

STRATEGY AND RESOURCES COMMITTEE

12 APRIL 2018

8b

Report Title	General Fund Revenue and Capital Budget Monitoring Report 2017/18 (28 Feb 2018)
Purpose of Report	To present to the Committee a forecast of the outturn position against the revenue budget and capital programme for 2017/18.
Decision(s)	The Committee RESOLVES to note the outturn forecast for the General Fund Revenue budget and Capital Programme
Consultation and Feedback	Budget holders have been consulted about the budget issues in their service areas. The feedback has been incorporated in the report to explain differences between budgets and actual income and expenditure.
Financial Implications and Risk Assessment	<p>The report sets out the outturn forecast on the General Fund revenue budget and is projected to underspend by £663k at year end. However, there remains some uncertainty around the final outturn position at this stage, particularly given the likely financial performance on the Multi-Service contract and the final outturn for Revenues and Benefits</p> <p>The General Fund Budget 2018-19, Capital Programme And Medium Term Financial Plan report to Council in January 2018 set out a number of unfunded budget pressures. The report proposes that the net underspend on the General Fund (surplus) is allocated to earmarked reserves which will provide one-off funding to mitigate these budget pressures in 2018/19.</p> <p>The final outturn position, to be reported to members of the committee in May 2018, is likely vary from that shown here. In line with the statement above, any increases in the surplus would be allocated to reserves to these budget pressures.</p> <p>The General Fund capital programme is forecast to underspend by £0.974m. With the exception of the funding for Disabled Facilities Grants, which is returned to the County Council as part of the Better Care Fund, the remaining forecast underspends will be treated as capital slippage and reprofiled across the capital programme.</p>

Financial Implications and Risk Assessment Continued/...	David Stanley – Accountancy Manager (s151 Officer) Tel: 01453 754100 Email: david.stanley@stroud.gov.uk
Legal Implications	The committee has responsibility on behalf of the Council to monitor and review the Council's income and expenditure during the financial year against the Council's budget. Craig Hallett, Solicitor & Deputy Monitoring Officer Tel: 01453 754364 Email: craig.hallett@stroud.gov.uk <small>(Ref: rc28.3d29.3)</small>
Report Author	Adele Rudkin, Accountant Tel: 01453 754109 Email: adele.rudkin@stroud.gov.uk
Performance Management Follow Up	Budgets have been continually monitored on a regular basis by budget holders and supported by Finance. The outturn position will be reported to Strategy and Resources committee in May 2018

1. This report provides the second monitoring position statement for the financial year 2017/18, figures have been updated to include all transactions up to 28 February 2018 in order to provide the committee with meaningful data. The purpose of this report is to notify members of any known significant variations to budgets for the current financial year, highlight any key issues, and to inform members of any action to be taken if required.
2. **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.**

Revenue Budget position

3. The original net General Fund Revenue budget for 2017/18 was approved by Council at their meeting in February 2017 including budget proposals of the administration.
4. The latest budget for Strategy and Resources Committee is £5.936m.
5. The monitoring position for Strategy & Resources at 28 February 2018 shows a projected net **underspend of (£2k)**. Taking into account the variation reported to Community Services and Licensing, Housing and Environment committees, the overall position on the General Fund is a net **underspend of (£663k)**. Appendix A provides an overview of both the committee's budget and the General Fund position.

Table 1 – General Fund Revenue Position

GENERAL FUND	Para Refs	2017/18 Original Budget (£'000)	2017/18 Revised Budget (£'000)	2017/18 Forecast Outturn (£'000)	2017/18 Outturn Variance (£'000)
Community Services Committee		3,701	3,809	3,330	(479)
Housing Committee		562	573	537	(36)
Environment Committee		5,124	5,093	5,194	100
Strategy & Resources Committee		6,104	5,936	5,934	(2)
Accounting Adjustments		565	1,801	1,801	0
Net Service Revenue Expenditure		16,056	17,213	16,796	(416)
Other Operating Income & Expenditure	24	(630)	(2,152)	(2,399)	(247)
Funding from Govt Grants/Council Tax		(15,052)	(15,072)	(15,072)	0
TOTAL General Fund	6	374	(11)	(674)	(663)

6. **Impact of position on reserves** – as can be seen in the table above, the forecast outturn position, if replicated at the end of the financial year, will lead to a surplus on the General Fund of £663k.
7. Members will recall from the Budget and Medium Term Financial Plan report to Council in January 2018, there are a number of unfunded budget pressures likely in 2018/19. These include the cost of the Ubico Multi Service contract, Workforce Planning, and ICT Salaries.
8. As such, it is proposed that the surplus on the General Fund is set aside against these budget pressures. Therefore, it is proposed that £400k is transferred to a new earmarked reserve to mitigate cost pressures on the Ubico Contract, with £250k transferred to the workforce planning reserve to provide further resources to fund costs associated with the Workforce plan. These costs are likely to be significant over the medium term, and a further review of the level of resource required to implement the workforce plan will be undertaken in the first half of the financial year.

Table 2 – Revenue budgets Strategy & Resources Committee 2017/18

Strategy & Resources Committee	Para Refs	2017/18 Original Budget (£'000)	2017/18 Revised Budget (£'000)	2017/18 Forecast Outturn (£'000)	2017/18 Outturn Variance (£'000)
Investment Assets	14	(19)	(13)	37	50
Other Assets		14	46	48	2
Car Parks	15	(422)	(416)	(463)	(47)
Head of Property Services		82	82	67	(14)
Property Services Team	16	337	326	291	(35)
Facilities Management	17	801	799	763	(36)
Democratic Representation and Management	18	440	418	358	(60)
Resources and Finance - Direct Spend		1,604	1,589	1,572	(18)
Chief Executive		189	189	193	4
Strategic Head (Corporate Services)		46	46	46	0
Corporate Services (HR & BS)	19	630	591	580	(11)
Corporate Services (Legal)	20	616	585	523	(62)
Strategic Head (Finance and Business Services)	21	111	0	25	25
Finance and Business Services	22	722	742	787	45
ICT & Business Projects	23	953	953	1,109	155
Strategy & Resources TOTAL		6,104	5,936	5,934	(2)

9. The table below outlines the key variances for this Committee

Table 3 - Headline Budget variances

Strategy & Resources Committee	Para Refs	Overspend / (Underspend) (£'000's)
Investment Assets	14	
Industrial Units - Phase 4		55
Property Services Team	16	
Property Services - Salary underspend		(35)
Car Parks	15	(47)
Democratic Representation and Management		
Members Expenses		(31)
Corporate Services (HR etc)	19	
Human Resources - Salary Underspend		(52)
Business Services		133
Policy & Review		(89)
Corporate Services (Legal)	20	
Legal Services		(44)
Strategic Head (Finance and Business Services)	21-22	
Strategic Head -Overspend		25
Financial Services		45
ICT & Business Projects	23	
Business Projects - Salary Underspend		(61)
ICT - Salary Overspend		217
Strategy & Resources TOTAL		115

Capital Programme

10. The 2017/18 Capital Programme of £16.431m was approved by Council in January 2017. This has subsequently been revised to £17.712m following approval of the carry forwards/slippage and profiling changes by Strategy and Resources Committee at their meeting in June 2017. Re-profiling of certain schemes were considered by members in January 2018 and revised budget was set at £14.034m.

11. Table 2 below shows the Capital Forecast position at the end of February 2018 for Strategy & Resources Committee and shows a projected Outturn of £2.673m.

Table 5 – Strategy & Resources Capital Schemes

Strategy & Resources Capital Schemes	2017/18 Revised Budget (£'000)	2017/18 Spend to date (£'000)	2017/18 Projected Outturn (£'000)	2017/18 Outturn Variance (£'000)
Housing Initiatives	848	848	848	0
Brimscombe Port Redevelopment	450	264	264	(186)
Littlecombe Business Units	1,850	1,231	1,561	(289)
TOTAL S&R Capital	3,148	2,343	2,673	(475)

12. A full breakdown of the Capital Programme can be found in Appendix A. The table identifies the level of capital expenditure to the end of February 2018. Whilst Budget holders have been consulted and have provided projected outturn figures for the end of the financial year.

13. The General Fund capital programme is forecast to underspend by £0.974m (as shown in Appendix A). With the exception of the funding for Disabled Facilities Grants, which is returned to the County Council as part of the Better Care Fund, the remaining forecast underspends will be treated as capital slippage and reprofiled across the capital programme.

STRATEGY AND RESOURCES COMMITTEE

14. Investment Asset – £50k overspend

(Alison Fisk xtn 4430) alison.fisk@stroud.gov.uk

This variance is attributable to Phase 4 Oldends Lane Industrial Estate. There are currently two vacant units which are on the market, as a result there is a shortfall in income. The units are proving more difficult to let than usual because the Councils head lease expires in 2 years so only short term leases can be offered. In addition there is some non-recoverable expenditure that the Council has to fund because of the two vacant units.

15. Car Parks – (£47k) additional income

(Mike Hammond xtn 4447) mike.hammond@stroud.gov.uk

The additional revenue is due to an increase in tariffs which were introduced in October 2017. As part of the budget setting process the budgets were adjusted to reflect additional proposed income for 2018/19. There has been a slight decline in a few car parks regarding income streams which will be continued to be monitored in order to establish whether this is a trend, or just down to customer choice.

16. Property Services Team – (£35k) underspend/income surplus

(Alison Fisk), xtn 4430 alison.fisk@stroud.gov.uk

A predicted underspend of (£22k) is forecast on salaries within Property Services. This is an in year salary saving due to vacancies arising for a Business Support Officer post. The service has recently undertaken a review of its establishment and a new approved structure has been implemented. Any permanent savings were dealt with within phase 1 of the workforce plan. The remaining variation is

additional income received from the S106 Coopers Edge agreement for SDC's Officers' professional fees.

17. Facilities Management – (£36k) underspend/additional income

(Mike Hammond xtn 4447) mike.hammond@stroud.gov.uk

There is a (£24k) saving within salaries. This is due to a number of in year vacancies with post holders leaving and a post that has not been filled. The structure within the service is currently under review as part of the workforce plan. The remaining variance is additional income from the letting BB3. This income will be reflected in the 2018/19 budgets.

18. Democratic Representation and Management - (£60k) underspend

(Karen Trickey, xtn 4369, karen.trickey@stroud.gov.uk)

(Hannah Emery, xtn 4383), hannah.emery@stroud.gov.uk)

Members Expenses – (£31k) underspend

There is a general underspend on a range of costs within the service. The two main areas are around 'other course & seminars' and 'internal catering'. A reduction to these budgets has been reflected in the 2018/19 budget setting process.

The remaining variance is due to cumulative small underspends within Elections and Democratic Representation and Management.

19. Corporate Services – (£11k) underspend

HR (£52k) underspend - (Lucy Powell, xtn 4286), lucy.powell@stroud.gov.uk

Business Services £44k overspend–(Tim Power,xtn 4155)

tim.power@stroud.gov.uk

Whilst the overall variance is insignificant, there are some larger offsetting variances that need to be considered.

There are two main areas of underspend in HR, (£38k) of the variance is related to vacant corporate apprentice posts and (£18k) on Skills for Stroud budget, which includes the cost of delivering the Ambitions career event.

The remaining variance are costs associated with the staffing resource of the Change Team of £133k, with a proportion of this being offset from the existing Policy & Review budget of (£89k).

20. Corporate Services – Legal (£62k) underspend

(Karen Trickey, xtn 4369, karen.trickey@stroud.gov.uk)

The salary variation of (£40k) is in relation to two career graded posts and a third post that is currently on phased retirement. There have been additional savings from backfilling maternity leave by an increase in grade of an existing post.

There is a general underspend within Democratic Services of (£18k) over a cumulative range of costs. These areas of savings have been reflected in the 2018/19 budget setting process.

21. Strategic Head (Finance and Business Services) – £25k overspend

(David Stanley xtn 4100), david.stanley@stroud.gov.uk

The budget variation shown here is in relation to costs associated with Strategic Financial Support to the Council, costs related to the recruitment of the Head of Finance post, and the redundancy costs of the Finance Officer post.

22. Financial Services – £45k overspend

(David Stanley xtn 4100), david.stanley@stroud.gov.uk

The variation is attributable to ongoing support from an external 3rd party consultant prior to the system upgrade of the Council's Agresso financial system. Considerable work has been required during the year to ensure that the current version of Agresso remains stable and functional.

The remaining element of the variation relates to additional staffing and recruitment costs for the Principal Accountant role, and transitional support for the 2016/17 Statement of Accounts.

23. ICT – £155k additional expenditure

(Mark Fisher xtn 4258, mark.fisher@stroud.gov.uk)

(Sean Ditchburn xtn 4256. sean.ditchburn@stroud.gov.uk)

This overspend is made up of two major variances:

ICT - £217k overspend

£106k is directly related to salaries. There has been an exceptionally high turnover of staff over the last year and recruitment of new staff has been particularly difficult in the current market. In order to run a 'business as usual' service, contractors have been employed to cover these vacancies. The two contractor posts currently cover two vacant STR6 posts, Principal Network Security Officer and a Principal Infrastructure Officer. There are also unbudgeted salary costs relating to the Head of ICT and Development Projects.

The additional overspend of **£111k** is due to the MS Office Licence annual maintenance costs that have increased sharply over the last few years and the ICON cloud based software solution. Members will recall that these budgets have been increased as part of the budget setting process for 2018/2019 to ensure IT software is fit for purpose to deliver efficient and effective services in the future.

Business Projects – (£61k) underspend

This underspend is the vacant Business Development Officer post. This saving will offset the unbudgeted salary costs within ICT.

24. Corporate Income and Expenditure – (£247k) variation

(David Stanley xtn 4100, david.stanley@stroud.gov.uk)

The variation reported on this line refers to the additional £400k of budget provision that was made to support the Multi-Service contract. Rather than allocate directly to the service budget, it has been held as a contingency to ensure members are aware of the underlying budget variation against the contract.

When taken against the variations reported within Environment committee's budgets, it could be seen that the Multi-Service contract is working within it

increased level of resource. However, members should also note that this additional resource will reduce from £400k in 2017/18 to £200k in 2018/19. As such, further action will be required from the budget holder to ensure the contract can remain close to or within its revised budget allocation next financial year.

The total variation on this reporting line takes into account the level of provisional carry forward requests made by budget holders. Therefore, it is proposed to transfer £178k to earmarked reserves so that this funding can be rolled forward into 2018/19.

The final element of the variation relates to the net underspend on the contingency budget of £25k.

Table 5 – Strategy & Resources Committee Breakdown

Strategy & Resources Committee	Para Refs	2017/18 Original Budget (£'000)	2017/18 Revised Budget (£'000)	2017/18 Forecast Outturn (£'000)	2017/18 Outturn Variance (£'000)
Brunel Mall	14	(53)	(53)	(59)	(6)
Industrial Units	14	(16)	(16)	39	55
Brimscombe Port		50	50	50	0
Littlecombe site, Dursley		0	0	0	0
Gossington Depot		0	6	6	0
Investment Assets		(19)	(13)	37	50
Dursley Bus Station		(3)	(5)	(3)	2
Miscellaneous Properties and Land		17	50	50	0
Other Assets		14	46	48	2
Car Parks	15	(422)	(416)	(463)	(47)
Head of Property Services		82	82	67	(14)
Property Services	16	263	261	230	(31)
Asset Building Maintenance	16	74	65	62	(3)
Property Services Team		337	326	291	(35)
Facilities Management		212	212	188	(24)
Ebley Mill		497	495	483	(12)
Emergency Management		92	92	92	(0)
Facilities Management	17	801	799	763	(36)
Members Expenses	18	371	371	340	(31)
Democratic Representation and Management	18	(167)	(167)	(179)	(12)
Electoral Registration	18	124	109	120	11
Elections	18	109	101	75	(27)
Youth Councils		3	3	2	(1)
Democratic Representation and Management		440	418	358	(60)
Past Service Pension Costs/Central Budget Alloc		1,607	1,591	1,591	0
Corporate Management		(22)	(22)	(22)	0
Pension Costs		49	49	49	0
Land & Property Custodian		(29)	(29)	(47)	(18)
Resources and Finance - Direct Spend		1,604	1,589	1,572	(18)
Chief Executive		189	189	193	4

Strategy & Resources Committee	Para Refs	2017/18 Original Budget (£'000)	2017/18 Revised Budget (£'000)	2017/18 Forecast Outturn (£'000)	2017/18 Outturn Variance (£'000)
Strategic Head (Corporate Services)		46	46	46	0
Human Resources	19	456	417	365	(52)
Business Services	19	0	0	133	133
Policy and Review	19	121	121	32	(89)
Marketing		53	53	51	(3)
Corporate Services (HR etc)		630	591	580	(11)
Legal Services	20	422	422	378	(44)
Democratic Services	20	132	100	82	(18)
Procurement		62	62	63	1
Subtotal Corporate Services (Legal)		616	585	523	(62)
Strategic Head (Finance and Business Services)	21	111	0	25	25
Financial Services	22	722	742	787	45
Business Projects	23	62	62	0	(61)
Information & Communication Technology	23	892	892	1,108	217
Subtotal Finance and Business Services		1,675	1,695	1,895	200
Strategy & Resources TOTAL		6,104	5,936	5,934	(2)

Community Services & Licensing Committee

Table 6 – Community Services & Licensing Committee outturn forecast

Community Services Committee	Para Refs	2017/18 Original Budget (£'000)	2017/18 Revised Budget (£'000)	2017/18 Forecast Outturn (£'000)	2017/18 Outturn Variance (£'000)
Community Safety	25	382	371	295	(76)
Youth Services		99	99	87	(12)
Grants to Voluntary Organisations		337	337	337	0
Licensing		(69)	(69)	(73)	(4)
Strategic Head (Customer Services)	26	132	132	156	24
Customer Services		386	386	398	12
Cultural Svcs - Arts and Culture	27	787	792	717	(76)
Cultural Svcs - Sport & Health Dev.		153	177	178	1
Cultural Svcs - Sports Centres	28	172	233	88	(144)
Public Spaces		1,037	1,067	1,068	2
Revenues and Benefits	29	284	284	78	(206)
Community Services TOTAL		3,701	3,809	3,330	(479)

25. Community Safety – (£76k) underspend

(Mike Hammond 4447, mike.hammond@stroud.gov.uk)

This underspend is made up of several variances across the service.

Careline services – (£22k) underspend

The Careline service is currently run by 1.5 FTE staff. The service also had a maintenance contract with Tunstall that was costing in excess of £30k pa. A detailed analysis was undertaken which proved it was more cost effective to renew faulty units with new machines if required. Officers now deal with all queries in house with the assistance of the on-call officer for facilities and the Neighbourhood Wardens. Following the Community Services review any permanent saving will be looked at as part of the revised budget setting process.

Neighbourhood Warden Service – (£23k) underspend

This variation is due to an in year salary saving for a Warden's post. The post has now been recruited to but with a delayed start date.

Car Park Enforcement – (£26k) underspend

An underspend within the salaries budget has been forecast. There have been difficulties in recruiting to the positions even though the vacancies had been placed with recruitment agencies and the industry journal. A subsequent advert with a new job title, Car Park Officer rather than Civil Enforcement Officer resulted in the two current officers who are now in post. Due to this staffing gap, enforcement had reduced, resulting in a decrease in issuing of PCN's. Neighbourhood Wardens have helped cover in the interim by building a small amount of the workload into their normal shift. The Car parking staffing is now well established and an increase in PCN's issued, has been recorded.

There is an additional (£5k) saving on the Hardwicke Youth project which is proposed to be carried forward to 2018/19 to support the programme.

26. Strategic Head Customer Services – £24k overspend

(Joanne Jordan 4005, joanne.jordan@[stroud.gov.uk](mailto:joanne.jordan@stroud.gov.uk))

This overspend is directly related to the consultancy and associated costs of the Subscription Rooms review.

27. Cultural Svcs - Arts & Culture – (£76k) underspend

(Joanne Jordan 4005, joanne.jordan@[stroud.gov.uk](mailto:joanne.jordan@stroud.gov.uk))

Subscription Rooms – (£58k) underspend

There are a number of significant offsetting variances which make up the overall variance.

Salary savings of (£35k) are forecast. This is due to in year vacancies, minimising casual staff costs and the use of agency staff.

The remaining variance (£23k) is a combination of collective underspends across the budgets together with a small increase in net event income. This was achieved by attracting higher quality acts which incurred higher expenditure. This has been offset by achieving higher ticket prices and increased bar takings. Improvements have also been made to the online booking system that have seen internet sales almost doubled over this financial year.

A report on the future running of the Subscription Rooms will go to Strategy and Resources Committee 12 April 2018. Pending this decision bookings are only being taken up to Dec 2018.

Tourism – (£15k) underspend

This variance is due to cumulative small underspends across the Tourism budgets.

28. Cultural Svcs – The Pulse Dursley – (£147k) additional income

(Angela Gillingham 01453 540995, angela.gillingham@stroud.gov.uk)

2017/2018 has been a fantastic year of business for The Pulse. Targets have been exceeded in all areas and we would look to continue this direction going forward by adopting a structured and reactive approach to trends and community needs.

Looking to the future we plan to increase our social media awareness and improve aspects of our website to make it as accessible and interactive as it can be for present and future customers.

The additional income variation is directly attributable to the continued growth in the take up of both swimming lessons and gym memberships in 2017-2018.

This has been achieved due to a planned approach to marketing of memberships and fitness classes, along with looking at 'up and coming' trends and staple favourites to reach a wider audience.

A 50 week programme has also been introduced for lessons and on line access for parents to top up lessons and view their children's progress.

An increase in demand for children's holiday activities has also realised additional income.

Continued staff development in swimming teaching and fitness enables the very best service to be offered to our cliental.

29. Revenues and Benefits – (£206k) underspend

(Simon Killen xtn 4013, simon.killen@stroud.gov.uk)

The current forecast has identified salary savings within Revenue and Benefits. This is due to a number of vacancies arising within the team through retirement, general staff turnover and reduction of hours. Posts have not been filled permanently due to the work being absorbed within existing teams as well as utilising the CIVICA on-demand service, for off-site processing within Benefits.

Income surplus relates to the work undertaken around in-house enforcement (bailiffs) for Council Tax, Business Rates and Car Parking debts. This service was bought back in-house with estimated net income of £50k from this work for 2017/18.

The future remains uncertain within benefits, particularly as we now head towards the Universal Credit full service in October 2017 and the impact that will have on demand and workload. The potential risk around workload is that there may be a decrease in the number of cases processed directly by the Revenues and Benefits team. However, the introduction of Universal Credit across the district may mean recipients move in/out of eligibility frequently during the year so the 'churn' within the system increases both in volume and complexity.

The subsidy system estimates are prepared using the actual data at a specific point in time. E.g. Initial forecast due in on 1st March will be prepared using figures April to January. Due to the large sums involved any variation will be a big figure, even if it is a small percentage. The estimate for this year 2017-18 was complicated by the fact that we knew Universal Credit (UC) full service was due to start on 04/10/2017, and there would be a gradual downward turn in Housing Benefit (HB) claims as people moved from HB to UC due to changes in their individual circumstances. Trying to estimate the rates of change has proved very difficult; we have no prior year data to use to try and estimate a trend. Coupled with the decrease in caseload is the fact that private rent thresholds have been frozen since 2016, and social housing rents are subject to a -1% decrease in core rents year on year 2016-2020. It is also worth noting that legislative changes to the way in which Homeless Housing Benefit claims are funded through the subsidy system, there is an increased cost to authority in the current year of around £30k as the subsidy no longer covers all of the Council's expenditure.

Table 7 – Community Services and Licensing Breakdown

Community Services Committee	Para Refs	2017/18 Original Budget (£'000)	2017/18 Revised Budget (£'000)	2017/18 Forecast Outturn (£'000)	2017/18 Outturn Variance (£'000)
Community Safety		65	70	52	(18)
Abandoned Vehicles		5	5	8	3
Careline Services	25	(31)	(31)	(53)	(22)
Neighbourhood Wardens	25	235	241	218	(23)
Car Parks Enforcement	25	68	46	20	(26)
Stroud and Dursley CCTV		41	41	50	10
Community Services		382	371	295	(76)
Hear by Right / Youth Services		99	99	87	(12)
Grants to Voluntary Organisations		337	337	337	0
Licensing		(69)	(69)	(73)	(4)
Strategic Head (Customer Services)	26	132	132	156	24
Customer Service Centre		386	386	398	12
Museum in the Park		417	437	434	(3)
Subscription Rooms	27	223	209	151	(58)
Tourism	27	147	147	132	(15)
Cultural Services - Arts and Culture		787	792	717	(76)
Health and Wellbeing		35	39	39	0
Sport and Health Development		119	138	140	1
Cultural Services - Sports and Leisure		153	177	178	1
The Pulse Dursley	28	(6)	31	(117)	(147)
Joint Use Sports Centres		59	61	59	(1)
Stratford Park Leisure Centre		119	142	146	4
Cultural Services - Sports Centres		172	233	88	(144)
Public Space Service		300	300	298	(1)
Cemeteries		24	25	33	7
Amenity Areas		127	126	131	5
Commons and Woodlands		14	14	14	(0)
Stratford Park Grounds Maintenance		180	214	228	14
Grassed Areas Contribution to HRA		170	170	170	0
Public Conveniences		223	219	196	(23)
Public Spaces		1,037	1,067	1,068	2
Business Rate Collection		(109)	(109)	(97)	12
Council Tax Collection		256	236	254	18
Council Tax Support Admin		64	64	22	(42)
Rent Allowances and Rebates		(77)	(77)	(172)	(95)
Housing Benefit Administration		150	170	71	(99)
Revenues and Benefits	29	284	284	78	(206)
Community Services TOTAL		3,701	3,809	3,330	(479)

Housing Committee

Table1 – General Fund Revenue budgets Housing Committee 2017/18

Housing Committee	Para Refs	2017/18 Original Budget (£'000)	2017/18 Revised Budget (£'000)	2017/18 Forecast Outturn (£'000)	2017/18 Outturn Variance (£'000)
Homelessness	31	259	259	255	(4)
Housing Strategy		89	110	93	(18)
Private Sector Housing		214	204	189	(14)
Housing (General Fund) TOTAL		562	573	537	(36)

30. The table below outlines the key variances for this Committee.

Table 2 - Headline Budget variances

Housing Committee	Para Refs	Overspend / (Underspend) (£'000's)
Homelessness	31	
Salary underspend		(24)
Bed and breakfast expenditure		90
Bed and breakfast income		(66)
Additional grant income – request to transfer to EMR		(65)

31. Homelessness – (£4k) underspend

(Phil Bishop extn 4063, phillip.bishop@stroud.gov.uk)

Salary savings of £24k have been identified across Housing Advice and Homelessness Prevention. This is largely due to delays in recruiting to vacant posts.

Spend on bed and breakfast continues to be higher than budgeted, however this is partially offset by income from corresponding Housing Benefit claims. With the rollout of full Universal Credit in the district, the income received going forward is likely to reduce which could create an ongoing pressure within the service.

Two additional grants have been received in 2017/18. Grant funding of £22k has been received as new burdens funding for the Homelessness Reduction Act (three year grant). This will be used to fund a part time post to support the additional duties of the Homelessness Reduction Act.

A £63k Flexible Homelessness Support Grant (two year grant) will be used to fund an additional full time post for the length of the grant funding. Part of the grant has been used in year to partially offset the additional cost of Bed & Breakfast (£10k), and £10k towards homelessness prevention.

As these grants were not received until partway through the year and recruitment for the new posts is underway, it is proposed that the remaining grant (£43k Flexible Homelessness Grant and £22k new burdens funding) is transferred to an earmarked reserve and allocated to fund the posts in future years.

Environment Committee

Table 9 – Environment Committee Revenue budget outturn forecast

Environment Committee	Para Refs	2017/18 Original Budget (£'000)	2017/18 Revised Budget (£'000)	2017/18 Forecast Outturn (£'000)	2017/18 Outturn Variance (£'000)
Canal		7	7	7	0
Strategic Head (Development Services)		115	115	115	0
Head of Environmental Health		69	69	71	2
Environmental Health	32	837	870	662	(208)
Statutory Building Control	33	168	168	168	(0)
Planning Strategy/Local Plan	34	319	304	275	(28)
Development Control	35	182	182	103	(79)
Economic Development		187	160	142	(19)
Carbon Management		93	71	61	(10)
Waste and Recycling	36	2,546	2,546	2,952	406
Street Cleansing	36	601	601	638	37
Environment TOTAL		5,124	5,093	5,194	100

32. Environmental Health – (£208k) underspend/income surplus

(Jon Beckett xtn 4443, jon.beckett@stroud.gov.uk)

There are a number of variations that make up this underspend.

Salaries

A (£52k) saving has been forecast on salaries. There have been a number of in year vacancies that have now been filled or in the process of being recruited to. Any permanent savings have been dealt with through the workforce plan and taken out as part of the budget setting process.

Land Drainage – An (£80k) underspend is partly due to monies carried forward from previous years external funding from the County Council to fund land drainage enforcement work. It was intended to use the fund as matched funding for a bid for European funding for the Stroud valleys initiative, however unfortunately the bid was not successful. This is proposed to be carried forward for future match funding projects.

The income surplus of (£60k) is a combination of funding from the Environment Agency for flood prevention projects and S.106 monies for flood prevention work. For various reasons outside the control of the council, the projects will not be ready for delivery this year. This will be proposed as a carry forward for 2018/19.

Contaminated Land – There has been a (£17k) saving due to fewer contaminated land samples requiring analysis this year and specialist consultancy services not being required.

General savings have been achieved generally across the service, the most significant being in relation to professional training and seminars

which although not required this year, will be required in future years due to staff being recently employed in career development posts.

33. Statutory Building Control – (£210k) underspend/income surplus

(Paul Bowley xtn 4250, paul.bowley@stroud.gov.uk)

Gloucestershire Building Control Partnership is a shared service with Gloucester City Council and hosted by Stroud. The service is provided under the auspices of the Building Act 1984, an element of the service is in competition with the private sector. The shared service was established on the 1st July 2015 and has resulted in an increase in income due to receiving applications from both Stroud and Gloucester areas.

There are in year salary savings of (£160k) as a result of 3 vacancies (Building Control Technician, Building Control Surveyor and a Principal post). Two of these posts have recently been filled. The Building Control Surveyor post will be reviewed against workload midway through 18/19. Any surplus/deficit will be transferred in to the trading account to re invest in the building control service

34. Planning Strategy – (£28k) underspend/income surplus

(Mark Russell xtn 4305, mark.russell@stroud.gov.uk)

The underspend reflects delays in commissioning studies on future housing and commercial land need whilst changes to Government planning policy were awaited. The Government is now intending to finalise changes to the NPPF in summer 2018 after which these studies can be commissioned. The expectation is that any underspend will be transferred into a Local Plan Reserve Fund to facilitate expenditure in future years.

Increased income is based on the decision of Government in March 2017 to make a grant payment for 2016/17 and for subsequent years to each local authority to reflect the new burden of producing an annual Brownfield Register. The first Register was completed by the Planning Strategy team by December 2018. The award letter referred to a payment for 2016/17 of £14,645 with further grant payments for 2017/18, 2018/19 and 2019/20, the amount of funding from 2016/17 onwards to be kept under review.

35. Development Control – (£79k) underspend / income surplus

(Geraldine LeCointe xtn 4233, geraldine.lecointe@stroud.gov.uk)

There are a number of reasons for the net variation on this budget which are outlined below.

Application Fees are forecasting a healthy surplus of (£169k). This additional income is based on the number and type of applications received at this time with the expected outcome similar to 2016/17. 2018/19 will also see an increase in all planning application fees by 20%.

There is a predicted Salary overspend of £36k. This variance is a year on year cost to cover additional staff directly employed to manage the planning application workload, which shows no signs of decreasing. This overspend is offset against the income surplus referred to above.

The Council's existing pre-application fee charges are significantly less than neighbouring districts and do not reflect the actual cost to the Council of providing this service to the public. The intention is to increase fees, principally for larger scale developments. Pre – application fees will be increased in April 2018. We intend to offer a high quality, efficient service, it is not anticipated that the fee increase will impact on the numbers of pre-application enquiries made, which is also increasing year on year.

36. Waste & Recycling – £406k overspend

Street Cleansing – £37k overspend

(Carlos Novoth xtn 4406, carlos.novoth@stroud.gov.uk)

Section 151 Officer narrative

The overall financial position on the Multi Service contract continues to put pressure on the Council's finances in the current financial year and over the medium term. Members will recall that £1.15m of additional funding was allocated in 2016/17 to support the increased costs of the Multi-Service Contract with Ubico and mitigate risk on a number of income streams.

The 2017/18 outturn position shown in this report is a worsened financial position. The net overspend on the Multi Service Contract is explained by the 2017/18 gross cost of the Ubico contract (£5.452m) which exceeds the available budget by around £820k. An additional £84k overspend has been forecast by Ubico, taking into account the additional income from Recycling Credits and the JWP Incentive Payment, there is a total projected net overspend on Multi-Service budgets of £492k. Members will recall that additional budget of £400k was approved for 2017/18.

The position for 2018/19 is likely to be worse for a number of reasons. The draft Ubico budget for 2018/19 shows an increase of £187k from £5.452m to £5.639m. This is, in part, offset by an improved level of income from incentive payments and recycling credits. Taking into account the planned reduction in the contingency budget of £200k (from £400k in 2017/18 to £200k in 2018/19), it is forecast that the Multi Service Contract will be overspent by £595k unless urgent decisions are taken around service provision options that reduce the net level of expenditure. Managers are currently in discussion with Ubico on a range of options.

Therefore, it would be prudent for Strategy and Resources committee, in reviewing the net General Fund position for 2017/18, to set aside funding in an earmarked reserve to provide some mitigating budgetary support in 2018/19 whilst service provision options to reduce costs are reviewed and implemented.

Non Ubico Service costs

Owing to the success of the new waste services, there has been a limited need for promotional activities thereby allowing a saving of (£80k) on the budget. Similarly, a full saving of (£55k) has been made against the budget allocation for garden waste administration owing to the success of the subscription process. Costs associated with 'Recyclate Waste Disposal' should be read together with the income the council receives from the sale of recycling materials 'Recyclate Waste Disposal Income' as this will show that the net cost of sorting the council's recycling materials have reduced and has therefore resulted in a net under-spend of (£24k) on a net budget of £230k. A budget of £5k has been allocated for the purchase of black sacks for the street cleansing service.

Income

The 'Joint Waste Partnership (JWP) Incentive payment' supports the reduction in landfilled waste through incentive payments; the reduction in overall waste, diversion of recycling materials, food waste and garden waste all contribute towards this aim. The forecast income demonstrates the success of the service as a whole. Whilst not to the same degree, additional income has also been generated through recycling credits. Additional income has also been generated from an increase in the Bulky waste charge from September 2017. Income from garden waste collections, whilst under budget is forecast to significantly improve (in excess of £400k) in future years owing to operational changes

Table 10 – Environment Committee Breakdown

Environment Committee	Para Refs	2017/18 Original Budget (£'000)	2017/18 Revised Budget (£'000)	2017/18 Forecast Outturn (£'000)	2017/18 Outturn Variance (£'000)
Environment Committee					
Canal Partnership		7	7	7	0
Strategic Head (Development Services)		115	115	115	0
Head of Environmental Health		69	69	71	2
Environmental Health Team		149	149	127	(22)
Contaminated Land		32	32	16	(15)
Dog Warden Service		82	82	78	(4)
Environmental Protection		190	147	152	4
Food Safety		152	152	134	(18)
Health and Safety		88	88	75	(13)
Land Drainage		60	160	25	(134)
Public Health		41	44	31	(13)
Pest Control		28	2	11	9
Port Health		2	2	(0)	(2)
Planning Liaison		14	14	14	0
Environmental Health	32	837	870	662	(208)
Planning and Building Control Admin		255	255	256	0
Building Control		(128)	(97)	(97)	(0)
Securing Dangerous Structures		9	10	10	(0)
Building Regulation Enforcement / Advice		35	3	3	0
Street Naming		(4)	(4)	(4)	0
Building Control	33	168	168	168	(0)
Planning Strategy		319	304	275	(28)
Preparation of Core Strategy		0	0	0	0
Planning Strategy/Local Plan	34	319	304	275	(28)
Development Control		(94)	(94)	(187)	(93)
Trees		43	43	44	1
Conservation		58	58	64	6
Appeals		0	0	21	21
Planning Appeal Costs		70	70	67	(2)
Enforcement		108	108	94	(14)
Footpath Diversion		(2)	(2)	0	2
Development Control	35	182	182	103	(79)

Environment Committee	Para Refs	2017/18 Original Budget (£'000)	2017/18 Revised Budget (£'000)	2017/18 Forecast Outturn (£'000)	2017/18 Outturn Variance (£'000)
Economic Development		54	54	60	5
Market Town Projects		24	24	4	(20)
Regeneration		108	82	78	(4)
Economic Development		187	160	142	(19)
Carbon Management		93	71	61	(10)
Refuse Collection		1,203	1,116	1,306	190
Multi-Bank Recycling Sites		1,138	1,181	1,121	(60)
Recycling and Environmental Initiatives		205	250	525	275
Waste and Recycling	36	2,546	2,546	2,952	406
Street Cleansing	36	601	601	638	37
Environment Total		5,124	5,093	5,194	100

Table 4 for Committee Reports

	2017/18 Original Budget (£'000)	2017/18 Revised Budget (£'000)	2017/18 Spend to date (£'000)	2017/18 Projected Outturn (£'000)	2017/18 Outturn Variance (£'000)
Capital Programme Outturn					
Community Services					
Stratford Park Lido	20	20	0	10	(10)
Stratford Park Sensory Garden	0	8	3	8	0
Community Buildings Investment	180	50	41	50	0
Subtotal Community Services	200	78	44	68	(10)
Environment Capital Schemes					
Canal	0	434	577	434	0
Stroud District Cycling & Walking Plan	50	0	0	0	0
Stroud Valleys Initiative	50	0	0	0	0
Market Town Centres Initiative fund	50	0	0	0	0
Wallbridge - Gateway	30	0	0	0	0
MSC - Vehicles	250	334	64	64	(270)
CMP - Ebley Mill Hydro	30	0	0	0	0
CMP - Heat & Power	0	141	153	153	12
Subtotal Environment	460	909	794	651	(258)
Strategy & Resources Capital Schemes					
Homes for Rent	500	848	848	848	0
Brimscombe Port Redevelopment	450	450	264	264	(186)
Building Maintenance Backlog	1,500	1,850	1,231	1,561	(289)
Subtotal Strategy & Resources	2,450	3,148	2,343	2,673	(475)
Housing General Fund					
Affordable Housing - Support to Registered Providers	139	120	90	90	(30)
Disabled Facilities Grant Scheme	250	330	211	226	(104)
Health through Warmth Grant	0	200	60	120	(80)
Private Sector Home Loan Scheme	0	60	43	43	(17)
Subtotal Housing General Fund	389	710	404	479	(231)
TOTAL General Fund Capital Schemes	3,499	4,845	3,585	3,871	(974)
HRA Schemes	12,482	9,189	3,905	6,490	(2,699)
TOTAL Capital Schemes	15,981	14,034	7,490	10,361	(3,673)