

STRATEGY AND RESOURCES COMMITTEE

18 JANUARY 2018

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| Report Title | GENERAL FUND REVENUE ESTIMATES – REVISED 2017/18 AND ORIGINAL 2018/19 |
| Purpose of Report | To present to the committee the revised estimates for 2017/18 and original estimates for 2018/19 |
| Decision(s) | The Committee RECOMMENDS: a) The estimates set out in the report be considered and approved for inclusion in the General Fund Revenue Budget 2018/19 and Medium Term Financial Plan report to Council elsewhere on this agenda. |
| Consultation and Feedback | <ul style="list-style-type: none"> • Budget holders on budgets and savings • Residents and Business telephone surveys (as presented to a members seminar on the 7th December) • Budget workshops for Chairs & Vice Chairs of service committees and Administration group leaders |
| Financial Implications & Risk Assessment | <p>The estimates have been incorporated into the Council's Medium Term Financial Plan (MTFP) presented to this committee.</p> <p>David Stanley, Accountancy Manager Tel: 01453 754100 Email: david.stanley@stroud.gov.uk</p> |
| Legal Implications | <p>This report forms part of the statutory budget setting process for 2018/19 as well as providing an update on the revenue budget for the current year which the committee is required to keep under review on behalf of the Council. The report should be considered within the context of all strategic risks (in particular CCR1). (Ref:d41r51c8118).</p> <p>Karen Trickey, Legal Services Manager Tel: 01453 754369 Email: karen.trickey@stroud.gov.uk</p> |
| Report Author | <p>David Stanley, Accountancy Manager Tel: 01453 754100 Email: david.stanley@stroud.gov.uk</p> |

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| Options | The Administration is considering its budget options at the Strategy and Resources Committee meeting on 18 January 2018. Council will consider the overall budget position for 2018/19 on 25 January 2018. |
| Performance Management Follow Up | Budget monitoring reports are presented to Committee in September and February/March each year. Members will be informed of the outturn position for 2017/18 at the Strategy and Resources Committee meeting in May 2018. |
| Background Papers and Appendices | None |

Background

1. The Medium Term Financial Plan (MTFP) sets out a projection of General Fund Expenditure over the 5 year period 2017/18 to 2021/22. This report sets out a more detailed analysis of the changes to the Strategy and Resources Committee budget and presents the General Fund budget for 2017/18 (Revised Estimates) and 2018/19 (Original Estimates).
2. The general fund budget will then be considered as part of the Medium Term Financial Plan for recommendation to council elsewhere on this agenda.
3. **Due to the volume of information contained in the report, it would be helpful where members have questions on matters of detail if they could be referred to the report author or the appropriate service manager before the meeting.**

STRATEGY AND RESOURCES COMMITTEE BUDGETS

Revenue Budget position

4. The net General Fund revenue budget for 2017/18, approved by Council in February 2017, was £15.491m. This has now been revised to £15.660m after allowing for carry forwards approved in June 2017.
5. This has subsequently been used as the base estimate for both 2017/18 revised and 2018/19 original estimates. The revised estimates incorporate changes arising from budget pressures and efficiency savings. These have generally only changed from the original budget approved in February 2017 as a result of items reported to the committee in budget monitoring reports.
6. The original estimate for 2018/19 is £16.503m, an increase of £1.012m on the base budget. This is largely due to accounting adjustments for pension costs with other significant budget changes including pay inflation £97k, and budget and efficiency savings of (£1.037m).
7. Table 1 provides a summary of the changes to the 2017/18 and 2018/19 estimates. A more detailed breakdown of the service committee budget is set out in Table 3 (these figures are shown net of depreciation, support charges and LGPS pension adjustment). Technical adjustments and other changes are set out in more detail in the body of the report below, with the budget & efficiency savings detailed in Table 2.

Table 1 – Summary of changes from the 2017/18 Original Budget

| | 2017/18 Original Estimate (£)000's | 2017/18 Revised Estimate (£)000's | 2018/19 Original Estimate (£)000's |
|---|---|--|---|
| General Fund | | | |
| [a] Original Budget | 15,491 | 15,491 | 15,491 |
| [b] Carry forwards from Prior year | | 169 | 0 |
| [c] Technical Adjustments | | 0 | (71) |
| [d] Pay Inflation 2017/18 | | 0 | 97 |
| [e] Price & Income inflation | | 0 | 13 |
| Base Budget | 15,491 | 15,660 | 15,530 |
| [f] Budget Pressures | | 0 | 9 |
| [f] Efficiency Savings | | (250) | (1,037) |
| [g] Insurance Adjustment | | 0 | 39 |
| [h] Technical Adjustment | | (0) | 204 |
| [j] Recharge Adjustment | | 0 | 11 |
| [j] Accounting Adjustments | 565 | 1,803 | 1,748 |
| Net Service Revenue Expenditure Budget | 16,056 | 17,213 | 16,503 |

(Table may contain rounding's)

Technical and Prior-year adjustments

c) Technical adjustments – (£53k) Building Control additional income forecast due to increase in application fees. Gloucestershire Building Control Partnership is a shared service with Gloucester City Council and hosted by Stroud. Any additional income is ring-fenced and held on the balance sheet to be re-invested within the service. An (£18k) saving has also been realised through business rate revaluation.

d) Pay Inflation - Salary budgets have been increased by 1%.

e) Price & income inflation - A 3% increase on software licenses.

Budget Pressures and Efficiency Savings

f) The council has been working on identifying savings for the Medium Term Financial Plan (MTFP) since July 2017 and these have been reviewed by Directors and Committee chairs and vice-chairs. Further consultation on the budget and efficiency savings has taken place with committee members this financial year. Table 2 provides a detailed overview of the budget pressures and savings for 2018/19, which have been incorporated into the General Fund budget above.

Table 2 – Budget Pressures and Efficiencies

| Type | Budget | Reason for Budget Pressure or Efficiency Saving | 2017/18 (£) 000's | 2018/19 (£) 000's |
|---|------------------------|--|----------------------|----------------------|
| ES | Community Services | Reduced car allowance rates | | (18) |
| ES | Cultural Services | Closure of Rednock JUSC | | (20) |
| ES | The Pulse- Dursley | Increased budgeted income in respect of swimming lessons. | | (33) |
| ES | Museum in the Park | Review of current budget and forecast spend has identified efficiencies across the service | | (14) |
| ES | Community Services | Workforce Plan review - vacant posts | (22) | (22) |
| ES | Revenue & Benefits | Grant Income budget recognised | | (89) |
| Total Community Services and Licensing Committee | | | (22) | (197) |
| ES | Environment | Reduced car allowance rates | | (31) |
| ES | Development Control | Development Control fees increase 20% | | (156) |
| ES | Development Control | Increase in Pre-application & Regularisation fees | | (24) |
| ES | Land Drainage | Gloucester County Council contribution | | (21) |
| ES | Environment | Workforce Plan review - vacant posts | (131) | (131) |
| Total Environment Committee | | | (131) | (362) |
| ES | Strategy and Resources | Workforce Plan review - vacant posts | (86) | (66) |
| ES | Strategy and Resources | Reduced car allowance rates | | (10) |
| ES | Facilities | Car Parks - increase budgets to match previous income | | (67) |
| ES | Facilities | Car Parks - increase charges at existing car parks | | (150) |
| ES | Asset management | Littlecombe business units | | (62) |
| ES | Facilities | Ebley Mill rent income - new letting | | (40) |
| ES | Legal | Historic budget not required | | (10) |
| ES | Democratic services | Historic budget not required | | (10) |
| Total Strategy and Resources Committee | | | (86) | (415) |
| ES | Housing GF | Workforce Plan review - vacant posts | (11) | (11) |
| ES | Private Housing | Saving on Countrywide agency | | (48) |
| ES | Housing GF | Reduced car allowance rates | | (5) |
| Total Housing GF | | | (11) | (64) |
| Total General Fund | | | (250) | (1,037) |

(Table may contain rounding's)

- f) Workforce Plan savings** – Members will be aware that the Council faces considerable financial challenges over the next few years. Until recently we have been able to deal with these by careful budget management, however, further financial challenges mean that this approach was not enough. As a result, we have to look now at our staffing costs which represent 80% of total Council expenditure. This decision was not taken lightly, but we effectively need to reduce our headcount by 20% over the next 4 years.

These changes will be implemented in a phased approach over several years. Phase 1 incorporates vacant posts and these have been permanently taken out of the structure from 2017/18 onwards.

- g) Insurance Premium** – Property sum insurance in general has increased significantly across the industry, this coupled with SDC's claims for the previous year reaching almost £200k have seen an increase in our premiums for 2018/19. The Council are in the process of re-tendering the Portfolio over the next few months. A review of risk and self-insurance levels is also taking place to mitigate the increased cost of insurance premiums.

- h/i) Technical/Recharge adjustment** – Historic grant income budget now realised within Revenue & Benefits. Adjustment also incorporates CDC adjustment.

Pension Accounting Adjustment/ Support Service Re-charges

- j)** The way in which the council budgets and accounts for contributions to the Local Government Pension Scheme (LGPS) was amended to 23.9% for 2017/18. Employer's pension contributions in respect of current members of the Local Government Pension Scheme (LGPS) will remain at this level for 18/19. A further lump sum payment is made to the pension fund in respect to funding liabilities arising from previous employees and the deficit position.

Table 3- Details of the changes to the Committee's revenue budgets

Original and Revised Estimates

| | 2017/18 Original Estimate (£)000's | 2017/18 Revised Estimate (£)000's | 2018/19 Original Estimate (£)000's |
|---|---|--|---|
| Committee Service Area (figures shown net of support charges, depreciation and LGPS pension adjustment) | | | |
| Community Safety | 65 | 70 | 63 |
| Abandoned Vehicles | 5 | 5 | 5 |
| Careline Services | (31) | (31) | (32) |
| Neighbourhood Wardens | 235 | 241 | 236 |
| Car Parks Enforcement | 68 | 46 | 47 |
| Stroud and Dursley CCTV | 41 | 41 | 41 |
| Subtotal Community Safety | 382 | 371 | 360 |
| Hear by Right / Youth Services | 99 | 99 | 100 |
| Strategic Head (Customer Services) | 132 | 132 | 133 |
| Grants to Voluntary Organisations | 337 | 337 | 337 |
| Subtotal Grants to Voluntary Organisations | 337 | 337 | 337 |
| Customer Service Centre | 386 | 386 | 390 |
| Public Space Service | 300 | 300 | 293 |
| Cemeteries | 24 | 25 | 25 |
| Amenity Areas | 127 | 126 | 127 |
| Commons and Woodlands | 14 | 14 | 14 |
| Stratford Park Grounds Maintenance | 180 | 214 | 180 |
| Grassed Areas Contribution to HRA | 170 | 170 | 170 |
| Public Conveniences | 223 | 219 | 222 |
| Subtotal Public Spaces | 1,037 | 1,067 | 1,031 |
| Business Rate Collection | (109) | (109) | (109) |
| Council Tax Collection | 256 | 236 | 239 |
| Council Tax Support Admin | 64 | 64 | 65 |
| Rent Allowances and Rebates | (77) | (77) | (77) |
| Housing Benefit Administration | 150 | 170 | 84 |
| Subtotal Revenues and Benefits | 284 | 284 | 202 |
| Licensing | (69) | (69) | (68) |
| Museum in the Park | 417 | 437 | 406 |
| Subscription Rooms | 223 | 209 | 227 |
| Tourism | 147 | 147 | 148 |
| Subtotal Cultural Svcs - Arts and Culture | 787 | 792 | 781 |
| Health and Wellbeing | 35 | 39 | 35 |
| Sport and Health Development | 119 | 137 | 120 |
| Subtotal Cultural Svcs - Sport & Health Dev. | 153 | 176 | 154 |
| Dursley Pool and Sports Centre | (6) | 31 | (49) |
| Joint Use Sports Centres | 59 | 61 | 60 |
| Stratford Park Leisure Centre | 119 | 142 | 124 |
| Subtotal Cultural Svcs - Sports Centres | 172 | 234 | 135 |
| COMMUNITY SERVICES Total | 3,701 | 3,809 | 3,554 |

| Committee Service Area (figures shown net of support charges, depreciation and LGPS pension adjustment) | 2017/18 Original Estimate (£)000's | 2017/18 Revised Estimate (£)000's | 2018/19 Original Estimate (£)000's |
|---|---|--|---|
| Canal Partnership | 7 | 7 | 7 |
| Subtotal Canal | 7 | 7 | 7 |
| Strategic Head (Development Services) | 115 | 115 | 116 |
| Head of Environmental Health | 69 | 69 | 70 |
| Environmental Health Team | 149 | 149 | 149 |
| Contaminated Land | 32 | 32 | 32 |
| Dog Warden Service | 82 | 82 | 78 |
| Environmental Protection | 190 | 147 | 153 |
| Food Safety | 152 | 152 | 150 |
| Health and Safety | 88 | 88 | 86 |
| Land Drainage | 60 | 160 | 38 |
| Public Health | 41 | 44 | 43 |
| Pest Control | 28 | 2 | 6 |
| Port Health | 2 | 2 | 2 |
| Planning Liaison | 14 | 14 | 14 |
| Subtotal Environmental Health | 837 | 870 | 751 |
| Planning and Building Control Admin | 255 | 255 | 258 |
| Building Control | (128) | (97) | (186) |
| Securing Dangerous Structures | 9 | 10 | 9 |
| Building Regulation Enforcement / Advice | 35 | 3 | 36 |
| Street Naming | (4) | (4) | (4) |
| Subtotal Statutory Building Control | 168 | 168 | 114 |
| Planning Strategy | 319 | 304 | 306 |
| Subtotal Strategic Planning of Local Plan | 319 | 304 | 306 |
| Development Control | (94) | (94) | (267) |
| Trees | 43 | 43 | 42 |
| Conservation | 58 | 58 | 59 |
| Planning Appeal Costs | 70 | 70 | 69 |
| Enforcement | 108 | 108 | 106 |
| Footpath Diversion | (2) | (2) | (2) |
| Subtotal Development Control | 182 | 182 | 7 |
| Economic Development | 54 | 54 | 54 |
| Market Town Projects | 24 | 24 | 24 |
| Regeneration | 108 | 82 | 82 |
| Subtotal Economic Development | 187 | 160 | 161 |
| Energy Efficiency | 93 | 71 | 71 |
| Subtotal Carbon Management | 93 | 71 | 71 |
| Refuse Collection | 1,203 | 1,116 | 1,116 |
| Multi-Bank Recycling Sites | 1,138 | 1,181 | 1,181 |
| Recycling and Environmental Initiatives | 205 | 250 | 250 |
| Subtotal Waste and Recycling | 2,546 | 2,546 | 2,546 |
| Street Cleansing | 601 | 601 | 601 |
| ENVIRONMENT Total | 5,124 | 5,093 | 4,749 |

| Committee Service Area (figures shown net of support charges, depreciation and LGPS pension adjustment) | 2017/18 Original Estimate (£)000's | 2017/18 Revised Estimate (£)000's | 2018/19 Original Estimate (£)000's |
|---|---|--|---|
| Homelessness | 120 | 120 | 121 |
| Homelessness Prevention | 139 | 139 | 140 |
| Housing Strategy | 90 | 111 | 90 |
| Private Housing | 214 | 204 | 152 |
| Subtotal Housing (General Fund) | 562 | 573 | 503 |
| Committee Service Area (figures shown net of support charges, depreciation and LGPS pension adjustment) | 2017/18 Original Estimate (£)000's | 2017/18 Revised Estimate (£)000's | 2018/19 Original Estimate (£)000's |
| Brunel Mall | (53) | (53) | (52) |
| Industrial Units | (16) | (16) | (16) |
| Brimscombe Port | 50 | 50 | 50 |
| Littlecombe site, Dursley | 0 | 0 | (61) |
| Gossington Depot | 0 | 6 | 0 |
| Subtotal Investment Assets | (19) | (13) | (78) |
| Dursley Bus Station | (3) | (5) | (3) |
| Miscellaneous Properties and Land | 17 | 50 | 27 |
| Subtotal Other Assets | 14 | 46 | 24 |
| Car Parks | (422) | (416) | (656) |
| Subtotal Car Parks | (422) | (416) | (656) |
| Head of Asset Management | 82 | 82 | 82 |
| Asset Management | 263 | 261 | 263 |
| Building Maintenance | 74 | 65 | 64 |
| Subtotal Asset Management Team | 337 | 326 | 327 |
| Facilities Management | 212 | 212 | 212 |
| Ebley Mill | 497 | 495 | 459 |
| Emergency Management | 92 | 92 | 91 |
| Subtotal Facilities Management | 801 | 799 | 761 |
| Members Expenses | 371 | 371 | 365 |
| Democratic Representation and Management | (167) | (167) | (157) |
| Electoral Registration | 124 | 124 | 126 |
| Elections | 109 | 86 | 88 |
| Youth Councils | 3 | 3 | 3 |
| Subtotal Democratic Representation and Mgt | 440 | 418 | 426 |
| Past Service Pension Costs/Central Budget Alloc | 1,607 | 1,591 | 1,861 |
| Corporate Management | (22) | (22) | (22) |
| Pension Costs | 49 | 49 | 49 |
| Land & Property Custodian | (29) | (29) | (28) |
| Subtotal Resources and Finance - Direct Spend | 1,604 | 1,589 | 1,859 |

| Committee Service Area (figures shown net of support charges, depreciation and LGPS pension adjustment) | 2017/18 Original Estimate (£)000's | 2017/18 Revised Estimate (£)000's | 2018/19 Original Estimate (£)000's |
|---|---|--|---|
| Chief Executive | 189 | 189 | 189 |
| Strategic Head (Corporate Services) | 46 | 46 | 47 |
| Human Resources | 456 | 417 | 420 |
| Policy and Review | 121 | 121 | 122 |
| Marketing | 53 | 53 | 54 |
| Subtotal Corporate Services (HR etc) | 630 | 591 | 596 |
| Legal Services | 422 | 422 | 416 |
| Procurement | 62 | 62 | 63 |
| Democratic Services | 132 | 100 | 96 |
| Subtotal Corporate Services (Legal) | 616 | 585 | 575 |
| Strategic Head (Finance and Business Services) | 111 | 0 | 80 |
| Financial Services | 722 | 742 | 748 |
| Business Projects | 62 | 62 | 62 |
| Information & Communication Technology | 892 | 892 | 903 |
| Subtotal Finance and Business Services | 1,675 | 1,695 | 1,713 |
| STRATEGY & RESOURCES Total | 6,104 | 5,936 | 5,946 |
| Add: COMMUNITY SERVICES Total | 3,701 | 3,809 | 3,554 |
| Add: ENVIRONMENT Total | 5,124 | 5,093 | 4,749 |
| Add: HOUSING Total | 562 | 573 | 503 |
| SUBTOTAL Service Revenue Expenditure | 15,491 | 15,411 | 14,752 |
| Technical Adjustments | 565 | 1,801 | 1,752 |
| Net Service Revenue Expenditure | 16,056 | 17,213 | 16,503 |

(Table may contain roundings)