

STROUD DISTRICT COUNCIL
STRATEGY AND RESOURCES COMMITTEE

**AGENDA
ITEM NO**

12 OCTOBER 2017

9a

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| Report Title | BUDGET MONITORING REPORT 2017/18 – 31 AUG 2017 |
| Purpose of Report | To present to the Committee a forecast of the outturn position against the revenue budget and capital programme for 2017/18. |
| Decision(s) | The Committee RESOLVES: (1) 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 a number of variations identified between the General Fund revenue budget and the projected outturn. Overall, a net variation of (£319k) has been projected, with elements of this variation being attributable to phase 1 of the Workforce Plan. The Capital Programme shows a very low level of spend up to the end of August 2017, and whilst no significant variations have been highlighted by budget holders in this report, it would not be unreasonable to expect capital slippage or a reprofiling of certain schemes when the Capital Programme for 2018/19 to 2021/22 is considered by members in January 2018. David Stanley – Accountancy Manager Tel: 01453 754100 Email: david.stanley@stroud.gov.uk |
| Legal Implications | The Council should regularly review its General Fund credits and debits to prevent a debit balance for each accounting year and make adjustments to its budget to reflect any material changes to the approved annual budget. (Refdrafr26.09cd28.09) Karen Trickey, Legal Services Manager Tel: 01453 754369 Email: karen.trickey@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. Further finance reports will update the committee in January 2018 and April 2018, with the outturn position reported to Strategy and Resources committee in May 2018. |

Stroud District Council Medium Term Financial Plan (MTFP) position

1. The Committee has previously been advised that we are faced with a challenging financial climate.
 - Stroud will be the first council in Gloucestershire to lose all government Revenue Support Grant (RSG) and will pay more money back to government than other councils in Gloucestershire (£549,000 from our own resources will go to Whitehall in 2019/20. Cheltenham will pay £391,000 and Cotswold will pay £218,000. The other three districts - Gloucester, Tewkesbury and Forest of Dean will continue to receive small amounts of RSG.
 - The current MTFP has already built in council tax increases of £5 per annum – the maximum allowed under government rules before triggering the need for a referendum of council taxpayers
 - Potential changes to New Homes Bonus will mean further reduction to this ‘reward’ payment and, as a result, our income will fall regardless of performance
 - The Government has yet to decide on business rate retention by local government. The expected primary legislation has been abandoned.
2. **It is against this background that it is important that budgets are not overspent. In cases where an overspend is forecast, management action must be taken to minimise or mitigate the impact on the council’s financial position of an overspend.**
3. The current MTFP, approved by Council in February 2017, anticipates that there will be a £3.5m gap between the Council’s income and expenditure by 2020/21. At that point we will have used up all our reserves unless we take action before then.
4. **Generating income and creating even greater efficiencies remain as important as ever, but there are likely to be cuts to the committee’s budgets to close the funding gap. The budget setting process during the autumn will need to focus on these, with the budget proposals being considered by Strategy and Resources Committee on 18th January 2018.**
5. This report provides the first monitoring position statement for the financial year 2017/18, figures have been updated to include all transactions up to 31 August 2017 in order to provide the committee with meaningful data. The purpose of this report is to notify members of any known significant variations to budgets for the current financial year, highlight any key issues, and to inform members of any action to be taken if required.
6. **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

7. The original net General Fund Revenue budget for 2017/18 was approved by Council at their meeting in February 2017 including budget proposals of the administration.
8. The latest budget for Strategy and Resources Committee is £6.116m.
9. The monitoring position for Strategy & Resources at 31 August 2017 shows a projected net **underspend of (£53k)**. Taking into account the variation reported to Community Services and Licensing, Housing and Environment committees, the overall position on the General Fund is a net **underspend of (£319k)**. Appendix A provides an overview of both the committee's budget and the General Fund position.

Table 1 – General Fund Revenue Position

| GENERAL FUND | Para Refs | 2017/18 Original Budget (£'000) | 2017/18 Revised Budget (£'000) | 2017/18 Forecast Outturn (£'000) | 2017/18 Outturn Variance (£'000) |
|--|------------------|--|---------------------------------------|---|---|
| Community Services Committee | 25-27 | 3,701 | 3,737 | 3,754 | 17 |
| Housing Committee | 28 | 562 | 583 | 553 | (30) |
| Environment Committee | 29-32 | 5,124 | 5,224 | 5,371 | 147 |
| Strategy & Resources Committee | 17-23 | 6,104 | 6,116 | 6,063 | (53) |
| Accounting Adjustments | | 565 | 565 | 565 | 0 |
| Net Service Revenue Expenditure | | 16,056 | 16,225 | 16,306 | 81 |
| Other Operating Income & Expenditure | 24 | (630) | (630) | (1,030) | (400) |
| Funding from Govt Grants/Council Tax | | (14,859) | (15,052) | (15,052) | 0 |
| TOTAL General Fund | | 567 | 542 | 224 | (319) |

10. **Impact of position on reserves** – as can be seen in the table above, the forecast outturn position, in replicated at the end of the financial year, will lead to a reduction in the utilization of the MTFP Earmarked reserve. However, as part of the budget setting process, overall level and projections associated with the Council's balances and reserves will be reviewed. This may mean that the projected variation shown here may be reprioritised elsewhere.

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

| Strategy & Resources Committee | Para Refs | 2017/18 Original Budget (£'000) | 2017/18 Revised Budget (£'000) | 2017/18 Forecast Outturn (£'000) | 2017/18 Outturn Variance (£'000) |
|--|------------------|--|---------------------------------------|---|---|
| Investment Assets | 17 | (19) | (19) | 33 | 52 |
| Other Assets | | 14 | 14 | 25 | 12 |
| Car Parks | | (422) | (422) | (422) | 0 |
| Head of Asset Management | | 82 | 82 | 66 | (15) |
| Asset Management Team | 18 | 337 | 337 | 309 | (28) |
| Facilities Management | | 801 | 813 | 808 | (5) |
| Democratic Representation and Management | 19 | 440 | 440 | 410 | (31) |
| Resources and Finance - Direct Spend | | 1,604 | 1,604 | 1,578 | (27) |
| Chief Executive | | 189 | 189 | 191 | 2 |
| Strategic Head (Corporate Services) | | 46 | 46 | 46 | 0 |
| Corporate Services (HR etc) | 20 | 630 | 630 | 595 | (35) |
| Corporate Services (Legal) | 21 | 616 | 616 | 585 | (32) |
| Strategic Head (Finance and Business Services) | 22 | 111 | 111 | 17 | (95) |
| Finance and Business Services | | 722 | 722 | 722 | 0 |
| ICT & Business Projects | 23 | 953 | 953 | 1,102 | 149 |
| Strategy & Resources TOTAL | | 6,104 | 6,116 | 6,063 | (53) |

11. 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 - Phase 4 | 17 | 29 |
| Brunel Mall | 17 | 20 |
| Asset Management Team | | |
| Asset Management - Salary underspend | 18 | (28) |
| Democratic Representation and Management | | |
| Elections - Elections underspend | 19 | (24) |
| Resources and Finance - Direct Spend | | |
| Corporate Management | | 22 |
| Pension Costs | | (49) |
| Corporate Services (HR etc) | | |
| Human Resources - Salary Underspend | 20 | (39) |
| Corporate Services (Legal) | | |
| Democratic Services - Salary Underspend | 21 | (32) |
| Strategic Head (Finance and Business Services) | | |
| Strategic Head - Salary Underspend | 22 | (95) |
| ICT & Business Projects | | |
| Business Projects - Salary Underspend | 23 | (61) |
| ICT - Salary Overspend | 23 | 210 |
| Strategy & Resources TOTAL | | (46) |

12. Table 4 - Salary Savings Identified from Workforce Plan Project

| Committee/Service Area | Salary Savings (£000's) |
|---------------------------------|-------------------------|
| Community Services | |
| Community & Facilities | (19) |
| Environment | |
| Environmental Health | (87) |
| Planning Strategy | (14) |
| Regeneration | (22) |
| Strategy & Resources | |
| Asset Management | (10) |
| Elections | (19) |
| Finance | (79) |
| Human Resources | (33) |
| Legal | (27) |
| Total | (310) |
| Notional in year salary cost | 60 |
| Total Budget saving | (250) |

Capital Programme

13. The 2017/18 Capital Programme of £16.431m was approved by Council in January 2017. This has subsequently been revised to £17.712m following approval of the carry forwards/slippage and profiling changes by Strategy and Resources Committee at their meeting in June 2017.

14. Table 2 below shows the Capital Forecast position at the end of August 2017 for Strategy & Resources Committee and shows a projected Outturn of £2.8m.

Table 5 – Strategy & Resources Capital Schemes

| Strategy & Resources Capital Schemes | 2017/18 Revised Budget (£'000) | 2017/18 Spend to date (£'000) | 2017/18 Projected Outturn (£'000) | 2017/18 Outturn Variance (£'000) |
|--------------------------------------|--------------------------------|-------------------------------|-----------------------------------|----------------------------------|
| New Homes for Rent | 500 | 0 | 500 | 0 |
| ICT Investment Plan | 200 | 0 | 200 | 0 |
| New Housebuilding - General Fund | 0 | 0 | 0 | 0 |
| Brimscombe Port Redevelopment | 450 | 41 | 450 | 0 |
| Littlecombe Business Units | 1,650 | 67 | 1,650 | 0 |
| TOTAL S&R Capital | 2,800 | 108 | 2,800 | 0 |

15. A full breakdown of the Capital Programme can be found in Appendix A. The level of capital expenditure to the end of August 2017 is very low. Whilst no significant variations have been highlighted by budget holders in this report, it would not be unreasonable to expect capital slippage or a reprofiling of certain schemes when the Capital Programme for 2018/19 to 2021/22 is considered by members in January 2018.

16. Paragraph 3.25 of Agenda item 9b to this committee provides members with an update to the capital programme in relation to recommendations from Community Services and Licensing and Environment committees in September 2017.

STRATEGY AND RESOURCES COMMITTEE

17. Investment Asset – £52k overspend

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

£25k of this variance is attributable to Brunel Mall, 3 of the 9 units are currently vacant and are on the market. As a result there is a shortfall in income. Officers will be undertaking a review of the property in the next 6 months including investigating whether co-location is a possibility with other public sector partners.

Phase 4 Oldends Lane Industrial Estate: The outturn position on the industrial units has seen a variance of £27k. This is attributable to 2 units which are currently vacant and on the market and as a result there is a shortfall in income. The units are proving more difficult to let than usual because the Councils headlease expires in 2 years so only short term leases can be offered.

18. Asset Management Team – (£28k) underspend

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

A predicted underspend of (£28k) is forecast on salaries within Asset Management. This is an in year salary saving due to vacancies arising for a Business Support Officer post. The service has recently undertaken a review of its establishment and a new approved structure has been implemented. Any future savings will be addressed through a wider piece of work within the workforce plan.

19. Democratic Representation and Management-Elections-(£31k) underspend

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

This underspend is primarily salary related. An Elections Officer post at STR4 has been vacant throughout the year. Any ongoing saving will be looked as part of the workforce plan project.

20. Corporate Services – HR (£35k) underspend

(Lucy Powell, xtn 4286), lucy.powell@stroud.gov.uk

This variation relates to a HR Officer post at STR5 that has been vacant since the beginning of the financial year. The HR team has just gone through a service re-structure and any ongoing savings will be dealt with through the workforce plan.

21. Corporate Services – Legal (£32k) underspend

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

The Democratic Services underspend relates to a Democratic Services Officer STR4 post. Any future savings will be dealt with as part of a wider piece of work within the workforce plan.

22. Strategic Head (Finance and Business Services) – (£95k underspend)

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

The budget variation shown here is in relation to staff savings associated with Phase 1 of the Workforce Plan, specifically the deletion of the Strategic Head (Finance and Business Services) post.

23. ICT – £149k additional expenditure

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

This overspend is made up of two major variances:

ICT - £210k overspend

£153k is directly related to salaries. There has been an exceptionally high turnover of staff over the last year and recruitment of new staff has been particularly difficult in the current market. In order to run a 'business as usual' service, contractors have been employed to cover these vacancies. The two contractor posts currently cover two vacant STR6 posts, Principal Network Security Officer and a Principal Infrastructure Officer. There are also unbudgeted salary costs relating to the Head of ICT and Development Projects.

The additional overspend of £57k is due to the MS Office Licence annual maintenance costs that have increased sharply over the last few years.

Business Projects – (£61k underspend)

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

24. Corporate Income and Expenditure – (£400k) variation

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

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

When taken against the variations reported within Environment committee's budgets, it could be seen that the Multi-Service contract is working within its increased level of resource. However, members should also note that this additional resource will reduce from £400k in 2017/18 to £200k in 2018/19. As such, further action will be required from the budget holder to ensure the contract can keep within its revised budget allocation next financial year.

Table 5 – Strategy & Resources Committee Breakdown

| Strategy & Resources Committee | Para Refs | 2017/18 Budget (£'000) | 2017/18 Revised Budget (£'000) | 2017/18 Forecast Outturn (£'000) | 2017/18 Outturn Variance (£'000) |
|---|-----------|------------------------|--------------------------------|----------------------------------|----------------------------------|
| Brunel Mall | 17 | (53) | (53) | (34) | 20 |
| Industrial Units | 17 | (16) | (16) | 13 | 29 |
| Brimscombe Port | | 50 | 50 | 50 | 0 |
| Littlecombe site, Dursley | | 0 | 0 | 0 | 0 |
| Gossington Depot | | 0 | 0 | 3 | 3 |
| Investment Assets | | (19) | (19) | 33 | 52 |
| Dursley Bus Station | | (3) | (3) | (3) | 0 |
| Miscellaneous Properties and Land | | 17 | 17 | 28 | 11 |
| Other Assets | | 14 | 14 | 25 | 12 |
| Car Parks | | (422) | (422) | (422) | 0 |
| Head of Asset Management | | 82 | 82 | 66 | (15) |
| Asset Management | 18 | 263 | 263 | 247 | (17) |
| Asset Building Maintenance | 18 | 74 | 74 | 62 | (12) |
| Asset Management Team | | 337 | 337 | 309 | (28) |
| Facilities Management | | 212 | 212 | 207 | (5) |
| Ebley Mill | | 497 | 509 | 509 | 0 |
| Emergency Management | | 92 | 92 | 92 | 0 |
| Facilities Management | | 801 | 813 | 808 | (5) |
| Members Expenses | | 371 | 371 | 371 | 0 |
| Democratic Representation and Management | 16 | (167) | (167) | (174) | (7) |
| Electoral Registration | 16 | 124 | 124 | 110 | (15) |
| Elections | 16 | 109 | 109 | 100 | (9) |
| Youth Councils | | 3 | 3 | 3 | 0 |
| Democratic Representation and Management | | 440 | 440 | 410 | (31) |
| Past Service Pension Costs/Central Budget Alloc | | 1,607 | 1,607 | 1,607 | 0 |
| Corporate Management | | (22) | (22) | 0 | 22 |
| Pension Costs | | 49 | 49 | 0 | (49) |
| Land & Property Custodian | | (29) | (29) | (29) | 0 |
| Resources and Finance - Direct Spend | | 1,604 | 1,604 | 1,578 | (27) |
| Chief Executive | | 189 | 189 | 191 | 2 |

| Strategy & Resources Committee | Para Refs | 2017/18 Budget (£'000) | 2017/18 Revised Budget (£'000) | 2017/18 Forecast Outturn (£'000) | 2017/18 Outturn Variance (£'000) |
|---|-----------|------------------------|--------------------------------|----------------------------------|----------------------------------|
| Strategic Head (Corporate Services) | | 46 | 46 | 46 | 0 |
| Human Resources | 17 | 456 | 456 | 417 | (39) |
| Policy and Review | | 121 | 121 | 121 | 0 |
| Marketing | | 53 | 53 | 57 | 4 |
| Corporate Services (HR etc) | | 630 | 630 | 595 | (35) |
| Legal Services | | 422 | 422 | 422 | 0 |
| Democratic Services | 18 | 132 | 132 | 100 | (32) |
| Procurement | | 62 | 62 | 62 | 0 |
| Subtotal Corporate Services (Legal) | | 616 | 616 | 585 | (32) |
| Strategic Head (Finance and Business Services) | | 111 | 111 | 17 | (95) |
| Financial Services | | 722 | 722 | 722 | 0 |
| Business Projects | 20 | 62 | 62 | 0 | (61) |
| Information & Communication Technology | 20 | 892 | 892 | 1,102 | 210 |
| Subtotal Finance and Business Services | | 1,675 | 1,675 | 1,824 | 149 |
| Strategy & Resources TOTAL | | 6,104 | 6,116 | 6,063 | (53) |

Community Services & Licensing Committee

Table 6 – Community Services & Licensing Committee outturn forecast

| Community Services Committee | Para Refs | 2017/18 Original Budget (£'000) | 2017/18 Revised Budget (£'000) | 2017/18 Forecast Outturn (£'000) | 2017/18 Outturn Variance (£'000) |
|-------------------------------------|-----------|--|---|---|---|
| Community Safety | | 382 | 393 | 376 | (18) |
| Youth Services | | 99 | 99 | 99 | 0 |
| Grants to Voluntary Organisations | | 337 | 337 | 337 | 0 |
| Licensing | | (69) | (69) | (79) | (10) |
| Strategic Head (Customer Services) | 25 | 132 | 132 | 190 | 58 |
| Customer Services | | 386 | 386 | 384 | (2) |
| Cultural Svcs - Arts and Culture | | 787 | 787 | 787 | 0 |
| Cultural Svcs - Sport & Health Dev. | | 153 | 176 | 176 | 0 |
| Cultural Svcs - Sports Centres | | 172 | 174 | 174 | 0 |
| Public Spaces | 26 | 1,037 | 1,037 | 1,067 | 30 |
| Revenues and Benefits | 27 | 284 | 284 | 242 | (42) |
| Community Services TOTAL | | 3,701 | 3,737 | 3,754 | 17 |

25. Strategic Head Customer Services – £58k overspend

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

This overspend is directly related to the appointment of the Business Projects Manager dealing with the ongoing options appraisal for the Subscription Rooms.

26. Public Spaces - £30k overspend

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

Members will recall that the Grounds Maintenance service forms part of Stroud's new Multi Service Contract with Ubico. An overall budget overspend was identified in late 2016/17, with provision of £400k made in the Medium Term Financial Plan for this year to cover the estimated budget shortfall. Changes to budgets will be evaluated and reflected as part of the budget setting process later in the year.

27. Revenues and Benefits – (£42k) underspend

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

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

The future remains uncertain within benefits, particularly as we now head towards the Universal Credit full service in October 2017 and the impact that will have on

demand and workload. The potential risk around workload is that there may be a decrease in the number of cases processed directly by the Revenues and Benefits team. However, the introduction of Universal Credit across the district may mean recipients move in/out of eligibility frequently during the year so the 'churn' within the system increases both in volume and complexity.

It is also worth noting that legislative changes to the way in which Homeless Housing Benefit claims are funded through the subsidy system, there is an increased cost to authority in the current year of around £30,000 as the subsidy no longer covers all of the Council's expenditure. The overall number of homeless cases dealt with through Housing Benefit so far this year is 46, compared with 48 in total for the whole of 2016/17.

Table 7 – Community Services and Licensing Breakdown

| Community Services Committee | Para Refs | 2017/18 Budget (£'000) | 2017/18 Revised Budget (£'000) | 2017/18 Forecast Outturn (£'000) | 2017/18 Outturn Variance (£'000) |
|---|------------------|-------------------------------|---------------------------------------|---|---|
| Community Safety | | 65 | 70 | 70 | 0 |
| Abandoned Vehicles | | 5 | 5 | 5 | 0 |
| Careline Services | | (31) | (31) | (31) | 0 |
| Neighbourhood Wardens | | 235 | 241 | 234 | (7) |
| Car Parks Enforcement | | 68 | 68 | 57 | (11) |
| Stroud and Dursley CCTV | | 41 | 41 | 41 | 0 |
| Community Services | | 382 | 393 | 376 | (18) |
| Hear by Right / Youth Services | | 99 | 99 | 99 | 0 |
| Grants to Voluntary Organisations | | 337 | 337 | 337 | 0 |
| Licensing | | (69) | (69) | (79) | (10) |
| Strategic Head (Customer Services) | 25 | 132 | 132 | 190 | 58 |
| Customer Service Centre | | 386 | 386 | 384 | (2) |
| Museum in the Park | | 417 | 417 | 417 | 0 |
| Subscription Rooms | | 223 | 223 | 223 | 0 |
| Tourism | | 147 | 147 | 147 | 0 |
| Cultural Services - Arts and Culture | | 787 | 787 | 787 | 0 |
| Health and Wellbeing | | 35 | 39 | 39 | 0 |
| Sport and Health Development | | 119 | 137 | 137 | 0 |
| Cultural Services - Sports and Leisure | | 153 | 176 | 176 | 0 |
| The Pulse Dursley | | (6) | (6) | (6) | 0 |
| Joint Use Sports Centres | | 59 | 61 | 61 | 0 |
| Stratford Park Leisure Centre | | 119 | 119 | 119 | 0 |
| Cultural Services - Sports Centres | | 172 | 174 | 174 | 0 |

| Community Services Committee | Para Refs | 2017/18 Budget (£'000) | 2017/18 Revised Budget (£'000) | 2017/18 Forecast Outturn (£'000) | 2017/18 Outturn Variance (£'000) |
|-------------------------------------|------------------|-------------------------------|---------------------------------------|---|---|
| Public Space Service | 26 | 300 | 300 | 300 | 0 |
| Cemeteries | | 24 | 24 | 24 | 0 |
| Amenity Areas | | 127 | 127 | 157 | 30 |
| Commons and Woodlands | | 14 | 14 | 14 | 0 |
| Stratford Park Grounds Maintenance | | 180 | 180 | 180 | 0 |
| Grassed Areas Contribution to HRA | | 170 | 170 | 170 | 0 |
| Public Conveniences | | 223 | 223 | 223 | 0 |
| Public Spaces | | | 1,037 | 1,037 | 1,067 |
| Business Rate Collection | 27 | (109) | (109) | (110) | (1) |
| Council Tax Collection | | 256 | 256 | 253 | (3) |
| Council Tax Support Admin | | 64 | 64 | 53 | (11) |
| Rent Allowances and Rebates | | (77) | (77) | (77) | 0 |
| Housing Benefit Administration | | 150 | 150 | 123 | (27) |
| Revenues and Benefits | | 284 | 284 | 242 | (42) |
| Community Services TOTAL | | 3,701 | 3,737 | 3,754 | 17 |

Housing Committee

Table 8 – Housing Committee Revenue Budget Outturn Position

| Housing Committee | Para Refs | 2017/18 Original Budget (£'000) | 2017/18 Revised Budget (£'000) | 2017/18 Forecast Outturn (£'000) | 2017/18 Outturn Variance (£'000) |
|-------------------------------------|-----------|---------------------------------|--------------------------------|----------------------------------|----------------------------------|
| Homelessness | 28 | 259 | 259 | 233 | (26) |
| Housing Strategy | | 89 | 110 | 106 | (4) |
| Private Sector Housing | | 214 | 214 | 214 | 0 |
| Housing (General Fund) TOTAL | | 562 | 583 | 553 | (30) |

28. Homelessness – (£26k) underspend

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

Salary savings of £25k have been identified across Housing Advice and Homelessness Prevention. This is largely due to delays in recruiting to vacant posts.

Spend on bed and breakfast continues to be higher than budgeted, however this is currently offset by income from corresponding Housing Benefit claims. With the rollout of full Universal Credit in the district from October 2017, the income received is likely to reduce, which could create an ongoing pressure within the service.

Environment Committee

Table 9 – Environment Committee Revenue budget outturn forecast

| Environment Committee | Para Refs | 2017/18 Original Budget (£'000) | 2017/18 Revised Budget (£'000) | 2017/18 Forecast Outturn (£'000) | 2017/18 Outturn Variance (£'000) |
|---------------------------------------|-----------|---------------------------------|--------------------------------|----------------------------------|----------------------------------|
| Canal | | 7 | 7 | 7 | 0 |
| Strategic Head (Development Services) | | 115 | 115 | 115 | 0 |
| Head of Environmental Health | | 69 | 69 | 69 | 0 |
| Environmental Health | 29 | 837 | 937 | 867 | (70) |
| Statutory Building Control | 30 | 168 | 168 | 168 | 0 |
| Planning Strategy/Local Plan | | 319 | 319 | 319 | 0 |
| Development Control | 31 | 182 | 182 | 74 | (108) |
| Economic Development | | 187 | 187 | 173 | (13) |
| Carbon Management | | 93 | 93 | 74 | (19) |
| Waste and Recycling | 32 | 2,546 | 2,546 | 2,822 | 276 |
| Street Cleansing | 32 | 601 | 601 | 682 | 81 |
| Environment TOTAL | | 5,124 | 5,224 | 5,371 | 147 |

29. Environmental Health – (£70k) underspend

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

This underspend is directly related to salaries. A number of vacancies have been identified throughout the service and any potential savings will be dealt with as part of a wider piece of work under the Workforce Plan review.

30. Statutory Building Control – (£124k) 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.

There are in year salary savings of (£47k) as a result of 3 vacancies (Building Control Technician, Building Control Surveyor and a Principal post). Two of these posts are currently in the recruitment process and will be filled over the next few months. The remaining Principal post will be reviewed as part the budget setting process later in the year.

31. Development Control – (£108k) underspend / incomesurplus

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

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

Application Fees are forecasting a healthy surplus of (£108k). This additional income is based on the number and type of applications received at this time with the expected outcome similar to 2016/17.

A predicted Salary overspend of £61k – This variance is currently made up of two Case Management Assistant roles and casual staff. They are employed directly to manage the additional application fee workload, this overspend is offset against the income surplus above

The Council's existing pre-application fee charges are significantly less than neighbouring districts and do not reflect the actual cost to the Council of providing this service to the public The intention is to increase fees, principally for larger scale developments. Pre-application fees will be increased from October 2017. We intend to offer a high quality, efficient service, it is not anticipated that the fee increase will impact on the numbers of pre-application enquiries made.

32. Waste & Recycling – £276k overspend

Street Cleansing – £81k overspend

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

Section 151 Officer narrative

The narrative from the budget holder below explains some of the detailed reasons for the in-year overspend position on the budgets for Waste and Recycling, Street Cleansing and Building Cleaning.

In short, the overall financial position on the Multi Service contract is explained by the 2017/18 gross cost of the Ubico contract (£5.452m) exceeds the available budget by around £820k. Taking into account the additional income from Recycling Credits and the JWP Incentive Payment, there is a projected net overspend on Multi-Service budgets of £387k. Members will recall that additional budget of £400k was requested for 2017/18.

Budget holder narrative

The variation on the Waste and Recycling services is attributable to the Multi Service Contract Cost

The first year's contract payments to Ubico have been made in line with the company's forecast spend for the year. Ubico have however reported an overspend of £36k in the first quarter due to an increase in insurance premiums. Whilst the increase relates to a full year's costs, Ubico have made full payment upfront. Ubico have stated that they plan to recover the overspend during the course of the year.

Ubico's 2017/18 forecast spend has taken into account efficiency savings made earlier in the financial year; these relate to a reduction in resources within the

refuse collection, food waste collection and recycling collection services. The council expects to make further savings, totalling £18k net of costs in the current year and £60k each subsequent year, following the withdrawal of its 'Bring' bank system in August 2017; this will be reflected in the payments made to Ubico from September 2017.

Multi Service Costs

The cost of providing black and beige sacks does not presently fall within the Multi Service Contract; the decision to use these sacks was made sometime after the initial design of the waste service and was not therefore included in Ubico's proposals. The cost however has been accommodated by a planned underspend of the 'marketing' and 'garden waste administration' budgets. A review of the costs associated with the treatment of the council's dry recycling materials is due shortly; the outcome is hoped to show a reduction in net costs.

Multi Service Income Streams

Owing to the success of the waste service's overall performance, income to the council in 2017/18 is expected to increase from the budgeted figures; the increases include an additional £50k through JWP incentive payments and £60k through recycling credit payments. It is anticipated that 'recycling waste disposal income' will at least be maintained for the year – this mainly relates to income from the sale of waste paper and cardboard. There will be an increase in service charges for the bulky waste service from 1st September 2017 and the garden waste service for the start of next season (February 2018). Income for bulky waste is expected to increase by £8k in 2017/18 (£80k to £88k). Garden waste income is expected to increase as a result of the new charges and also increased capacity following a review of the collection rounds; this will allow for additional subscriptions before capacity is reached.

Table 10 – Environment Committee Breakdown

| Environment Committee | Para Refs | 2017/18 Budget (£'000) | 2017/18 Revised Budget (£'000) | 2017/18 Forecast Outturn (£'000) | 2017/18 Outturn Variance (£'000) |
|--|------------------|-------------------------------|---------------------------------------|---|---|
| Canal Partnership | | 7 | 7 | 7 | 0 |
| Strategic Head (Development Services) | | 115 | 115 | 115 | 0 |
| Head of Environmental Health | | 69 | 69 | 69 | 0 |
| Environmental Health Team | | 149 | 149 | 149 | 0 |
| Contaminated Land | | 32 | 32 | 32 | 0 |
| Dog Warden Service | | 82 | 82 | 82 | 0 |
| Environmental Protection | | 190 | 190 | 162 | (28) |
| Food Safety | | 152 | 152 | 152 | 0 |
| Health and Safety | | 88 | 88 | 78 | (10) |
| Land Drainage | | 60 | 160 | 160 | 0 |
| Public Health | | 41 | 41 | 41 | 0 |
| Pest Control | | 28 | 28 | (4) | (32) |
| Port Health | | 2 | 2 | 2 | 0 |
| Planning Liaison | | 14 | 14 | 14 | 0 |
| Environmental Health | 29 | 837 | 937 | 867 | (70) |
| Planning and Building Control Admin | | 255 | 255 | 255 | 0 |
| Building Control | | (128) | (97) | (128) | (31) |
| Securing Dangerous Structures | | 9 | 10 | 9 | (1) |
| Building Regulation Enforcement / Advice | | 35 | 3 | 35 | 32 |
| Street Naming | | (4) | (4) | (4) | 0 |
| Building Control | 30 | 168 | 168 | 168 | 0 |
| Planning Strategy | | 319 | 319 | 319 | 0 |
| Preparation of Core Strategy | | 0 | 0 | 0 | 0 |
| Planning Strategy/Local Plan | | 319 | 319 | 319 | 0 |
| Development Control | | (94) | (94) | (202) | (108) |
| Trees | | 43 | 43 | 43 | 0 |
| Conservation | | 58 | 58 | 58 | 0 |
| Appeals | | 0 | 0 | 0 | 0 |
| Planning Appeal Costs | | 70 | 70 | 70 | 0 |
| Enforcement | | 108 | 108 | 108 | 0 |
| Footpath Diversion | | (2) | (2) | (2) | 0 |
| Development Control | | 182 | 182 | 74 | (108) |

| Environment Committee | Para Refs | 2017/18 Budget (£'000) | 2017/18 Revised Budget (£'000) | 2017/18 Forecast Outturn (£'000) | 2017/18 Outturn Variance (£'000) |
|---|------------------|-------------------------------|---------------------------------------|---|---|
| Economic Development | | 54 | 54 | 54 | 0 |
| Market Town Projects | | 24 | 24 | 24 | 0 |
| Regeneration | | 108 | 108 | 95 | (13) |
| Economic Development | | 187 | 187 | 173 | (13) |
| Carbon Management | | 93 | 93 | 74 | (19) |
| Refuse Collection | | 1,203 | 1,203 | 1,178 | (25) |
| Multi-Bank Recycling Sites | | 1,138 | 1,138 | 1,142 | 4 |
| Recycling and Environmental Initiatives | | 205 | 205 | 502 | 297 |
| Waste and Recycling | 32 | 2,546 | 2,546 | 2,822 | 276 |
| Street Cleansing | 32 | 601 | 601 | 682 | 81 |
| Environment Total | | 5,124 | 5,224 | 5,371 | 147 |

Capital Programme 2017/18

| | 2017/18 Original Budget (£'000) | 2017/18 Revised Budget (£'000) | 2017/18 Spend to date (£'000) | 2017/18 Projected Outturn (£'000) | 2017/18 Outturn Variance (£'000) |
|---|--|---|--|--|---|
| Capital Programme Outturn | | | | | |
| Community Services | | | | | |
| Stratford Park Lido | 20 | 20 | 0 | 20 | 0 |
| Stratford Park Sensory Garden | 0 | 8 | 0 | 8 | 0 |
| Community Buildings Investment | 180 | 180 | 0 | 50 | (130) |
| Subtotal Community Services | 200 | 208 | 0 | 78 | (130) |
| Environment Capital Schemes | | | | | |
| Canal | 0 | 184 | 15 | 184 | 0 |
| Canal Regeneration(Saul to Stonehouse) | 250 | 250 | 0 | 250 | 0 |
| Stroud District Cycling & Walking Plan | 50 | 50 | 0 | 50 | 0 |
| Stroud Valleys Initiative | 50 | 115 | 0 | 0 | (115) |
| Market Town Centres Initiative fund | 50 | 50 | 0 | 50 | 0 |
| Wallbridge - Gateway | 30 | 30 | 0 | 30 | 0 |
| MSC - Vehicles | 250 | 250 | 64 | 334 | 84 |
| CMP - Ebley Mill Hydro | 30 | 30 | 0 | 0 | (30) |
| CMP - Heat & Power | 0 | 141 | 54 | 141 | 0 |
| Subtotal Environment | 710 | 1,100 | 133 | 1,039 | (61) |
| Strategy & Resources Capital Schemes | | | | | |
| New Homes for Rent | 500 | 500 | 0 | 500 | 0 |
| ICT Investment Plan | 200 | 200 | 0 | 200 | 0 |
| Brimscombe Port Redevelopment | 450 | 450 | 41 | 450 | 0 |
| Building Maintenance Backlog | 1,500 | 1,650 | 67 | 1,650 | 0 |
| Subtotal Strategy & Resources | 2,650 | 2,800 | 108 | 2,800 | 0 |
| Housing General Fund | | | | | |
| Affordable Housing - Support to Registered | 139 | 239 | 0 | 120 | (119) |
| Private Sector Housing Strategy | 250 | 250 | 96 | 250 | 0 |
| Subtotal Housing General Fund | 389 | 489 | 96 | 370 | (119) |
| TOTAL General Fund Capital Schemes | 3,949 | 4,597 | 337 | 4,287 | (310) |
| HRA Schemes | 12,482 | 13,115 | 1,092 | 8,356 | (4,759) |
| TOTAL Capital Schemes | 16,431 | 17,712 | 1,429 | 12,643 | (5,069) |