

7 June 2016

## STRATEGY AND RESOURCES COMMITTEE

A meeting of the Strategy and Resources Committee will be held on **WEDNESDAY, 15 JUNE 2016** in the Council Chamber, Ebley Mill, Ebley Wharf, Stroud at **7.00 pm**.



David Hagg

Chief Executive



**Please Note:** This meeting will be filmed for live or subsequent broadcast via the Council's internet site ([www.stroud.gov.uk](http://www.stroud.gov.uk)). By entering the Council Chamber you are consenting to being filmed. The whole of the meeting will be filmed except where there are confidential or exempt items, which may need to be considered in the absence of the press and public.

### AGENDA

#### **1 APOLOGIES**

To receive apologies of absence.

#### **2 DECLARATIONS OF INTEREST**

To receive declarations of interest.

#### **3 MINUTES – 7 APRIL 2016**

To approve and sign as a correct record the Minutes of the meeting held on 7 April 2016.

#### **4 PUBLIC QUESTION TIME**

The Chair of the Committee will answer any questions from members of the public, submitted in accordance with the Council's procedures.

#### **DEADLINE FOR RECEIPT OF QUESTIONS**

Noon on Friday 10 June 2016.

Questions must be submitted in writing to the Chief Executive, Democratic Services, Ebley Mill, Ebley Wharf, Stroud, and sent by post or by Email: democratic.services@stroud.gov.uk.

## **5 WORK PROGRAMME**

To consider the Committee's work programme for 2016/17 and update accordingly.

## **6 APPOINTMENTS**

To appoint members of the Committee to the positions referred to in (a) and (b) and to appoint members (not necessarily limited to Strategy & Resources Committee members) to the bodies referred to in (c) to (f) below. It should be noted that the bodies (c) to (f) are advisory only, not having any delegated decision-making functions. They enable members to discuss matters with officers at a preliminary and formative stage.

### **a) PERFORMANCE MONITORING REPRESENTATIVES**

To appoint 2 members to meet with the Senior Management Team on a quarterly basis to review the performance of relevant service areas and report back to the committee, preferably with a written report circulated as part of the agenda.

### **b) STROUD CONCORDAT**

To appoint 1 member to sit on this external group. The Concordat membership is made up of representatives from Stroud Town Council, Stroud Chamber of Trade, the County Council and this Council. It discusses matters of mutual interest in Stroud Town Centre and co-ordinates action between the organisations. The appointed member is expected to report to Committee, preferably with a written report circulated as part of the agenda.

### **c) PLANNING REVIEW PANEL**

To appoint up to 8 members. (In addition, the Chair of Strategy and Resources is automatically included in the membership as Chair of the Panel). During 2015/16, substitutes were allowed to attend in the absence of Panel members. Appointments to this cross party panel need not be made on a politically balanced basis. The panel considers local plan policies and processes, including the review of the Stroud District Local Plan. The Chair of the Panel reports orally to the Committee.

### **d) HOUSING AND DEVELOPMENT PANEL**

To appoint members to this non-politically balanced group. The group considers policy and projects associated with the Council's land / property assets and strategic development sites associated with the housing, jobs and growth agenda. To date the group has comprised up to 10 members (including group leaders). During 2015/16, substitutes were allowed to attend in the absence of the panel members. The Chair of the Panel reports orally to the Committee.

### **e) MEMBER DEVELOPMENT TASK & FINISH GROUP**

To appoint members to this non-politically balanced group. To date the group has comprised 5 members (1 from each political group and non group). The group's role has been to consider the training and personal development needs of councillors and establish a development programme which has since been implemented. For the forthcoming year, it will have a specific remit to consider information

communication technology issues affecting members, as part of the Council's move to conducting its formal business without paper based agendas.

**f) CONSTITUTION WORKING GROUP**

To appoint members up to 7 members to this cross party group (of which all groups and the 'no group' councillor have been represented). The group has to date reported direct to Council although it is proposed that the group be tasked in 2016/17 with undertaking a review of the committee structure (in particular the number and terms of reference of the committees) for consideration by the Strategy and Resources Committee.

**7 HOUSING REVENUE ACCOUNT OUTTURN 2015-16 - SUMMARY OF VARIANCES, RESERVES AND BALANCES**

To inform members of the 2015-16 outturn position on the Housing Revenue Account and a change to the position with balances and reserves.

**8 GENERAL FUND REVENUE AND CAPITAL OUTTURN REPORT 2015-16**

To inform Committee of the outturn position for the General Fund revenue and capital budgets 2015-16, the movements in earmarked reserves and budgets to be carried forward.

**9 DEVOLUTION UPDATE**

To receive an oral update from the Chief Executive.

**10 MEMBERS' QUESTIONS**

See Agenda Item 4 for deadline for submission.

## STRATEGY AND RESOURCES COMMITTEE

7 April 2016

7.00 pm – 8.55 pm  
Council Chamber, Ebley Mill, Stroud

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### Minutes

#### Membership:

Councillor Geoff Wheeler (Chair)	P	Councillor Haydn Jones	A
Councillor Steve Lydon (Vice-Chair)	P	Councillor Keith Pearson	P
Councillor Chris Brine	P	Councillor Simon Pickering	P
Councillor Nigel Cooper	P	Councillor Mattie Ross	P
Councillor Paul Hemming	P	Councillor Martin Whiteside	P
Councillor Nick Hurst	P	Councillor Rhiannon Wigzell	A
Councillor Julie Job	P		

P = Present                      A = Absent

#### Other Councillor Present:

Councillor Nigel Studdert-Kennedy

#### Officers Present:

Chief Executive	Accountancy Manager
Strategic Head (Finance & Business Services)	Principal Estates Surveyor
Strategic Head (Customer Services)	Head of Asset Management (Joint)
Strategic Head (Tenant & Corporate Services)	Public Space Manager
	Democratic Services Officer

#### SRC.068

#### APOLOGIES

Apologies for absence were received from Councillors Haydn Jones and Rhiannon Wigzell.

#### SRC.069

#### DECLARATIONS OF INTEREST

None received.

#### SRC.070

#### MINUTES

#### RESOLVED

That the Minutes of the meeting held on 3 March 2016 were approved and signed as a correct record.

**SRC.071****PUBLIC QUESTION TIME**

None received.

**SRC.072****MEMBER REPORTS**

- a. Performance Monitoring – An update from Councillors Keith Pearson and Rhiannon Wigzell had been circulated prior to the meeting.
- b. Housing and Development Panel – An update had been circulated. The next meeting was due to be held in May.
- c. Planning Review Panel – Councillor Steve Lydon had nothing to add to his report that had been circulated.
- d. Member Development Group Update Report – Members agreed that the Group should continue its valuable work as a Task a Finish Group, submitting an annual report to Committee outlining the work that they had undertaken. It was agreed for continuity each member of the group nominate a substitute.
- e. Members' Visits to Businesses – Councillor Rhiannon Wigzell had submitted a report following her visit to T.R. King, Woodchester. Councillor Mattie Ross confirmed that the Cotswold and Stroud VCA had gone into liquidation and thanked the volunteers and Council for their support in the past.
- f. European Structural and Investment Funds (ESIF) – Councillor Steve Lydon confirmed that the ESIF worked in conjunction with the LEP. If the referendum vote is to exit the European Union there will be a transitional period with complex funding and we are looking at how and who can bid for this funding. A copy of the names of the persons who represented the different organisations would be emailed to Members. The level of activity would be published on the Council's website showing other funding bids within the District.

**SRC.073****REVISED PROCUREMENT AND CONTRACT MANAGEMENT STRATEGY**

The Accountancy Manager outlined the above report highlighting changes in the strategy. Approval of the revised procurement and contract management strategy was sought. A report will be presented to committee on an annual basis and added to the Work Programme.

**RECOMMENDED TO COUNCIL** To approve the revised Procurement and Contract Management Strategy.

**SRC.074****BUSINESS UNITS, LITTLECOMBE, DURSLEY**

The Principal Estates Surveyor outlined the above report which sought approval for funding to bring forward the construction of 15 new business units on 1 acre of a 3 acre site in a way which would be cost effective. All of the existing business units on the site were occupied and there was a need for additional units for either rent or sale on the open market. Negotiations have taken place with St Modwen and progressed as far as possible. St Modwen were reluctant to develop the business units speculatively but would go ahead if a group of occupiers came forward. Agents' advice is that there is a demand for business units in the area. It could take approximately 12 months before it was known whether any funding from the LEP bid was available. If new units were built, they would meet current building regulations. The anticipated financial return of income against cost was uncertain

because of the lack of information at this stage but indications were that it would be in the range 6%-8%. The design including height of the buildings, height of doors etc and flexibility of being able to move partition walls was also a consideration and had not been fixed yet. Information on the scheme would be provided to Members via the Housing Development Panel.

- RECOMMENDED TO COUNCIL**
1. To delegate to the Head of Asset Management, in consultation with the Chief Executive, Strategic Head (Finance and Business Services) and Chair of Strategy and Resources, the authority to procure the construction and acquisition of the freehold of new business units at Littlecombe, Dursley on the best terms available.
  2. To delegate to the Strategic Head (Finance and Business Services)
    - a. authority to amend the Capital Programme and the Capital Financing Requirement for 2016/17 as set out in the Treasury Management Strategy; and
    - b. authority to finance the proposed scheme as appropriate and depending on market conditions.

**SRC.075**

**WASTE RECYCLATE TENDERS**

The Strategic Head (Customer Services) outlined the above report which sought authority to increase the budget to enable a contract award to be made for the Waste Recyclate Contract commencing in July 2016. Soft market testing had been carried out last year but the market value of waste material had now decreased. Members noted that all local authorities were in the same position. The contract would be reviewed annually and proof that the waste materials had gone to the appropriate market was required in the contract.

- RECOMMENDED TO COUNCIL**
- To approve the revised budget for waste recyclate to enable a contract to be awarded for the two year Waste Recyclate Contract, as detailed in the above report.

**SRC.076**

**RECOMMENDATIONS FROM OTHER COMMITTEES**

a. **Sheltered Housing Update**

The Head of Asset Management (Joint) outlined the above report which sought delegated authority for Officers to acquire land, including dwellings at Ringfield Close, Nailsworth. It was confirmed that these occupants had exercised their Right to Buy some years before the Sheltered Housing Review took place and had been reported to Housing Committee in October 2015.

During debate it was confirmed that it would take approximately 2½ years to decant the scheme and these properties were of Reema construction and were urgently in need of repair.

- RESOLVED**
- That delegated authority be given to the Head of Asset Management to acquire land (including dwellings) at Ringfield Close, Nailsworth and that the cost of the

acquisitions is funded from both the Sheltered Housing Review Reserve and from savings within the HRA budget identified in 2015/16 outturn (subject to the Strategic Head (Finance & Business Services) confirmation that sufficient funds are available).

b. **Bid for European Structural and Investment Funds (ESIF) to Extend the Rural SuDS Project Countywide**

Councillor Simon Pickering, Chair of Environment Committee outlined the above report which was a brief summary of the Rural SuDS Project and sought approval if the outline bid was successful to submit a full application for ESIF and requested that the sum of £50,000 of match funding is set aside to support this bid. The project would run for a period of 3 years.

**RESOLVED**            **£50,000 of matched funding be set aside to support the wider bid to ESIF.**

**SRC.077**            **MEMBERS' QUESTIONS**

None received.

The meeting closed at 8.55 pm.

Chair

**STROUD DISTRICT COUNCIL**  
**STRATEGY & RESOURCES COMMITTEE**

**AGENDA  
ITEM NO**

**15 JUNE 2016**

**7**

<b>Report Title</b>	<b>HOUSING REVENUE ACCOUNT OUTTURN 2015/16 – SUMMARY OF VARIANCES, RESERVES AND BALANCES</b>
<b>Purpose of Report</b>	To inform members of the 2015/16 outturn position on the Housing Revenue Account and a change to the position with balances and reserves.
<b>Decision(s)</b>	<b>The Committee:</b> <b>a) notes the headline outturn position on the HRA for 2015/16;</b> <b>b) approves the movements on HRA balances and reserves set out in Table 3.</b>
<b>Consultation and Feedback</b>	The outturn position will impact on budget plans in future years which all key stakeholders will be consulted on.
<b>Financial Implications and Risk Assessment</b>	The change required to the opening balance on the HRA will have a significant impact on the spending plans of the HRA in future years but will be a particular risk during 2016/17.  The projects for which the earmarked reserves were set aside will need to be revisited and some projects may need to be re-prioritised in order to reinstate the HRA balance to a level that will provide some protection to the HRA in light of the various financial risks still to be quantified or realised.  Sandra Cowley Strategic Head (Finance & Business Services) Tel: 01453 754136 Email: <a href="mailto:sandra.cowley@stroud.gov.uk">sandra.cowley@stroud.gov.uk</a>
<b>Legal Implications</b>	As a local housing authority, the Council is under a duty to keep in accordance with proper accounting practices, a Housing Revenue Account, consisting of sums falling to be credited or debited in respect of the provision of housing and other associated housing purposes. The Council is also under a duty to prevent a debit balance on the HRA for each accounting year and in doing so must keep under review the proposals in place regarding the income and expenditure on its assets held for housing related purposes. The Council must also revise the proposals from time to time to ensure the relevant duty continues to be met.

	Karen Trickey, Legal Services Manager and Monitoring Officer Tel: 01453 754356 Email: <a href="mailto:karen.trickey@stroud.gov.uk">karen.trickey@stroud.gov.uk</a>
<b>Report Author</b>	Sandra Cowley Strategic Head (Finance & Business Services) Tel: 01453 754136 Email: <a href="mailto:sandra.cowley@stroud.gov.uk">sandra.cowley@stroud.gov.uk</a>
<b>Options</b>	The Council has a number of options it needs to consider over the coming months for addressing the HRA budget. These will be considered by the Housing Committee and reported to Strategy and Resources Committee if appropriate to do so.
<b>Performance Management Follow Up</b>	The Housing Committee will receive a more detailed outturn report to their meeting at the end of June. A budget monitoring report will be presented to Housing Committee in September 2016.

## Background

1. This report sets out the final outturn position for the Housing Revenue Account for the 2015/16 financial year. The purpose of this report is to inform members of the level of balances held by the HRA as a result of closing the accounts for the year.
2. This report is required in order to complete the closedown process. The detailed explanations for the variances between the budget and the actual income and expenditure will be reported to the Housing Committee later in the month.
3. The report also informs members of a significant change to the opening balance on the HRA for 2015/16 and an updated position with the application of Right to Buy receipts which put the HRA in a difficult position for 2016/17.

## HRA Revenue Budget outturn position

4. The gross HRA budget for 2015/16, as approved by Council in January 2016 was £31.662m. Taking into account income and other financing of £31.166m, it was anticipated that there would be a transfer from HRA balances of £0.495m.
5. The outturn position for 2015/16 shows a transfer from HRA balances of £1.432m – a variation of £0.937m. This is due to additional expenditure of £0.395m and lower income and financing of £0.542m. This is shown in more detail in Table 1. The more significant variations are described below:
  - £391k additional expenditure on New Build and Development Programme, largely a result of accelerated delivery for contracts that span over financial years not increased costs

- £518k reduced financing applied to HRA's capital programme. This is largely due to a reduction in the level of eligible spend for the application of Right to Buy (RTB) receipts and lower than expected shared ownership income for the year (timing difference – received in April 2016);
- £105k net overspend on Revenue Repairs and Maintenance – predominantly additional expenditure of £273k on General Voids offset by lower cyclical maintenance costs;
- Other significant variations: Income from rents and charges (£73k income shortfall), Supervision and Management (£36k saving), Non New-Build Capital (£78k underspend), Sheltered Housing (£65k additional expenditure on Sheltered Housing Review).

**Table 1 – HRA Outturn Summary 2015/16**

Housing Committee	2015/16 Original Budget (£'000)	2015/16 Latest Budget (£'000)	2015/16 Final Outturn (£'000)	2015/16 Outturn Variance (£'000)
<b>Expenditure</b>				
Supervision & Management	5,078	4,977	4,945	(32)
Sheltered Housing	871	820	885	65
Repairs and Maintenance	4,129	4,018	4,123	106
Gross Capital Expenditure NB&D	11,126	9,193	9,583	391
Gross Capital Expenditure - Other	10,127	8,575	8,497	(78)
Support Service Charges	333	323	323	0
Other Income and Expenditure	3,381	3,757	3,700	(57)
<b>Gross Expenditure</b>	<b>35,045</b>	<b>31,662</b>	<b>32,056</b>	<b>395</b>
Income (Rents & Charges)	(22,515)	(22,515)	(22,443)	72
<b>Net Housing Expenditure</b>	<b>12,530</b>	<b>9,147</b>	<b>9,614</b>	<b>467</b>
Funding (Borrowing, Grants)	(11,489)	(8,651)	(8,182)	470
<b>TOTAL HRA</b>	<b>1,041</b>	<b>495</b>	<b>1,432</b>	<b>937</b>

### Change required to HRA opening balance

6. As part of the work undertaken to close the accounts, it became clear that the HRA opening balance reported to Housing and Strategy & Resources Committees during the budget setting process has been overstated by £909k.
7. Initial investigation suggests that the total figure reported for reserves and balances includes the HRA capital receipts reserve, however, this is a balance sheet item and is only included in the budget as income as schemes are progressed that can be financed from the Right to Buy receipts. The fact that the error was undetected during the budget setting process suggests a significant weakness in the control environment that need to be addressed as a matter of priority.
8. It is clearly of grave concern given the general financial position of the HRA and the risks currently faced and so the Chief Executive has

instructed both Internal Audit and External Audit to undertake an investigation. A verbal update may be available in time for this meeting.

9. The impact on HRA balances of this change and the level of expenditure in 2015/16 are shown in Table 3 below. The impact of the loss of Right to Buy capital receipts is also significant and continues to be a risk in 2016/17.

**Table 3 – Impact on Reserves and Balances in 2015/16**

<b>HRA Balances 2015/16</b>	<b>Budget £'000</b>	<b>Actual £'000</b>	<b>Variance £'000</b>
Opening balance	3,729	3,370	359
Spend in year	-494	-1,432	938
Closing balance	3,235	1,938	1,297
<b>Earmarked reserves 1 April</b>			
Earmarked reserves 1 April	2,067	1,517	550
Applied in year	-1,717	-1,517	-200
Closing balance	350	0	350
<b>Closing reserves/balances</b>			
	<b>3,585</b>	<b>1,938</b>	<b>1,647</b>
<b>Explanation of variance</b>			
Opening balance misstated			909
Outturn position:			
- Capital schemes brought forward			391
- Right to Buy receipts not applied			211
- Shared ownership income delay			121
- repairs & maintenance			106
- other			-91
<b>Total variance</b>			<b>1,647</b>

### **Right to Buy Receipts**

10. The application of Right to Buy receipts has been a particular issue during 2015/16 and following extensive work it became clear that:
  - the receipts could not be applied to schemes that had already applied HCA funding;
  - appropriated land does not count as eligible expenditure.
11. Given the much smaller New Build programme in 2016/17 and that almost the whole spend will not be eligible as it has HCA funding attached, the income budget for £550k application of RTB receipts need to be removed in 2016/17.
12. The amount received during the year sits on the balance sheet and is applied at the year end to fund eligible expenditure or repaid to the Government. No budget for the repayment to Government is needed

apart from any interest paid. On this basis, £177k repayment needs to be removed from the budget.

### **Impact on HRA budget 2016/17**

13. The budget for 2016/17 will need to be updated for the changes regarding RTB receipts described above and take account of the outturn position. Budgets to be carried forward will also need to be added when they are finalised. These changes alone are likely to see HRA balances reduced to zero by the end of 2016/17.
14. There are a number of options for re-instating balances to a level which provide the cushion needed to face the financial risks the HRA currently faces. For example, earmarked reserves can be reviewed, works can be re-profiled, sales of land and property. Some difficult decisions will need to be made.
15. All options are currently being looked into and will be reported to the Housing Committee for consideration. Ultimately Strategy and Resources Committee and the Council will need assurances from the Section 151 Officer that the balances are adequate and the estimates are robust.

STRATEGY & RESOURCES  
COMMITTEE

8

15 JUNE 2016

<b>Report Title</b>	<b>GENERAL FUND REVENUE AND CAPITAL OUTTURN REPORT 2015/16</b>
<b>Purpose of Report</b>	To inform the Strategy and Resources Committee of the outturn position for the General Fund revenue and capital budgets 2015/16, the movements in earmarked reserves and budgets to be carried forward.
<b>Decision(s)</b>	<p><b>The Committee RESOLVES</b></p> <p>a) to note the General Fund revenue and capital outturn for 2015/16, as shown in Table 1 and Table 4;</p> <p>b) to approve the transfers to and from earmarked reserves for the year, as set out in Appendix A</p> <p>c) to approve the budgets to be carried forward to 2016/17, as set out in Table 3 and Table 5</p>
<b>Consultation and Feedback</b>	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.
<b>Financial Implications &amp; Risk Assessment</b>	<p>There are a number of variations between General Fund revenue budgets and the final outturn. Overall, the General Fund outturn position has improved since the last budget monitor report to the committee in March 2016. Overall, a net surplus of £15k will be added to the Council's General Fund balance.</p> <p>There are a number of underspends on capital budgets that have slipped and will need to be carried forward to 2016/17 for the projects to be completed.</p> <p>David Stanley, Accountancy Manager Tel: 01453 754100 Email: <a href="mailto:david.stanley@stroud.gov.uk">david.stanley@stroud.gov.uk</a></p>

<b>Legal Implications</b>	<p>The Council, upon the advice of its S151 Officer, is required to monitor and review from time to time during the accounting year, its income and expenditure against the budget, and if it appears to the Council that there has been deterioration in its financial position, it must take such action it considers necessary to deal with the situation. In the current case, the General Fund financial position has not deteriorated and as such the report is provided largely for noting.</p> <p>Karen Trickey,  Legal Services Manager and Monitoring Officer  Tel: 01453 754356  Email: <a href="mailto:karen.trickey@stroud.gov.uk">karen.trickey@stroud.gov.uk</a></p>
<b>Report Author</b>	<p>David Stanley, Accountancy Manager  Tel: 01453 754100  Email: <a href="mailto:david.staney@stroud.gov.uk">david.staney@stroud.gov.uk</a></p>
<b>Options</b>	None.
<b>Performance Management Follow Up</b>	<p>The outturn position will be taken into account when the budget for 2017/18 is reviewed later in the year. The Medium Term Financial Plan will be updated accordingly and presented as part of the Budget Strategy report to this committee in October. Budget monitoring reports will be presented to each committee as the civic timetable permits.</p>

## Background

1. This report sets out the final outturn position for the 2015/16 financial year. The purpose of this report is to provide members with an overview of the performance against the General Fund revenue budget for 2015/16 and highlights the more significant variances.
2. This report is required at this time in order to complete the closedown process in preparation for audit before the end of June. The detailed explanations for the variances between the budget and the actual income and expenditure will be reported to the next meeting of the committee in July.
3. The committee is required to approve the movements to and from reserves and the budgets to be carried forward into 2016/17 as set out in the report.

## General Fund Revenue Budget outturn position

4. The revised General Fund Revenue budget for 2015/16, as approved by Council in January 2016 was £15.240m. The final outturn position for the year was £14.705m.
5. At the time the revised budget was set, it was anticipated that there would a transfer from General Fund balances of **£621k**. The final outturn position was £14.705m against the revised budget resulting in a net underspend of **£635k**. As a result, £15k is added to General

Fund balances. Table 1 shows a summary of the outturn position and the revised General Fund balances position.

**Table 1 – General Fund Outturn Summary**

<b>General Fund Revenue Outturn</b>	<b>2015/16 Original Budget (£'000)</b>	<b>2015/16 Latest Budget (£'000)</b>	<b>2015/16 Final Outturn (£'000)</b>	<b>2015/16 Outturn Variance (£'000)</b>
Community Services Committee	5,683	5,832	5,218	(613)
Environment Committee	4,813	4,893	4,889	(4)
Strategy & Resources Committee	6,211	6,161	6,097	(63)
Support Service Charges	(1,249)	(1,220)	(1,345)	(124)
<b>Net Service Revenue Expenditure</b>	<b>15,458</b>	<b>15,665</b>	<b>14,860</b>	<b>(805)</b>
Other Operating Income & Expenditure	(424)	(425)	(155)	269
<b>TOTAL General Fund Expenditure</b>	<b>15,034</b>	<b>15,240</b>	<b>14,705</b>	<b>(536)</b>
Funding from Govt Grants/Council Tax	(14,620)	(14,620)	(14,719)	(100)
<b>Surplus or Deficit on General Fund</b>	<b>414</b>	<b>621</b>	<b>(15)</b>	<b>(635)</b>
Less: Budgets c/f			152	152
<b>Surplus or Deficit on General Fund after c/f</b>	<b>414</b>	<b>621</b>	<b>137</b>	<b>(484)</b>
<b>General Fund Balances</b>				
General Fund Balance b/f	8,647	8,647	8,647	0
Change in Balances	(414)	(621)	15	635
<b>General Fund Balance c/f</b>	<b>8,233</b>	<b>8,027</b>	<b>8,662</b>	<b>635</b>

Table contains roundings (see note at the end of the report) which can affect the arithmetic accuracy of the figures.

6. The improved outturn position is mainly attributable to the items outlined in Table 2. The report headlines and more significant variations are summarised in themes below:

#### **Additional Grant/External Funding**

- Additional grant and external funding received in the year for Revenues and Benefits service (Fraud and Error Reduction Incentive Scheme – FERIS), Flood prevention funding from Gloucestershire County Council and Environment Agency

#### **Salary variations**

- In year salary variations in relation to Neighbourhood Wardens, Revenues and Benefits Team. As previously reported to the committee, salary costs in relation to the Canal project were charged to revenue and funded from the overall net variation on salaries.

#### **Additional Expenditure (funded from Reserve)**

- Expenditure incurred in finalising the Local Plan, Consultancy and Legal costs of planning appeals, initial costs associated with the redevelopment of Brimscombe Port, and essential ICT infrastructure costs have been funded from appropriate earmarked reserves.

### Additional Income

- Income surplus(es) have been achieved in relation to Dursley Pool and Sports Centre, Recycling Credits, income from Car Park charges and Legal services.

**Table 2 – Summary of variances, reserve transfers and carry forwards**

General Fund Revenue Outturn	2015/16 Outturn Variance (£'000)	To / (from) Reserve (£'000)	c/f Balance (£'000)	Underlying Variation (£'000)
Net Service Revenue Expenditure	(805)	(147)	152	(800)
Other Operating Income & Expenditure	269			269
<b>TOTAL General Fund Expenditure</b>	<b>(536)</b>	<b>(147)</b>	<b>152</b>	<b>(531)</b>
Funding from Govt Grants/Council Tax	(100)			(100)
<b>Surplus or Deficit on General Fund</b>	<b>(635)</b>	<b>(147)</b>	<b>152</b>	<b>(630)</b>
<b>Explained by (Significant variations +/- £50k)</b>				
Revenues and Benefits - Grant Income/Staffing	(321)	120	0	(201)
Community Safety	(79)	8	12	(59)
Homelessness Prevention	(51)	0	0	(51)
Subscription Rooms	54	0	0	54
Health and Wellbeing	(55)	0	23	(32)
Dursley Pool and Sports Centre	(131)	130	0	(1)
Canal (Revenue funded expenditure)	172	(50)	0	122
Environmental Health	(238)	0	104	(134)
Planning Strategy/Local Plan	130	0	0	130
Development Control	119	(130)	0	(11)
Building Control	(63)	59	0	(5)
Carbon Management	(67)	50	0	(17)
Waste and Recycling	(58)	0	0	(58)
Investment Assets (Brimscombe Port)	114	(101)	0	14
Car Parks	(98)	(86)	0	(184)
HR, Policy & Review, Marketing	(53)	0	0	(53)
Legal, Democratic Services	(76)	0	0	(76)
ICT	157	(113)	0	44
Other Service Revenue variations	(261)	(34)	13	(282)
Provisions, Iceland/Investment Income	68			68
Reserve Funding (additional year end)	226	147		373
Other Non-Service variations	(26)			(26)
Funding - Other Government Grants	(99)			(99)
<b>TOTAL GF Variations</b>	<b>(635)</b>	<b>0</b>	<b>152</b>	<b>(484)</b>

Table contains roundings (see note at the end of the report) which can affect the arithmetic accuracy of the figures.

## Carry Forwards and Earmarked Reserves

7. Table 3 provides details of the carry forwards of £152k that have been requested. These are mainly concerned with the carry forward of matched funding from the council, or the continued roll-forward of a reduced balance of previous external funding.
8. Appendix A provides details of the movements to/from earmarked reserves for 2015/16. In addition to the budgeted net transfer to reserves and capital financing, a further net transfer from reserves of £226k is proposed.

**Table 3 – Summary of Carry Forwards**

Committee	Committee Subheading	Amount (£'000)
Revenue Budgets		
Community Services	Youth Services	14
Community Services	Sports & Health Development	23
Community Services	Community Safety	12
Environment	Environmental Health (Land Drainage)	104
<b>TOTAL Provisional Carry Forwards</b>		<b>152</b>

Table contains roundings (see note at the end of the report) which can affect the arithmetic accuracy of the figures.

## General Fund Capital Outturn

9. Table 4 below set out the summarised capital outturn for 2015/16. Details of the schemes and variations from the budget will be set out in the Capital Outturn report to Strategy and Resources committee in July 2016.
10. Total capital expenditure in 2015/16 was £3.410m compared to a revised budget of £6.119m, a difference of £2.709m. This expenditure equates to 55.73% of the budget.

**Table 4 – General Fund Capital Outturn summary**

	2015/16 Original Budget (£'000)	2015/16 Latest Budget (£'000)	2015/16 Final Outturn (£'000)	2015/16 Outturn Variance (£'000)	Carry Forward (£'000)
<b>2015/16 Capital Programme</b>					
Community Services schemes	1,802	2,218	1,287	(931)	940
Environment schemes	1,626	1,598	861	(737)	587
Strategy & Resources schemes	278	2,303	1,262	(1,041)	932
<b>TOTAL GF Capital Schemes</b>	<b>3,706</b>	<b>6,119</b>	<b>3,410</b>	<b>(2,709)</b>	<b>2,459</b>

Table contains roundings (see note at the end of the report) which can affect the arithmetic accuracy of the figures.

11. Overall, there is a requirement to carry forward £2.459m to increase planned expenditure in 2016/17, as shown in the table below.

**Table 5 –Capital slippage and carry forwards**

<b>Committee</b>	<b>Capital Scheme</b>	<b>Carry Forward (£'000)</b>
Community Services	LA Social Housing	72
Community Services	Private Sector Housing Strategy	87
Community Services	Dursley Pool Fitness Extension	750
Community Services	Stratford Park Sensory Garden	8
Community Services	Walled Garden project (MITP)	23
Environment	Canal	48
Environment	CMP - Ebley Mill Hydro	362
Environment	CMP - Heat and Power	147
Environment	CMP - Invest to Save	30
Strategy and Resources	Building Maintenance	3
Strategy and Resources	Financial Systems	9
Strategy and Resources	MSCP - Merrywalks	85
Strategy and Resources	Wallbridge	90
Strategy and Resources	MSC - Depot Acquisition	595
Strategy and Resources	MSC - Equipment	100
Strategy and Resources	Brimscombe Port	50
<b>TOTAL</b>		<b>2,459</b>

Table contains roundings (see note at the end of the report) which can affect the arithmetic accuracy of the figures.

### **Note on roundings**

Figures in the Outturn reports, associated tables and published Statement of Accounts are generally presented in rounded thousands and are rounded using the convention 2.5 = 3 and 2.4 = 2. Applied with consistency this can lead to obvious and simple arithmetic errors, for example 2.4 + 2.4 = 4.8 becomes 2 + 2 = 5. Where possible the arithmetic integrity of the figures is maintained by making simple adjustments. Sometimes however, the interrelation of figures within the reports does not permit of simple adjustment. In this report and the Statement of Accounts the following sentence is appended where a table contains figures that do not strictly add up, 'Table contains roundings (see note at the end of the report) which can affect the arithmetic accuracy of the figures';

## Transfers (to)/from Earmarked Reserves and final balance as at 31 March 2016

Earmarked Reserve	Purpose of Reserve	Opening Balance 01/04/2015 (£'000)	Transfers to Reserve (£'000)	Transfers from Reserve (£'000)	Closing Balance 31/03/2016 (£'000)
Capital Reserve	Funding as per MTFP, Capital scheme financing	(2,251)	(213)	1,015	(1,450)
Closed Circuit Television	Funding for CCTV maintenance costs and equipment replacement	(83)	(8)	0	(91)
Information Communication Technology	To fund ICT infrastructure requirements over the medium term	(434)	(200)	192	(442)
Legal Counsel	To fund the cost of legal counsel advice within services	(120)	(30)	0	(150)
Planning appeal costs	To provide funding for any planning appeals or tribunals	(355)	(25)	130	(250)
Property Maintenance	To fund the ongoing maintenance costs of the council's buildings	(389)	(70)	110	(349)
Workforce Planning	To fund any costs arising from delivering the Workforce Plan	(400)	0	0	(400)
Risk Management & Insurance	To provide resource to manage the council's risk managements activities and provide funding for insurance policy excess.	(70)	0	0	(70)
Stratford Park Leisure Centre Sinking Fund	To fund the replacement plant and equipment at Stratford Park Leisure Centre	(140)	0	0	(140)
Housing (General Fund)	To assist in delivery on new homes in the district	(1,000)	0	0	(1,000)
S106 Maintenance	Provides funding for ongoing maintenance commitments funded from s106 agreements	(204)	0	0	(204)
Efficiency / Invest to Save	Upfront investment funding for Capital or Revenue projects that generate an income stream or reduce costs in future years	(179)	0	0	(179)
Warm & Well Grants	Capital Programme funding	(68)	0	0	(68)
Climate Change Reserve	To Fund the Carbon Management Programme	(625)	(50)	4	(671)
Littlecombe	Littlecombe rental income received set aside for any future costs in managing the site	(421)	0	0	(421)
Waste Management Reserve	To fund the purchase of the residual value of the wheeled bins at the end of the contract in 2016	(560)	(40)	0	(600)
Unapplied Revenue Grants	Grant funding received in year that was not spent	(39)	(120)	39	(120)

## Appendix A

Earmarked Reserve	Purpose of Reserve	Opening Balance 01/04/2015 (£'000)	Transfers to Reserve (£'000)	Transfers from Reserve (£'000)	Closing Balance 31/03/2016 (£'000)
Unapplied Revenue Contributions	External funding received in year that were not spent.	(82)	0	82	(0)
BRR Safety Net	Amount set aside for any potential business rates income shortfall under the Business Rates Retention Scheme	(162)	(137)	0	(299)
Welfare Reform	To provide resource for the revolving loan fund used by the Homelessness Prevention team - transferred from revenue balances	(122)	0	2	(120)
Retrofit Guarantee Reserve	To provide the funding to establish an Energy loan guarantee fund	(75)	0	0	(75)
Stroud Valleys Initiative Reserve	To provide opportunities to support employment by securing key regeneration sites or other means	(100)	0	0	(100)
Building Control SS Reserve	Net income set aside as part of the shared service with Gloucester City Council	0	(59)	0	(59)
Elections Reserve	Funding for the Council's election costs when not combined with national elections	(35)	0	0	(35)
Merrywalks	Net income held prior to distribution as per Management agreement	(93)	(7)	93	(7)
Neighbourhood Planning	Funding received to support development of Neighbourhood Plans	(20)	0	0	(20)
Opportunity Land Purchase	To provide funding for potential purchase of strategic sites	(250)	0	0	(250)
Jobs and Growth	To support the Council's Jobs and Growth Agenda	(1,558)	0	185	(1,373)
Dursley Pool Reserve	To provide funding to support Dursley Pool enhancements - transferred from Revenue	0	(130)	0	(130)
<b>Total Earmarked Reserves</b>		<b>(9,835)</b>	<b>(1,090)</b>	<b>1,852</b>	<b>(9,073)</b>
Glos Business Rates Pool	Appeals/Losses Reserve	(27)	0	27	(0)
Glos Business Rates Pool	Strategic Economic Development Fund	(9)	0	9	0
<b>Total Earmarked Reserves inc GBRP</b>		<b>(9,871)</b>	<b>(1,090)</b>	<b>1,888</b>	<b>(9,073)</b>

Table contains roundings (see note at the end of the report) which can affect the arithmetic accuracy of the figures.