

STROUD DISTRICT COUNCIL
STRATEGY AND RESOURCES COMMITTEE

**AGENDA
ITEM NO**

13 JUNE 2019

6b

Report Title	GENERAL FUND REVENUE OUTTURN REPORT 2018/19
Purpose of Report	To present to the Strategy and Resources Committee the final outturn position against the General Fund revenue budgets for 2018/19.
Decision(s)	The Committee RESOLVES a) to note the General Fund Revenue Outturn for 2018/19, as shown in Table 1. b) to approve the transfers to and from earmarked reserves for the year, as detailed in Section 2 and Appendix A.
Consultation and Feedback	Budget holders have been consulted about the budget outturn for their service areas. The feedback has been incorporated in the report to explain differences between budgets and actual income and expenditure.
Financial Implications & Risk Assessment	The whole report is of a financial nature, reporting the General Fund Revenue Position for 2018/19. Andrew Cummings – Interim Director of Resources Tel: 01453 754115 Email: andrew.cummings@stroud.gov.uk
Legal Implications	There are no legal implications related to this report. Patrick Arran – Interim Head of Legal & Monitoring Officer Tel: 01453 754369 Email: patrick.arran@stroud.gov.uk
Report Author	Andrew Cummings – Interim Director of Resources Tel: 01453 75 4115 Email: andrew.cummings@stroud.gov.uk
Performance Management Follow Up	The outturn position will be taken into account when the budget for 2020/21 is prepared later in the year. The change to balances and reserve levels will be incorporated into an updated Medium Term Financial Plan that will be presented as part of the Budget Strategy report to the committee in October.
Appendices	Appendix A – Movement on SDC Earmarked Reserves 2018/19.

Background

1. This report sets out the final outturn position for the 2018/19 financial year and considers changes to balances and reserves. This report is to provide members with a more detailed view of the performance against the General Fund revenue budget for 2018/19. It is broadly split into three sections;
 - Section 1 gives a summary of the General Fund position for the year.
 - Section 2 shows the impact that has on the Council's earmarked reserves.
 - Section 3 provides detailed commentary on significant variances.
2. **Due to the complexity of some of the issues dealt with within the report and the volume of information, 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.**

Section 1 – REVENUE BUDGET OUTTURN

3. The revised General Fund Service Revenue budget for 2018/19, as approved by Council in January 2019 was £17.376m. The final outturn position for the year is £17.955m.
4. The April 2019 budget monitoring report to Strategy and Resources Committee anticipated that there would be an underspend of (£612k) for the General fund after reserve transfers and carry forwards. The final outturn position, after taking into account non-service revenue expenditure and funding, is a variance of (£881k). Table 1 shows a summary of the outturn position.

Table 1 – General Fund Outturn Summary

GENERAL FUND	Para Refs	2018/19 Original Budget (£'000)	2018/19 Revised Budget (£'000)	2018/19 Actual incl Reserve Tfrs & Carry Fwds (£'000)	2018/19 Outturn Variance after Reserve Tfrs & Carry Fwds (£'000)
Community Services Committee	26-30	3,554	3,600	3,440	(159)
Housing Committee	31	503	552	497	(55)
Environment Committee	32-37	4,749	4,707	4,739	32
Strategy & Resources Committee	17-25	6,212	6,272	6,243	(29)
HRA Income		(1,565)	(1,565)	(1,687)	(122)
Other Corporate Income & Expenditure		(405)	(405)	(427)	(22)
Accounting Adjustments		4,401	4,215	5,150	935
Net Service Revenue Expenditure		17,448	17,376	17,955	579
Accounting Adjustments Reversal		(4,366)	(4,180)	(5,150)	(970)
Other Operating Income & Expenditure		3,186	2,393	2,560	167
Funding from Govt Grants/Council Tax		(15,589)	(15,589)	(16,246)	(656)
TOTAL General Fund (after transfers)		679	0	(881)	(881)

5. The surplus of (£881k) for the year is made up of items relating to the Service Committees as well as specific one-off additional income sources and cost savings. A summarised table of the variances is shown below with explanations included throughout the report.

Table 2 – Summary of In-Year Variances

Summary of Final Council Position	Variance (£'000)
Expenditure	
Net Service Committees	(212)
Support Charges to the HRA	(122)
Reversal of Unused Provisions	(130)
Interest Costs	(21)
Unused Savings and Contingencies	(61)
Capital funding costs	(35)
Various Smaller Corporate Savings	(14)
Minimum Revenue Provision	64
Total Expenditure	(531)
Income	
Interest Income	(91)
Business Rates (excluding pilot)	(198)
Other Grant Income	(61)
Total Income	(350)
Net Underspend for the Year	(881)

Section 2 – MOVEMENT ON EARMARKED RESERVES

- The following section sets out the impact of the outturn on the earmarked reserves held by the Council. These are held for specific purposes and are in addition to the General Fund balance which has been maintained with no change at £2.169 million.
- The overall change in General Fund earmarked reserves has been an increase during the year of £1.672m as represented in this summary table.

Table 3 – Summary of Reserve Movements

Use of Reserve	Net Movement (£'000)
In year expenditure/income	(145)
Budgeted transfers to reserves	1,557
General Fund Underspend	881
Capital Financing	(621)
Total Increase	1,672

- The remainder of this section gives details on the movements in reserves with the final reserves balances being shown in Appendix A.
- The normal operation of Council business includes movements on earmarked reserves including spending existing reserves or placing new funding aside for use in future years. The position in 2018/19 was a net drawdown from earmarked reserves of (£145k) and the table below sets out those reserves with movement during the year.

Table 4 – In-year Reserve use

Reserve	2018/19 Increase / (Decrease) (£'000)
Brexit Costs Reserve	18
Building Control Shared Service Reserve	44
Carry Forward Reserve	149
CIL (Community Infrastructure Levy) admin Reserve	(42)
CIL (Community Infrastructure Levy) Reserve	192
Efficiency & Invest to Save Reserve	(68)
Homelessness Prevention Reserve	33
Merrywalks Car Park Reserve	(319)
Neighbourhood Planning Grant Reserve	(24)
PDG Reserve	14
Workforce Plan Reserve	(162)
Street Cleaning Funding	20
Total	(145)

10. Included within that total is the Carry Forward Reserve, used where services need to transfer external funding or budget for specific projects from one year to the next. The reversals from 2017/18 and amounts carried forward from 2018/19 are shown in the table below. The net movement represents the **£149k** included in the reserves list.

Table 5 – Movement on Carry Forward Reserve

Committee	Committee Subheading	2017/18 Carry Forwards (£'000)	2018/19 Carry Forwards (£'000)
Community Services	Museum in the Park	(2)	0
Community Services	Sports & Health Development	(2)	2
Community Services	Sports & Health Development	(16)	9
Community Services	Sports & Health Development	(43)	25
Community Services	Youth Services	(10)	5
Environment	Environmental Health	(82)	80
Environment	Environmental Health	(13)	50
Environment	Environmental Health	(46)	40
Housing	Housing	(45)	95
Housing	Housing	(15)	75
Community Services	Youth Services	0	5
Strategy & Resources	Human Resources	0	5
Community Services	Community Safety	0	7
Community Services	Public Spaces	0	19
Environment	Carbon Management	0	6
Total Carry Forwards		(273)	423

11. Included within the budget for 2018/19 were a number of planned transfers to Reserves. The final amounts of these transfers is shown in the table below.

Table 6 – Movements on Reserves included within 2018/19 budget

Budgeted increases to Reserves	(£'000)
Pension Fund Reserve	85
Business Rates Safety Net	500
Business Rates Pilot	897
MTFP Equalisation Reserve	74
Total	1,556

12. The Business Rates Pilot gain was originally included in the 2018/19 budget at an estimated (£500k). The actual gain at year end was (£897k) and this has been placed in a reserve as agreed in the Budget Strategy. This sum represents the SDC share of the overall £14.2 million gain to Gloucestershire from the one year Business rates pilot. There is a possibility of this figure changing as each authority is subject to the annual audit of accounts. Should there be any fluctuation in our share this will be added to or deducted from the reserve as required.

13. The Authority maintains a capital reserve to part fund the Capital Programme. Although details of the capital outturn are included in a separate report the use of the capital reserve in 2018/19 was £621k.

14. Finally it is necessary to allocate the (£881k) variance for the year to the reserves. Under delegated powers the S151 Officer, in consultation with the Chair of Strategy and Resources Committee, has allocated this to the following reserves.

Table 7 – Allocation of underspend to Reserves

Reserve	Allocation (£'000)
Efficiency & Invest to Save Reserve	18
Climate Change	33
Business Rates Safety Net	65
Merrywalks Car Park Reserve	(108)
CIL (Community Infrastructure Levy) admin Reserve	173
Transformation Reserve	400
Repairs and replacement reserve	200
Investment Risk Reserve	100
Total	881

15. This allocation involves the creation of three new reserves

- A transformation reserve to provide a pot of funding to pay for the improvement actions arising from the recent LGA Corporate Peer Challenge. This funding will allow the Council the capacity to implement these recommendations. This may include a wide range of costs such as staffing or capital improvements.

- A repairs and replacement reserve to provide funding for any urgent building repairs or equipment replacement. During 2018/19 it was identified that the Council did not have funding available to make urgently required major repairs to Buildings if required and this situation must be avoided in the future.
 - An investment risk reserve to protect against possible future fluctuations in investment value. A portion of the gain in 2018/19 was due to increased interest returns and this has prudently been put to one side to be drawn down should investment values fluctuate in future.
16. The CIL admin Reserve was previously held as a negative reserve to protect the General Fund from the costs incurred in administering the Community Infrastructure Levy. As funds received from the levy continue to increase 2018/19 was the appropriate time to write off that reserve to the General Fund.

Section 3 – DETAILED GENERAL FUND OUTTURN

The following tables and paragraphs set out the detail behind the outturn for information purposes. Significant variances are accompanied by detailed commentary below.

STRATEGY AND RESOURCES COMMITTEE

Table 8 – Strategy & Resources Outturn Detail

Strategy & Resources Committee	Para Refs	2018/19 Original Budget (£'000)	2018/19 Revised Budget (£'000)	2018/19 Actual incl Reserve Tfrrs & Carry Fwds (£'000)	2018/19 Outturn Variance after Reserve Tfrrs & Carry Fwds (£'000)
Investment Assets	17	(78)	(32)	77	108
Other Assets		24	47	66	19
Car Parks	18	(656)	(651)	(615)	36
Head of Property Services	19	82	83	58	(25)
Property Services Team	20	327	330	303	(27)
Facilities Management	21	761	551	502	(50)
Democratic Representation and Management		426	427	409	(18)
Resources and Finance - Direct Spend		1,859	1,797	1,801	4
Chief Executive		189	191	202	11
Marketing		93	94	95	1
Director (Corporate Services)		47	47	56	9
Human Resources		420	409	392	(17)
Corporate Business Services	22	222	484	357	(127)
Corporate Services (Legal)	23	575	580	501	(79)
Head of Finance	24	80	81	56	(25)
Financial Services		871	858	853	(5)
Information & Communication Technology	25	969	975	1,131	156
Strategy & Resources TOTAL		6,212	6,272	6,243	(29)

17. Investment Assets – £108k overspend

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

Littlecombe Units

£65k 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 two 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.

There have been some small overspends also identified within Brunel Mall and Gossington Depot.

18. Car Parks – £36k overspend

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

This overspend is primarily in relation to the lease agreement costs between the Council and Network Rail at Cheapside Car Park. The budget provision for these costs has now been identified and a proposal will be addressed at budget setting for 2020/21.

19. Head of Property Services – (£25k) underspend

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

This 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.

20. 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 two business support officers posts. As part of the budget setting process these posts have now been removed from the establishment for 2019/20.

21. Facilities Management – Business Continuity - (£50k) underspend

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

This underspend has arisen due to a review in 2018 of the Council's Disaster Recovery Plan. It was determined that the offering from the incumbent supplier was not fit for purpose and the contract was cancelled in order not to expend any further financial resource. Various solutions around the Disaster Recovery Plan issue are being considered, this may require an amendment in the spend profiling when the solution is identified.

22. Corporate Business Services – (£127k) underspend

(Tim Power xtn 4155, tim.power@stroud.gov.uk)

As reported at Month 10, the net cost of the Work Force Plan in 2018/19 is £93k (one off costs of £352k, with in year savings achieved of (£259k), on top of the £230k savings included in the base budget).

A total transfer from the Workforce Planning earmarked reserve of £162k has funded most of this net cost in 2018/19 (£31k was funded from service budgets), along with offsetting an unachieved savings target relating to Workforce Planning of £100k (included within Other Operating Income and Expenditure).

Further savings of (£27k) have been achieved across Business Services through vacancy savings during part of the year, and lower expenditure on running costs.

23. Corporate Services – (£79k) underspend

(Patrick Arran xtn 4369, patrick.arran@stroud.gov.uk)

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

Legal

The variance is made up of salary underspend (£25k) is in relation to two career graded posts and a third post that is currently on phased retirement. The remainder is made up of small underspends (£23k) across the service.

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.

24. Head of Finance – (£25k) underspend

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

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

25. ICT – £156k additional expenditure

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

(Tim Power xtn 4155, tim.power@stroud.gov.uk)

This is made up of three major variances.

£52k of the 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. One remaining post will continue to be filled by a contractor with every effort to find a permanent appointment.

A **£56k** variance has been identified in relation to a review by SOCITM of our IT in December 2017 to January 2018, identified a number of areas for modernisation of the Councils IT policy and delivery. A decision was made to seek a contractor to develop a plan for the improvements identified as needed. Following this outcome, a further contract was issued to SOCITM via a procurement process through the governments GCloud portal for the contractor to develop a strategy to help us moving forward, in taking the right direction, and making the necessary investment in the modernisation of our IT. This work commenced in October 2018 and ran through until March 2019.

The remaining overspend of **£47k** is in respect of the 2018 Customer Services Review which identified that the council's external phone menus system, the primary contact point for many residents, required a substantial overhaul. This required both an upgrade of the software running the system and the purchase of additional agent licences to enable a more sophisticated menu structure to get the customer to the right service area at their first contact. This was unplanned expenditure that only came to light as part of the review programme.

COMMUNITY SERVICES AND LICENSING COMMITTEE

Table 9 – Community Services Outturn Detail

Community Services Committee	Para Refs	2018/19 Original Budget (£'000)	2018/19 Revised Budget (£'000)	2018/19 Actual incl Reserve Tfrrs & Carry Fwds (£'000)	2018/19 Outturn Variance after Reserve Tfrrs & Carry Fwds (£'000)
Community Safety	26	360	212	153	(59)
Youth Services		100	100	101	1
Grants to Voluntary Organisations		337	337	337	(0)
Licensing		(68)	(67)	(73)	(6)
Director (Customer Services)		133	129	128	(1)
Customer Services		390	393	377	(16)
Cultural Svcs - Arts and Culture	27	781	703	662	(41)
Cultural Svcs - Sport & Health Dev.	28	165	167	147	(20)
Cultural Svcs - Sports Centres	29	124	166	(92)	(258)
Public Spaces		1,031	1,302	1,318	16
Revenues and Benefits	30	202	158	383	225
Community Services TOTAL		3,554	3,600	3,440	(159)

26. Community Safety – (£59k) underspend

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

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

Careline services – £14k income shortfall

The £14k is concerned with income shortfall within the service. Overall, income had increased from the 2017/18, but fell short of the budgeted figure. Appropriate measures are being taken to address this for future years, including enhanced service promotion.

Neighbourhood Warden Service – (£36k) underspend

A (£36k) underspend 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.

Car Park Enforcement – (£46k) additional income

The salary budget is underspent by (£20k) due to a lengthy recruitment process for vacant post. The remaining (£26k) 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 £9k 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.

27. Cultural Svcs - Arts & Culture – (£41k) underspend

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

Subscription Rooms – (£35k) underspend

Members will recall that the Subscription Rooms transferred to the Town Council Trust on the 28 March 2019. This underspend is directly related to salaries (£70k), the programme for the Subscription Rooms had been amended in 2018/19 to reduce the income risk to the Council which has been reflected in these savings. An income shortfall has been realised on the sale of food and drink of £27k along with some minor additional costs within the service. The Museum in the Park achieved a small underspend of (£6k).

28. Cultural Services - Sport & Health Dev – (£20k) 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. Any external funding has already been identified in order to support on-going projects in 2019/20.

29. Cultural Services – (£258k) additional income

The Pulse Dursley – (£241k) additional income

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

2018/19 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.

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.

Stratford Park Leisure Centre – (£20k) underspend

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

The Council are responsible for paying 50% towards the contractor’s utility costs should they reach a certain level as borne out by the agreement. Due the installation of the CHP, savings have been made and no payment is required this financial year which has contributed towards the underspend. In addition there have been savings identified on Premises Insurance when the contract was renewed in 2018/19.

30. Revenues and Benefits– £225k overspend

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

Homelessness continues to have an impact with an increase in the number of residents and families being moved into temporary accommodation. The accommodation is often out of our district attracting higher rents, meaning a shortfall in subsidy that can be reclaimed. Changes to homelessness legislation, has also meant those needing temporary accommodation have been housed for longer periods of time. Similarly supported accommodation has increased across the district. The rents cannot be restricted, again creating a shortfall in the subsidy.

Following the roll out of Universal Credit, there is a gradual downward turn in Housing Benefit claims as people move 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. Whilst the case count is reducing the change in circumstances has increased significantly. Due to the large sums involved any variation will be a big figure, even if it is a small percentage.

HOUSING COMMITTEE

Table 10 – Housing GF Outturn Detail

Housing Committee	Para Refs	2018/19 Original Budget (£'000)	2018/19 Revised Budget (£'000)	2018/19 Actual incl Reserve Tfrs & Carry Fwds (£'000)	2018/19 Outturn Variance after Reserve Tfrs & Carry Fwds (£'000)
Housing (General Fund)	31	503	552	497	(55)

31. Housing Strategy – (£55k) underspend

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

This underspend relates to the 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. Some additional small underspends have also been identified across the service.

The table above takes into account the carry forward requests for two MHCLG grants - £75k 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).

ENVIRONMENT COMMITTEE

Table 11 – Environment Committee Outturn Detail

Environment Committee	Para Refs	2018/19 Original Budget (£'000)	2018/19 Revised Budget (£'000)	2018/19 Actual incl Reserve Tfrs & Carry Fwds (£'000)	2018/19 Outturn Variance after Reserve Tfrs & Carry Fwds (£'000)
Canal	32	7	7	135	128
Director (Development Services)		116	117	118	1
Head of Health and Wellbeing		70	71	72	1
Environmental Health	33	751	757	644	(113)
Statutory Building Control	34	117	126	(21)	(147)
Planning Strategy/Local Plan		306	311	326	15
Development Control	35	7	15	(112)	(128)
Land Charges & Street Naming		(4)	(31)	(40)	(9)
Economic Development	36	161	116	43	(73)
Carbon Management		71	71	61	(10)
Waste and Recycling: MSC	37	3,128	3,136	3,502	367
Waste and Recycling: Other		19	11	11	(0)
Environment TOTAL		4,749	4,707	4,739	32

32. Canal - £128k overspend

(Dave Marshall xtn 4646, dave.marshall@stroud.gov.uk)

Additional expenditure on the Canal project relates to salaries of the Canal Project Team. Whilst an element of the staffing costs relates to volunteer-led work on the Stroudwater Connected phase, the outturn position on the General Fund suggested it was more prudent to charge these costs to revenue for 2018/19.

The Council and Cotswold Canals Trust are jointly working on the Development Stage of Cotswold Canals Connected – the project to reinstate 4 miles of canal West of Stonehouse, connecting the already restored stretch to the national network. The Heritage Fund selected this as one of just four projects across the country to receive development funding. An application for the full £9million of Heritage Fund money to allow the whole project to go ahead will be made late this year or early next.

The project will take the canal under the M5 motorway and A38 roundabout, reinstate the 'missing mile' of canal near Eastington and take it under the Gloucester – Bristol railway line at Stonehouse.

33. Environmental Health – (£113k) underspend/additional income

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

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

Environmental Services

The (£37k) variance in this area is an accumulation of minor underspends across the whole of the budget. This includes software, hardware, equipment purchase, stationary and other courses and seminars. Some additional income has been realised through water sampling charges.

Food Safety/ Health and Safety

The variance of (£30k) is directly related to salaries. The Health and Safety Officer role has been vacant due to the resignation of the previous post holder. This has proved to be quite difficult to recruit to and has gone out to advert twice. This vacancy has now been filled with the post holder due to start shortly.

Pest Control

An income surplus of (£24k) has been achieved within Pest Control. This can be identified particularly on the treatment of wasps and rats in 2018/19.

In addition there some smaller insignificant variances spread across the remainder of the service.

There a number of projects within Land drainage which encompass external funding over several financial years. They comprise of (£80k) (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. (£50k) income surplus has been forecast on flood prevention projects and S106 monies for flood prevention work and is a combination of funding from the Environment Agency. Projects were not be ready for delivery this year due to factors outside the control of the council

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 (£46k) 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. These amounts will be carried forward to 2019/20.

34. Statutory Building Control – (£147k) underspend/additional income (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.

An underspend of (£90k) on the salaries within the Building Control budget has been reported as a result of not filling two vacant post within the service in

2018/19. A service review has just been completed which informs the establishment going forward, as a result one post has been removed from the structure. There is an additional salary underspend within the admin team of (£52k), this is the result of in year vacancies and a freeze on recruitment due to the service review taking place.

Any surplus/deficit will be transferred in to the trading account to re-invest in the building control service, the variance shown is net of this transfer (table 4).

35. Development Control – (£128k) underspend/additional income

(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 have achieved a healthy surplus of (£130k). 2018/19 has seen the full effect of 20% increase in all planning application fees introduced through legislation in January 2018.

Salaries are underspent by (£62k). 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.

Planning Appeal costs are £17k over budget, this 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. Income has proved to be less than previous years and the anticipated increase in these charges has not be rolled out due to staffing issues.

36. Economic Development – (£73k) underspend

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

This variance has arisen due to the service having gone through the workforce plan 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.

37. Waste & Recycling – £367k overspend

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

A more favourable outturn variance compared to the Q3 forecast has been achieved.

There are a number of factors which contribute towards this. Income has increased more than previously predicted from the 'Joint Waste Partnership (JWP) Incentive payment', which supports the reduction in landfill waste through incentive payments; this reduction in overall waste, diversion of recycling materials and food waste all contribute towards the desired aim.

Garden waste subscriptions for the 2019 scheme have increased to £45 (previously £39) which has generated additional income.

The UBICO contract final spend was £80k over the original budget of £5.639m, taking into account efficiency savings made earlier in the Financial year.

In this financial year incentive and recycling credit payments made via the County Council remain relatively unchanged. In the previous report the County Council were expected to serve 12 months notice on an amendment to food waste incentive payments. These proposals would limit the maximum payment to Stroud and see a likely reduction in food waste incentive payments and could have a significant impact on the 2020/21 budget and the MTFP. Currently this risk remains unchanged, Gloucestershire County Council have accepted representation to reconsider the proposed financial model. Negotiations with GCC are ongoing.

38. Income and Expenditure not included in Service Committees (£668k) underspend/additional income

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

This area of income and expenditure covers all of those corporate items which are not included within in the Service Committees and represent the balance of items in Table 2.

The HRA pays a share of the running costs of the Council - for the services it receives from Council wide support services such as IT, HR and Finance, as well as the running costs of the Council as a whole, such as Committee meetings. The charge to the HRA was **(£122k)** higher than budgeted in 2018/19 which represents a charge to the HRA and additional income to the General Fund.

The Council is required to hold provisions against anticipated future costs, such as legal cases. A review of provisions in 2018/19 has determined that some provisions are no longer required and can be returned to the General Fund as a benefit of **(£130k)**.

In 2018/19 a number of contingency pots were held outside of Service Committees. The majority of these were not required and a saving of **(£61k)** was created. This saving was used to fund additional debt repayment as part of the Minimum Revenue Provision **(£64k overspend)** which will yield revenue savings in future years.

The Council is taking considerable strides to improve the returns generated as a result of Treasury management. This has resulted in income received being **(£91k)** higher than budgeted, including the gain from making payments to the pension fund in advance of when they are required. This gain has been used to establish the investment risk reserve to help mitigate against investment fluctuations in future years.

The Council's business rates income above the baseline, excluding the pilot gain, was higher than anticipated by **(£198k)**. It is anticipated that business

rates baselines will be reset in 2020/21 eliminating this growth and the MTFP has been prepared on that basis.

Finally there has been some additional grant income from Central Government relating to business rates levy from previous years. This was anticipated in the 2019/20 budget but has been received in 2018/19 and makes up the majority of the (£61k) additional income. This has been placed in the Business Rates Safety Net Reserve to be drawn down in 2019/20.