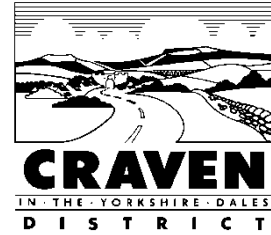


Policy Committee – 21st July 2015

Request for a Supplementary Revenue Estimate



Report of the Director of Services

Ward(s) affected: All

1. **Purpose of Report**

To consider a request for a supplementary revenue estimate for additional resource within the Council's Assets and Property Services Unit.

2. **Recommendations** – Members are recommended to:

Approve a supplementary revenue estimate of £50,000 to fund additional resource in the Council's Assets and Property Service to be funded from the Enabling Efficiencies Reserve in 2015/16 and 2016/17.

3. **Supplementary Revenue Estimate**

3.1 The budget estimate for each forthcoming financial year is approved by Council each February. Budget managers are then authorised to incur expenditure in accordance with the estimates that make up the budget.

3.2 It is difficult to precisely anticipate and calculate the budget estimate for the year ahead. Financial commitments change on a continuous basis throughout the financial year and where additional expenditure above £10,000 is required to ensure the continued delivery of agreed Council priorities, then, in accordance with the Council's Financial Procedure Rules the Council may consider applying a supplementary estimate to a service after consideration of a report from Policy Committee.

A requirement for a supplementary estimate has arisen in the Council's Assets and Property Service where there is a need to provide additional resource to deliver Council priorities.

4. **Reason for Supplementary Revenue Estimate**

4.1 Central Government funding of Councils has been cut hard in recent years by a Government determined to implement its deficit reduction strategy and Craven District Council has had to manage a 40% reduction in its government funding.

Funding cuts will continue. The Council's Long Term Financial Strategy (LTFS) requires savings of at least £650k over the period to 2017/18 and there is also growing financial pressure on front line services from an ageing population. Whilst Craven is well positioned to meet the required savings identified in its LTFS it must not underestimate the scale of the future challenge and needs to continue to be innovative in finding savings and increasing income.

- 4.2 Solutions to the savings and additional income include the exploration of new service models, a cultural shift towards commercialism in service delivery where appropriate and creating income streams from our own property developments.

As well as generating much needed efficiencies and income successful delivery of these solutions will also bring business and people to the district, developing the local economy as well as benefitting the Council through increased car park and capital receipts.

- 4.3 The Asset and Property Service is at the centre of these changes and is leading on the delivery of a number of council priorities in the current Council Plan e.g. Build to Rent, Skipton Town Hall, Engine Shed Lane Depot, Station Road Bentham etc. Concurrently the service is also exploring the potential to generate income and efficiencies from a range of Council assets Ashfield Toilets, Craven Pool, Waltonwrays etc.

These projects are additional to the day to day responsibilities of the service which include property maintenance, estate management and car park management.

- 4.4 Whilst these are exciting times for the Asset and Property Service the magnitude of the challenges facing the service must not be underestimated. The solutions proposed require different skills sets and additional capacity. Currently the service is drawing on external agency staff and consultants to support the development of these solutions however going forward a more efficient way is to invest in developing the Council's own resources to ensure it has the right skills to meet its future aspirations, cognisant of course of the overall financial challenges facing the Council.

- 4.5 Of specific need is a qualified RICS building surveying skill to provide development and management of a wide variety of complex land and property development projects from concept, design through to build. The addition of a suitably qualified RICS building surveying skills will also allow for a more integrated approach to property management and the effective delivery of new build, repair, refurbishment, and maintenance schemes in line with the Council Plan and the Asset Management Plan.

Also required is commercial surveying skill to source and evaluate a range of land, asset and development opportunities including acquisitions, the creation of new partnerships and disposals to increase the Council's annual revenue income and capital receipts. This resource is also required to lead on the Council's Build to Rent programme and provide the necessary knowledge and experience to be responsible for acquisitions and disposals, negotiating tenancies, surveys, site and property valuations, service charges.

- 4.6 An initial budget of £50,000 is required to fill these skills gaps in order to deliver the Council's priorities and create long term income streams. A supplementary revenue budget estimate of this amount is therefore requested. The estimate of £50,000 can be funded from the Council's Effecting Efficiencies reserve in 2015/16 and 2016/17 which will be replenished as the increased income and efficiencies are generated.

- 4.7 Additional income will be generated from increased estates management, the build to rent initiative which forms part of the Councils' Income and Savings Plan and increased income from discretionary services, including bereavement, leisure and car parking.

Efficiencies will be delivered by bringing all the Council's facilities management, consisting of caretaking, cleaning, and grounds maintenance together under single management and by improving the efficiency of managing the Councils assets by undertaking the Council's own routine repairs and maintenance.

An analysis of reactive and planned maintenance works undertaken for the last financial year indicates works to the value of £80,000 (net of materials and not including gas and electrical works) could have been undertaken by in-house maintenance operatives. Whilst the analysis is based on work that has taken place and which is not necessarily the same year on year even a conservative estimate indicates the potential for efficiency savings by bringing some of the maintenance requirements in-house.

4.8 Members are therefore asked to approve the request for a supplementary revenue estimate which if granted would for two years be funded from the Enabling Efficiencies Reserve.

4.9 The progress towards achieving the income and savings necessary to replenish the Enabling Efficiencies Reserve will be monitored as part of the Councils quarterly revenue budget monitoring.

5. **Implications**

5.1 **Financial Implications –**

Largely covered in the main body of the report. Up to £50,000 financial provision each year for the additional cost for 2015/16 and 2016/17 to be covered from the Enabling Efficiencies Reserve

If the Council does not approve a supplementary estimate the Asset and Property Service will not have necessary skill and resource to deliver the full extent of the projects included in the current 2015/16 Council Plan and it is unlikely the current income and savings will be delivered. Alternative savings initiatives will be required.

5.2 **Legal Implications –**

None arising from this report

6 **Contribution to Council Priorities –**

Contributes to the Enterprising Craven and Financial Resilience priorities by delivering a number of priorities set out in the 2015/16 Council Plan

7 **Author of the Report –**

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Note : Members are invited to contact the author in advance of the meeting with any detailed queries or questions.