

Agenda items 78 & 79**GENERAL FUND REVENUE BUDGET & COUNCIL TAX 2017/18****BUDGET AMENDMENTS****Green Group Amendment 1**

It is proposed that the following budget and policy amendments are made:

- Further to the traffic management objectives set out in paragraph 3.12 of the Fees and Charges 2017/18 report to Environment, Transport & Sustainability Committee on 17 January 2017, it is proposed to support the reduction of diesel emissions through removal of the low emission permit discount for diesel cars. One consequence of this will be an increase to the current parking surplus of £0.117m. The surplus is used to fund qualifying expenditure under section 55 of the Road Traffic Regulation Act 1984, as amended. As qualifying expenditure currently exceeds the parking surplus by over £2m, this will reduce the level of General Fund resources required to support qualifying expenditure by £0.117m in 2017/18;
- In the light of new homeless prevention and support grants of circa £2.5m announced in January 2017, adjust pressure funding allocated to expected demand for homelessness support and Temporary Accommodation, releasing £0.100m;
- To increase highways skip and scaffold licences by 15%, which will contribute further to costs and raise additional income of £0.024m;
- To increase highways hoarding licences by 15%, which will contribute further to costs and raise additional income of £0.014m;
- To raise the fee for all building control inspections by 10%, which will contribute further to costs and raise additional income of £0.016m.

The proposals above will generate ongoing revenue of £0.271m. It is proposed that these resources be used to:

- Reverse elements of the proposed cut to the third sector **investment programme** at a cost of **£0.145m**;
- Reverse elements of the proposed cut to Early Help work namely Integrated Team for Families and Parenting Services totalling **£0.080m**;

- Reverse elements of the proposed cut to the Community Safety team at a cost of £0.021m
- Support the Easylink transport service for the remainder of the financial year at a cost of £0.025m.

Chief Finance Officer comments:

The additional resources identified above are prudential and considered to be achievable but all income targets carry risk of under-achievement, particularly new charges where there is no historic or empirical evidence. These will need to be monitored closely to ensure early corrective action is taken if income falls below the projection. Normal practice from the council's Finance team would cover this requirement.

New resources for homelessness announced by the government are focused on prevention and may alleviate future cost pressures (i.e. enable cost avoidance). However, in the short term this may not be significant due to current pressures in the system, the difficulties in finding appropriate properties in the local area, the potential impact of continuing welfare reforms and continuing high housing needs. A small reduction of £0.100m to the £2.232m service pressure funding is considered to be medium to low risk but members are advised that if the newly funded initiatives do not reduce pressures, but simply contain growing demands, the service pressure funding released under this amendment may need to be reinstated in 2018/19, increasing the budget gap in that year. It should be noted that the position on demand-led services has to be a prudent view, reflecting a reduction to the risk provision; the projected over-spend on demand-led areas in the current financial year, and imperfect knowledge of the impact of investment of this type on future demands.

The increases in fees and licences in this amendment would generate greater income than indicated above but an assessment of the potential negative impact on demand has been included resulting in a lower yield from the increases. Members are advised that impacts on demand cannot be assessed with great accuracy and therefore there remains a small residual risk that the income may not materialise.