3,020)
<b>NET EXPENDITURE</b>	94,513	86,520	91,820	95,080

**Notes:**

1 2016/17 Actuals includes the full cost of the Non Fee Earning element of the Shared Building Control Service.

For 2017/18 onwards, the budget has been separated out to exclude Hart District Council's share of the costs and as such their contribution to such costs.

**LICENSING GENERAL****Service Purpose:**

To enable good business through the administration and enforcement of the Council's principal licensing functions concerning regulated entertainments, late night refreshments, liquor, gaming, lotteries, street trading consents, tables and chairs, charitable collections and sex establishments.

**Service Activity:**

Consultation with key agencies, to ensure the fair and efficient determination of relevant licensing applications, including conducting hearings where appropriate. Inspection of licensed premises and resolution of problems arising from and in connection with licensed premises activities.

Cost Centre 2211	2016/17 Actual	2017/18 Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: John McNab</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	164,237	166,000	170,310	174,490
Transport Related	709	750	610	630
Supplies & Services	1,019	3,490	4,970	5,070
	165,965	170,240	175,890	180,190
<b>INCOME</b>				
Customer and Client Receipts	(110,502)	(96,580)	(93,160)	(94,490)
<b>NET EXPENDITURE</b>	55,463	73,660	82,730	85,700

**Notes:**

1 Additional income received in 2016/17 mainly from premises licences.

**TAXI LICENSING****Service Purpose:**

To enable good business by providing quality, timely and value for money taxi licensing and regulatory services that reasonably ensure the safety and protection of both the public and other road users and provides for a suitable, good quality and efficient public transportation service for all.

**Service Activity:**

Processing of licence applications and supervision of hackney carriage and private hire drivers, vehicles and operators; inclusive of carrying out Criminal Records, DVLA and medical checks. Other documentation (e.g. insurance) checks. Carrying out Council tests and inspection of licensed vehicles.

Cost Centre 2218	2016/17 Actual	2017/18 Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: Qamer Yasin</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	128,332	131,310	122,080	125,730
Transport Related	309	400	370	380
Supplies & Services	14,992	11,000	10,550	10,550
	143,633	142,710	133,000	136,660
<b>INCOME</b>				
Customer and Client Receipts	(81,428)	(71,940)	(76,960)	(75,740)
<b>NET EXPENDITURE</b>	62,205	70,770	56,040	60,920

**Notes**

1 Fluctuations mainly due to driver licence fees, CRB deposits (offset by additional expenditure), vehicle plate income and knowledge tests.

**BUILDING CONTROL - FEE EARNING****Service Purpose:**

Ensure the safe construction of buildings and structures in the Borough.

**Service Activity:**

The determination of applications under the building regulations. Inspection and liaison with builders and developers.

Cost Centre 2608	2016/17 Actual	2017/18 Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: Martin Hobley</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	293,972	163,620	166,460	172,620
Transport Related	4,179	2,450	2,770	2,770
Supplies & Services	5,008	4,850	3,400	3,460
	303,159	170,920	172,630	178,850
<b>INCOME</b>				
Customer and Client Receipts	(353,738)	(215,550)	(218,660)	(218,710)
<b>NET EXPENDITURE</b>	(50,579)	(44,630)	(46,030)	(39,860)

**Notes:**

- 1 2016/17 Actuals includes the full cost of the Fee Earning element of the Shared Building Control Service. For 2017/18 onwards, the budget has been separated out to exclude Hart District Council's share of the costs and as such their contribution to such costs.

**DISCRETIONARY SERVICES****INTEGRATED CCTV****Service Purpose:**

To help prevent and deter crime and disorder and reduce the fear of crime.

**Service Activity:**

Provide a joint Hart and Rushmoor CCTV service, consisting of a control room and 115 CCTV cameras, to monitor activity in town centres and parks and open spaces in both local authority areas. The main functions are to reduce the fear of crime, deter crime and anti-social behaviour, assist the police in identifying and prosecuting offenders, help protect Council property, provide a link for both Councils' out of hours service and to assist in civil emergencies.

Cost Centre 2246	2016/17 Actual	2017/18 Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: Qamer Yasin</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	136,726	150,240	155,010	163,890
Supplies & Services	84,426	73,190	73,590	70,040
	221,152	223,430	228,600	233,930
<b>INCOME</b>				
Other Grants and Contributions	(15,360)	(13,250)	(13,910)	(14,470)
<b>NET EXPENDITURE</b>	205,792	210,180	214,690	219,460

**Notes:**

- 1 2016/17 Actual includes the purchase and installation cost of 2 replacement CCTV cameras and additional equipment maintenance costs.

**PUBLIC CONVENIENCES****Service Purpose:**

Protecting and sustaining a clean, sustainable and green environment and supporting the local economy by providing a network of public conveniences in town centres and parks.

**Service Activity:**

The service provides and maintains a network of 8 public conveniences, they are cleansed twice daily, opened at approximately 8am and closed at 7pm.

Cost Centre 2555	2016/17 Actual	2017/18 Estimate	2017/18 Revised Estimate	2018/19 Estimate	
<b>Budget Officer: James Duggin</b>	£	£	£	£	
<b>EXPENDITURE</b>					
Employees	7,282	7,520	8,460	9,110	
Premises Related	29,598	23,980	29,860	30,000	1
Transport Related	57	70	70	70	
Supplies & Services	915	1,390	2,040	2,190	
Payment to Contractor	162,320	165,420	140,590	130,660	2
<b>NET EXPENDITURE</b>	200,172	198,380	181,020	172,030	

**Notes:**

1 2017/18 Estimate included a reduction in spend on repairs and maintenance.

2 Fluctuations in the contractor payment following the procurement of the new Waste, Recycling, Cleansing of Streets, Car Parks and Open Spaces, Grounds Maintenance and Public Convenience Cleaning contract which commenced on 31st July 2017.

**ECONOMIC DEVELOPMENT****Service Purpose:**

To work with partners and business to develop and maintain the Borough's economy.

**Service Activity:**

To undertake a wide range of corporate and partnership work supporting and developing the local economy and developing and implementing the Council's economic strategy.

Cost Centre 1413	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate	
<b>Budget Officer: Karen Edwards</b>	£	£	£	£	
<b>EXPENDITURE</b>					
Employees	75,726	90,770	103,370	99,190	
Transport Related	399	1,010	970	980	
Supplies & Services	54,211	42,000	42,000	42,000	1
Direct Grant	29,445	15,000	13,430	12,900	2
Enterprise First	14,500	26,200	14,500	14,500	
	174,281	174,980	174,270	169,570	
<b>INCOME</b>					
Other Grants & Contributions	(2,625)	-	-	-	1
<b>NET EXPENDITURE</b>	171,656	174,980	174,270	169,570	

**Notes:**

1 2016/17 Actuals includes costs for Aldershot High Street Mentor and Farnborough Christmas events together with a contribution towards the Christmas events

2 2016/17 revised estimates include a one off grant for Tech Start

**COMMUNITY PATROL TEAM****Service Purpose:**

Provides a reassuring presence on the streets and in public places - to ensure a 'Safe and Clean environment'. This is achieved by dealing with issues related to environmental crime. Work closely with residents, local groups, neighbourhood watch, ward Councillors to identify issues in their areas and work to resolve them.

**Service Activity:**

Completion of environmental audits to improve the appearance of wards to help to secure safe and clean streets and public places. Investigation and removal of abandoned vehicles, fly tipping, fly posting, graffiti. Enforcement work through Fixed Penalty Notices, Inspections of Parks and Playgrounds. Dealing with parking contraventions during patrols and in response to complaints.

Cost Centre 2228	2016/17 Actual	2017/18 Estimate	2017/18 Revised Estimate	2018/19 Estimate
Budget Officer: Qamer Yasin	£	£	£	£
<b>EXPENDITURE</b>				
Employees	181,441	190,140	136,910	144,640
Transport Related	15,882	18,660	18,570	18,580
Supplies & Services	4,776	5,080	4,960	5,090
	202,099	213,880	160,440	168,310
<b>INCOME</b>				
Customer and Client Receipts	(1,220)	(1,500)	(1,500)	(1,500)
<b>NET EXPENDITURE</b>	200,879	212,380	158,940	166,810

Notes

1 Corresponding salary allocation change is shown in the Dog Warden Cost Centre

**DOG WARDEN****Service Purpose:**

To enforce legislation for the control of dogs and dog-related problems and promote responsible dog ownership.

**Service Activity:**

Collection of stray dogs; provision of an out of hours service; response to residents' queries regarding fouling and stray dogs.

Cost Centre 2204	2016/17 Actual	2017/18 Estimate	2017/18 Revised Estimate	2018/19 Estimate
Budget Officer: Qamer Yasin	£	£	£	£
<b>EXPENDITURE</b>				
Employees	7,891	8,250	35,360	53,560
Transport Related	3,182	3,670	3,870	3,850
Supplies & Services	10,814	13,010	13,010	12,910
	21,887	24,930	52,240	70,320
<b>INCOME</b>				
Customer and Client Receipts	(2,376)	(2,530)	(2,530)	(2,460)
<b>NET EXPENDITURE</b>	19,511	22,400	49,710	67,860

Notes

1 Corresponding salary allocation change is shown in the Community Patrol Team Cost Centre

**EMERGENCY CALLOUT****Service Purpose:**

Corporate out of hours response service provided to cover all service areas where an emergency response may be required.

**Service Activity:**

Provision of an out of hours service between 17:00hrs (16:30 Friday) and 8:30hrs the following day, all day Saturday and Sunday and Bank Holidays. Response to complaints such as noise, alarms, drainage, flooding and civil emergencies.

Cost Centre 2207	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
Budget Officer: Qamer Yasin	£	£	£	£
<b>EXPENDITURE</b>				
Employees	37,716	33,190	33,350	33,410
Supplies & Services	98	150	200	500
<b>NET EXPENDITURE</b>	<b>37,814</b>	<b>33,340</b>	<b>33,550</b>	<b>33,910</b>

**PEST CONTROL****Service Purpose:**

A Pest Control Service, covering rats and mice, provided for residents and businesses on request, including both treatment and advice.

**Service Activity:**

This service is currently contracted out; pest infestations and issues are investigated and resolved.

Cost Centre 2212	2016/17 Actual	2017/18 Estimate	2017/18 Revised Estimate	2018/19 Estimate
Budget Officer: Colin Alborough	£	£	£	£
<b>EXPENDITURE</b>				
Employees	14,613	15,100	5,480	3,600
Supplies & Services	-	100	100	100
Third Party Payments	12,257	20,000	20,000	20,820
	26,870	35,200	25,580	24,520
<b>INCOME</b>				
Customer and Client Receipts	-	-	-	-
<b>NET EXPENDITURE</b>	<b>26,870</b>	<b>35,200</b>	<b>25,580</b>	<b>24,520</b>

## Notes

- 1 Original Contract expired during 2016/17, the Council now have an annual fixed fee contract for 2017/18 and 2018/19

**CEMETERIES****Service Purpose:**

To provide a dignified and personal bereavement service.

**Service Activity:**

The provision of a cemeteries service to residents and others, which offers individual attention, reverence and respect and which recognises individual cultural requirements. This is achieved through the management of the Borough's three cemeteries.

Cost Centre 2550	2016/17 Actual	2017/18 Estimate	2017/18 Revised Estimate	2018/19 Estimate	
<b>Budget Officer: Ashley Sharpe</b>	£	£	£	£	
<b>EXPENDITURE</b>					
Employees	26,407	23,210	26,620	27,780	1
Premises Related	29,890	16,040	16,850	17,690	
Transport Related	53	70	70	70	
Supplies & Services	15,020	17,550	17,500	17,610	
Payment to Contractor	205,833	206,700	151,770	126,230	2
	277,203	263,570	212,810	189,380	
<b>INCOME</b>					
Customer and Client Receipts	(162,244)	(177,900)	(177,900)	(184,960)	3
<b>NET EXPENDITURE</b>	114,959	85,670	34,910	4,420	

**Notes:**

- 1 2016/17 Actual included additional costs for Victoria Road cemetery chapel
- 2 Fluctuations in the contractor payment following the procurement of the new Waste, Recycling, Cleansing of Streets, car parks and open spaces, Grounds Maintenance and Public Convenience Cleaning contract which commenced on 31st July 2017.
- 3 2016/17 Actual reflects a shortfall in grave sales income

**MARKETS & CAR BOOT SALES****Service Purpose:**

To manage markets and car boot sales to enhance the town centre offering.

**Service Activity:**

Manage the set up, safety and inspection of markets and car boot sales, and collect rent and entrance fees.

Cost Centre 2565	2016/17 Actual	2017/18 Estimate	2017/18 Revised Estimate	2018/19 Estimate	
<b>Budget Officer: John Trusler</b>	£	£	£	£	
<b>EXPENDITURE</b>					
Employees	41,351	66,750	70,830	70,800	1
Transport Related	669	-	2,980	2,980	
Premises Related	35,417	35,180	43,520	41,100	2
Supplies & Services	10,028	10,140	9,660	9,660	
	87,465	112,070	126,990	124,540	
<b>INCOME</b>					
Customer and Client Receipts	(181,480)	(295,000)	(154,630)	(156,140)	3
<b>NET EXPENDITURE</b>	(94,015)	(182,930)	(27,640)	(31,600)	

**Notes:**

- 1 2017/18 Estimate onwards includes an increase in casual staffing costs to cover Health & Safety and security as we have moved from 2 market days to 4 market days per week.
- 2 2017/18 Revised Estimate includes increased costs for trade refuse.
- 3 2017/18 Estimate included the original income projections for the markets and car boot sales when we took the service back in-house in 2015, since then there has been a downturn in market and car boot income which is reflected in the 2017/18 Revised Estimate onwards.



**CREMATORIUM****Service Purpose:**

To provide a dignified and personal bereavement service.

**Service Activity:**

The provision of a bereavement service that offers individual attention, reverence and respect whilst recognising cultural requirements. Provision of memorials that offer a wide variety of opportunities in which to remember loved ones.

Cost Centre 2551	2016/17 Actual	2017/18 Estimate	2017/18 Revised Estimate	2018/19 Estimate	
Budget Officer: Ashley Sharpe	£	£	£	£	
<b>EXPENDITURE</b>					
Employees	307,443	250,500	369,750	397,010	1
Premises Related	116,614	164,350	148,950	150,950	2
Transport Related	370	470	470	470	
Supplies & Services	173,284	214,000	157,280	151,700	3
Payment to Contractor	119,792	121,800	71,570	48,810	4
	717,503	751,120	748,020	748,940	
<b>INCOME</b>					
Customer and Client Receipts	(1,529,107)	(1,434,610)	(1,571,560)	(1,611,620)	5
<b>NET EXPENDITURE</b>	<b>(811,604)</b>	<b>(683,490)</b>	<b>(823,540)</b>	<b>(862,680)</b>	

**Notes:**

- 1 2016/17 Actual & 2017/18 Revised Estimate onwards reflects the movement of previously categorised supplies and services expenditure into the Employee expenditure category.
- 2 2016/17 Actual includes an underspend on utility costs which are reflected into 2017/18 Revised Estimate onwards. 2017/18 Estimate onwards includes an increase in the Non Domestic Rates cost.
- 3 2016/17 Actual & 2017/18 Revised Estimate onwards includes the movement of previously categorised supplies and services expenditure into the Employee expenditure category. 2016/17 Actual also includes underspends on tree maintenance, ministers fees and operational equipment.
- 4 Fluctuations in the contractor payment following the procurement of the new Waste, Recycling, Cleansing of Streets, car parks and open spaces, Grounds Maintenance and Public Convenience Cleaning contract which commenced on 31st July 2017.
- 5 2016/17 Includes an increase in the number of cremations, the increase in number of cremations and the increase in fees and charges has been relected into 2017/18 Revised Estimate onwards.

**MIXED SERVICES****COMMUNITY SAFETY**

On 1st November 2012 Rushmoor Borough Council entered into a jointly controlled operation with the Borough Council of Basingstoke and Deane and Hart District Council to deliver a shared community safety service. Rushmoor Borough Council's element of the shared community safety service costs are shown below.

**Service Purpose:**

Work in partnership to reduce crime, disorder, anti-social behaviour and the fear of crime .

**Service Activity:**

Work with partners including the Police, Hampshire Fire & Rescue Service, Clinical Commissioning Groups, Probation services, HCC Youth Offending Team and Housing Associations to tackle Crime and Disorder and ASB. Take a lead role in the Rushmoor Community Safety Partnership tackling issues of domestic violence, substance misuse (drugs and alcohol), violent crime arising from the night time economy and acquisitive crimes such as burglary and theft.

Cost Centre 2547	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
Budget Officer: Caroline Ryan	£	£	£	£
<b>EXPENDITURE</b>				
Employees	106,416	125,690	129,770	132,090
Premises Related	4,344	7,500	4,330	7,840
Transport Related	952	1,900	2,120	2,180
Supplies & Services	8,531	19,480	19,470	19,470
	120,243	154,570	155,690	161,580
<b>INCOME</b>				
Other Grants and Contributions	(12,800)	(11,460)	(11,460)	(11,460)
<b>NET EXPENDITURE</b>	107,443	143,110	144,230	150,120

**Notes:**

- 1 2016/17 Actual reflects underspends on signage, alcohol awareness programme cost to the Council, promotions and publicity & advertising

**BUSINESS, SAFETY & REGULATION MANAGEMENT EXPENSES**

The following cost centres collect the management expenses involved in running the services within the portfolio. They are recharged to other Direct and Support cost centres.

<b>BUSINESS, SAFETY &amp; REGULATION MANAGEMENT EXPENSES SUMMARY</b>	<b>2016/17 Actual</b>	<b>2017/18 Original Estimate</b>	<b>2017/18 Revised Estimate</b>	<b>2018/19 Estimate</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>NET EXPENDITURE</b>				
Development Control Management	16,696	10,290	12,600	11,350
Building Control Management	15,878	7,420	7,180	7,180
	32,573	17,710	19,780	18,530
<b>INCOME</b>				
Customer and Client Receipts	(6,980)	-		
<b>NET EXPENDITURE (excludes Recharges to Services)</b>	25,593	17,710	19,780	18,530
<b>Recharges to Services</b>				
Allocated to Services	(25,593)	(17,710)	(19,780)	(18,530)
<b>Net Under/(Over) Recovery</b>	-	-	-	-

**BUSINESS, SAFETY & REGULATION SUPPORT SERVICES****BUILDING CONTROL**

Business, Safety & Regulation Support Service

Cost Centre 2616	<b>2016/17 Actual</b>	<b>2017/18 Estimate</b>	<b>2017/18 Revised Estimate</b>	<b>2018/19 Estimate</b>
<b>Budget Officer: Keith Holland</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>EXPENDITURE</b>				
Employees	356	370	390	410
<b>NET EXPENDITURE (excludes Recharges to</b>	356	370	390	410

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## REVENUE BUDGET 2018/19

LEISURE AND YOUTH PORTFOLIO	2016/17 Actual	2017/18 Estimate	2017/18 Revised Estimate	2018/19 Estimate
	£	£	£	£
<b>DISCRETIONARY</b>				
Grounds Maintenance Contracts	692,867	715,170	655,230	612,520
Community Leisure	402,445	451,890	439,500	358,140
Aldershot Indoor Pools	313,900	345,510	329,240	339,880
Farnborough Leisure Centre	252,064	289,610	260,850	266,610
Princes Hall	81,730	257,000	197,530	217,090
Aldershot Lido	125,479	159,320	158,640	164,170
Tourism	76,950	77,140	77,390	77,630
Southwood Golf Course	48,236	48,300	58,790	49,820
Town Twinning	35,387	35,850	37,820	39,220
Blackwater Valley Project	21,606	21,710	21,930	22,080
Special Events	17,820	9,960	19,860	11,270
Public Halls & Community Centres	6,125	10,860	3,280	8,480
Community Schools	9,656	3,760	3,460	4,080
Rushmoor in Bloom	(2,759)	(1,190)	(610)	(1,060)
Gymnastics Academy	(13,895)	(13,950)	(13,950)	(13,930)
Alpine Snow Sports, Aldershot	(29,571)	(21,180)	(20,920)	(20,610)
Sub Total	2,038,040	2,389,760	2,228,040	2,135,390
<b>MIXED</b>				
Parks & Recreation Grounds	24,128	327,570	154,050	335,410
Allotments	10,523	9,590	14,270	13,350
Sub Total	34,651	337,160	168,320	348,760
<b>Total</b>	<b>2,072,691</b>	<b>2,726,920</b>	<b>2,396,360</b>	<b>2,484,150</b>
Leisure & Youth Management Expenses	30,791	33,230	33,180	33,180
Leisure & Youth Support Services	27,676	28,660	16,850	30,530
<b>NET DIRECT COSTS</b>	<b>2,131,158</b>	<b>2,788,810</b>	<b>2,446,390</b>	<b>2,547,860</b>
Support Service Recharges	627,373	612,650	617,520	614,530
Capital Accounting Charges	520,669	1,045,750	731,190	785,410
<b>NET EXPENDITURE</b>	<b>3,279,200</b>	<b>4,447,210</b>	<b>3,795,100</b>	<b>3,947,800</b>

**Notes:**

A budget increase of £58,637 equates to a council tax increase of 1%, equivalent to an increase of £1.93 per year for a Band D property.

Employee costs vary year on year. Common reasons for fluctuations in employee costs are:-

- 1) Pay inflation - the budget assumes that employees will receive a cost of living pay increase of 2% for 2018/19.
- 2) Changes to time allocations. Employee costs are allocated to the service(s) where staff spend their time. Each year time allocations are reviewed and amended to reflect any changes in the way time is spent.
- 3) Incremental progression within individual employee pay band.
- 4) Vacancies - Actuals and Revised Estimates will reflect any vacancies during the year and are therefore likely to be lower than Original Estimates, which assume that the services are fully staffed.
- 5) Accounting regulations for pension costs. Each year following a valuation provided by our actuaries, it is usual to adjust our forecast pension costs.
- 6) Employers' pension contributions increased from 1st April 2018 following actuarial changes.

**DISCRETIONARY SERVICES****GROUNDS MAINTENANCE CONTRACTS****Service Purpose:**

To maintain Council owned property and promote pride of place by provision of quality, value for money services which greatly contribute to making Rushmoor a place our communities want to live and work in.

**Service Activity:**

Provision of quality services to maintain the grounds of the Borough's parks, recreation grounds, gardens, open spaces and sports pitches/facilities by cutting grass, pruning/weeding shrub beds, rose beds, hedges and planting flower beds etc. to ensure the Borough appears clean, bright and attractive.

Cost Centre 2552	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
Budget Officer: Andy Ford	£	£	£	£
<b>EXPENDITURE</b>				
Employees	8,487	11,630	9,040	9,510
Premises Related	44,170	44,990	64,990	75,440
Transport Related	6	80	80	80
Supplies & Services	0	2,350	2,350	2,350
Payment to Contractor	637,225	673,940	595,510	559,840
	689,888	732,990	671,970	647,220
<b>NON RECURRING ITEMS</b>				
Service Transformation and Service Review (funded by Service Improvement Fund)	5,696	-	-	-
Procurement support for major contract review (funded by Service Improvements Fund)	14,028	-	-	-
	709,612	732,990	671,970	647,220
<b>INCOME</b>				
Other Grants & Contributions	(16,745)	(17,820)	(16,740)	(20,450)
Customer & Client Receipts	-	-	-	(14,250)
	(16,745)	(17,820)	(16,740)	(34,700)
<b>NET EXPENDITURE</b>	692,867	715,170	655,230	612,520

**Notes:**

- 1 2017/18 Revised Estimate onwards includes the Non Domestic Rates costs for The Grove and Manor Park nursery/depot which the Council is now responsible for under the new Waste, Recycling, Cleansing of Streets, car parks and open spaces, Grounds Maintenance and Public Convenience Cleaning contract which commenced on 31st July 2017.
- 2 Fluctuations in the contractor payment following the procurement of the new Waste, Recycling, Cleansing of Streets, car parks and open spaces, Grounds Maintenance and Public Convenience Cleaning contract which commenced on 31st July 2017.
- 3 2018/19 Estimate Onwards includes the Council's income from the Contractor for commercial activities

**COMMUNITY LEISURE****Service Purpose:**

Provision of a community leisure programme.

**Service Activity:**

Provision of health programmes and play activities.

Cost Centre 2508	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate	
Budget Officer: Peter Amies	£	£	£	£	
<b>EXPENDITURE</b>					
Employees	387,955	437,340	401,050	330,930	1
Transport Related	2,652	4,260	2,660	1,960	
Supplies & Services	20,867	29,380	25,680	15,140	2
Transfer Payments	24,206	14,610	14,610	14,610	3
	435,680	485,590	444,000	362,640	
<b>INCOME</b>					
Customer and Client Receipts	(33,235)	(33,700)	(4,500)	(4,500)	1
<b>NET EXPENDITURE</b>	402,445	451,890	439,500	358,140	

**Notes:**

- 1 From 2017/18 onwards cost and income from the provision of the playschemes has moved to the Alderwood Leisure Centre.
- 2 Fluctuations in expenditure mainly due to spend on projects such as programmes for integrating Nepalese community within the wider community and other developing our communities activities and projects. This expenditure is either funded from grants and external contributions.
- 3 2016/17 Actual cost reflects the final year of the Disabled Go Access Guide and other community grants agreed in year.

**ALDERSHOT INDOOR POOLS****Service Purpose:**

To provide and maintain swimming pool and fitness room facilities through a leisure management contract.

**Service Activity:**

25m main pool, 12m teaching pool, 50+ station fitness gym, office accommodation and changing rooms.

Cost Centre 2558	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
Budget Officer: Ashley Sharpe	£	£	£	£
<b>EXPENDITURE</b>				
Employees	10,386	10,800	11,220	11,960
Transport Related	11	20	20	20
Premises Related	17,819	19,320	19,320	19,320
Supplies & Services	27,689	30,950	25,660	26,670
Payment to Contractor	257,995	284,420	273,020	281,910
<b>NET EXPENDITURE</b>	313,900	345,510	329,240	339,880

**Notes:**

1 Fluctuations to the insurance costs.

2 2016/17 Actual reflects a reduction in the contractual energy payment.

**FARNBOROUGH LEISURE CENTRE****Service Purpose:**

To provide and maintain a multi purpose leisure centre through a leisure management contract.

**Service Activity:**

33.3m main pool, 12.8m teaching pool, 100+ station fitness gym, cafeteria, 4x squash courts, 10 lane ten pin bowling, sauna and steam rooms, crèche, soft play area, 10 court sports hall, 6 lane indoor bowls green, meeting rooms, treatment rooms, office accommodation, multi activity rooms and dance studios.

Cost Centre 2560	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
Budget Officer: Ashley Sharpe	£	£	£	£
<b>EXPENDITURE</b>				
Employees	19,108	19,910	20,810	22,110
Premises Related	33,868	34,630	34,630	34,630
Transport Related	25	30	30	30
Supplies & Services	83,807	95,840	78,050	81,620
Payment to Contractor	123,701	139,200	127,330	128,220
	260,509	289,610	260,850	266,610
<b>INCOME</b>				
Profit Share	(8,445)	-	-	-
<b>NET EXPENDITURE</b>	252,064	289,610	260,850	266,610

**Notes**

1 Fluctuations to the insurance costs.

2 2016/17 Actual reflects a reduction in the contractual energy payment. 2017/18 Revised Estimate onwards reflect the reduction in the Booking Service contract payment to the Leisure contractor as the booking of pitches has moved to the Grounds Maintenance contractor.

3 2016/17 includes payment for the profit share arrangement for 2016/17 & 2015/16.



**PRINCES HALL****Service Purpose:**

Provide multi-purpose entertainment centre for residents.

**Service Activity:**

595 seat auditorium and three function rooms, hosting professional and amateur shows, meetings, parties, workshops, wedding receptions, etc.

Cost Centre 2518	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: David Phillips</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	410,369	440,650	447,830	481,970
Premises Related	137,375	147,670	147,850	131,130
Transport Related	263	260	240	230
Supplies & Services	473,822	475,520	476,410	481,560
	1,021,829	1,064,100	1,072,330	1,094,890
<b>INCOME</b>				
Customer and Client Receipts	(940,099)	(807,100)	(874,800)	(877,800)
<b>NET EXPENDITURE</b>	81,730	257,000	197,530	217,090

**Notes:**

1 2016/17 Actual includes fluctuations in heating costs, which is reflected in the 2018/19 Estimate

2 2016/17 Actual includes increased income from merchandising, refreshments, lettings, and ticket sales, The increase in income is reflected into the 2017/18 Revised Estimate onwards.

**ALDERSHOT LIDO****Service Purpose:**

To provide and maintain an outdoor Lido through a leisure management contract.

**Service Activity:**

Large outdoor Lido with 3 flumes, changing rooms, catering outlet, extensive open space, 2x all weather floodlit football pitches, coach and car parking for 180 vehicles.

Cost Centre 2559	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
Budget Officer: Ashley Sharpe	£	£	£	£
<b>EXPENDITURE</b>				
Employees	7,600	7,880	8,140	8,680
Premises Related	9,575	9,440	9,440	9,440
Transport Related	5	10	10	10
Supplies & Services	11,306	12,980	17,250	18,190
Payment to Contractor	116,993	129,010	123,800	127,850
	145,479	159,320	158,640	164,170
<b>NON RECURRING ITEMS</b>				
Profit share	(20,000)	-	-	-
<b>NET EXPENDITURE</b>	125,479	159,320	158,640	164,170

Notes:

1 2016/17 Actual reflects a reduction in the contractual energy payment.

2 2016/17 Actual includes the Lido initiatives profit share/loss agreement.

**TOURISM****Service Purpose:**

Promote tourism in the Borough.

**Service Activity:**

Grants to Aldershot Military Museum and Basingstoke Canal Management Committee.

Cost Centre 2523	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
Budget Officer: Peter Amies	£	£	£	£
<b>EXPENDITURE</b>				
Employees	5,092	5,260	5,510	5,750
Aldershot Military Museum Joint Mgmt Agreement	29,612	29,630	29,630	29,630
Basingstoke Canal Management Committee	42,246	42,250	42,250	42,250
<b>NET EXPENDITURE</b>	76,950	77,140	77,390	77,630

**SOUTHWOOD GOLF COURSE****Service Purpose:**

To provide and maintain a public golf course through a management contract.

**Service Activity:**

18 hole golf course, putting green, practice hole, spare hole, chipping green, practice area, clubhouse, pro shop, bungalow, maintenance buildings, car park.

Cost Centre 2561	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: Ashley Sharpe</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	9,194	9,540	10,070	10,600
Premises Related	39,071	37,690	37,720	38,170
Transport Related	11	10	10	10
Supplies & Services	1,150	2,250	12,180	2,230
	49,426	49,490	59,980	51,010
<b>INCOME</b>				
Other Grants & Contributions	(1,190)	(1,190)	(1,190)	(1,190)
<b>NET EXPENDITURE</b>	48,236	48,300	58,790	49,820

In December 2017 the Cabinet agreed that the golf course should close and the land be converted into new natural open parkland which would provide Suitable Alternative Natural Greenspace, to enable new homes to continue to be built in the borough and the town centres to be regenerated.

A management plan is being developed and the Chief Executive was delegated authority to decide the closure date for the golf course.

**TOWN TWINNING****Service Purpose:**

To encourage and facilitate educational, cultural and leisure links between Rushmoor organisations and their counterpart organisations in Rushmoor twin towns.

**Service Activity:**

To encourage travel and hosting to Rushmoor clubs, societies and organisations (youth and adult) that wish to have links in Rushmoor twin towns. The Twinning Association itself is required to organise and represent the Borough in various annual events, both in Rushmoor and twin towns.

Cost Centre 2531	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: Peter Amies</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	34,276	35,030	37,300	38,700
Transport Related	863	820	520	520
Supplies & Services	248	-	-	-
<b>NET EXPENDITURE</b>	35,387	35,850	37,820	39,220

**BLACKWATER VALLEY PROJECT****Service Purpose:**

To manage, maintain and improve the environment of the Blackwater Valley and enable recreational access for the benefit of the local community.

**Service Activity:**

To provide a local Countryside Service and volunteer worker co-ordination within the Borough. To contribute to the cost of the service along with other sponsor authorities to enable access to the countryside via a long distance footpath (green corridor), maintain/protect the environment of the valley for both Community benefit and nature conservation. To lead with land reclamation projects such as renewal of old gravel pits to nature rich areas (reserves) and Suitable Alternative Natural Green Space (SANGS) management within the Borough.

Cost Centre 2525	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: Peter Amies</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	4,092	4,190	4,410	4,560
Transport Related	14	20	20	20
Contribution to Service	17,500	17,500	17,500	17,500
<b>NET EXPENDITURE</b>	21,606	21,710	21,930	22,080

**SPECIAL EVENTS****Service Purpose:**

To support and promote various community events within the Borough.

**Service Activity:**

Includes Annual Fireworks display, Victoria Day, Junior Citizen's event and various voluntary events.

Cost Centre 2533	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: Peter Amies</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	7,686	7,940	8,340	8,750
Fireworks	21,900	39,320	23,770	39,320
Victoria Day	2,984	2,000	2,500	2,500
	32,570	49,260	34,610	50,570
<b>INCOME</b>				
Customer and Client Receipts	(14,750)	(39,300)	(14,750)	(39,300)
<b>NET EXPENDITURE</b>	17,820	9,960	19,860	11,270

**Notes:**

- 1 2016/17 Actual and 2017/18 Revised Estimate reflects the changes made for the November 2016 & November 2017 Fireworks event which was scaled back in size, offered free to the public and partially funded through sponsorship and concessions income.

**PUBLIC HALLS & COMMUNITY CENTRES****Service Purpose:**

To provide facilities for educational, recreational, arts and social opportunities.

**Service Activity:**

Facilities provided at Farnborough Community Centre, Prospect Centre, Southwood Community Centre, Blunden Hall and Beaumont Guardrooms.

Cost Centre 2505/6/7/11/15/16/26/48	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: P Amies/D Phillips</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	12,951	13,180	16,900	13,910
Transport Related Expenses	26	20	20	20
Premises Related	74,216	75,230	77,140	75,760
Supplies & Services	3,090	5,220	4,150	4,340
Grants & Contributions	16,500	16,500	6,000	16,500
	106,783	110,150	104,210	110,530
<b>INCOME</b>				
Customer and Client Receipts	(100,658)	(99,290)	(100,930)	(102,050)
<b>NET EXPENDITURE</b>	6,125	10,860	3,280	8,480

**Notes:**

- 1 2017/18 Revised Estimate reflects a reduction in expenditure as the Prospect Community Centre is being managed in-house as a trial arrangement.

**COMMUNITY SCHOOLS****Service Purpose:**

Provision of Connaught Leisure Centre.

**Service Activity:**

Provide and maintain the service in partnership with Hampshire County Council for educational, recreational, cultural and social opportunities.

Cost Centre 2528	2016/17 Actual	2017/18 Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: Peter Amies</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	3,576	3,760	3,460	4,080
Supplies & Services	6,080	-	-	-
<b>NET EXPENDITURE</b>	9,656	3,760	3,460	4,080

**Notes:**

- 1 2017/18 Estimate onwards reflects the grant funding being removed which coincides with changes in operating hours

**RUSHMOOR IN BLOOM****Service Purpose:**

Promote and enable civic pride and encourage participation.

**Service Activity:**

To promote and develop an environmental campaign to include community gardening and planting projects, litter picking events, local gardening competition, allotment competition and school gardening and painting competition. Enable residents and business to be active in improving their communities.

Cost Centre 2529	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
Budget Officer: Andy Ford	£	£	£	£
<b>EXPENDITURE</b>				
Employees	7,965	8,170	8,630	8,950
Premises Related	4,283	3,420	3,540	2,770
Transport Related	18	50	50	50
Supplies & Services	3,447	5,500	5,500	5,500
	15,713	17,140	17,720	17,270
<b>INCOME</b>				
Other Grants and Contributions	(18,472)	(18,330)	(18,330)	(18,330)
<b>NET EXPENDITURE</b>	(2,759)	(1,190)	(610)	(1,060)

**GYMNASTICS ACADEMY****Service Purpose:**

Support the health and fitness of residents and other users.

**Service Activity:**

Leasing of accommodation to the independent gymnastics academy.

Cost Centre 2514	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
Budget Officer: Peter Amies	£	£	£	£
<b>EXPENDITURE</b>				
Employees	905	850	850	870
	905	850	850	870
<b>INCOME</b>				
Customer and Client Receipts	(14,800)	(14,800)	(14,800)	(14,800)
<b>NET EXPENDITURE</b>	(13,895)	(13,950)	(13,950)	(13,930)

**ALPINE SNOW SPORTS, ALDERSHOT****Service Purpose:**

To provide and maintain a ski centre through a management contract.

**Service Activity:**

3 dry ski slopes, mist lubrication system, ski lifts and tows, floodlighting, main building inc. office accommodation, bar and cafeteria, function area, maintenance workshop, chalet building and car park.

Cost Centre 2503	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: David Phillips</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	5,094	5,310	5,570	5,880
Premises Related	1,500	1,000	1,000	1,000
Transport Related	7	10	10	10
	6,601	6,320	6,580	6,890
<b>INCOME</b>				
Customer and Client Receipts	(36,172)	(27,500)	(27,500)	(27,500)
<b>NET EXPENDITURE</b>	(29,571)	(21,180)	(20,920)	(20,610)

**Notes:**

1 2016/17 Actual includes additional profit share income.

**MIXED SERVICES****PARKS & RECREATION GROUNDS****Service Purpose:**

To provide parks, open spaces, playgrounds, sports pitches and tree management service.

**Service Activity:**

To manage and maintain green infrastructure to ensure facilities are safe and attractive for all sections of the community. To provide quality inspirational facilities and ensure the legacy of quality provision for future generations.

Cost Centre 2517	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
Budget Officer: Andy Ford	£	£	£	£
<b>EXPENDITURE</b>				
Employees	116,807	119,950	126,300	131,090
Premises Related	141,424	147,570	141,050	141,370
Transport Related	403	940	790	790
Supplies & Services	235,597	226,160	235,640	225,170
Third Party Payment	12,000	12,000	12,000	12,000
	506,231	506,620	515,780	510,420
<b>INCOME</b>				
Customer and Client Receipts	(478,570)	(175,330)	(358,010)	(171,210)
Other Grants & Contributions	(3,533)	(3,720)	(3,720)	(3,800)
	(482,103)	(179,050)	(361,730)	(175,010)
<b>NET EXPENDITURE</b>	24,128	327,570	154,050	335,410

**Notes:**

- 1 2016/17 Actual includes additional spend on one-off revenue projects funded by developers contributions.  
2017/18 Revised Estimate includes the additional one-cost for the removal of poplar trees
- 2 2016/17 Actual and 2017/18 Revised Estimate include developer contributions, which if not used in year are transferred to an earmarked reserve.



**ALLOTMENTS****Service Purpose:**

To provide and ensure the opportunity for the community to grow their own produce by provision of allotment gardens.

**Service Activity:**

The management and maintenance of affordable allotment land to provide adequate infrastructure to enable letting of plots and receipt of income.

Cost Centre 2502	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: Andy Ford</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	16,478	15,080	15,950	17,200
Premises Related	4,689	7,820	8,750	8,770
Transport Related	288	500	500	500
	21,455	23,400	25,200	26,470
<b>INCOME</b>				
Customer and Client Receipts	(10,932)	(13,810)	(10,930)	(13,120)
<b>NET EXPENDITURE</b>	10,523	9,590	14,270	13,350

**LEISURE & YOUTH MANAGEMENT EXPENSES**

The following cost centre collects the management expenses involved in running the services within the portfolio. They are recharged to other Direct and Support cost centres.

**LEISURE MANAGEMENT**

Cost Centre 2510	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: Peter Amies</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	9,304	9,300	9,100	9,100
Supplies & Services	21,487	23,930	24,080	24,080
	30,791	33,230	33,180	33,180
<b>NET EXPENDITURE (excludes Recharges to Services)</b>	30,791	33,230	33,180	33,180

**LEISURE SUPPORT SERVICES**

Cost Centre 2522	2016/17 Actual	2017/18 Original Estimate	2017/18 Revised Estimate	2018/19 Estimate
<b>Budget Officer: Peter Amies</b>	£	£	£	£
<b>EXPENDITURE</b>				
Employees	27,676	28,000	16,820	30,500
Transport Related	-	660	30	30
<b>NET EXPENDITURE (excludes Recharges to Services)</b>	27,676	28,660	16,850	30,530

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ADDITIONAL ITEMS

Portfolio	Cost Centre	Description	Revised Estimate 2017/18 £	Forecast 2018/19 £	Forecast 2019/20 £
<b><u>Non-Recurring Items</u></b>					
Corporate Services	Civic Ceremonial	Commemorations for the end of WW1 Proposals for a civic reception, a major event on Armed Forces Day and a WW1 end event		8,000	
	HR Support	Budget required to enable delivery of Leadership training programme		15,000	
Environment and Service Delivery	Domestic Refuse	Contribution to temporary workshops	20,000	20,000	
	Other Highway Services	Additional cost to Rushmoor for maintaining the current standard for grass, shrubs and hedges following the reduction in funding by Hampshire County Council		56,000	
	Regeneration Strategy	To put in place internal and external resources to enable the delivery of the Council's Regeneration and PRS Housing Programme* Staffing costs part funded from Service Improvement Fund <i>*link to variation in service</i>	15,000 (15,000)	60,000 (60,000)	60,000 (60,000)
	Planning Policy	Transport Assessment Stage 3 & Strategic Housing Market Assessment update required before Local Plan can be submitted	14,000		
Health and Housing	Housing Advice	One x 2 year fixed-term housing officer in response to new responsibilities/burdens placed on local authorities by the new Homelessness Reduction Act due to come into force in April 2018  Funded from three year new burdens money for homelessness support		43,490 (43,490)	43,490 (43,490)
<b>Total Non-Recurring Items</b>			<b>34,000</b>	<b>99,000</b>	<b>0</b>

Portfolio	Cost Centre	Description	Revised	Forecast	Forecast
			Estimate	2018/19	2019/20
			2017/18	2018/19	2019/20
			£	£	£
<b><u>Variations in Service</u></b>					
Corporate Services	Civic Ceremonial	Get Involved Fair Volunteers event run in June with RVS - to inform people about local volunteering opportunities and help generate support for local organisations		3,000	3,000
	HR Support	Modernisation of HR service to include resource levels and full roll out of the MyHR technology and deployment to the web		50,430	50,430
Environment and Service Delivery	Other Highway Services	Additional budget required to deal with weeds and basal growth around highway tree bases		13,000	13,000
	Regeneration Strategy	To put in place internal and external resources to enable the delivery of the Council's Regeneration and PRS Housing Programme	115,000	160,000	160,000
	Maintenance Team	Skilled Up - provide learning resource and personal protection equipment for skilled up participants per year (linked to the Council's property development projects) Skilled Up - expenditure would only be incurred if the Council has the income from either Capital projects or external sources		10,000 (10,000)	10,000 (10,000)
Health and Housing	Housing Advice	To make a Housing Officer post permanent The Housing Options team continues to see a high level of demand from people at risk of homelessness. The complexity of homelessness cases is placing officers under increased pressure. Additionally there are also challenges associated with providing affordable social and private sector housing		43,490	43,490
Business, Safety and Regulation	Development Management	Hampshire County Council Archaeological Service - Maintenance of HER (Historic Environment Records) plus comments on planning applications	1,700	1,700	1,700
			<b>Total Variations in Service</b>	<b>116,700</b>	<b>271,620</b>
			<b>Total Additional Items</b>	<b>150,700</b>	<b>271,620</b>

CAPITAL PROGRAMME SUMMARY 2017/2018 TO 2021/2022

APPENDIX 4

	Original Estimate 2017/18	Anticipated Payments				
		Revised Estimate 2017/18	Estimate 2018/19	Estimate 2019/20	Estimate 2020/21	Estimate 2021/22
	£'000	£'000	£'000	£'000	£'000	£'000
<b>CAPITAL EXPENDITURE ON PORTFOLIOS</b>						
Corporate Services	6,764	24,330	16,636	17,288	268	268
Leisure & Youth	362	542	1,729	170	170	170
Environment & Service Delivery	5,455	6,076	9,240	16,602	14,602	28,302
Business, Safety & Regulation	83	202	80	30	20	770
<b>Sub total (excluding Housing)</b>	<b>12,664</b>	<b>31,150</b>	<b>27,685</b>	<b>34,090</b>	<b>15,060</b>	<b>29,510</b>
Health & Housing	965	1,251	1,033	1,033	1,033	1,033
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>13,629</b>	<b>32,401</b>	<b>28,718</b>	<b>35,123</b>	<b>16,093</b>	<b>30,543</b>
<b>CAPITAL EXPENDITURE RESOURCES</b>						
Revenue Contribution to Capital - General	0	0	0	0	0	0
Revenue Contribution to Capital - Improvement Grants	0	0	0	0	0	0
<b>Total Revenue Contributions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Grants & Contributions from Other Bodies (see Grants & Concs Summary page)	710	1,230	6,015	4,465	65	815
Grants & Contributions - Improvement Grants	816	1,097	983	983	983	983
Section 106 Developers Contributions (see s106 Summary page)	1,759	123	648	30	30	30
	<b>3,285</b>	<b>2,450</b>	<b>7,646</b>	<b>5,478</b>	<b>1,078</b>	<b>1,828</b>
Capital Receipts & Borrowing - General Fund Schemes	10,195	29,797	21,022	29,595	14,965	28,665
Capital Receipts & Borrowing - Housing Schemes	149	154	50	50	50	50
<b>Total Capital Receipts &amp; Borrowing</b>	<b>10,344</b>	<b>29,951</b>	<b>21,072</b>	<b>29,645</b>	<b>15,015</b>	<b>28,715</b>
<b>TOTAL CAPITAL FINANCING</b>	<b>13,629</b>	<b>32,401</b>	<b>28,718</b>	<b>35,123</b>	<b>16,093</b>	<b>30,543</b>

## GRANTS &amp; CONTRIBUTIONS SUMMARY 2017/2018 TO 2021/2022

## Appendix 4

Project Number	PROJECT	Original Estimate 2017/18	Anticipated Receipts				
			Revised Estimate 2017/18	Estimate 2018/19	Estimate 2019/20	Estimate 2020/21	Estimate 2021/22
		£'000	£'000	£'000	£'000	£'000	£'000
	<b>General Fund - Grants &amp; Contributions</b>						
6585	- Municipal Gardens - Playground Refurbishment (SUEZ)		50				
6518	- Wheeled Bin Contributions (Developers & Household)	15	15	15	15	15	15
5335	- Council Offices Co-Location Project (HCC One Public Estate)		4				
5337	- Council Offices Parking Bays and External Work (CPE)		12				
6524	- Pay and Display Machines Replacements (CPE)		129				
6567	- Replacement Cremator (CAMEO)						750
6597	- Car Park Enhancements (CPE)		120				
	- Alpine Ski Centre Aldershot - Various internal and external works (Ski Centre Development Fund)			40			
6588	- Ivy Road - Sports Pavilion (VIVID, The Football Foundation, Landfill Tax)			230			
	- Moor Road - Recreation Ground Development (Sport England, PEBL, Landfill Tax)			300			
	- Recreation Ground Playground Renewal (Landfill Tax)			50	50	50	50
	<u>Regeneration Projects</u>						
	- Union Street East, Aldershot (LEP and Housing Infrastructure Fund)			5,100	4,400		
5405	- Civic Quarter, Farnborough (HCA)	60					
	<u>Activation Aldershot Projects</u>						
5401	- Project 1 - Integration between AUE and Town Centre (LEP)	75					
5404	- Project 2 Phase 6 - Station Forecourt Improvements (Local Growth Fund, HCC, South Western Railway)	560	900	280			
	<b>Total General Fund Grants &amp; Contributions</b>	<b>710</b>	<b>1,230</b>	<b>6,015</b>	<b>4,465</b>	<b>65</b>	<b>815</b>
	<b>Housing Schemes - Government Grants</b>						
640050013	- Improvement Grants - Disabled Facilities Grants (Better Care Fund)	816	1,097	983	983	983	983
	<b>TOTAL GRANTS &amp; CONTRIBUTIONS</b>	<b>1,526</b>	<b>2,327</b>	<b>6,998</b>	<b>5,448</b>	<b>1,048</b>	<b>1,798</b>

**SECTION 106 DEVELOPERS CONTRIBUTIONS SUMMARY 2017/2018 TO 2021/2022**

**Appendix 4**

Project Number	PROJECT	Original Estimate 2017/18	Anticipated Receipts				
			Revised Estimate 2017/18	Estimate 2018/19	Estimate 2019/20	Estimate 2020/21	Estimate 2021/22
		£'000	£'000	£'000	£'000	£'000	£'000
5211	- Purchase of Land - Ball Hill (SANG)	1,696					
6526	- Cove Green - Cricket Pitch Refurbishment	7					
6528	- Brickfield Country Park - Improvement Works	28	2	23			
6539	- Cove Green - Park Improvements	9					
6571	- Manor Park - Lake Improvements	19	1	15			
6588	- Ivy Road - Sports Pavilion			300			
6595	- Manor Park - Link Fence Replacement		18				
	- Aldershot Park Car Park - Installation of LED powered lighting columns			30			
	- Moor Road - Recreation Ground Development			250			
	- Recreation Ground Playground Renewal			30	30	30	30
6585	- Municipal Gardens - Playground Refurbishment		102				
<b>TOTAL SECTION 106 DEVELOPERS CONTRIBUTIONS</b>		<b>1,759</b>	<b>123</b>	<b>648</b>	<b>30</b>	<b>30</b>	<b>30</b>

## CORPORATE SERVICES PORTFOLIO CAPITAL PROGRAMME 2017/2018 TO 2021/2022

## Appendix 4

1 of 2		Payments To 31.3.17 £'000	Original Estimate 2017/18 £'000	Revised Estimate 2017/18 £'000	Anticipated Payments			
Project Number	Project				Estimate 2018/19 £'000	Estimate 2019/20 £'000	Estimate 2020/21 £'000	Estimate 2021/22 £'000
	<b>36-62 UNION STREET</b>							
5220	Various Purchases 36-62 Union Street, Aldershot (s)	604	1,172	1,893	735			
	<b>COMPUTER SYSTEMS</b>							
7305	IT Equipment Replacement Programme	28	30	36	30	28	28	28
7500	ICT Strategy and Customer First Projects	114	225	284	180	180	180	180
5336	Meetings and Decisions Management System IDOX Onsite Apps	15			26			
	<b>COUNCIL OFFICES</b>							
5315	Replacement of Obsolete Air Conditioning Plant (*)	41		-26				
5329	Accommodation and Upgrade Changes	33	47	33	35	30	20	20
5335	Co-Location Project	70		25	20	10		
5337	Parking Bays and External Work		12	12				
5338	Maintenance of Lower Roofs		24	24				
5339	Replacement Building Management System Electrical Generator Switch		45		10			
	Co-Location - Relocation of Voluntary Group(s) (bc)				30			
	Co-Location Joint Reception (bc)				45			
	<b>COUNCIL PROPERTIES</b>							
5211	Purchase of Land - Ball Hill (SANG)		1,696					
5221	Land Adjacent to Optrex Business Park	365		1				
5222	Boulters House, 237 High Street redevelopment	4	30	36				
5313	Energy Efficiency Schemes (bc)	45	40	45	40	40	40	40
	<b>FARNBOROUGH AIRPORT</b>							
5403	Farnborough International Loan	65	2,853	4,435				
	<b>FLEXIBLE CAPITAL RECEIPTS</b>							
5299	Schemes Funded by Unallocated Capital Receipts (s)	162	490	333	485			

**Note:** (s) denotes projects which include slippage from 2017/2018 into 2018/2019

(bc) denotes projects which are subject to further business case and presentation to Cabinet

(\*) the revised estimate 2017/18 represents the settlement of a claim for the inadequate design of the Council Offices heating and cooling system from a prior year



**CORPORATE SERVICES PORTFOLIO CAPITAL PROGRAMME 2017/2018 TO 2021/2022**

**Appendix 4**

2 of 2		Payments To 31.3.17 £'000	Original Estimate 2017/18 £'000	Revised Estimate 2017/18 £'000	Anticipated Payments			
Project Number	Project				Estimate 2018/19 £'000	Estimate 2019/20 £'000	Estimate 2020/21 £'000	Estimate 2021/22 £'000
	<b>INVESTMENT PROPERTIES</b>							
5209	9 Wellington Street Refurbishment	7		3				
5213	Purchase of plot 10A Wellesley House	643		22				
5215	12 Arthur Street redevelopment	1	100	267				
5223	Lease Purchase 2A Windsor Way			125				
5224	Specified Commercial Property Acquisition			1,782				
5225	Unspecified Commercial Property Acquisition(s)			15,000	15,000	17,000		
5214	20 Blackwater Way	259						
5216	168 High Street, Guildford	7,153						
5217	Optrex Business Park	1,570						
5218	114-116 Dominion Road, Worthing	6,307						
5219	31 Hercules Way, Farnborough	554						
	<b>TOTAL</b>	<b>18,040</b>	<b>6,764</b>	<b>24,330</b>	<b>16,636</b>	<b>17,288</b>	<b>268</b>	<b>268</b>

## LEISURE &amp; YOUTH PORTFOLIO CAPITAL PROGRAMME 2017/2018 TO 2021/2022

## Appendix 4

1 of 3		Payments To 31.3.17 £'000	Original Estimate 2017/18 £'000	Revised Estimate 2017/18 £'000	Anticipated Payments			
Project Number	Project				Estimate 2018/19 £'000	Estimate 2019/20 £'000	Estimate 2020/21 £'000	Estimate 2021/22 £'000
<b>ALDERSHOT POOLS COMPLEX</b>								
6242	Lido - Concrete Works and Structural Pool Repairs	25	15	15	15	15	15	15
6543	Aldershot Pools - Electrical Testing and Rewiring	10	10	10	10	10	10	10
6551	Aldershot Pools - Replacement Pumps and Valves	15	15	15	15	15	15	15
6557	Roof Insulation and Coating over Pools	47	72	72				
6558	Replacement Ceiling		62					
<b>ALPINE SNOWSPORTS</b>								
6501	Repainting and Anti Corrosion		7	7				
6527	Slope Maintenance (s) Alpine Ski Centre Aldershot - Various internal and external works	1	38		75	40		
<b>BEAUMONT COMMUNITY CENTRE</b>								
6521	Repairs to Column and Stonework		19	19				
<b>BLUNDEN HALL</b>								
	Kitchen refurbishment and hall decoration				35			
<b>BRICKFIELD COUNTRY PARK</b>								
6528	Improvement Works (s)	5	28	2	23			
<b>COVE GREEN</b>								
6526	Cricket Pitch Refurbishment		7					
6539	Park Improvements		9					

**Note:** (s) denotes projects which include slippage from 2017/2018 into 2018/2019

LEISURE & YOUTH PORTFOLIO CAPITAL PROGRAMME 2017/2018 TO 2021/2022

Appendix 4

2 of 3		Payments To 31.3.17 £'000	Original Estimate 2017/18 £'000	Revised Estimate 2017/18 £'000	Anticipated Payments			
Project Number	Project				Estimate 2018/19 £'000	Estimate 2019/20 £'000	Estimate 2020/21 £'000	Estimate 2021/22 £'000
<b>FARNBOROUGH LEISURE CENTRE</b>								
6541	Electrical Testing and Rewiring	10	15	15	15	15	15	15
6545	Replacement Pumps and Valves	15	15	15	15	15	15	15
6548	Teaching Pool Filter Refurbishment			15				
6542	Foyer Lift	62						
<b>FARNBOROUGH TENNIS CLUB</b>								
6556	Pavilion Extension	2						
<b>KING GEORGE V PAVILION</b>								
6523	Upgrading toilets		21	21				
<b>MANOR PARK</b>								
6559	Memorial Refurbishment							
6571	Lake Improvements (s)	3	19	1	15			
6586	Construction of a property (s)			20	191			
6590	Lodge renovation			10				
6592	Depot New Paving and Tarmac			19				
6593	Cottage Redecoration and Repairs			48				
6595	Link Fence Replacement			18				
6570	Playground Refurbishment	152						

Note: (s) denotes projects which include slippage from 2017/2018 into 2018/2019

## LEISURE &amp; YOUTH PORTFOLIO CAPITAL PROGRAMME 2017/2018 TO 2021/2022

## Appendix 4

3 of 3		Payments To 31.3.17 £'000	Original Estimate 2017/18 £'000	Revised Estimate 2017/18 £'000	Anticipated Payments			
Project Number	Project				Estimate 2018/19 £'000	Estimate 2019/20 £'000	Estimate 2020/21 £'000	Estimate 2021/22 £'000
<b>PARKS &amp; OPEN SPACES</b>								
6572	Farnborough Skate Park Refurbishment			18				
6588	Ivy Road Sports Pavilion (bc)				530			
6500	Ivy Road Pitch Reconstruction	6						
6522	Aldershot Park Rugby Pitches	3						
	Aldershot Park Playground Resurfacing				30			
	Moor Road - Recreation Ground Development (bc)				550			
<b>PLAYGROUNDS</b>								
6585	Municipal Gardens Playground Refurbishment	8		162				
6538	Osborne Road Basketball Centre Upgrade	35						
6544	Pyestock Crescent	81						
6546	Osborne Road Recreation Ground Refurbishment	104						
	Recreation Ground Playground Renewal (bc)				150	100	100	100
<b>PRINCES HALL</b>								
6581	Replacement Flooring Princes Suite			15				
6584	Coating to Roof			15				
6513	Electrical Rewiring	1						
6535	Replacement Flooring	3						
6537	WI-FI Installation	2						
6582	Replacement Sound System	30						
<b>SOUTHWOOD COMMUNITY CENTRE</b>								
6532	Internal Decoration		10	10	20			
6552	Boiler Replacement	10						
<b>TOTAL</b>		<b>630</b>	<b>362</b>	<b>542</b>	<b>1,729</b>	<b>170</b>	<b>170</b>	<b>170</b>

**Note:** (bc) denotes projects which are subject to further business case and presentation to Cabinet

ENVIRONMENT & SERVICE DELIVERY PORTFOLIO CAPITAL PROGRAMME 2017/2018 TO 2021/2022

Appendix 4

1 of 2		Payments To 31.3.17 £'000	Original Estimate 2017/18 £'000	Revised Estimate 2017/18 £'000	Anticipated Payments			
Project Number	Project				Estimate 2018/19 £'000	Estimate 2019/20 £'000	Estimate 2020/21 £'000	Estimate 2021/22 £'000
<b>ALDERSHOT TOWN CENTRE PROJECTS - ACTIVATION ALDERSHOT</b>								
5401	Project 1 - Integration between AUE and Town Centre		75	1,500				
5402	Project 2 - Town Centre Improvements	89		259				
5404	Project 2 Phase 6 - Station Forecourt Improvements (s)	4	1,600	900	896			
<b>BEAUMONT PARK</b>								
6510	Emergency Works to Boundary Wall	306		8				
6563	Beaumont Guards Room Internal Redecoration	11						
<b>CAR PARKS</b>								
6524	Pay and Display Machines Replacement	55		295				
6597	Car Park Enhancements (s)	13		120	73			
6509	High Street Car Park, Aldershot	13						
	Kingsmoat Car Park Resurfacing				80			
	Aldershot Park Car Park - Installation of LED powered lighting columns				30			
	Pinehurst Car Park Security (bc)				50			
<b>CYCLEWAY LINKS</b>								
6520	Cove Brook Greenway (s)	18		20	14			
6577	Hazel Avenue to Arrow Road (s)			20	3			

**Note:** (s) denotes projects which include slippage from 2017/2018 into 2018/2019  
 (bc) denotes projects which are subject to further business case and presentation to Cabinet

## ENVIRONMENT &amp; SERVICE DELIVERY PORTFOLIO CAPITAL PROGRAMME 2017/2018 TO 2021/2022

## Appendix 4

2 of 2								
Project Number	Project	Payments To 31.3.17	Original Estimate 2017/18	Revised Estimate 2017/18	Anticipated Payments			
					Estimate 2018/19	Estimate 2019/20	Estimate 2020/21	Estimate 2021/22
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>DEPOTS</b>								
6517	Hawley Lane Development Works (bc)	15			50			
6573	New Depot (s)	1,683	3,509	2,769	505			
<b>PARKING SCHEMES</b>								
6550	Residents Parking Scheme	11						
<b>PUBLIC CONVENIENCES</b>								
6533	North Camp Refurbishment of WC's		19	24				
6579	Manor Park and Aldershot Park WC's	13						
<b>REFUSE/ RECYCLING</b>								
6518	Wheeled Bins	103	90	90	90	90	90	90
<b>REGENERATION</b>								
5405	Civic Quarter, Farnborough (s) (bc)		150	60	280	10,000	10,000	19,000
	Housing PRS Delivery (bc)				707	1,500	1,500	1,500
	Union Street East, Aldershot (bc)				6,450	5,000	3,000	7,700
<b>STREET CLEANSING</b>								
6515	Litter / Cigarette Bins	15	12	11	12	12	12	12
<b>TOTAL</b>		<b>2,349</b>	<b>5,455</b>	<b>6,076</b>	<b>9,240</b>	<b>16,602</b>	<b>14,602</b>	<b>28,302</b>

**Note:** (s) denotes projects which include slippage from 2017/2018 into 2018/2019  
(bc) denotes projects which are subject to further business case and presentation to Cabinet

**BUSINESS, SAFETY & REGULATION PORTFOLIO CAPITAL PROGRAMME 2017/2018 TO 2021/2022**

**Appendix 4**

1 of 1		Payments To 31.3.17 £'000	Original Estimate 2017/18 £'000	Revised Estimate 2017/18 £'000	Anticipated Payments			
Project Number	Project				Estimate 2018/19 £'000	Estimate 2019/20 £'000	Estimate 2020/21 £'000	Estimate 2021/22 £'000
	<b>CCTV</b>							
	CCTV Equipment Refresh Programme (bc)				30	30	20	20
	<b>CEMETERIES</b>							
6226	Ship Lane - Upgrade Toilets		17	17				
6227	Redan Road Repairs to Boundary Wall		30	30				
6231	Ship Lane - Drainage		11	11				
6589	Victoria Road Cemetery, Chapel Roof			44				
6229	Path Improvements	9						
	Victoria Road Cemetery - Fencing Repairs/Redecoration				10			
	<b>CREMATORIUM</b>							
6560	Mobile Elevation Work Platform		10	10				
6565	Waiting Room Modernisation			10				
6566	Replacement Cremator Equipment			56				
6567	Replacement Cremator							750
6568	Equipment for the Chapel and Waiting Room		15	18				
6591	Woodland Memorial	5		6				
6564	Memorial Garden	22						
	Crematorium Combustion Fan and PCME Monitors upgrade				19			
	Crematorium - New Cremulator and Transfer Cabinet				21			
	<b>TOTAL</b>	<b>36</b>	<b>83</b>	<b>202</b>	<b>80</b>	<b>30</b>	<b>20</b>	<b>770</b>

**Note:** (bc) denotes projects which are subject to further business case and presentation to Cabinet

## HEALTH &amp; HOUSING PORTFOLIO CAPITAL PROGRAMME 2017/2018 TO 2021/2022

## Appendix 4

1 of 1		Payments To 31.3.17 £'000	Original Estimate 2017/18 £'000	Revised Estimate 2017/18 £'000	Anticipated Payments			
Project Number	Project				Estimate 2018/19 £'000	Estimate 2019/20 £'000	Estimate 2020/21 £'000	Estimate 2021/22 £'000
<b>IMPROVEMENT GRANTS</b>								
640050013	Disabled Facilities Grants (Mandatory)	713	816	1,097	983	983	983	983
640050022	Housing Renewal Grants (Discretionary)	31	50	44	50	50	50	50
640050050	Home Loan Scheme (Discretionary)			10				
<b>NORTH LANE LODGE</b>								
6403	North Lane Lodge - Wellesley Site	26		1				
<b>SOCIAL HOUSING GRANT</b>								
6401	Grants to Registered Providers of Social Housing	97	99	99				
<b>TOTAL</b>		<b>867</b>	<b>965</b>	<b>1,251</b>	<b>1,033</b>	<b>1,033</b>	<b>1,033</b>	<b>1,033</b>



The strategy has regard to the Guidance on the Flexible Use of Capital Receipts issued by the Secretary of State under section 15 (1)(a) of the Local Government Act 2003 during March 2016, including only those projects which are designed to generate ongoing revenue savings in the delivery of services and/or transform service delivery in a way that reduces costs or demand for services.

Projects included in the strategy support the Council's Transformation Programme and progress will be monitored regularly as part of the Council's review of performance against top line priorities and budget monitoring.

The Guidance on the Flexible Use of Capital Receipts allows set-up and implementation costs to be counted as qualifying costs, however the ongoing revenue costs of new processes or arrangements cannot.

Only receipts from the disposal of capital assets received between 1 April 2016 and 31 March 2019 are eligible for use to fund qualifying costs of service reform. During 2016/17, a receipt of £500,000 was received to be fully utilised by the Flexible Use of Capital Receipts. The strategy for 2017/18 adopted a cumulative budget of £800,000 with a £300,000 capital receipt to be secured in 2017/18. In 2017/18 the Council has secured a capital receipt of £480,000 and the additional £180,000 is outlined in the revised strategy below, supporting other major transformation projects.

A further capital receipt of £379,788 has been secured in 2017/18. Detailed in the strategy is an estimate of the costs surrounding the second phase of identifying a range of possible options for the design of the organisation. However, should this estimate be insufficient to meet the future scale of change and additional expenditure is required, this report seeks authority to use this capital receipt towards the costs of this project.

As part of the Local Government Settlement, the Secretary of State for Communities and Local Government announced on 19 December 2017 that there would be a continuation of the capital receipts flexibility programme for a further three years. The Council is awaiting further guidance. Should future projects be identified alongside suitable asset sales, this will be presented in a revised strategy.

Service reform projects can still be financed in whole or in part from other sources e.g. the Service Improvement Fund. The Council is not obliged to fund these projects from capital receipts, however, on the adoption of this strategy, will have the option to do so.

The impact of this strategy on the Council's Prudential Indicators is included in the Annual Treasury Management Strategy 2018/19. The Council will have due regard to the requirements of the Prudential Code and the impact on the Prudential Indicators. The only indicator that will be impacted by this Strategy is the estimates of Capital Expenditure Indicator which has increased by £180k. The Prudential Indicators show that this Strategy is affordable and will not impact on the Council's operational and authorised borrowing limits.



Project	Cumulative Budget Determined April 2017	Revised Cumulative Budget Determined January 2018	Change in Budget	Actuals 2016/17	Revised Forecast 2017/18	Forecast 2018/19	Projected Savings Identified in the 2017/18 Strategy	Completed (C), New (N), Discontinued (D), Subsumed into other projects (S)	Update February 2018
Opening Balance				500,000	338,224	484,873			
Additional Capital Receipts					480,000				
<b>Income Generation &amp; Commercial</b>									
Creation of new income generating assets	24,500	24,225	- 275	24,225	-	-	-	C	Originally for investigating the provision of decking on Union Street West car park with potential for residential development on Union Street East car park, a site appraisal and viability advice was obtained in 2016/17. As a result of this initial work, it was determined opportunities for a joint venture would now be investigated (see below).
Explore the options of a joint venture.	25,000	-	- 25,000	-	-	-	£70k p/a	S	Some schemes are being looked at under a Joint Venture (JV) and some initial advice on setting up/procuring a JV/LLP has been sought. Only at initial stages so no savings achieved at present. This project has been combined with the project detailed below.
Explore options for the development of a Special Purpose Vehicle/Housing company	40,000	-	- 40,000	-	-	-	Dependant on number of properties sourced, state of the market, level of returns.	S	Some expertise are being bought in to advise on the best body/corporate arrangement to establish an appropriate corporate vehicle. The project is being looked at as part of the wider regeneration programme. Only at initial stages so no savings achieved at present. This project has been combined with the project detailed above.
To support the delivery of the Housing and Regeneration Programme	-	97,260	97,260	-	83,495	13,765		N	This project subsumes the two projects detailed above. Combined budget has been increased to reflect the specialist expertise required for the project.
To invest in property, diversifying the asset portfolio and securing greater returns	35,000	30,000	- 5,000	10,000	20,000	-	Difficult to quantify at this stage – depends on number of properties sourced, state of the market, level of returns. Minimum expected 2016/17 £250k	C	The Council has acquired 6 investment properties to date at a total acquisition cost of £15.5m. These properties are generating additional revenue in the region of £888k p/a. A Commercial Acquisitions Strategy has been devised and the approach to future acquisitions is being refined in order to build on the portfolio. Future returns are expected to increase but will be dependent on what properties are acquired.



Project	Cumulative Budget Determined April 2017	Revised Cumulative Budget Determined January 2018	Change in Budget	Actuals 2016/17	Revised Forecast 2017/18	Forecast 2018/19	Projected Savings Identified in the 2017/18 Strategy	Completed (C), New (N), Discontinued (D), Subsumed into other projects (S)	Update February 2018
<b>Opening Balance</b>				500,000	338,224	484,873			
<b>Additional Capital Receipts</b>					480,000				
Review the functional and organisational arrangements of the Council, identifying a range of possible options for the design of the organisation and the implications of future ways of working	154,000	121,670	- 32,330	98,200	23,470	-	£65k - £300k	C	The Council went through the process of assessing applications made under the Mutually Agreed Resignation Scheme (MARS). This round of MARS is expected to cost £122k, returning savings of £141k in 17/18, £200k 18/19 and £206k p/a thereafter. A second phase of functional and organisational arrangements is now to be reviewed (see below).
Review the functional and organisational arrangements of the Council, identifying a range of possible options for the design of the organisation (Phase 2)		289,305	289,305			289,305		N	The implementation of new organisational design and future ways of working. Dependant on the approach will depend on the level of savings but in the region of £250k p/a.
<b>Customer &amp; Digital</b>									
A comprehensive IT approach to integrate the client and contractor systems	85,000	85,000	-	-	52,465	32,535	As detailed below, £600k p/a as a result of the procurement of the new Waste Contract		The IT approach to integrate the client and contractor systems is being done over three phases with the first two phases to be live before the end of the 2017/18 financial year. The final phase is the implementation of a new DD solution. As stated below, savings of £600k p/a are being achieved as a result of the new waste contract.
Feasibility and implementation of an expanded customer hub model	100,000	107,740	7,740	-	40,000	67,740	£200k - £300k p/a		Work is underway for some scoping work to be carried out, as well as carrying out a financial health review of the organisation; benchmarking; and identifying quick wins. Only at initial stages so no savings achieved at present and any savings would be recognised under the organisational development phase 2 item above.
Making the best use of technology and improving our service delivery for customers	25,000	-	- 25,000	-	-	-	Yet to be evaluated	S	Subsumed into project above.
Setting up new governance arrangements and project management support to overall transformation programme	30,000	22,800	- 7,200	16,852	5,900	-	Will contribute to delivery of savings indicated throughout the plan	C	The transformation programme has been setup and savings will be achieved as indicated throughout this plan.
To successfully implement the new waste contract	70,000	70,000	-	6,000	61,020	2,980	£600k p/a as a result of the procurement of the new Waste Contract		The new waste contract is being successfully implemented and is due to finish in May 2018. Savings of £600k p/a are being achieved as a result of the new waste contract.
<b>Total Expenditure</b>	800,000	980,000	180,000	161,776	333,351	484,825			
<b>Closing Balance</b>				<b>338,224</b>	<b>484,873</b>	<b>48</b>			

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**CABINET  
6 FEBRUARY 2018**

**COUNCILLOR PAUL TAYLOR  
CORPORATE SERVICES PORTFOLIO  
HOLDER**

**REPORT NO. FIN1802**

**ANNUAL TREASURY MANAGEMENT STRATEGY 2018/19 AND PRUDENTIAL  
INDICATORS FOR CAPITAL FINANCE**

**SUMMARY AND RECOMMENDATIONS:**

**SUMMARY:**

The Council is required to approve a Treasury Management Strategy for 2018/19 before 1 April 2018.

CIPFA has conducted reviews of the “Prudential Code” and the “Treasury Management Code of Practice” in 2017, and the Ministry of Housing, Communities and Local Government (MHCLG) has also recently undertaken consultation on treasury management issues. However, at the current time neither of these institutions have produced additional definitive new reference and guidance. The attached Treasury Management Strategy Statement (TMSS) for 2018/19 at Appendix A is therefore prepared in accordance with the existing 2011 CIPFA Treasury Management Code of Practice and the 2010 MHCLG Investment Guidance.

**RECOMMENDATION:**

Members are requested to recommend to Council:

- (i) Approval of the Treasury Management Strategy, Annual Borrowing Strategy and Annual Investment Strategy attached at Appendix A;
- (ii) Approval of the Prudential Indicators set out in Appendix B; and
- (iii) Approval of the Minimum Revenue Provision (MRP) Statement set out in Appendix C.

**1. INTRODUCTION**

- 1.1 This report sets out the proposed Treasury Management Strategy for the year 2018/19, including the borrowing and investment strategies and treasury management indicators, the Prudential Indicators for capital finance for 2018/19 and the Minimum Revenue Provision Statement.
- 1.2 The Council has adopted the Chartered Institute of Public Finance and Accountancy’s *Treasury Management in the Public Services: Code of*

*Practice 2011 Edition* (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year.

- 1.3 CIPFA has conducted reviews of the “Prudential Code” and the “Treasury Management Code of Practice”. These reviews have been particularly focused on ‘non-treasury’ investments, especially the purchase of investment property and other commercial activities that aim to generate income; but may require external borrowing (or the use of existing cash balances) to raise the cash to finance such activities. However, whilst CIPFA produced finalised codes in December 2017 associated guidance and explanatory advice remains outstanding. The MHCLG have also undertaken consultation on treasury management issues during 2017 but no definitive new guidance has been produced at the current time.
- 1.4 In the absence of detailed guidance and explanatory advice therefore the Treasury Management Strategy (TMSS) for 2018/19 at Appendix A is therefore prepared in accordance with the 2010 MHCLG Investment Guidance and the 2011 CIPFA Treasury Management Code of Practice.
- 1.5 It is expected that CIPFA and the MHCLG will provide further definitive guidance possibly within months. Should this be the case then revision and update to the Treasury Management Strategy for 2018/19 may be required during the year 2018/19.

## **2. PURPOSE**

- 2.1 The purpose of the treasury management operation is to ensure that cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in counterparties or instruments commensurate with the Council’s low risk approach, pursuing optimum performance while ensuring that security of the investment is considered ahead of investment return. The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure.
- 2.2 The second main function of the treasury management service is the funding of the Council’s capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning, to ensure the Council can meet its capital spending obligations. The management of longer term cash may involve the arrangement of long and/or short term loans (external borrowing) or may use longer term cash flow surpluses in lieu of external borrowing (internal borrowing).
- 2.3 Accordingly, the Chartered Institute of Public Finance and Accountancy (CIPFA) defines treasury management as: *“The management of the Council’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated*



*with those activities; and the pursuit of optimum performance consistent with those risks”.*

- 2.4 The purpose of Prudential Indicators is to set a framework for affordable, prudent and sustainable capital investment.
- 2.5 The appendices (A to C) set out the Treasury Management Strategy and the Prudential Indicators for 2018/19 to 2021/22 and fulfil key legislative requirements as follows:

#### Appendix A

- The **Treasury Management Strategy** which sets out how the Council’s treasury service will support capital decisions taken during the period, the day to day treasury management and the limitations on activity through treasury prudential indicators, in accordance with CIPFA’s Code of Practice on Treasury Management and Prudential Code;
- The **Annual Borrowing Strategy** which sets out the Council’s objectives for borrowing together with the approved sources of long and short-term borrowing and;
- **Annual Investment Strategy** which sets out the Council’s criteria for choosing investment counterparties and limiting exposure to the risk of loss, in accordance with MHCLG Investment Guidance.

#### Appendix B

- The setting of **Prudential Indicators** and the expected capital activities for the period as required by CIPFA’s Prudential Code for Capital Finance in Local Authorities.

#### Appendix C

- The Council’s **Minimum Revenue Provision (MRP) Statement**, which sets out how the Council will pay for capital assets through revenue each year, as required by the Local Government Act 2003 (Regulations 27 and 28 in the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003). It should be noted that Government guidance expected to be issued in the coming months is most likely to include a reference to the maximum useful economic life of 50 years for freehold land and 40 years for other assets. The Council’s Minimum Revenue Provision (MRP) Statement is therefore suitably updated in expectation of this guidance.

- 2.6 These policies and parameters provide an approved framework within which officers undertake the day-to-day capital and treasury activities.

### **3. SCOPE**

- 3.1 This report covers the Council’s treasury management activities as set out in paragraphs 2.1 and 2.2 above. The funds invested consist of short-term

cash available due to timing of income and expenditure i.e. from movements in working capital, or from reserves that need to be available in the short term, and potentially longer-term investment funds derived from the Council's capital receipts.

- 3.2 Arlingclose advice continues to indicate that the Council should diversify investment risk (spreading smaller amounts over an increasing number of counterparties) wherever possible. The Council is now progressively incurring further borrowing, and Arlingclose have advised that in the circumstances of some current specific investments reaching their maturity date(s) the Council should not replace them. This strategy allows for a natural reduction in overall investments balance during a period when borrowing is increasing.
- 3.3 The Council incurred prudential code borrowing in 2016/17 in the sum of £6.548m in relation to its capital expenditure. Further borrowing to support the financing of its approved capital programme in the year 2017/18 will also be required. It therefore commences the year 2018/19 in a position where its investment holdings continue to remain significant (although, less than in previous financial years) but it also carries some accumulating debt. There will be an inevitable requirement to incur some further borrowing to service capital expenditure in future years.
- 3.4 Careful observation of the Prudential Indicator "gross debt v capital financing requirement" will need to be undertaken progressively throughout the financial year. This means that the Council will may need to redeem an element of its core pooled fund investments at some time in the future in order to adhere to the requirements of this Indicator.

**AMANDA FAHEY**

Background papers:

**HEAD OF FINANCIAL SERVICES**

1. *Treasury Management in the Public Services (CIPFA)*
2. *The Prudential Code for Capital Finance (CIPFA)*
3. *SI 2003/3146 - Local Authorities (Capital Finance and Accounting) (England) Regulations 2003*
4. *SI 2004/3055 - Local Authorities (Capital Finance and Accounting) (Amendment)*

### TREASURY MANAGEMENT STRATEGY 2018/19

#### 1. INTRODUCTION

- 1.1 This strategy has been prepared in accordance with CIPFA's Treasury Management in the Public Sector: Code of Practice, which requires the Council to approve a Treasury Management Strategy before the start of each financial year.
- 1.2 In addition, MHCLG issued revised Guidance on Local Authority Investments in March 2010 that requires the Council to approve an Investment Strategy before the start of each financial year.
- 1.3 The Council approves an annual strategy to be prepared in advance of the year, a mid-year review and an annual report after its close. The Licensing and General Purposes Committee is the nominated Committee responsible for the effective scrutiny of the Treasury Management Strategy and policies.
- 1.4 The Council has invested sums of money and is therefore exposed to financial risks including loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Council's Treasury Management Strategy.
- 1.5 This strategy covers:
  - External context
  - Current borrowing and investment portfolio position
  - Annual Borrowing Strategy
  - Annual Investment Strategy
  - Specified & Non-specified Investments
  - Performance Indicators

#### 2. EXTERNAL CONTEXT (commentary provided by Arlingclose)

- 2.1 **Economic background:** The major external influence on the Authority's treasury management strategy for 2018/19 will be the UK's progress in negotiating its exit from the European Union and agreeing future trading arrangements. The domestic economy has remains relatively robust since the surprise outcome of the 2016 referendum, but there are indications that uncertainty over the future is now weighing on growth. Transitional arrangements may prevent a cliff-edge, but will also extend the period of uncertainty for several years. Economic growth is therefore forecast to remain sluggish throughout 2018/19.
- 2.2 Consumer price inflation reached 3.0% in September 2017 as the post-referendum devaluation of sterling continued to feed through to imports. However, this effect is expected to fall out of year-on-year

## APPENDIX A

inflation measures during 2018, removing pressure on the Bank of England to raise interest rates.

- 2.3 In contrast, the US economy is performing well and the Federal Reserve is raising interest rates in regular steps to remove some of the emergency monetary stimulus it has provided for the past decade. The European Central Bank is yet to raise rates, but has started to taper its quantitative easing programme, signalling some confidence in the Eurozone economy.
- 2.4 **Credit outlook:** High profile bank failures in Italy and Portugal have reinforced concerns over the health of the European banking sector. Sluggish economies and fines for pre-crisis behaviour continue to weigh on bank profits, and any future economic slowdown will exacerbate concerns in this regard.
- 2.5 Bail-in legislation, which ensures that large investors including local authorities will rescue failing banks instead of taxpayers in the future, has now been fully implemented in the European Union, Switzerland and USA, while Australia and Canada are progressing with their own plans. In addition, the largest UK banks will ringfence their retail banking functions into separate legal entities during 2018. There remains some uncertainty over how these changes will impact upon the credit strength of the residual legal entities.
- 2.6 The credit risk associated with making unsecured bank deposits has therefore increased relative to the risk of other investment options available to the Authority; returns from cash deposits however remain very low.
- 2.7 **Interest rate forecast:** The Bank of England raised the UK base rate to 0.5% in early November 2017. Authority's treasury adviser Arlingclose's central case is for UK Bank Rate to remain at 0.5% during 2018/19. The risk of a cut to zero or negative rates has diminished and there is now a chance that rates will rise despite the economic fundamentals.
- 2.8 Longer-term interest rates have risen in the past year, reflecting the possibility of increasing short-term rates. Arlingclose forecasts these to remain broadly constant during 2018/19, but with some volatility as interest rate expectations wax and wane with press reports on the progress of EU exit negotiations.

### 3. CURRENT BORROWING & INVESTMENT PORTFOLIO POSITION

- 3.1 The Guidance on Local Government Investments in England gives priority to security and liquidity, and the Council's aim has been to achieve a yield commensurate with these principles. The Council continues to follow Arlingclose advice in the knowledge that whilst long-term interest rate forecasts remain low it should generate enhanced returns with

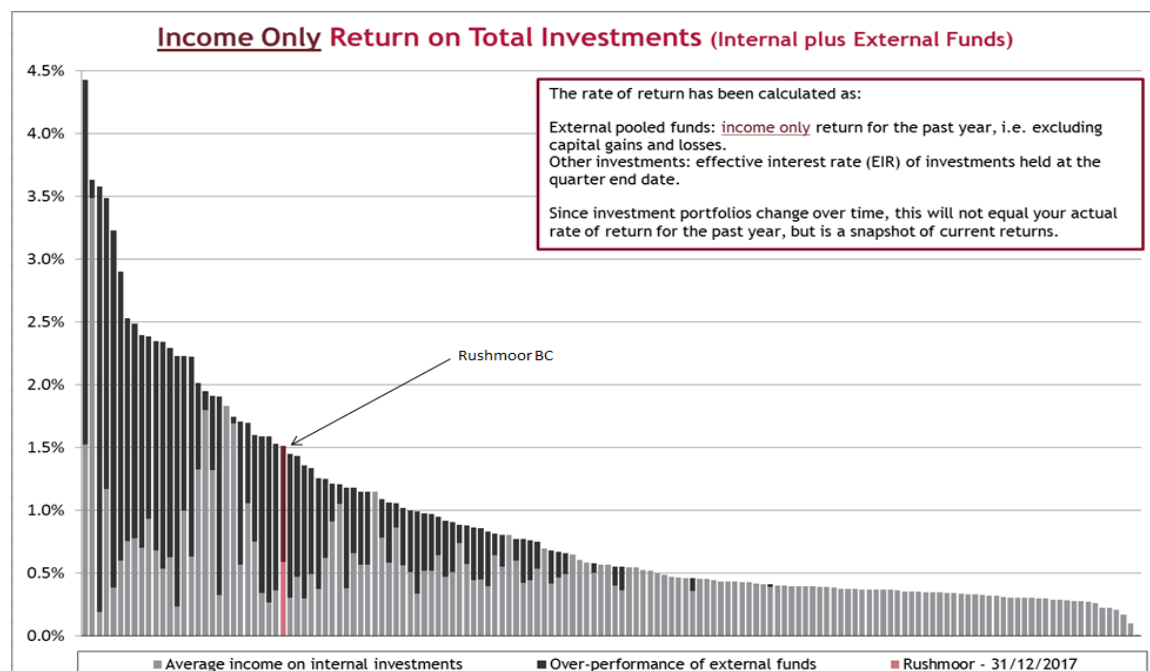
## APPENDIX A

counterparties other than banks and to invest across a diverse investment portfolio.

3.2 During 2017/18 the Council has generated returns from existing long-term pooled fund investments together with diversification within the Council's investment portfolio. The Council held the following investments at 31<sup>st</sup> December 2017:

- £19.6m in pooled funds (providing a balance across a range of 5 different types of fund).
- £1 million Yorkshire BS at a fixed rate of 1.33% (until Apr 18)
- £1 million Yorkshire BS at a fixed rate of 1.18% (until Apr 18)
- £2 million Leeds BS at a fixed rate of 1.47% (until Dec 18)
- £1 million Leeds BS at Libor + 0.27% (until Feb 18)
- Various temporary investments of minor amounts held in Money Market funds all for durations of 6 months or less

3.3 An interpretation of IFRS 9 for the future may mean that under-performing pooled fund marginal losses may have to be recorded in the General Fund Revenue Account. In the light of this potential accounting requirement (even though the Council's pooled fund holding in Aberdeen Absolute Fund was providing regular yield returns in accordance with expectations) its capital value was under-performing. A decision was therefore taken in during December 2017 to redeem the entire holding and an element of the CCLA holding and purchase a pooled fund holding in M & G Investment Strategic Corporate. The result of the decision produced a favourable revenue effect of £28,000 in 2017/18. The graph below has been produced by Arlingclose and demonstrates that during the nine months to 31 December 2017 the Council's income (only) returns on its total investment portfolio was 1.5%. Total Return (income and capital) was 2.5%.



**Table 1: – Existing Investment & Debt Portfolio Position**

	Actual Portfolio at 31 <sup>st</sup> Dec 17 £m	Average Rate %
<b>Total External Borrowing</b>		
Borrowing from the M3 LEP	2.1	0.0
Borrowing from other Local Authorities	12.0	0.53
Other external Borrowing	-	
<b>Total Gross External Debt</b>	14.1	0.45
<b>Investments:</b>		
Managed in-house:		
Short-term investments	-	-
Long Term Investments	5.5	1.2
Money Market Funds	13.2	0.3
Call accounts	-	-
Managed externally:		
Pooled Funds:		
Payden & Rygel’s Sterling Reserve	5.0	0.66
CCLA LAMIT Property Fund	3.6	4.75
M&G Investments Strategic Corporate Bond Fund	4.0	3.22
UBS Multi Asset Fund	5.0	4.01
Threadneedle Investments	2.0	3.64
<b>Total Investments</b>	38.3	1.92

Table 1 Illustrates the Council’s investment and debt portfolio position as at 31<sup>st</sup> December 2017.

**4. ANNUAL BORROWING STRATEGY 2018/19**

- 4.1 The Council has made use of funds from the Enterprise M3 (LEP) by borrowing £3 million in an earlier year to progress the Aldershot regeneration schemes. External contributions will be received over a seven-year period to fully finance this amount. At the commencement of 2018/19 £2.1m of this borrowed amount remains outstanding.
- 4.2 Capital expenditure in the previous financial year (2017/18) is programmed to be substantial, including a significant amount for investment property acquisitions, property purchases in Union Street Aldershot and the continuation of the new Council Depot construction. Capital expenditure in relation to the Farnborough International Loan will be concluded within 2017/18 utilising a significant proportion of the Council’s remaining available capital receipts. Prudential code borrowing will therefore be required in order to achieve overall financing. The Council will incur some further borrowing during 2018/19 in order assist in the financing of its

capital programme.

- 4.3 **Objectives:** The Council's chief objective when borrowing money will be to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required.

**Sources:** The approved sources of long-term and short-term borrowing are detailed within TMP 4 (Approved Instruments, Methods and Techniques), and are summarised below:

- Public Works Loan Board (PWLB)
- Money market loans (long term & temporary)
- Any bank or building society authorised to operate in the UK
- UK Local Authorities
- UK public and private sector pension funds (except the Local Government Pension Scheme administered by Hampshire County Council)
- Capital market bond investors
- UK Municipal Bond Agency plc and other special purpose companies created to enable local authority bond issues.
- Lottery monies

In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- Operating and finance leases
- Hire purchase
- Private Finance Initiative

## 5. ANNUAL INVESTMENT STRATEGY 2018/19

- 5.1 The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. Advice was received during 2017/18 from Arlingclose that as the Council is now progressing further into the use of borrowing to finance capital expenditure, that in the circumstances of an investment maturity date arising the Council should not seek to replace the investment. This allows for the natural reduction in overall investment holding whilst the Council incurs increasing elements of borrowing. Market investments are expected to further decline in 2018/19. These reductions are mainly due to the Council's capital expenditure requirements linked to the Prudential Code requirement to ensure that Gross Debt does not exceed the Capital Financing Requirement.

- 5.2 **Objectives:** Both the CIPFA Code and the MHCLG Guidance require the Council to invest its funds prudently, and to have regard to the

## APPENDIX A

security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

5.3 **Strategy:** The Council continues to maintain a diverse range of secure and/or higher yielding asset classes during 2018/19, whilst retaining short-term accessibility.

5.4 Table 2 outlines the approved investment counterparties with whom the Council may invest its surplus funds, subject to the cash, investment and time limits shown. The schedule of approved counterparties is underpinned by a detailed list of named counterparties. This list is maintained within Financial Services for treasury management operational purposes.

**Table 2: Approved Investment Counterparties**

Counterparty		Cash limit per counterparty	Investment Limit (per type of counterparty)	Time limit †
<b>Banks Unsecured</b> whose lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's is:	AAA	£2m	£20m in total	5 Years*
	AA+	£2m		5 Years*
	AA	£2m		4 years*
	AA-	£2m		3 years*
	A+	£2m		2 years
	A	£2m		13 months
	A-	£2m		6 months
	BBB+	£1m		100 days
<b>Banks Secured</b> whose lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's is:	AAA	£4m	Unlimited	20 years
	AA+	£4m		10 years
	AA	£4m		5 years
	AA-	£4m		4 years
	A+	£4m		3 years
	A	£4m		2 years
	A-	£4m		13 months
	BBB+	£2m		6 months
	BBB or BBB-	£2m		100 days
<b>Government</b> whose lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's is:	AAA	£4m	Unlimited	50 Years
	AA+	£4m		25 Years
	AA	£4m		15 Years
	AA-	£4m		10 Years
	A+	£2m		5 Years
	A	£2m		5 Years
	A-	£2m		5 Years
	BBB+	£1m		2 Years
	None	£4m		25 Years



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Counterparty		Cash limit per counterparty	Investment Limit (per type of counterparty)	Time limit †
<b>Corporates</b> whose lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's is:	AAA	£2m	£6m in total	20 Years
	AA+	£2m		10 Years
	AA	£2m		10 Years
	AA-	£2m		10 Years
	A+	£2m		5 Years
	A	£2m		2 Years
	A-	£1m		13 months
	BBB+	£1m		6 months
	none	£0.5m		5 Years
<b>Registered Providers</b> whose lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's is:	AAA	£4m	£10m in total	20 Years
	AA+	£4m		10 Years
	AA	£4m		10 Years
	AA-	£4m		10 Years
	A+	£4m		5 Years
	A	£4m		5 Years
	A-	£4m		5 Years
	BBB+	£4m		5 Years
	None	£4m		5 Years
The Council's current account bank if it fails to meet the above criteria		£2m	£2m	next day
UK Building Societies without credit rating		£1m	£4m	1 Year
Money market funds		£5m	£20m in total	n/a
Collective Investment Schemes (pooled funds)		£5m per fund	£20m in total	These funds do not have a defined maturity date

*\* no longer than 2 years in fixed-term deposits and other illiquid instruments*

5.5 Investments may be made with banks or any public or private sector organisations that meet the above credit rating criteria. The Council may also invest with organisations and pooled funds without credit ratings, following an external credit assessment and advice from the Council's treasury management adviser.

5.6 Further information as to why certain counterparties have been included in Table 2 is set out below:

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- **Banks Unsecured:** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.
- **Banks Secured:** Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the highest of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.
- **Government:** Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is an insignificant risk of insolvency. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.
- **Corporates:** Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made as part of a diversified pool in order to spread the risk widely.

Investments in unrated small businesses may provide considerably higher rates of return. They will however only be made following a favourable external credit assessment and on the specific advice of the Council's treasury management adviser.

- **Registered Providers:** Loans and bonds issued by, guaranteed by or secured on the assets of Registered Providers of Social Housing, formerly known as Housing Associations. These bodies are tightly regulated by the Homes and Communities Agency and, as providers of public services, they retain a high likelihood of receiving government support if needed.
- **Money Market Funds:** These funds are pooled investment vehicles consisting of money market deposits and similar instruments. They have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager. We will continue to use funds that offer same-day liquidity as an

alternative to instant access bank accounts, while funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

- **Other Pooled Funds:** The Council will continue to use pooled bond, equity and property funds that offer enhanced returns over the longer term, but are potentially more volatile in the shorter term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.

5.7 **Risk Assessment and Credit Ratings:** The Council uses long-term credit ratings from the three main rating agencies Fitch Ratings, Moody's Investors Service and Standard & Poor's Financial Services to assess the risk of investment default. The lowest available counterparty credit rating will be used to determine credit quality, unless an investment-specific rating is available. Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made with that entity
- we will recall or sell any existing investments with that entity where we can do so at no cost
- due consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

5.8 **Other Information on the Security of Investments:** The Council will also take account of other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. The Council will not proceed with an investment with an organisation if it has doubts about its credit quality, even though it may meet the credit rating criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not reflected in general credit-ratings. In these circumstances, where the Council feels the whole market has been affected, it will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

**6. SPECIFIED AND NON-SPECIFIED INVESTMENTS**

**6.1 Specified Investments:** The MHCLG Guidance defines specified investments as those:

- denominated in pound sterling,
- due to be repaid within 12 months of arrangement,
- not defined as capital expenditure by legislation, and
- invested with one of:
  - the UK Government
  - a UK local authority, parish council or community council
  - a body or investment scheme of “high credit quality”.

The Council defines “high credit quality” organisations as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For money market funds and other pooled funds “high credit quality” is defined as those having a credit rating of A- or higher.

**6.2 Non-specified Investments:** Any investment not meeting the definition of a specified investment is classified as non-specified. The Council does not intend to make any investments denominated in foreign currencies, nor any that are defined as capital expenditure e.g. company shares.

Non-specified investments at the Council are limited to longer term investments e.g. pooled funds, or other long-term (12 months +) investments with other LAs, banks or building societies, and investments with bodies and schemes not meeting the definition of high credit quality. Limits on non-specified investments are shown in Table 3 below.

**Table 3: Non-Specified Investment Limits**

	Cash limit
Total long-term investments	£40m
Total investments without credit ratings or rated below A-	£30m
Total non-specified investments	£40m

**6.3 Approved Instruments:** The Council may lend or invest money using any of the instruments detailed in Treasury Management Practice (TMP) 4, held within Financial Services. The approved instruments are summarised as follows:

- interest-bearing bank accounts

- fixed term deposits and loans
- callable deposits and loans where the Council may demand repayment at any time (with or without notice)
- callable deposits and loans where the borrower may repay before maturity
- certificates of deposit
- bonds, notes, bills, commercial paper and other marketable instruments
- shares in money market funds and other pooled funds
- reverse repurchase agreements (repos)

Investments may be either made at a fixed rate of interest, or at a variable rate linked to a market interest rate, such as LIBOR, subject to the limits on interest rate exposures below.

6.4 **Liquidity management:** The Council produces cash flow forecasts to determine the maximum period for which funds may be committed. Limits on long-term investments are set by reference to the Council’s medium-term financial plan and cash flow forecast.

**7. TREASURY MANAGEMENT INDICATORS**

7.1 The Treasury Management Code requires that local authorities set a number of indicators for treasury management performance, which have been set out below at paragraphs 7.3 to 7.5. The Council has also adopted a voluntary measure for credit risk as set out in paragraph 7.2

7.2 **Credit Risk (Credit Score Analysis):** Counterparty credit quality is assessed and monitored by reference to credit ratings. Credit ratings are supplied by rating agencies Fitch, Standard & Poor’s and Moody’s. Arlingclose assign values between 1 and 26 to credit ratings in the range AAA to D, with AAA being the highest credit quality (1) and D being the lowest (26). Lower scores mean better credit quality and less risk.

The advice from Arlingclose is to aim for an average A-, or higher, average credit rating, with an average score of 7 or lower. The scores are weighted according to the size of our deposits (value-weighted average) and the maturity of the deposits (time-weighted average).

	Target
Portfolio average credit rating	A-
Portfolio average credit score	7.0

7.3 **Interest Rate Exposure:** This indicator is set to monitor the Council’s exposure to the effects of changes in interest rates. The indicator calculates the relationship between the Council’s net principal sum

## APPENDIX A

outstanding on its borrowing to the minimum amount it has available to invest. The upper limits on fixed and variable rate interest rate exposures expressed as the amount of net principal borrowed is:

	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m
Upper limit on fixed interest rate exposure	35	55	85	100
Upper limit on variable interest rate exposure	-50	-50	-50	-50

It is expected that for most Councils the interest rate exposure calculation would result in a positive figure. As the Council has more funds available to invest than it intends to borrow, the calculation has resulted in a negative figure for variable rate funds.

- 7.4 **Maturity Structure of Borrowing:** This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing will be:

	Upper	Lower
Under 12 months	100%	0%
12 months and within 24 months	100%	0%
24 months and within 5 years	100%	0%
5 years and within 10 years	100%	0%
10 years and above	100%	0%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

- 7.5 **Principal Sums Invested for Periods Longer than 364 days:** The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the total principal sum invested to final maturities beyond the period end will be:

	2018/19	2019/20	2020/21	2021/22
Limit on principal invested beyond year end at any one time	£40m	£40m	£40m	£40m

## 8. OTHER ITEMS

- 8.1 There are a number of additional items that the Council is obliged by CIPFA or MHCLG to include in its Treasury Management Strategy.

- 8.2 **Policy on Use of Financial Derivatives:** Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk, and to reduce costs or increase income at the expense of greater risk. The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Embedded derivatives, including those present in pooled funds, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

- 8.3 **Investment Training:** The needs of the Council's treasury management staff for training in investment management are assessed on a continuous basis, discussed as part of the staff appraisal process and reviewed as the responsibilities of individual members of staff change.

Staff regularly attend training courses, seminars and conferences provided by Arlingclose and CIPFA.

- 8.4 **Investment Advisers:** The Council jointly tendered the treasury management service together with three other District Councils located within the Hampshire area, and appointed Arlingclose Limited for a further 3 year contract in April 2016. This contract enables the Council to receive specific advice on investment, debt and capital finance issues. The quality of this service will be reviewed on an ongoing basis as part of the process of monitoring the Council's investment portfolio.

- 8.5 **Investment of Money Borrowed in Advance of Need:** The Council may, from time-to-time, borrow in advance of need, where this is expected to provide the best long-term value for money. Since amounts borrowed will be invested until spent, the Council is aware that it will be exposed to the risk of loss of the borrowed sums, and potential interest rate changes. These risks will be managed as part of the Council's overall management of its treasury risks.

The total amount borrowed will not exceed the authorised borrowing limit of £63 million during 2018/19. The maximum period between borrowing and expenditure is expected to be two years.

- 8.6 **Financial Implications - Investments:** The budget for investment income in 2018/19 is £846k (gross of borrowing interest), based on an average investment portfolio of £30 million at interest rates ranging from 0.4% liquid MMF and other short-term investments to 5% on the highest yielding long-term pooled property investment fund.

Performance of investments against budget will be reviewed on an ongoing basis and as part of our quarterly budget monitoring process. The investment income will reduce depending on the pace and size of capital expenditure that arises from the 8-Point Plan work and strategic projects.

- 8.7 **Financial Implications - Borrowing:** The budget for interest costs in relation to borrowing in 2018/19 is £296k (not including IFRIC 4 lease accounting interest). It is determined using estimated short-term interest rates. The Council's actual borrowing at the end of 2018/19 is estimated to be in the region of £52 million.
- 8.8 **Other Options Considered:** The HLG Guidance and the CIPFA Code do not prescribe any particular treasury management strategy for local authorities to adopt. The Chief Finance Officer continues to believe that the above strategy represents an appropriate balance between risk management and cost effectiveness. An alternative strategy might be to invest in a narrower range of counterparties and/or for shorter periods. The likely impact of this alternative would be lower interest income alongside a reduced risk of loss from credit-related defaults. Investing in a wider range of counterparties and/or for longer periods would result in the opposite impact i.e. interest income would be higher but there would be a greater risk of loss. When final guidance becomes available from the HLG and CIPFA (discussed in paragraph 1.3 of this report) consideration will be made on how to incorporate changes to the Council's strategy



## APPENDIX B

### PRUDENTIAL INDICATORS

The Local Government Act 2003 requires the Council to have regard to the Chartered Institute of Public Finance and Accountancy's *Prudential Code for Capital Finance in Local Authorities* (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Council has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

**1 Estimates of Capital Expenditure:** The Council's planned core capital expenditure and financing may be summarised as follows:

Capital Expenditure and Financing	2017/18 Revised £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m	2021/22 Estimate £m
General Fund	32.401	28.718	35.123	16.093	30.543
<b>TOTAL EXPENDITURE</b>	<b>32.401</b>	<b>28.718</b>	<b>35.123</b>	<b>16.093</b>	<b>30.543</b>

Capital Receipts	5.325	0.733	0.885	-	-
Capital Grants & Contributions	2.189	7.646	5.478	1.078	1.078
Revenue (related to utilisation of earmarked reserve introduced in GF revenue account)	0.261	-	-	-	0.750
Borrowing	24.626	20.339	28.760	15.015	28.715
<b>TOTAL FINANCING</b>	<b>32.401</b>	<b>28.718</b>	<b>35.123</b>	<b>16.093</b>	<b>30.543</b>

**2 Estimates of Capital Financing Requirement:** The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for capital purposes.

Capital Financing Requirement	31.03.18 Estimate £m	31.03.19 Estimate £m	31.03.20 Estimate £m	31.03.21 Estimate £m	31.03.22 Estimate £m
General Fund	30.9	39.3	67.1	80.1	105.8
Adjustment ref IFRIC 4 lease accounting	3.2	2.9	2.6	2.3	2.0
<b>Total CFR</b>	<b>34.1</b>	<b>42.2</b>	<b>69.7</b>	<b>82.4</b>	<b>107.8</b>

Grants and external contributions are expected to be received for some specific capital schemes, but the Council will need to borrow to finance a significant element of its core capital expenditure. This is in addition to the existing use of Local Enterprise Partnership funding for which borrowing is

## APPENDIX B

incurred but repayment of the borrowing is achieved by the receipt of external contributions.

- 3 Gross Debt and the Capital Financing Requirement:** In order to ensure that over the medium-term debt will only be for a capital purpose, the Council should ensure that debt does not, except in the short-term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This is a key indicator of prudence.

<b>Gross Debt and the Capital Financing Requirement</b>	<b>2017/18 Revised £m</b>	<b>2018/19 Estimate £m</b>	<b>2019/20 Estimate £m</b>	<b>2020/21 Estimate £m</b>	<b>2021/22 Estimate £m</b>
Capital Financing Requirement (measured in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years)	69.7	82.4	107.8	127.5	147.2
Total Gross Debt	34.3	52.1	81.1	95.5	123.6
Difference	35.4	30.3	26.7	32.0	23.6

- 4 Operational Boundary for External Debt:** The operational boundary is based on the Council's estimate of most likely (i.e. prudent, but not worst-case) scenario for external debt. It links directly to the Council's estimates of core capital expenditure, the capital financing requirement and cash flow requirements, and is a key management tool for in-year monitoring. Other long-term liabilities comprise finance leases, Private Finance Initiatives and other liabilities that are not borrowing but form part of the Council's debt.

<b>Operational Boundary</b>	<b>2017/18 Revised £m</b>	<b>2018/19 Estimate £m</b>	<b>2019/20 Estimate £m</b>	<b>2020/21 Estimate £m</b>	<b>2021/22 Estimate £m</b>
Borrowing	40.0	58.0	87.0	102.0	130.0
<b>Total Debt</b>	<b>40.0</b>	<b>58.0</b>	<b>87.0</b>	<b>102.0</b>	<b>130.0</b>

- 5 Authorised Limit for External Debt:** The authorised limit is the affordable borrowing limit determined in compliance with Section 3(1) the Local Government Act 2003. It is the maximum amount of debt that the Council can legally owe. It is measured on a daily basis against all external borrowing items on the Balance Sheet (i.e. long and short term borrowing,

## APPENDIX B

overdrawn bank balances and long-term liabilities. This Prudential Indicator separately identifies borrowing from other long-term liabilities such as finance leases. It is consistent with the Council's existing commitments, its proposals for capital expenditure and financing and its approved Treasury Management Policy Statement and practices. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

Authorised Limit	2017/18 Revised £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m	2021/22 Estimate £m
Borrowing	44.0	62.0	91.0	106.0	134.0
Other long-term liabilities	1.0	1.0	1.0	1.0	1.0
<b>Total Debt</b>	<b>45.0</b>	<b>63.0</b>	<b>92.0</b>	<b>107.0</b>	<b>135.0</b>

- 6 Ratio of Financing Costs to Net Revenue Stream:** This is an indicator of affordability and highlights the revenue implications of existing and proposed core capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income.

Ratio of Financing Costs to Net Revenue Stream	2017/18 Revised %	2018/19 Estimate %	2019/20 Estimate %	2020/21 Estimate %	2021/22 Estimate %
<b>General Fund</b>	<b>-5.2</b>	<b>2.8</b>	<b>7.1</b>	<b>20.5</b>	<b>34.4</b>

- 7 Incremental Impact of Capital Investment Decisions:** This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax levels. The incremental impact is the difference between the total revenue budget requirement of the current approved capital programme and the revenue budget requirement arising from the capital programme proposed.

Incremental Impact of Capital Investment Decisions	2017/18 Estimate £	2018/19 Estimate £	2019/20 Estimate £	2020/21 Estimate £	2021/22 Estimate £
General Fund - increase in annual band D Council Tax	-	(29.43)	(67.18)	(86.84)	(87.94)

**Adoption of the CIPFA Treasury Management Code:** The prudential indicator in respect of treasury management is that the Council adopt CIPFA's Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. The aim is to ensure that treasury management is led by a clear & integrated forward treasury management strategy, with recognition of the existing structure of the Council's borrowing and investment portfolios. The revised edition of the Code (November 2011) was adopted by the Council on 20<sup>th</sup> February 2014.



### MINIMUM REVENUE PROVISION STATEMENT

- 1.1 Where the Council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008.
- 1.2 The Local Government Act 2003 requires the Council to have regard to the Department for Communities and Local Government's *Guidance on Minimum Revenue Provision* (the MHCLG Guidance) most recently issued in 2012.
- 1.3 The broad aim of the MHCLG Guidance is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.
- 1.4 The MHCLG Guidance requires the Council to approve an Annual MRP Statement each year, and recommends a number of options for calculating a prudent amount of MRP. This statement only incorporates options recommended in the Guidance.
- 1.5 For any unsupported capital expenditure incurred after 31<sup>st</sup> March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant assets, starting in the year after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure for all other assets or on capital expenditure not related to fixed assets but which has been capitalised by regulation or direction (revenue expenditure financed by capital under statute), will be charged over 40 years.
- 1.6 For assets acquired by finance lease or private finance initiative, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.
- 1.7 Where loans are made to other bodies and designated as capital expenditure, no MRP will be charged. However, the capital receipts generated by the repayments on those loans will be set aside to repay debt instead.
- 1.8 It should be noted that the Council continues to make use of two revolving infrastructure funds from the Local Enterprise Partnership (LEP). The related capital expenditure does not however give rise to MRP as a contract of structured external repayments will eliminate the need to incur MRP.

## APPENDIX C

- 1.9 At the commencement of 2017/18 the Council had, a Capital Financing Requirement (CFR) of £6.548m in relation to a specific elements of capital expenditure incurred in the previous financial year (2016/17). The Council has incurred further amounts of capital expenditure in 2017/18 and will need to engage in an element of Prudential Code borrowing in that financial year to achieve total financing of its capital programme. It is inevitable therefore that the borrowing that is required in 2017/18 will require MRP to be charged to the Council's General Fund Revenue Account in 2018/19 and future years.
  
- 1.10 The implementation of International Financial Reporting Standards (IFRS) has meant that the accounting treatment for assets used within major contracts may result in embedded finance leases appearing on the Balance Sheet, leading to a requirement for MRP. This is purely an accounting requirement and does not give rise to any requirement to borrow to fund these assets.

CABINET

COUNCILLOR DAVID CLIFFORD  
LEADER OF THE COUNCIL

6 FEBRUARY, 2018

REPORT NO. DMB1802

KEY DECISION: NO

**RUSHMOOR BOROUGH COUNCIL PLAN 2018/19**

**SUMMARY AND RECOMMENDATIONS:**

This paper sets out the proposed Council Plan for 2018/19, building on the four priorities and 34 key actions identified by Cabinet.

The Cabinet is asked to recommend approval of the Council Plan 2018/19 to full Council.

**1. INTRODUCTION**

1.1 This paper sets out the proposed Council Plan for 2018/19, building on the four priorities and 34 key actions identified by Cabinet.

**2. CONTEXT**

2.1 In 2017/18 Rushmoor Borough Council's Cabinet reviewed the Council's priorities based on the concept of "Listen, Learn and Deliver – Better". This resulted in four priorities underpinning its stated Purpose - **Rushmoor Borough Council, working with others to improve the quality of people's lives**. The following further review these priorities have been confirmed as remaining relevant for 2017/18. The four priorities are:

- Sustaining a thriving economy and boosting local business
- Supporting and empowering our Communities and meeting local needs
- A cleaner, greener and more cultural Rushmoor
- Financially sound with services fit for the future

2.2 The development of the Council Plan has taken into account the need to respond to the continued economic pressures and uncertainty local government faces. It also considers the ongoing impacts on our communities of this and legislative changes such as welfare reform and the Housing and Planning Act 2016 that will have an impact moving forward. The key elements of the Plan revolve around a desire to:

- Regenerate our Town Centres
- Develop private rented and affordable housing
- Improve skills and educational attainment
- Foster civic pride and increase engagement
- Enhance the leisure and cultural offer in the Borough
- Invest further in commercial property and explore other opportunities to generate income / reduce costs
- Develop and implement a Modernisation and Improvement Plan based on the “Listen, Learn, Deliver - Better” ethos

2.3 It is clear that the Council will continue to face ongoing financial challenges, and the Council Plan and the Council’s Budget provide a clear framework to ensure we meet these challenges and address the long-term sustainability of the organisation. The purpose and identified priorities will help guide the Council as it approaches decisions about reshaping services and targeting reducing resources, as well as choosing where and when to invest in the future of the Borough.

2.4 In coming to its conclusions, Cabinet used two Away Days to develop their latest thinking on the Council’s priorities and the revenue and capital budgets. A wide range of information and data about the Borough and the challenges it faces, were considered. These included characteristics of the area, for instance:

- Rushmoor has a younger age profile than the average for both Hampshire and England.
- Compared to Hampshire, the South East and Great Britain, Rushmoor has fewer residents with the highest level of qualifications
- The score of one of the four state run secondary schools in Rushmoor (Wavell) is average in Progress 8 (the Government’s new measure for secondary school attainment), the other three schools have scores below average and fall within the bottom 30% of schools in England (based on national data published 12 October, 2017)
- Rushmoor has two small areas of multiple deprivation that are in the 20% most deprived in the country
- Local health issues include inequalities in years of potential life lost and mental health issues
- Rushmoor has a lower unemployment rate than Hampshire, the South East and Great Britain

2.5 A range of continuing financial pressures were also considered:

- Central Government funding changes
- The Hampshire County Council Transformation Programme and the potential impact on local services
- The Business Rates retention scheme - Fair Funding Review and the expansion of 100% Business Rate pilots
- Welfare Reform, with potential loss of benefits for some parts of the community leading to greater demand for support from the Council’s services



2.6 The Cabinet also took into account the results of the Members' survey and the views of the Chief Executive on the future direction of the organisation. From this work 34 key actions were identified, as set out below.

### 3. OUTLINE OF THE PLAN 2018-19

3.1 The Council Plan is intended to help the public, businesses, partners and staff to understand the Council's future plans and aspirations. The 2018/19 Council Plan has been developed alongside the Council's Budget.

3.2 The Plan is based around the Council's stated purpose - **Rushmoor Borough Council, working with others to improve the quality of people's lives**. This purpose is supported by four priorities and 34 key actions as set out below.



3.3 In trying to better understand and communicate Rushmoor Borough Council's role in achieving the key actions three distinct roles have been identified. Firstly, the Council can take a facilitating role which involves helping others to achieve the desired outcome, for example calling a meeting of relevant people and organisations. Secondly, we can have an enabling role which involved empowering others to deliver the action or desired outcome, for example giving others the opportunity or funds to deliver the work themselves. Thirdly, the Council can take on a direct delivery role where it actually delivers the action itself.

For each action we have identified which role(s) Rushmoor may undertake, the key to this is : **F** = Facilitate, **E** = Enable, **D** = Deliver

## Sustaining a thriving economy and boosting local business

- 1) Set up new partnership and company arrangements to enable regeneration and the development of private rented and affordable housing on Council owned land **(D)**
- 2) Finalise and consult on a development scheme for Union Street, East Aldershot and agree proposals for other sites to support regeneration of Aldershot **(F,E,D)**
- 3) Produce a retail plan for Aldershot town centre **(D)**
- 4) Finalise and consult on the Masterplan for the Civic Quarter area of Farnborough town centre. Agree the approach for moving forward each site in the Masterplan **(F,E,D)**
- 5) Support HCC to implement the Farnborough Transport Package **(E)**
- 6) Submit the Local Plan to Government and prepare for its examination **(D)**
- 7) Work with schools, local FE providers, the County Council and employers to improve skills, raise aspirations and increase educational attainment **(F)**
- 8) With partners start developing a centre of excellence for aerospace built on the Farnborough brand **(F)**
- 9) Exploit the economic and social benefits of the Farnborough Air show 2018 and the new conference centre. **(E)**
- 10) Develop a more strategic and proactive approach to economic development, building on the Borough's assets and offer to investors **(F,E,D)**

## Supporting and empowering our Communities and meeting local needs

- 1) Continue to address the rough sleeping and street drinking issues in our town centres through enforcement, deterrent and prevention **(F,E,D)**
- 2) With partners reshape the Rushmoor Strategic Partnership to focus on fewer, more strategic issues that deliver outcomes through shared leadership **(F,E,D)**
- 3) Use Council and community led events and other initiatives to foster civic pride and increase engagement **(F,E,D)**
- 4) Determine a clearer focus on what the Council and partners are doing to tackle pockets of significant deprivation in parts of the Borough **(F,E,D)**
- 5) Generate and support targeted employment and skills opportunities to improve outcomes for residents **(F,E,D)**
- 6) Take tangible steps to address the loss of temporary accommodation in 2021 and the current shortage of social housing **(FED)**
- 7) Continue the Council's review of grants and support and work with affected voluntary sector organisations to become more sustainable **(F,E,D)**
- 8) Agree future shape of the CCTV service and procure new cameras and maintenance and supply contracts **(D)**
- 9) Support the CCG to open a facility in west Farnborough **(E,D)**

- 10) Enable decisions to be made as close to customers and communities as possible **(F,E,D)**

### A cleaner, greener and more cultural Rushmoor

- 1) Work with Serco to increase recycling rates **(F,E,D)**
- 2) Complete and open the new depot **(D)**
- 3) Commence new leisure contract procurement **(D)**
- 4) Develop options for a new leisure centre in Farnborough as part of the Civic Quarter Development **(D)**
- 5) Build the new pavilions and changing rooms at Ivy Road and Moor Road recreation grounds **(D)**
- 6) Develop the management plan for delivering the new natural open park land at Southwood **(D)**
- 7) Develop the options and future maintenance arrangements for the public open space transferring to the Council's ownership as part of the Wellesley Development **(F,E,D)**
- 8) Put in place and review the environmental enforcement pilot with East Hampshire DC **(E,D)**

### Financially sound with services fit for the future

- 1) Develop and implement "Rushmoor 2020", a modernisation and improvement plan based on the "Listen, Learn, Deliver - Better" ethos and the findings from the Peer Challenge, Staff Survey and IESE work **(D)**
  - 2) Take forward the new operating model and implement structural review **(D)**
  - 3) Deliver the Customer & Digital Strategy plan for 2018/19 **(D)**
  - 4) Invest further in commercial property and explore other opportunities to generate income / reduce costs **(D)**
  - 5) Develop and renew the Asset Management Plan and implement a programme of review of the Council's asset and property holdings **(D)**
  - 6) Review of the constitution including changes to the scheme of delegation and procedures to enable improved democratic arrangements and to ensure better customer service and improved delivery **(D)**
- 3.4 The progress being made towards achieving these actions will be regularly monitored. This monitoring will be undertaken so that Cabinet can have an overview of performance and be reassured that progress is being made to deliver against their priorities.
- 3.5 The Council recently went through a Peer Challenge process with a team from the Local Government Association. Recommendations from the process include a number of points relevant to the Council's strategic planning process and Council Plan:

- Develop a long term vision for the Borough and the Council, and extend the planning horizon for the Council Plan to support delivery of that vision
- Undertake regular resident surveys to inform both the development and on-going review of the vision for the Borough and service transformation
- Strengthen performance management arrangements and ensure that poor performance is tackled effectively

3.6 In light of these recommendations work will be undertaken with Cabinet to decide how best to respond. This will include reviewing the format of the Council Plan document itself to attempt to clearly illustrate and the Council's priorities and to allow effective monitoring of progress and outcomes

#### **4. CONCLUSIONS**

4.1. The new Council Plan reflects the aspirations of Members to make significant improvements to the Borough and is complemented by the budget proposals for 2018/19 and beyond. The Peer Review recommended that the Council establish a long term vision for the Borough and extend the planning horizon for the plan and this will be developed as part of the next corporate planning cycle.

**COUNCILLOR DAVID CLIFFORD  
LEADER OF THE COUNCIL**

#### **BACKGROUND DOCUMENTS:**

None

#### **CONTACT DETAILS:**

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CABINET

COUNCILLOR DAVID CLIFFORD  
LEADER OF THE COUNCIL  
REPORT NO. DMB1801

6 FEBRUARY, 2018

KEY DECISION? NO

**COUNCIL PLAN THIRD QUARTER 2017/18 PERFORMANCE UPDATE  
REPORT**

**SUMMARY AND RECOMMENDATIONS:**

This paper sets out the Council Plan performance information for the third quarter of 2017/18, building on the four priorities and 36 key actions identified by the Cabinet.

The Cabinet is asked to note the progress made towards delivering the Council Plan 2017/18.

**1. INTRODUCTION**

1.1 This paper sets out performance monitoring information for the Council Plan for the first nine months of 2017/18.

**2. DETAIL FOR 2017/18**

2.1. Rushmoor Borough Council's Cabinet undertook a major review of the Council's priorities based on the concept of "Listen, Learn and Deliver – Better". The Council now has four new priorities underpinning its stated Purpose - **Rushmoor Borough Council, working with others to improve the quality of people's lives.**

2.2. The four priorities are:

- Sustaining a thriving economy and boosting local business
- Supporting and empowering our Communities and meeting local needs
- A cleaner, greener and more cultural Rushmoor
- Financially sound with services fit for the future

## Rushmoor Borough Council - working with others to improve the quality of people's lives

People have an equal right to live healthy lives, in safe, clean and sustainable places. We want to address the causes of inequality and help create opportunities for local people to fulfil their aspirations. We have to target our limited finances to where they are most needed.



RUSHMOOR  
BOROUGH COUNCIL

2.3. The four priorities are to be delivered through 36 key actions as set out below.

### Sustaining a thriving economy and boosting local business

- Drive the regeneration of Aldershot
- Push forward with the regeneration of Farnborough town centre
- Improve local levels of educational attainment and skills and raise aspirations
- Bring forward social and private rented housing opportunities - establish our own housing company
- Support the borough's small and medium businesses (SMEs)
- Work with the Enterprise M3 Local Enterprise Partnership and other organisations
- Pursue continued economic growth across the borough
- Put in place a new Rushmoor Local Plan in 2017/18
- Secure Alternative Natural Green Spaces (SANGS) to enable development
- Support the Wellesley development and maximise the opportunities it offers

## Supporting and empowering our Communities and meeting local needs

- Address the shortage of homes
- Address rough sleeping and street drinking issues in our town centres
- Improve the health and wellbeing of residents and workers in the borough
- Work in and with our communities to help them become more involved in doing things in their local communities
- Tackle deprivation where it exists within the borough
- Help the voluntary sector to become more sustainable
- Establish a ward community grant scheme and good causes lottery
- Continue to support families to transform their futures through our supporting families programme
- Encourage, incentivise and support those affected by welfare reforms
- Enable decisions to be made as close to customers and communities as possible
- Manage and improve community cohesion

## A cleaner, greener and more cultural Rushmoor

- Maintain weekly collections whilst increasing recycling
- Complete the major contracts renewal for waste, recycling, grounds and streets
- Improve civic pride and community involvement in maintaining the cleanliness, quality and appeal of our neighbourhoods
- Ensure new buildings contribute to improving the quality of the environment
- Build on the historic value of our towns and create the conditions for a cultural renaissance
- Developing and actively increase use of our leisure and cultural facilities
- Develop and implement a parking strategy

## Financially sound with services fit for the future

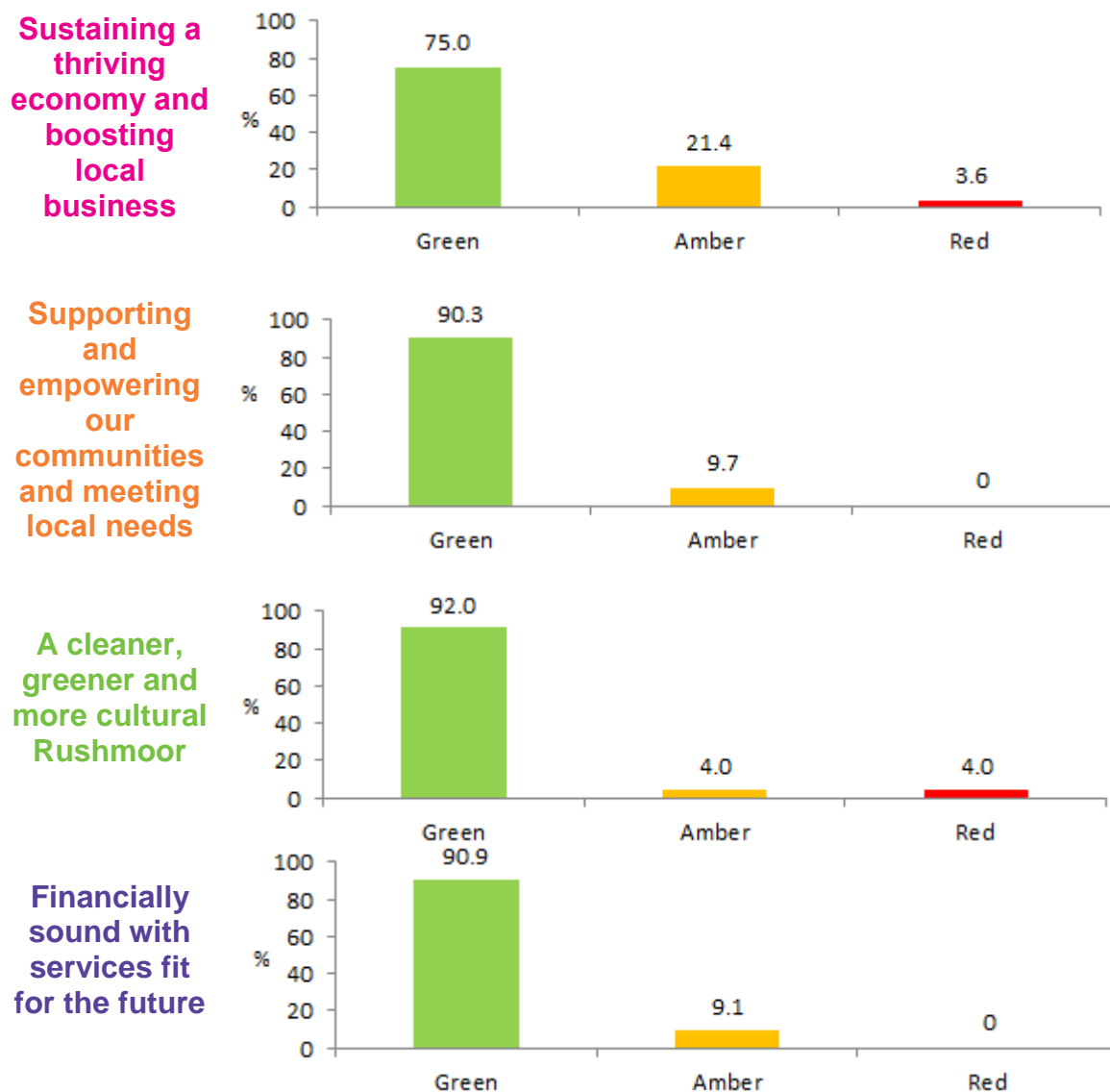
- Keep people well informed about our services and what is going on
- Ensure financial sustainability by rigorously delivering the Council's 8 Point Plan
- Take forward options to use trading to increase income
- Through our Digital Strategy seize opportunities to do things better
- Continue to implement our organisational development strategy
- Listen better to our residents, customers and local businesses
- Take advantage of opportunities to bring together public services at the Council offices and use our assets better

- Improve local accountability and increase democratic engagement to deliver better services to the public

2.4. So that Cabinet can have an overview of performance across the organisation and be reassured that progress is being made to deliver against their priorities, key areas of work and service measures are monitored. The full detailed set of monitored information is available on the Council's website at <http://www.rushmoor.gov.uk/councilplan>. Annex A to this report is an exceptions document which contains those monitored activities that are facing challenges or issues.

2.5. A summary of the progress made against the variety of actions and measures monitored is set out in the graphic below. The colour coding system used for the bars is:

- Green indicates that the action or initiative is on course
- Amber flags up that achieving the action or indicator is in question or requires attention
- Red shows that we have not been able to achieve what we had expected at this time





% of activities green, amber or red in Quarter Three	Green	Amber	Red
Total	86.8%	11.3%	1.9%

### 3. CONCLUSION

3.1 Cabinet's views are sought on the performance made in delivering the Council Plan in the first nine months of the 2017/18 Municipal Year.

**COUNCILLOR DAVID CLIFFORD  
LEADER OF THE COUNCIL**

#### **BACKGROUND DOCUMENTS:**

None

#### **CONTACT DETAILS:**

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## Annex A - Third Quarter 2017/18 Exception report

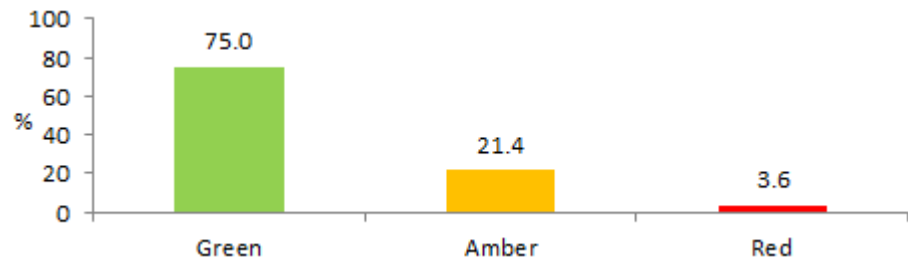
This annex to the Council Plan quarterly performance update report to Cabinet contains extracts from the full detailed set of monitored information and concentrates on those monitored activities that are facing challenges or issues. In essence these are items that have been coded amber or red\* in the monitoring exercise or have been amended in some way – for instance a change in a deadline date.

\* The colour coding system used for the monitoring process is:

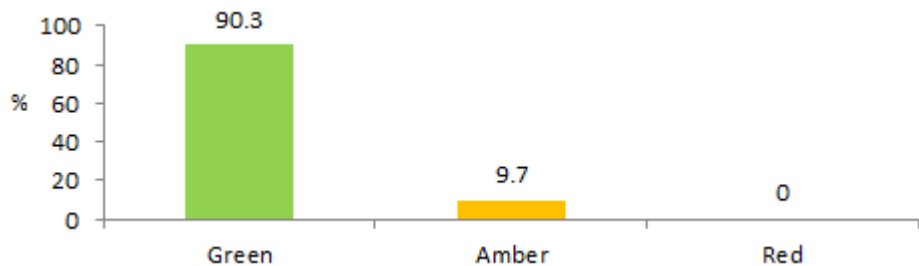
- Green indicates that the action or initiative is on course
- Amber flags up that achieving the action or indicator is in question or requires attention
- Red shows that we have not been able to achieve what we had expected at this time

### Summary of colour coding from full detailed set of monitored information:

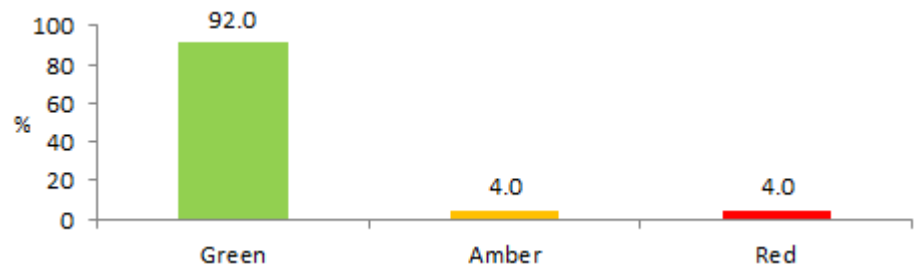
**Sustaining a thriving economy and boosting local business**



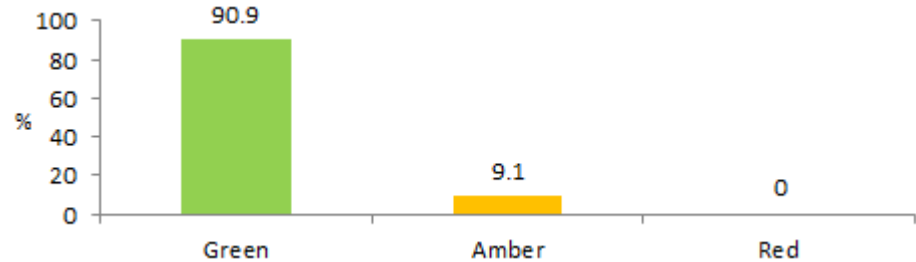
**Supporting and empowering our communities and meeting local needs**



**A cleaner, greener and more cultural Rushmoor**



**Financially sound with services fit for the future**



## Exception items set out under the Priorities

Priority: Sustaining a thriving economy and boosting local business

### Action: Drive the regeneration of Aldershot

Activities	Outcomes/deliverables	Milestones (key dates)
Develop the Aldershot elements of the Council's regeneration programme and implement officer arrangements to support delivery of projects	Resourced and deliverable programme in place	Programme agreed and fully established Q2 2017/18
Q1	Q2	Q3
<b>Comment:</b> Programme being reviewed by RegenCo following Cabinet report Jan 2018 . <b>Revised programme expected Q4 2017/18</b>		
To bring forward the regeneration scheme at Union Street East	<ul style="list-style-type: none"> <li>Acquisition of properties within Union Street and High Street</li> <li>Procurement of architect to undertake masterplanning and viability work to establish a deliverable scheme</li> <li>Seek external funding to support the delivery of the project from LEP/HCA (Homes and Communities Agency)</li> <li>Submit planning application for site</li> <li>If required seek development partner to bring forward regeneration proposals</li> </ul>	<ul style="list-style-type: none"> <li>Q1 2017/18 and ongoing (dependent on any CPO requirements)</li> <li>Procurement confirmed February 2017. Report completed by April 2017.</li> <li>Submit Business Case to the LEP in Q2 2017/18</li> <li>Q3/4 2017/18</li> </ul>
Q1	Q2	Q3
<b>Comment:</b> Due to viability issues it is likely that the initial scheme will need to be reviewed. Next steps will now be agreed by Q4 2017/18 as part of the overall programme review		
To bring forward the regeneration scheme at Aldershot Railway Station	Provision of an improved transport interchange and public realm improvements – provision of new decked car park	Delivery of project by March 2018 in accordance with LEP funding agreement
Q1	Q2	Q3
<b>Comment:</b> Further viability work being undertaken with new franchisee with the outcomes reported in May 2018. Subject to the feasibility confirming deliverability revised scheme dates agreed with LEP which would see full scheme delivery in 2019.		
To bring forward the Princes Hall regeneration proposals	To produce high level development options and operating models for the Princes Hall	Summer 2018
Q1	Q2	Q3
<b>Comment:</b> This project has been removed from the regeneration programme but remains a service action.		

Develop proposals and business cases to support the development of the gaming sector in Aldershot including the potential implementation of an Aldershot Games Hub	(1) Prepare feasibility and business cases which encourage growth of the gaming sector (2) Develop a business case for a scheme to provide incubator space for the gaming sector in the short term (3) Subject to the business case seek appropriate land/funding to provide purpose built accommodation to support the gaming sector subject to demand	<ul style="list-style-type: none"> <li>Q1 2017/18</li> <li>Q2 2017/18</li> <li>Subject to feasibility and business case</li> </ul>	
<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
<b>Comment:</b> Finding a suitable premises has delayed this project. Two options currently being considered with the next stage report expected by March 2018			
Review the town centre's car parking provision as part of the Council's Strategic Parking Review	Undertake work to establish that car parking provision is appropriate to meet the proposed town centre uses	Q2 2017/18	
<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
<b>Comment:</b> Revised parking standard in place. Further work not appropriate in 2017/18 due to impact of T19 and need to align with revised regeneration programme. The combined impact of regeneration schemes on traffic and parking will need to be looked at in both Farnborough and Aldershot and actions will be taken forward in 2018/19. Consideration of the Council's future approach to parking needs to follow on from discussions with HCC but this is also likely to be in 2018/19. <b>Recommend this action closed as at Q3 with revised actions being taken forward in 2018/19.</b>			
Ensure the Wellesley residential development on the former military land to the north of Aldershot is well linked to the town centre through walkways, cycle paths and signage	Seek delivery of remaining s278 schemes by Grainger between Wellesley and Aldershot Town Centre to gain maximum benefit from the delivery of 3,850 new homes	Q1 2017/18	
<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
<b>Comment:</b> Rushmoor Borough Council element completed. <b>Action completed in Q3</b>			

### Action: Push forward with the regeneration of Farnborough town centre

Activities	Outcomes/deliverables	Milestones (key dates)	
Develop the Farnborough elements of the Council's regeneration programme and implement officer arrangements to support delivery of projects	Resourced and deliverable programme in place	Programme agreed and fully established Q2 2017/18	
<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
<b>Comment:</b> Programme being reviewed by RegenCo following Cabinet report Jan 2018. <b>Revised</b>			

<b>programme expected Q4 2017/18</b>			
Progress the regeneration of the Farnborough Civic Quarter in accordance with the Supplementary Planning Document agreed in 2015	<ul style="list-style-type: none"> <li>• Agree Memorandum of Understanding between Landowners</li> <li>• Procure Strategic Property Advice</li> <li>• Work with partners on detailed masterplan for the Civic Quarter site.</li> <li>• Put in place any required RBC projects to support implementation</li> </ul>	<ul style="list-style-type: none"> <li>• January 2017</li> <li>• Receive advice in Q1 2017/18</li> <li>• Commence work on detailed masterplan Q1 2017/18</li> <li>• Receive detailed masterplan in Q3 2017/18</li> </ul>	
<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
<b>Comment:</b> : Delays in the delivery of the detailed masterplan from AECOM. Next stage to be some engagement work with residents and stakeholders. Masterplan now likely to be produced by Q2 2018/19. <b>Date to be changed to Q2 2018/19</b>			

**Action: Bring forward social and private rented housing opportunities - establish our own housing company**

Activities	Outcomes/deliverables	Milestones (key dates)	
Housing Delivery	<ul style="list-style-type: none"> <li>• Delivery of new homes, bringing empty properties back into use and making the best use of property available to us</li> <li>• Management of capital budget and bidding for grant funding</li> <li>• Delivery of specialist housing (e.g. domestic violence property, accommodation for people with disabilities)</li> <li>• Delivery of Starter Homes via Local Authority Partnership working with the HCA</li> </ul>	Quarterly updates on progress to Head of Service using agreed Performance Indicators (PI).	On-going and subject to site identification for delivery
<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
<b>Comment:</b> Delays at North Town are now resolved and delivery is expected in Q4. Also, no progress has been made on the delivery of Starter Homes and very limited support/appetite from the HCA in implementing the proposals. This is reflective of the fact that the Starter Homes initiative appears to have stalled at a national level. <b>As such this element of the action has been suspended.</b> Work on establishing Housing Company and our own small sites programme continues.			

## Action: Supporting the borough's small and medium businesses (SMEs)

Activities	Outcomes/deliverables	Milestones (key dates)
Review of licensing policy	1) To develop and establish local area profiles for: <ul style="list-style-type: none"> <li>(a) Taxi &amp; Private Hire Services</li> <li>(b) Gambling premises and activities</li> <li>(c) The sale and supply of alcohol, the provision of entertainments and late night refreshments</li> </ul> 2) To review, update and approve revised policies for: <ul style="list-style-type: none"> <li>(a) Taxi licensing</li> <li>(b) Licensing of gambling, gaming and lotteries</li> <li>(c) Alcohol, entertainments and late night refreshment licensing</li> </ul>	1(a) By April 2018 and every three years thereafter 1(b) By July 2018 and every three years thereafter 1(c) By September 2018 and every three years thereafter 2(a) By April 2018 and every three years thereafter 2(b) By July 2018 and every three years thereafter 2(c) By September 2018 and up to 5 years thereafter
Q1	Q2	Q3
<b>Comment:</b> Slippage arising on account of vacancies. Taxi and Private Hire Licensing Service Profile in development and to be presented with revised Taxi Licensing Policy by April 2018 <b>Date to be changed to April 2018 from December 20 17 /January 2018</b> . All over target revised accordingly.		

## Priority: Supporting and empowering our communities and meeting local needs

### Action: Address the shortage of homes

Activities	Outcomes/deliverables	Milestones (key dates)
Complete the Housing Condition Survey	Support residents to live in homes that are: <ul style="list-style-type: none"> <li>• Free from disrepair</li> <li>• Safe and warm</li> <li>• Not overcrowded</li> <li>• Suitable for their needs</li> <li>• Appropriately licenced</li> </ul>	The Housing Condition Survey is due to be completed in March 2017 and a report on its findings will be drafted in May 2017
Q1	Q2	Q3
<b>Comment:</b> Completed therefore no further action. <b>Action completed</b>		
Delivery of Starter Homes	RBC identified as a partner for the delivery of Starter Homes following a successful funding bid to the HCA	Ongoing and subject to site identification for delivery
Q1	Q2	Q3
<b>Comment:</b> No progress has been made on the delivery of Starter Homes and very limited		

support/appetite from the HCA in implementing the proposals. This is reflective of the fact that the Starter Homes initiative appears to have stalled at a national level. **As such this element of the action has been suspended**

### Action: Help the voluntary sector to become more sustainable

Activities	Outcomes/deliverables	Milestones (key dates)
Through the Council's new partnership model with the voluntary sector support improved governance and capacity to improve sustainability.	Work with organisation to identify areas where they could benefit from support from the Council or other bodies for example bid writing and other income generating opportunities and training etc.	Commence Spring/Summer 2017
<b>Q1</b>	<b>Q2</b>	<b>Q3</b>
<b>Q4</b>		
<b>Comment:</b> Final survey format agreed with RVS and agreed to be issued in January 2018		

### Action: Enable decisions to be made as close to customers and communities as possible

Activities	Outcomes/deliverables	Milestones (key dates)
<ul style="list-style-type: none"> <li>Work with Cabinet to identify options for increasing local participation and decision making</li> <li>Engage Ward Councillors as part of the decision-making process for applications for Council support for or in respect of organisations based in their ward</li> <li>To develop a more cohesive and inclusive approach to involving local Ward Councillors in ward based meetings</li> <li>To ensure that local ward voices are heard and represented in conversations with other tiers of Government</li> </ul>	<ul style="list-style-type: none"> <li>Those living and working in the Borough and using Council services feel that they have more influence over places they work and live and the services they use</li> <li>A plan will be developed that delivers the approach to achieve this action, that will ultimately enable important strategies and area decisions to be influenced by local communities</li> </ul>	<ul style="list-style-type: none"> <li>Q1 2017/18 Definition and understanding phase</li> <li>Q3 2017/18 Proposals to Cabinet and Council</li> <li>Q4 2017/18 If appropriate any new arrangements established</li> </ul>
<b>Q1</b>	<b>Q2</b>	<b>Q3</b>
<b>Q4</b>		
<b>Comment:</b> Cabinet agreed not to prioritise current proposals during their consideration of budget growth bids for the 2018/19 budget. Portfolio Holder reconsidering options with lead officers		



Priority: A cleaner, greener and more cultural Rushmoor

Action: Improve civic pride and community involvement in maintaining the cleanliness, quality and appeal of our neighbourhoods

Activities	Outcomes/deliverables	Milestones (key dates)
Improvements to information relating to protected trees on the Council's website	Residents have a better information in relation to protected trees	End of Q2 2017/18
Q1	Q2	Q3
<b>Comment:</b> Focus on Local Plan has delayed this work.		
Review our approaches to environmental crime including a more place central approach and methods of increasing enforcement	Improvements in appearance of public areas where problems of environmental crime are identified. Removal of fly tips, graffiti, abandoned vehicles etc. Education of the public regarding importance of disposing of litter, rubbish etc. appropriately.	Ongoing
Q1	Q2	Q3
<b>Comment:</b> Under review. Discussions been held with East Hampshire District Council to run a pilot project for littering and dog fouling, which is going to Cabinet on 6 February with a March 1 <sup>st</sup> start if agreed.		

Priority: Financially sound with services fit for the future- actions and activities

Action: Ensure financial sustainability by rigorously delivering the Council's 8 Point Plan

Activities	Outcomes/deliverables	Milestones (key dates)
Property investment – Continue to invest in commercial property to provide a revenue return <ul style="list-style-type: none"> <li>Develop of Asset Management Strategy</li> <li>Make better use of our assets and make better use of community property</li> </ul>	Range of purchases made, achieving a return of between 3.2% and 5.4%  Asset Management Strategy completed	Asset Management Strategy completion
Q1	Q2	Q3
<b>Comment:</b> Property investment is dependent on the outcomes of bids on properties. Work on asset management has been delayed and this work will now be completed in 2018/19.		

## Action: Taking advantage of opportunities to bring together public services at the Council offices and use our assets better

Activities	Outcomes/deliverables	Milestones (key dates)	
<p>To work with Hampshire County Council and other organisations as appropriate to take opportunities to co-locate services in the Council's building</p>	<ul style="list-style-type: none"> <li>RBC staff - Zone 1 model design being rolled out linked to re-structure/ re-deign – pragmatic/ phased approach has enabled “decant” area to be created, kitchen re-fresh, break out areas, modern desking and meeting rooms, flexible working to be used</li> <li>HCC 2nd floor to be re-configured (HCC funded) during 2017 to enable 40 additional back office staff re-locating from Aldershot Cambridge Road – work to start shortly.</li> <li>One Public Estate (OPE) feasibility study on an integrated RBC/HCC Children's services front of house/ joint reception/ specialist meeting rooms – “in principle” stakeholder consultation/high level study to report to DMB</li> </ul> <p>New Project: CAB relocation feasibility – linked to grants review &amp; town centre regeneration</p>	<p>September 2017 - completed</p> <p>Complete - £15k pa additional income</p> <p>Summer 2017 – work paused – see comments below</p> <p>Feasibility review underway – reporting by end February 2018</p>	
Q1	Q2	Q3	Q4
<p><b>Comment:</b> Work on the RBC/HCC joint reception has been delayed as OPE/HCC resources deployed to work on staff relocating into civic offices 2<sup>nd</sup> floor and to deal with a business continuity (building fire) – requirements have been gathered and the CAB requirements will also be incorporated. Reporting likely by April 2018 &amp; capital bid estimates submitted. <b>Note: update on key milestone (purple text)</b></p>			

**KEY DECISION - NO**

**REPORT NO. COMM1802**

**ENVIRONMENTAL LITTERING - PILOT PROJECT WITH EAST HAMPSHIRE  
DISTRICT COUNCIL**

**Summary and Recommendations:**

Provision of a clean environment is a priority for this Council and in order to better tackle littering and dog fouling at potentially no overall cost to the Council it is proposed we enter a one-year agency agreement with East Hampshire District Council (EHDC).

EHDC will provide a dedicated, experienced and well-equipped team to issue Fixed Penalty Notices (FPN`s) for littering and dog fouling. Rushmoor Borough Council will maintain a close working relationship particularly around operating practices, communications, payment for correctly issued FPN`s to EHDC, prosecutions and overall performance. Towards the end of the pilot, the Council will review the success of the partnership and its ongoing approach.

Cabinet is recommended to:

- authorise the Solicitor to the Council to enter into the Agency Agreement with EHDC for a one year Environmental littering and dog fouling project,
- approve standardising the Environmental Offences Fixed penalty fines for littering and dog fouling on designated land at £75 with no early penalty payment discount (currently £50 if paid within 10 days),and
- approve an initial income and expenditure budget of £65k to be pro rata to cover one month in 2017/18 and 11 months in 2018/19.

**1. Introduction**

- 1.1. To improve the quality of people's lives, ensuring a clean environment is a strategic priority for the Council. Littering and dog fouling is an ongoing concern for our residents.
- 1.2. The Council have three Community Patrol Officers that issue FPNs. However the numbers issued for littering and dog fouling are very low. This is primarily due to the wide remit of work they cover which includes abandoned vehicles, graffiti, fly posting, inspection and removal of fly tipping, Public Space Protection Orders, inspection of the street scene and clearance of ditches and water courses.

- 1.3. The Council have therefore been reviewing options on securing a dedicated team, which would be more effective in tackling littering and dog fouling, without potentially increasing costs. There is an option to partner with EHDC who have experience in developing dedicated teams that issue FPN`s for littering and dog fouling on behalf of Local Authorities.

## **2. Proposal**

- 2.1 EHDC through their wholly owned trading company East Hampshire Commercial Services Ltd (EHCS) has gained considerable experience from running its own littering and dog fouling project and through agency agreements are now running pilots for other Local Authorities, which include Havant, Hart, Arun and Chichester. Joining the project is quick and uses the “Discharge of Functions by Other Authorities” powers granted under Section 101 of the Local Government Act 1997.
- 2.2 EHCS will employ the enforcement officers and use former police trainers to train them. The training will cover, issuing the FPN`s, evidence gathering, interview techniques, preparing witness statements and the latest legislation including the Police and Criminal Evidence Act. The teams use the latest handheld technology and have body worn cameras.
- 2.3 EHCS will visit high footfall areas on a regular basis and other hotspots identified by the Council. They will handle complaints and provide a monthly report detailing the hours patrolled and number of FPN`s issued, including a geographical breakdown. The team have advised that they average an 87% payment rate and there is a 99% success rate for prosecutions.
- 2.4 The process will involve the enforcement officer requesting that the individual concerned pick up either the litter or the dog faeces. If they refuse, they are issued the FPN and have 14 days to pay. They are sent a reminder by EHDC which informs them that if they do not pay, the offence will be referred to the court, where regardless of if they plead guilty or not, if found guilty, they will incur court costs (c £200 to £400) and will have a criminal conviction which will be kept on record.
- 2.5 There will be ongoing communication between the Council and EHDC and shared intelligence will help inform geographical targeting and schedule patrols across the week. In addition to the more targeted approach with EHDC, the Councils Community Patrol team and following their recent accreditation the Civil Parking Enforcement officers, are able to issue FPN`s for littering and dog fouling and this will be coordinated with the above work.
- 2.6 The Council will through its communications team be responsible for signage and developing an ongoing media campaign to ensure the public are aware of the Councils enforcement policy, the additional patrols that will be taking place and the success of the project. If the project were approved, we would publicise it in the spring edition of the Arena, which is due for distribution on 12 March.

- 2.7 The Council's new contract for waste collection, street cleansing and grounds maintenance with Serco includes a provision to work with the Council on campaigns such as this. In 2018, Serco will be running two campaigns particularly focussing on dog fouling; one will be outside schools and the other will be in the Council's parks.
- 2.8 Additionally, through the contract, Serco have provided a piece of machinery dedicated to the removal of dog waste, known as the Fido machine. This will be used in conjunction with the campaigns as outlined above. Communications activity and campaigns carried out through the contract with Serco will also be coordinated with the work of EHDC enforcement trial.
- 2.9 The Council will be responsible for paying EDHC for each correctly issued FPN, the collection of payments and in bringing any prosecutions for unpaid fines. Given their enforcement experience, the Councils Parking Manager will lead on this project.
- 2.10 EHCS as a small start-up company are trialling an approach at Hart where they take the full payment for each FPN and include covering the court process. Depending on the outcome of the trial, they may offer this to other partners in due course.
- 2.11 It is proposed that the trial commence on 1 March 2018 and runs for a period of 12 months. Towards the end of the project, the Council will review the success of the partnership and its ongoing approach.

### **Alternative Options**

- 2.12 The Council have explored the option of using a private company. Given the public interest in littering and dog fouling it was considered more prudent at this time to develop this low risk pilot approach with EHDC that share our public sector values.
- 2.13 The Council could employ its own team of dedicated littering and dog fouling enforcement officers but this would increase risk around associated employment and operating costs. This pilot will give us invaluable experience to enable us to take a more informed view on our longer-term approach.

### **Consultation**

- 2.14 From previous resident surveys littering and dog fouling have been significant issues.

## **3. Implications**

### **Legal Implications**

- 3.1 The Solicitor to the Council will enter into the Agency Agreement and will use the "Discharge of Functions by Other Authorities" powers granted under Section 101 of the Local Government Act 1997 for this project.

## **Financial and Resource Implications**

- 3.2 It is anticipated that around 1,000 FPN`s would be issued. Whilst the statutory limit for these fines is £80, this report has been based on the Councils current fixed penalty fine of £75. The Council will pay EHDC £55 for each FPN correctly issued, therefore to assist the Council in recovering its costs it is proposed that the current discounted rate of £50 for payment within 10 days is removed.
- 3.3 An initial income and expenditure budget of £65k (based on an 87% payment of fines) will be required. This to be pro rata to cover one month in 2017/18 and 11 months in 2018/19. Of the £65k expenditure budget, £55k will be paid to EHDC for the issue of 1,000 FPN`s, with the remaining £10k budget required for internal resources and any shortfall in income if the recovery rate of fines falls below the 87%.
- 3.4 There is a low risk that with initial high levels of non-payment the Council may not recover its costs and additional recovery resources will be required. This pilot will enable the Council to assess the longer-term resource implications.

## **Equalities Impact Implications**

- 3.5 FPN`s will be issued fairly and consistently. Whilst they can be issued to anyone over the age of 10 years, it is proposed for this pilot that they will not be issued to under 16`s without the Councils consent, or to offenders who appear to lack capacity to understand the offence due to mental illness, learning difficulties or other conditions

## **4. Conclusions**

- 4.1 The Portfolio Holder for Environment and Service Delivery is keen to see further improvements to the environment particularly where this can potentially be achieved at no overall cost to the Council.
- 4.2 There is an ongoing issue around littering and dog fouling which to date the Council has been unable to dedicate sufficient resource to tackling. Having reviewed options, it is considered prudent at this time to develop this low risk pilot approach with EHDC that share our public sector values.

**Background Documents:** Draft Agency Agreement

### **Contact Details:**

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**Head of Service – Peter Amies -** [peter.amies@rushmoor.gov.uk](mailto:peter.amies@rushmoor.gov.uk) 01252 398750