

STROUD DISTRICT COUNCIL
STRATEGY AND RESOURCES COMMITTEE

**AGENDA
ITEM NO**

11 APRIL 2019

7

Report Title	BUDGET MONITORING REPORT 2018/19 – 28 FEBRUARY 2019
Purpose of Report	To present to the Committee a forecast of the outturn position against the revenue budget and capital programme for 2018/19 in order to give an expectation of possible variances against budget at outturn.
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	There are no direct financial implications arising from this report as it looks at current revenue and capital budget estimates. Final positions for 2018/19 will be reported as part of the year-end outturn process. Andrew Cummings - Head of Finance & Section 151 Officer Tel: 01453 754115 Email: andrew.cummings@stroud.gov.uk
Legal Implications	There are no legal implications arising from this report. Patrick Arran, Interim Head of Legal Services & Monitoring Officer Tel: 01453 754369 Email: patrick.arran@stroud.gov.uk
Report Author	Adele Rudkin, Accountant Tel: 01453 754109 Email: adele.rudkin@stroud.gov.uk
Options	None
Performance Management Follow Up	Budgets will continue to be monitored on a regular basis by budget holders supported by Finance. The outturn position will be reported to Strategy and Resources committee in May 2019.

1. This report provides the monitoring position statement, figures have been updated to include all transactions up to 28 February 2019, to provide the committee with meaningful data for the financial year 2018/19. 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. Information is included in both budgets for this Committee and the wider General Fund.
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 2018/19 was approved by Council at their meeting in February 2018 including budget proposals of the administration.
4. The latest budget for Strategy and Resources Committee is £6.272m. The monitoring position at 28 February 2019 shows a projected net overspend of **£132k**. Taking into account the variation reported to Community Services and Licensing, Housing and Environment committees, the overall position on the service revenue expenditure is a net underspend of **(£410k)**. Appendix A provides an overview of the committee's budget and the other service committees.
5. The forecast for the General Fund is an underspend of **(£612k)** (after additional reserve transfers), as shown in Table 1.
6. As part of the outturn process the S151 Officer will review the reserves position of the authority and recommend appropriate allocations and re-organisation as is deemed necessary and appropriate. These transfers and allocations will be reviewed by this Committee as part of the outturn process.

Table 1 – General Fund Revenue Position

GENERAL FUND	Para Refs	2018/19 Original Budget (£'000)	2018/19 Revised Budget (£'000)	2018/19 Forecast Outturn (£'000)	2018/19 Outturn Variance (£'000)
Community Services Committee		3,554	3,600	3,195	(404)
Housing Committee		503	552	341	(211)
Environment Committee		4,749	4,707	4,780	73
Strategy & Resources Committee		6,212	6,272	6,404	132
Accounting Adjustments		1,752	2,245	2,245	0
Net Service Revenue Expenditure		16,769	17,376	16,966	(410)
Other Operating Income & Expenditure		(1,180)	(1,787)	(1,557)	230
Funding from Govt Grants/Council Tax		(15,589)	(15,589)	(15,881)	(292)
TOTAL General Fund (before transfers)		0	0	(472)	(472)
Transfer from reserve - Waste & Recycling		0	0	(300)	(300)
Transfer from reserve - Workforce Plan		0	0	(193)	(193)
Transfer to Reserve- Environment Committee		0	0	180	180
Transfer to Reserve - Housing Committee		0	0	173	173
TOTAL General Fund (after transfers)		0	0	(612)	(612)

7. Impact of position on reserves – The table above sets out the estimated movement on earmarked reserves and the General Fund which is an overall estimated increase in the General Fund of £612k. In addition to this there are three further transfers to reserves included within the operating income and expenditure line as they are part of the Base Budget. These are

- Transfer to Business Rates Risk Reserve as budgeted in MTFP - £500k
- Transfer to Pilot Reserve to hold Pilot Gain - £792k
- Transfer to Equalisation Reserve as shown budgeted in MTFP - £74k

8. There are two transfers anticipated from earmarked reserves back into the General Fund shown in the table above.

- **Waste and Recycling** – the net overspend position on the Multi-Service contract (£411k) will in part be funded from the Waste Management earmarked reserve. This was established at £600k set in 2017/18 and will be released to the General Fund £300k p.a. in both 2018/19 and 2019/20.
- **Workforce Plan** – The Council has a reserve used to meet the costs of the work force plan. It is currently anticipated that £193k of this will need to be used in 2018/19. Further details are provided in Paragraph 9.

Table 2 – Revenue budgets Strategy & Resources Committee 2018/19

Strategy & Resources Committee	Para Refs	2018/19 Original Budget (£'000)	2018/19 Revised Budget (£'000)	2018/19 Forecast Outturn (£'000)	2018/19 Outturn Variance (£'000)
Investment Assets	16	(78)	(32)	66	98
Other Assets	17	24	47	79	33
Car Parks		(656)	(651)	(632)	19
Head of Property Services	18	82	83	57	(27)
Property Services Team	19	327	330	304	(27)
Facilities Management		761	551	563	12
Democratic Representation and Management	20	426	427	401	(26)
Resources and Finance - Direct Spend		1,859	1,797	1,797	0
Chief Executive		189	191	202	10
Marketing		93	94	96	2
Director (Corporate Services)		47	47	57	10
Human Resources		420	409	401	(8)
Corporate Business Services	21	222	484	555	72
Corporate Services (Legal)	22	575	580	530	(50)
Head of Finance	23	80	81	55	(26)
Financial Services	24	871	858	838	(20)
Information & Communication Technology	25	969	975	1,035	59
Strategy & Resources TOTAL		6,212	6,272	6,404	132

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		
Industrial Units	16	17
Littlecombe site, Dursley	16	75
Other Assets		
Misc properties	17	33
Head of Property Services	18	(27)
Property Services team	19	(27)
Democratic Services & Management		
Members Expenses	20	(21)
Corporate Business Services		
Work Force Plan Savings	21	91
Corporate Services (Legal)		
Legal Services	22	(50)
Financial Services		
Head of Finance -	23	(26)
Information & Communication Technology		
ICT - Salary Overspend	25	59
Strategy & Resources TOTAL		125

9. Work Force Plan

As reported previously the total ongoing savings from posts removed in Phase 1 of the Work Force Plan in 2017/18 is £230k. This was included in the base budget for 2018/19. In addition to this a saving of £100k is included in the budget in order to offset the cost of the Change Team.

To date reviews have been completed and implemented in Phase 2 for the Museum in the Park, HRA, Community Services, Regeneration and Revenues and Benefits. Three vacant posts have been also been removed from the structure across other services not yet reviewed.

Total cost/savings at January 2019:

	2017/18 £000s	2018/19 £000s	2019/20 £000s	Total £000s
Savings	230	489	721	721 (ongoing)
Costs	56	352		409 (one-off)

The net saving in 2018/19 is £137k. When compared to the savings target of £330k in the base budget, this gives an in year cost (overspend) of £193k to date in 2018/19.

It is expected that a transfer from the Workforce Planning earmarked reserve will be made to cover the additional cost of the restructures and so it is forecasted that there is no overall variation to budget. Based on current costs and savings this transfer of £193k would reduce the Workforce Planning reserve from £650k to £457k.

It should be noted that although all the reviews undertaken have been on services in the General Fund, the HRA will receive a share of costs and savings for any support services which it shares with the GF. For example HR provides services to both the GF and the HRA and so any costs and savings associated with the review will be shared in line with current charging splits.

Estimated General Fund share of costs/savings:

	2017/18 £000s	2018/19 £000s	2019/20 £000s
Savings	222	474	687
Cost	44	339	
Net Savings/(Cost)	178	135	687

Capital Programme

10. The 2018/19 Capital Programme of £2.820m was approved by Council in January 2018. This was revised to £6.586m following approval of the carry forwards/slippage and profiling changes by Strategy and Resources Committee at their meeting in May 2018. Council approved a further revision to the budget in January 2019.

Table 4 below shows the Capital Forecast position at the end of February 2019 for Strategy and Resources Committee and shows a projected outturn of £0.532m.

Table 4 – Strategy & Resources Capital Schemes

Strategy & Resources Capital Schemes	2018/19 Revised Budget (£'000)	2018/19 Spend to date (£'000)	2018/19 Projected Outturn (£'000)	2018/19 Outturn Variance (£'000)
Brimscombe Port Redevelopment	311	153	237	(74)
ICT investment Plan	400	153	156	(244)
MSCP Resurfacing	120	0	5	(115)
Ebley Mill works	109	0	10	(99)
Subscription Rooms-Works	125	9	125	0
TOTAL S&R Capital	1,065	311	533	(532)

11. Members will recall that in January 2019 there were two schemes that were withdrawn from the Capital Programme which included Merrywalks Redevelopment and Housing Initiatives. Littlecombe Business Units have been re-profiled to 2019/20. The works to the Subscription Rooms roof has now been included in the Capital Programme.

12. Brimscombe Port Redevelopment

The current forecast spend of £237k for 2018/19 includes surveys and consultancy support to de-risk the site including the design and planning for the infrastructure and support in the procurement process for the selection of a develop partner. This is funded from the original £1million in the Capital Programme together with revenue income from the Port. The funding from Homes England will not be spent until the works to redevelop the site are underway.

13. ICT Investment Plan

The spend to date for ICT capital program has been out of necessity whilst the ICT strategy is produced. A draft ICT strategy as well as Information and Digital strategies are now available and will be assessed by the ICT Task and Finish group. This includes a re-profiling of the remaining spend over the next 3 years which will be presented to S&R in July for approval. The spend profile is scheduled to take place in 2019/20 as we stabilise the ICT infrastructure to support the organisation as it continues to work increasingly smarter and digitally both in its offering to customers and staff.

14. MSCP Re-surfacing

The overall Capital budget for this scheme is £120k, tenders were received and the contract awarded with an overall cost of £89k. Preliminary works have started

attracting costs of £5k 2018/19 with the main programme commencing at the beginning of April, with a planned finish date of early May 2019.

15. Ebley Mill works

Work is underway to replace the windows at Ebley Mill (LB4), with scaffolding being erected in the last week of March 2019. There has been minimal spend of £10k this financial year. The majority of costs will be incurred in the first quarter of 2019/20.

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16. Investment Asset – £98k income shortfall/overspend

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

Littlecombe Units

75k of the variance is attributable to income shortfall partly relating to the delay in completion of the Littlecombe Units. There has been interest in lettings and purchase of the units, but it will take time for all the units to be occupied. The first letting of a unit was completed in early March.

Stonehouse Industrial Estate

The remainder of the overspend is due to dilapidation works that have been undertaken prior to the end of the council's head lease to limit any claim from the landlord. There have also been 2 vacant units on this estate this has resulted in lower rent and service charges being received as well as the Council being responsible for any outgoings, in particular paying empty business rates.

In spite of the limited term the council has left (the lease expires in Dec 2019) the service has now successfully let the vacant units, one in mid-June and a lease for the other completed in October 2018.

17. Other Assets – £33k income shortfall/overspend

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

This variance is principally due to the consultancy costs associated with the due diligence undertaken when the Council was considering entering into a joint venture for the acquisition and renovation of Merrywalks Shopping Centre. There are some additional responsive maintenance costs which by their nature cannot be forecast.

18. Head of Property Services – (£27k) Underspend

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

This variation is due to a salary underspend. The service was reviewed as a whole and a new approved structure put in place. These savings have been adjusted for the 2019/20 budget.

19. Property Services Team – (£27k) Underspend

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

This underspend is directly related to salaries. This is an in year salary saving due to vacancies for 2 business support officers posts. As part of the budget setting process these posts have now been removed from the establishment for 2019/20.

20. Democratic Representation and Management – (£26k) underspend
(Hannah Emery, xtn 4383, hannah.emery@stroud.gov.uk)

This variance is a general underspend on Members expenses predominately around courses and seminars, conferences, catering and consumables.

21. Corporate Business Services – £72k overspend
(Tim Power, xtn 4155, tim.power@stroud.gov.uk)

The in year overspend of £72k has arisen largely from the net cost of restructuring in 2018/19, which currently totals £93k. This has been partially offset by some forecasted savings in the running costs of Corporate Business Services. As reported in para 7, it is expected that a transfer from the Workforce Planning earmarked reserve will be made to cover the cost of restructuring (£93k), along with the unachieved savings target (£100k) in 2018/19.

22. Corporate Business Services – (£50k) underspend
Legal - (Patrick Arran, xtn 4369, patrick.arran@stroud.gov.uk)
Democratic Services – (Hannah Emery, xtn 4383, hannah.emery@stroud.gov.uk)

Legal

The salary variation of (£25k) is in relation to two career graded posts and a third post that is currently on phased retirement. There is an apprentice post that is being looked at to potentially remove in budget setting for 2019/20. The remaining variance is minor overspends.

Democratic Services

The underspend on Democratic Services is due to (£11k) underspend on Webcasting (annual maintenance is £4k), the remainder of the expenditure variance is around Printing, Photocopying and Postage where the use of digital formats are being used instead of printing and posting out the majority of reports and communication documents.

A (£6K) underspend on salaries is forecast due to the part year vacancy for Democratic Services/Election Officer post.

23. Head of Finance – (£26k) underspend
(Andrew Cummings xtn 4115, andrew.cummings@stroud.gov.uk)

The underspend on the budget has arisen due to the post holder not starting until late July 2018.

24. Financial Services – (£20k underspend)
(Andrew Cummings xtn 4115, andrew.cummings@stroud.gov.uk)

There is a net saving of (£13k) on the Internal Audit budget arising from the 10% reduction in the audit plan, as approved by Audit and Standards committee in April

2018. The level of ongoing resource required to provide a risk-based internal audit plan will be reviewed as part of the budget setting process. Owing to efficiencies on the Internal Audit shared service over the previous two years, a one-off dividend/saving of (£7k) has been received.

25. ICT – £59k additional expenditure

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

This variance is directly related to salaries. 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. A permanent appointment has now been made to the post of IT systems manager. The remaining post (Citrix systems manager) will continue to be filled by a contractor with every effort to find a permanent appointment.

26. Corporate Income and Expenditure – £230k additional expenditure

(Andrew Cummings xtn 4115, andrew.cummings@stroud.gov.uk)

There is an increased transfer to reserves of £292k as a result of the improved performance of the business rates pilot. This increase is fully funded by that business rates income.

A saving of £62k is anticipated as a result of the Council not needing to use all of its contingency budgets in this financial year.

Table 5 – Strategy & Resources Committee Breakdown

Strategy & Resources Committee	Para Refs	2018/19 Original Budget (£'000)	2018/19 Revised Budget (£'000)	2018/19 Forecast Outturn (£'000)	2018/19 Outturn Variance (£'000)
Brunel Mall		(52)	(44)	(41)	3
Industrial Units		(16)	(16)	1	17
Brimscombe Port		50	50	50	0
Littlecombe site, Dursley		(61)	(61)	14	75
Gossington Depot		0	39	43	4
Investment Assets	16	(78)	(32)	66	98
Dursley Bus Station		(3)	(4)	(4)	0
Miscellaneous Properties and Land		27	51	84	33
Other Assets	17	24	47	79	33
Car Parks (NC)		15	11	11	0
Car Parks (MT)		(23)	(15)	(13)	2
Car Parks (Stroud)		(648)	(647)	(631)	17
Car Parks (Managed)		0	0	0	0
Car Parks		(656)	(651)	(632)	19
Head of Property Services	18	82	83	57	(27)
Property Services		263	266	242	(24)
Asset Building Maintenance		64	65	62	(3)
Property Services Team	19	327	330	304	(27)
Facilities Management		212	13	13	0
Ebley Mill		459	479	491	12
Emergency Management		91	60	60	0
Facilities Management		761	551	563	12
Members Expenses		365	365	344	(21)
Democratic Representation and Management		(157)	(157)	(157)	(0)
Electoral Registration		126	127	129	3
Elections		88	89	81	(7)
Youth Councils		3	3	3	0
Democratic Representation and Management	20	426	427	401	(26)
Past Service Pension Costs/Central Budget Alloc		1,861	1,770	1,770	0
Corporate Management		(22)	(22)	(22)	0
Pension Costs		49	49	49	0
Land & Property Custodian		(28)	0	0	0
Resources and Finance - Direct Spend		1,860	1,797	1,797	0
Chief Executive		189	191	202	10
Marketing		93	94	96	2

Strategy & Resources Committee	Para Refs	2018/19 Original Budget (£'000)	2018/19 Revised Budget (£'000)	2018/19 Forecast Outturn (£'000)	2018/19 Outturn Variance (£'000)
Director (Corporate Services)		47	47	57	10
Human Resources		420	409	401	(8)
Work Force Plan Savings		0	260	351	91
Corporate Change Team		100	101	182	82
Business services		122	123	22	(101)
Corporate Business Services	21	222	484	555	72
Legal Services		416	420	396	(25)
Democratic Services		96	96	72	(25)
Procurement		63	63	63	(1)
Subtotal Corporate Services (Legal)	22	575	580	530	(50)
Head of Finance	23	80	81	55	(26)
Financial Services	24	871	858	838	(20)
Information & Communication Technology	25	969	975	1,035	59
Strategy & Resources TOTAL		6,212	6,272	6,404	132

Community Services & Licensing Committee

Table 1 – Community Services & Licensing Committee outturn forecast

Community Services Committee	Para Refs	2018/19 Original Budget (£'000)	2018/19 Revised Budget (£'000)	2018/19 Forecast Outturn (£'000)	2018/19 Outturn Variance (£'000)
Community Safety	1	360	212	190	(23)
Youth Services		100	100	100	0
Grants to Voluntary Organisations		337	337	337	0
Licensing		(68)	(67)	(63)	4
Director (Customer Services)		133	129	127	(2)
Customer Services	2	390	393	381	(12)
Cultural Svcs - Arts and Culture	3	781	703	628	(75)
Cultural Svcs - Sport & Health Dev.	4	165	167	143	(24)
Cultural Svcs - Sports Centres	5	124	166	(9)	(175)
Public Spaces		1,031	1,302	1,302	(0)
Revenues and Benefits	6	202	158	60	(98)
Community Services TOTAL		3,554	3,600	3,195	(404)

1. Community Safety - (£23k) underspend

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

There are a number of offsetting variances which make up this underspend.

Neighbourhood Wardens

A (£32k) variance has been identified on salaries. This saving has been a result of the service review and two vacant posts (Senior NHW and NHW) which are currently being recruited to.

There is an income shortfall of £16k which is predominately around the removal of the service level agreement with the HRA. This budget has been adjusted as part of 2019/20 budget setting process.

Car parks Enforcement

A (£24k) saving has been forecast within this service. (£12k) is a salary budget underspend due to a lengthy recruitment process for vacant post. The remaining (£12k) is an income surplus that has been realised due to the continued robust approach to parking enforcement across the district.

Community safety

There is an income shortfall of £11k as a result of the removal of the service level agreement with the HRA. This budget has been adjusted as part of 2019/20 budget setting process.

2. Customer Services – (£12k) underspend

(Joanne Jordan xtn 4005, joanne.jordan@stroud.gov.uk)

Whilst the overall variance is insignificant, there are several larger offsetting variances that make up this underspend. A (£36k) saving has been forecast in salaries which relate to two vacant posts which have not been recruited to in this financial year. A compensating overspend of £24k has been identified on software. This is due to an ICON upgrade of the cash receipting system to ensure that the Council are compliant with current regulations, in addition the standard software contacts have increased in cost.

3. Cultural Services (Arts & Culture) – (£75k) underspend

(Joanne Jordan xtn 4005, joanne.jordan@stroud.gov.uk)

Subscription Rooms - (£59k) underspend

A (£78k) underspend is forecast within salaries for this financial year. The Subscription Rooms will transfer to the Town Council Trust on the 28 March 2019. The programme for the Subscription Rooms has been amended this year to reduce the income risk to the Council which has been reflected in the savings on Casual and Contracted Staff. Additional savings across the service have been predicted of (£12k). A shortfall on the sale of food and drink has resulted in a forecast variance of £31k as an under achievement of income.

Members will recall that the decision was taken at this Committee on the 6 December 2018 to close the TIC in March 2019, with Stroud District Council no longer funding this service. There are redundancy costs of £13k associated with the closure, these have been taken into account in the year end forecast.

The Museum in the Park is forecasting a small underspend of (£10k).

4. Cultural Svcs - Sport & Health Dev – (£24k) underspend

(Jane Bullows xtn 4322, jane.bullows@stroud.gov.uk)

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

There are a number of small variances that make up this underspend, mostly external funds that will support on-going projects in 2019/20. These are proposed to be carried forward to the new financial year.

5. Cultural Services (The Pulse) – (£177k) income surplus

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

2018/2019 has been another fantastic year of business for The Pulse. Targets are continuing to be 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.

The forecast for this financial year is currently on course to exceed the 2018/19 income targets and create an operational surplus. Income continues to rise but this has been a challenging year for the Pulse with 3 full time members of the team being out of action due to injury and maternity leave. This has caused

further strain on the staffing and marketing budget as we have had to put additional resource into these areas to provide a consistent service. As a result of the staffing issue we have had to pull back on some of the 'learn to swim' activities which has impacted the income in this area this year. Utilities have also increased this year due to a meter change, which has meant that the expenditure budget has increased from our planned spend that we predicted in the last budget monitoring report.

The budget setting process for 2019/20 has taken into consideration the performance of The Pulse over last two financial years and budgets have been adjusted accordingly.

6. Revenues and Benefits – (£98k) underspend

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

The current forecast has identified (£70k) of salary savings within Revenue and Benefits. These are posts that have been vacant throughout the year. The service has now completed its workforce plan review which has resulted in the structure being reduced from 33 to 28. Full year salary savings have been incorporated into the 2019/20 budget.

The remaining variance is largely due to additional income received from the Government in its drive to combat income related fraud.

Estimates indicate that we are ahead of the forecast but any variation at outturn may look to be a significant figure due to the large sums involved, but will be a minor percentage of the overall value. Overpayment income is likely to decrease over time as the case load continues to reduce. Managed migration to UC has been deferred for a further year but natural migration as a result of change of circumstances continues. There has been a 12% reduction in Housing Benefit case load during 2018/19.

Due to legislative changes in 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. Demand for supported accommodation in the district is growing resulting in subsidy loss increasing year on year.

Table 2 – Community Services and Licensing Breakdown

Community Services Committee	Para Refs	2018/19 Original Budget (£'000)	2018/19 Revised Budget (£'000)	2018/19 Forecast Outturn (£'000)	2018/19 Outturn Variance (£'000)
Community Safety		63	18	33	16
Abandoned Vehicles		5	(2)	3	4
Careline Services		(32)	(73)	(77)	(4)
Neighbourhood Wardens		236	185	171	(14)
Car Parks Enforcement		47	43	20	(24)
Stroud and Dursley CCTV		41	41	41	0
Community Services	1	360	212	190	(23)
Hear by Right / Youth Services		100	100	100	0
Grants to Voluntary Organisations		337	337	337	0
Licensing		(68)	(67)	(63)	4
Director (Customer Services)		133	129	127	(2)
Customer Service Centre	2	390	393	381	(12)
Museum in the Park		406	384	374	(11)
Subscription Rooms		227	215	156	(59)
Tourism		148	104	99	(5)
Cultural Services - Arts and Culture	3	781	703	628	(75)
Health and Wellbeing		35	35	35	0
Sport and Health Development		131	132	108	(24)
Cultural Services - Sports and Leisure	4	165	167	143	(24)
The Pulse Dursley		(49)	6	(171)	(177)
Joint Use Sports Centres		49	41	42	1
Stratford Park Leisure Centre		124	119	119	0
Cultural Services - Sports Centres	5	124	166	(9)	(175)
Public Space Service		293	553	549	(4)
Cemeteries		25	26	30	4
Amenity Areas		127	126	123	(3)
Commons and Woodlands		14	14	14	0
Stratford Park Grounds Maintenance		180	199	207	8
Grassed Areas Contribution to HRA		170	170	170	0
Public Conveniences		222	215	210	(5)
Public Spaces		1,031	1,302	1,302	(0)
Business Rate Collection		(109)	(108)	(96)	12
Council Tax Collection		239	240	229	(11)
Council Tax Support Admin		65	58	1	(57)
Rent Allowances and Rebates		(77)	(77)	(77)	0
Housing Benefit Administration		84	44	2	(42)
Revenues and Benefits	6	202	158	60	(98)
Community Services TOTAL		3,554	3,600	3,195	(404)

Housing Committee

7. General Fund Revenue Budget Position

Council approved the original General Fund revenue budget for 2018/19 in January 2018, and approved a revised budget in January 2019. The latest budget for Housing Committee is £552k.

The budget monitoring position for the service at 31 January 2019 (month 10) shows an underspend of £211k, as summarised in Table 1.

This underspend is before a potential transfer to earmarked reserves of £33k for Homelessness, and carry forwards of £140k in Housing Strategy. Further detail is included in paragraphs 8 and 9.

This gives a net underspend of £38k (6.8%). Any transfers would be subject to the overall position of the General Fund at Outturn.

Table 3 – Housing Committee Revenue Budget Outturn Position

Housing Committee	Para Refs	2018/19 Original Budget £k	2018/19 Revised Budget £k	2018/19 Forecast Outturn £k	2018/19 Outturn Variance £k
Homelessness	8	261	263	230	(33)
Housing Strategy	9	90	136	(35)	(171)
Private Sector Housing		152	153	146	(7)
Housing (General Fund) TOTAL		503	552	341	(211)
Potential transfer to EMR – Homelessness (MHCLG grant)					33
Carry forward request – Self Build (MHCLG grant)					45
Carry forward request – Community Housing Fund (MHCLG grant)					95
Net outturn forecast					(38)

8. Homelessness – (£33k) underspend, £33k transfer to earmarked reserves (MHCLG grants)

As previously reported, spend on Bed and breakfast continues to be higher than budgeted. Corresponding income is being received through Housing Benefit, although as the cost of placements is higher than Housing Benefit levels not all of this is reimbursed by central Government, and so is being topped up by SDC. The budgets have been amended to reflect the increased use of temporary accommodation from 2019/20.

In line with 2017/18 additional grant income has been received from the Ministry of Housing, Communities and Local Government (MHCLG). These grants are being used to support additional posts within the team. Subject to the overall position of the General Fund, any remaining grant at the end of the year, currently estimated to be £33k, will be requested to transfer to the Homelessness earmarked reserve to fund these posts and other homelessness costs in future years.

9. Housing Strategy - £171k underspend, carry forwards of £140k (MHCLG grants)

Carry forwards are to be requested for two MHCLG grants - £45k for self build, and £95k for Community Housing. This will allow the external funding to be used in 2019/20, and into 2020/21 for the Community Housing Fund (for the three year Community Housing Enabler post as approved by Housing Committee in March 2017).

The remaining £31k underspend relates to additional budget of £45k that was approved during the year. Although this will be utilised in future years, it has only been partially allocated in 2018/19 as it was only approved by Council in January 2019.

Environment Committee

Table 4 – Environment Committee Revenue budget outturn forecast

Environment Committee	Para Refs	2018/19 Original Budget (£'000)	2018/19 Revised Budget (£'000)	2018/19 Forecast Outturn (£'000)	2018/19 Outturn Variance (£'000)
Canal		7	7	7	0
Director (Development Services)		116	117	117	0
Head of Health and Wellbeing		70	71	71	0
Environmental Health	11	751	757	535	(223)
Statutory Building Control	10	117	126	78	(48)
Planning Strategy/Local Plan		306	311	314	3
Development Control	12	7	15	8	(7)
Land Charges & Street Naming		(4)	(31)	(48)	(17)
Economic Development	13	161	116	80	(36)
Carbon Management		71	71	62	(9)
Waste and Recycling: MSC	14	3,128	3,136	3,546	411
Waste and Recycling: Other		19	11	11	0
Environment TOTAL		4,749	4,707	4,780	73

10. Statutory Building Control – (£134k underspend (for info only)

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

This variance is reported for information only as any surplus/overspend will be transferred to the Building Control Partnership reserve.

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.

An underspend is forecast on salaries (£48k) as a result of two vacant posts within the service. A service review is underway which will help inform the establishment going forward. An overspend is also anticipated on mileage following the trend on last year's actuals.

11. Environmental Health – (£223k underspend)

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

(£80k) of this variance is concerned with Land Drainage. This 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.

A (£60k) income surplus has been forecast. This 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.

The Rural SuDS Project budget is the funding we receive from the EA to mainly pay for the project officer. There is a significant underspend on this budget this year as the post was vacant for nearly 6 months and the salary level was dropped from a Stroud 6 to a Stroud 5 when the new officer was appointed. This is a deliberate decision to try to stretch this funding so that the post can be maintained until March 2021 when a new funding stream will become available for this type of work. There will be a proposed carry forward of (£40k).

There are some additional small underspends predicted across The Environmental Health Service.

12. Development Control – (£7k) underspend

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

Overall the underspend is insignificant but there are some larger offsetting variances.

Within salaries a (£62k) underspend is predicted. This is due to vacant posts not being recruited to in this financial year. The service has recently undergone its workforce plan review which has led to a new structure now in place.

A £17k overspend is predicted in Appeals which is predominately consultants fees for a public inquiry and an award of costs against the Council for a High Court challenge for Land East of Canonbury Street, Berkeley. An income shortfall of £33k will also be realised due to historic budget for sale of documents to the public. This budget is no longer relevant because the information is available online. The remaining overspend is in respect of pre-application fees was an estimate of the likely take up of this service, it has proved to be less than previous years and the anticipated increase in these charges has not be rolled out due to staffing issues.

13. Economic Development – (£36k underspent)

(Pippa Stroud xtn 4099, pippa.stroud@stroud.gov.uk)

This variance has arisen due to the service having gone through the work force plan project and the post of Economic Development Officer being made redundant. As a result there is no capacity for the investment of this budget on projects related to economic development, apart from those commitments already made to the Princes Trust and the Wotton Greenway.

14. Waste & Recycling – £411k overspend

(Michael Towson xtn 4336, michael.towson@stroud.gov.uk)

The overall financial position on the Multi Service contract is explained by the 2018/19 gross cost of the contract (£5.639m) significantly exceeds the available budget. Although action has been taken during the financial year to reduce the level of expenditure, there remains a significant funding gap before any income streams are taken into account. The level of ongoing resource has been addressed by the Council through the MTFP. Taking into account the additional income from Recycling Credits and the JWP Incentive Payment, there is a projected net overspend on Multi-Service budgets within this Committee of £0.411m.

Indicative figures from Ubico 18/19 suggest the forecast spend will be £80k over the original budget figure of £5.639m. This includes efficiency savings made earlier in the financial year.

Garden waste subscriptions for the 2019 scheme have increased to £45 (previously £39) and this is expected to generate additional income. The full impact of this will be felt in the 19/20 figures.

A number of fleet vehicles have been replaced and a capital replacement programme has been formulated to account for ageing fleet and property growth. This investment is mitigating un-budgeted cost pressures borne out of the high cost of specialist hire vehicles which has been reflected in Ubico's 19/20 budget.

Multi Service Income Streams

Recycling rates in the Stroud District are the best in the south west at 61%. New recycling contracts came in to force in July 2018 and these have had a positive impact on the overall financial position. Currently income from the sale of recyclates is forecast to be around £612k, well above original income targets and above the forecast previously reported by £70k. Markets for the sale of this material remain volatile.

In this financial year incentive and recycling credit payments made via the County Council remain relatively unchanged. However the County Council are expected to serve 12 months notice on an amendment to food waste incentive payments. These proposals would limit the maximum payment to Stroud at £100k per annum which would have a significant impact on the 20/21 budget and the MTFP. This would represent a reduction of circa. £275k per annum. Representation to reconsider these proposals has been made to the County Council.

APSE Review

The Association for Public Service Excellence (APSE) Review referred to previously, has been completed and the report has been distributed to members. The report indicated that the Ubico contract is offering good value for money. A number of recommendations were made and an officer led Service Review Working Group has been set up to prioritise

this work. Regular updates on progress will be provided to the Environment Committee.

Table 5 – Environment Committee Breakdown

Environment Committee	Para Refs	2018/19 Original Budget (£'000)	2018/19 Revised Budget (£'000)	2018/19 Forecast Outturn (£'000)	2018/19 Outturn Variance (£'000)
Canal Partnership		7	7	7	0
Director (Development Services)		116	117	117	0
Head of Health and Wellbeing		70	71	71	0
Environmental Health Team		149	149	133	(16)
Contaminated Land		32	32	26	(6)
Dog Warden Service		78	78	75	(3)
Environmental Protection		153	154	147	(7)
Food Safety		150	151	151	(1)
Health and Safety		86	87	91	4
Land Drainage	11	38	39	(141)	(180)
Public Health		43	43	43	0
Pest Control		6	7	(4)	(11)
Port Health		2	2	(1)	(3)
Planning Liaison		14	14	14	0
Environmental Health	11	751	757	535	(223)
Planning and Building Control Admin		258	261	209	(52)
Building Control		(186)	(202)	(201)	1
Securing Dangerous Structures		9	10	9	(1)
Building Regulation Enforcement / Advice		36	58	62	4
Building Control	10	117	126	78	(48)
Street Naming		(4)	(4)	(24)	(20)
Land & Property Custodian		0	(28)	(24)	3
Land Charges & Street Naming		(4)	(31)	(48)	(17)
Planning Strategy		306	311	314	3
Preparation of Core Strategy		0	0	0	0
Planning Strategy/Local Plan		306	311	314	3
Development Control		(267)	(261)	(230)	31
Trees		42	43	43	0
Conservation		59	59	71	12
Appeals		0	0	17	17
Planning Appeal Costs		69	70	26	(44)
Enforcement		106	107	86	(21)
Footpath Diversion		(2)	(2)	(5)	(3)
Development Control	12	7	15	8	(7)

Environment Committee	Para Refs	2018/19 Original Budget (£'000)	2018/19 Revised Budget (£'000)	2018/19 Forecast Outturn (£'000)	2018/19 Outturn Variance (£'000)
Economic Development		54	35	21	(14)
Market Town Projects		24	16	0	(16)
Regeneration		82	65	59	(7)
Economic Development	13	161	116	80	(36)
Carbon Management		71	71	62	(9)
MSC: Refuse Collection		1,116	1,116	1,280	164
MSC: Food Waste		341	341	475	134
MSC: Recycling		1,181	1,181	1,159	(21)
MSC: Bulky Waste		45	45	1	(44)
MSC: Garden Waste		(153)	(153)	(18)	135
MSC: Street Cleansing		599	607	649	42
Waste and Recycling: MSC	14	3,128	3,136	3,546	411
Waste and Recycling: Other		19	11	11	0
Environment Total		4,749	4,707	4,780	73

	2018/19 Original Budget (£'000)	2018/19 Revised Budget (£'000)	2018/19 Spend to date (£'000)	2018/19 Projected Outturn (£'000)	2018/19 Outturn Variance (£'000)
Capital Programme Outturn					
Community Services					
Stratford Park Lido	80	0	0	0	0
Community Buildings Investment	100	138	17	17	(121)
Subtotal Community Services	180	138	17	17	(121)
Environment Capital Schemes					
Canal	500	1,474	217	250	(1,224)
Stroud District Cycling & Walking Plan	100	100	0	100	0
Market Town Centres Initiative fund	100	100	0	100	0
Wallbridge - Gateway	190	100	0	0	(100)
MSC - Vehicles	250	619	460	460	(159)
Subtotal Environment	1,140	2,393	677	910	(1,483)
Strategy & Resources Capital Schemes					
Housing Initiatives	600	0	0	0	0
Littlecombe Business Units, Dursley	100	0	(4)	0	0
Brimscombe Port Redevelopment	1,600	311	153	237	(74)
ICT investment Plan	400	400	153	156	(244)
MSCP Resurfacing	120	120	0	5	(115)
Ebley Mill works	0	109	0	10	(99)
Subscription Rooms - Works	0	125	9	125	0
Subtotal Strategy & Resources	2,820	1,065	311	533	(532)
Housing General Fund					
Affordable Housing - Support to Registered Providers	119	149	0	0	(149)
Disabled Facilities Grant Scheme	330	330	66	80	(250)
Park Homes	0	76	0	0	(76)
Private Sector Housing Loans	0	0	8	28	28
Warm Homes	0	500	380	650	150
Health through Warmth Grant	0	340	298	340	0
Subtotal Housing General Fund	449	1,395	752	1,098	(297)
TOTAL General Fund Capital Schemes	4,589	4,991	1,757	2,558	(2,433)
HRA Schemes	11,720	10,153	6,508	8,491	(1,662)
TOTAL Capital Schemes	16,309	15,144	8,265	11,049	(4,095)