

**RECOMMENDATION FROM
STRATEGY AND RESOURCES COMMITTEE
TO COUNCIL ON 25 JANUARY 2018**

**AGENDA
ITEM NO**

5b

This is a copy of the Agenda Item 8b report to the
Committee on 18 January 2018

Report Title	GENERAL FUND REVENUE ESTIMATES – REVISED 2017/18 AND ORIGINAL 2018/19
Purpose of Report	To present to the committee the revised estimates for 2017/18 and original estimates for 2018/19
Decision(s)	The Committee RECOMMENDS: a) The estimates set out in the report be considered and approved for inclusion in the General Fund Revenue Budget 2018/19 and Medium Term Financial Plan report to Council elsewhere on this agenda.
Consultation and Feedback	<ul style="list-style-type: none"> • Budget holders on budgets and savings • Residents and Business telephone surveys (as presented to a members seminar on the 7th December) • Budget workshops for Chairs & Vice Chairs of service committees and Administration group leaders
Financial Implications & Risk Assessment	<p>The estimates have been incorporated into the Council’s Medium Term Financial Plan (MTFP) presented to this committee.</p> <p>David Stanley, Accountancy Manager Tel: 01453 754100 Email: david.stanley@stroud.gov.uk</p>
Legal Implications	<p>This report forms part of the statutory budget setting process for 2018/19 as well as providing an update on the revenue budget for the current year which the committee is required to keep under review on behalf of the Council. The report should be considered within the context of all strategic risks (in particular CCR1). (Ref:d41r51c8118).</p> <p>Karen Trickey, Legal Services Manager Tel: 01453 754369 Email: karen.trickey@stroud.gov.uk</p>
Report Author	<p>David Stanley, Accountancy Manager Tel: 01453 754100 Email: david.stanley@stroud.gov.uk</p>

Options	The Administration is considering its budget options at the Strategy and Resources Committee meeting on 18 January 2018. Council will consider the overall budget position for 2018/19 on 25 January 2018.
Performance Management Follow Up	Budget monitoring reports are presented to Committee in September and February/March each year. Members will be informed of the outturn position for 2017/18 at the Strategy and Resources Committee meeting in May 2018.
Background Papers and Appendices	None

Background

1. The Medium Term Financial Plan (MTFP) sets out a projection of General Fund Expenditure over the 5 year period 2017/18 to 2021/22. This report sets out a more detailed analysis of the changes to the Strategy and Resources Committee budget and presents the General Fund budget for 2017/18 (Revised Estimates) and 2018/19 (Original Estimates).
2. The general fund budget will then be considered as part of the Medium Term Financial Plan for recommendation to council elsewhere on this agenda.
3. **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.**

STRATEGY AND RESOURCES COMMITTEE BUDGETS

Revenue Budget position

4. The net General Fund revenue budget for 2017/18, approved by Council in February 2017, was £15.491m. This has now been revised to £15.660m after allowing for carry forwards approved in June 2017.
5. This has subsequently been used as the base estimate for both 2017/18 revised and 2018/19 original estimates. The revised estimates incorporate changes arising from budget pressures and efficiency savings. These have generally only changed from the original budget approved in February 2017 as a result of items reported to the committee in budget monitoring reports.
6. The original estimate for 2018/19 is £16.503m, an increase of £1.012m on the base budget. This is largely due to accounting adjustments for pension costs with other significant budget changes including pay inflation £97k, and budget and efficiency savings of (£1.037m).
7. Table 1 provides a summary of the changes to the 2017/18 and 2018/19 estimates. A more detailed breakdown of the service committee budget is set out in Table 3 (these figures are shown net of depreciation, support charges and LGPS pension adjustment). Technical adjustments and other changes are set out in more detail in the body of the report below, with the budget & efficiency savings detailed in Table 2.

Table 1 – Summary of changes from the 2017/18 Original Budget

	2017/18 Original Estimate (£)000's	2017/18 Revised Estimate (£)000's	2018/19 Original Estimate (£)000's
General Fund			
[a] Original Budget	15,491	15,491	15,491
[b] Carry forwards from Prior year		169	0
[c] Technical Adjustments		0	(71)
[d] Pay Inflation 2017/18		0	97
[e] Price & Income inflation		0	13
Base Budget	15,491	15,660	15,530
[f] Budget Pressures		0	9
[f] Efficiency Savings		(250)	(1,037)
[g] Insurance Adjustment		0	39
[h] Technical Adjustment		(0)	204
[j] Recharge Adjustment		0	11
[j] Accounting Adjustments	565	1,803	1,748
Net Service Revenue Expenditure Budget	16,056	17,213	16,503

(Table may contain rounding's)

Technical and Prior-year adjustments

c) Technical adjustments – (£53k) Building Control additional income forecast due to increase in application fees. Gloucestershire Building Control Partnership is a shared service with Gloucester City Council and hosted by Stroud. Any additional income is ring-fenced and held on the balance sheet to be re-invested within the service. An (£18k) saving has also been realised through business rate revaluation.

d) Pay Inflation - Salary budgets have been increased by 1%.

e) Price & income inflation - A 3% increase on software licenses.

Budget Pressures and Efficiency Savings

f) The council has been working on identifying savings for the Medium Term Financial Plan (MTFP) since July 2017 and these have been reviewed by Directors and Committee chairs and vice-chairs. Further consultation on the budget and efficiency savings has taken place with committee members this financial year. Table 2 provides a detailed overview of the budget pressures and savings for 2018/19, which have been incorporated into the General Fund budget above.

Table 2 – Budget Pressures and Efficiencies

Type	Budget	Reason for Budget Pressure or Efficiency Saving	2017/18 (£) 000's	2018/19 (£) 000's
ES	Community Services	Reduced car allowance rates		(18)
ES	Cultural Services	Closure of Rednock JUSC		(20)
ES	The Pulse- Dursley	Increased budgeted income in respect of swimming lessons.		(33)
ES	Museum in the Park	Review of current budget and forecast spend has identified efficiencies across the service		(14)
ES	Community Services	Workforce Plan review - vacant posts	(22)	(22)
ES	Revenue & Benefits	Grant Income budget recognised		(89)
Total Community Services and Licensing Committee			(22)	(197)
ES	Environment	Reduced car allowance rates		(31)
ES	Development Control	Development Control fees increase 20%		(156)
ES	Development Control	Increase in Pre-application & Regularisation fees		(24)
ES	Land Drainage	Gloucester County Council contribution		(21)
ES	Environment	Workforce Plan review - vacant posts	(131)	(131)
Total Environment Committee			(131)	(362)
ES	Strategy and Resources	Workforce Plan review - vacant posts	(86)	(66)
ES	Strategy and Resources	Reduced car allowance rates		(10)
ES	Facilities	Car Parks - increase budgets to match previous income		(67)
ES	Facilities	Car Parks - increase charges at existing car parks		(150)
ES	Asset management	Littlecombe business units		(62)
ES	Facilities	Ebley Mill rent income - new letting		(40)
ES	Legal	Historic budget not required		(10)
ES	Democratic services	Historic budget not required		(10)
Total Strategy and Resources Committee			(86)	(415)
ES	Housing GF	Workforce Plan review - vacant posts	(11)	(11)
ES	Private Housing	Saving on Countrywide agency		(48)
ES	Housing GF	Reduced car allowance rates		(5)
Total Housing GF			(11)	(64)
Total General Fund			(250)	(1,037)

(Table may contain rounding's)

- f) Workforce Plan savings** – Members will be aware that the Council faces considerable financial challenges over the next few years. Until recently we have been able to deal with these by careful budget management, however, further financial challenges mean that this approach was not enough. As a result, we have to look now at our staffing costs which represent 80% of total Council expenditure. This decision was not taken lightly, but we effectively need to reduce our headcount by 20% over the next 4 years.

These changes will be implemented in a phased approach over several years. Phase 1 incorporates vacant posts and these have been permanently taken out of the structure from 2017/18 onwards.

- g) Insurance Premium** – Property sum insurance in general has increased significantly across the industry, this coupled with SDC's claims for the previous year reaching almost £200k have seen an increase in our premiums for 2018/19. The Council are in the process of re-tendering the Portfolio over the next few months. A review of risk and self-insurance levels is also taking place to mitigate the increased cost of insurance premiums.

- h/i) Technical/Recharge adjustment** – Historic grant income budget now realised within Revenue & Benefits. Adjustment also incorporates CDC adjustment.

Pension Accounting Adjustment/ Support Service Re-charges

- j)** The way in which the council budgets and accounts for contributions to the Local Government Pension Scheme (LGPS) was amended to 23.9% for 2017/18. Employer's pension contributions in respect of current members of the Local Government Pension Scheme (LGPS) will remain at this level for 18/19. A further lump sum payment is made to the pension fund in respect to funding liabilities arising from previous employees and the deficit position.

Table 3- Details of the changes to the Committee's revenue budgets

Original and Revised Estimates

	2017/18 Original Estimate (£)000's	2017/18 Revised Estimate (£)000's	2018/19 Original Estimate (£)000's
Committee Service Area (figures shown net of support charges, depreciation and LGPS pension adjustment)			
Community Safety	65	70	63
Abandoned Vehicles	5	5	5
Careline Services	(31)	(31)	(32)
Neighbourhood Wardens	235	241	236
Car Parks Enforcement	68	46	47
Stroud and Dursley CCTV	41	41	41
Subtotal Community Safety	382	371	360
Hear by Right / Youth Services	99	99	100
Strategic Head (Customer Services)	132	132	133
Grants to Voluntary Organisations	337	337	337
Subtotal Grants to Voluntary Organisations	337	337	337
Customer Service Centre	386	386	390
Public Space Service	300	300	293
Cemeteries	24	25	25
Amenity Areas	127	126	127
Commons and Woodlands	14	14	14
Stratford Park Grounds Maintenance	180	214	180
Grassed Areas Contribution to HRA	170	170	170
Public Conveniences	223	219	222
Subtotal Public Spaces	1,037	1,067	1,031
Business Rate Collection	(109)	(109)	(109)
Council Tax Collection	256	236	239
Council Tax Support Admin	64	64	65
Rent Allowances and Rebates	(77)	(77)	(77)
Housing Benefit Administration	150	170	84
Subtotal Revenues and Benefits	284	284	202
Licensing	(69)	(69)	(68)
Museum in the Park	417	437	406
Subscription Rooms	223	209	227
Tourism	147	147	148
Subtotal Cultural Svcs - Arts and Culture	787	792	781
Health and Wellbeing	35	39	35
Sport and Health Development	119	137	120
Subtotal Cultural Svcs - Sport & Health Dev.	153	176	154
Dursley Pool and Sports Centre	(6)	31	(49)
Joint Use Sports Centres	59	61	60
Stratford Park Leisure Centre	119	142	124
Subtotal Cultural Svcs - Sports Centres	172	234	135
COMMUNITY SERVICES Total	3,701	3,809	3,554

Committee Service Area (figures shown net of support charges, depreciation and LGPS pension adjustment)	2017/18 Original Estimate (£)000's	2017/18 Revised Estimate (£)000's	2018/19 Original Estimate (£)000's
Canal Partnership	7	7	7
Subtotal Canal	7	7	7
Strategic Head (Development Services)	115	115	116
Head of Environmental Health	69	69	70
Environmental Health Team	149	149	149
Contaminated Land	32	32	32
Dog Warden Service	82	82	78
Environmental Protection	190	147	153
Food Safety	152	152	150
Health and Safety	88	88	86
Land Drainage	60	160	38
Public Health	41	44	43
Pest Control	28	2	6
Port Health	2	2	2
Planning Liaison	14	14	14
Subtotal Environmental Health	837	870	751
Planning and Building Control Admin	255	255	258
Building Control	(128)	(97)	(186)
Securing Dangerous Structures	9	10	9
Building Regulation Enforcement / Advice	35	3	36
Street Naming	(4)	(4)	(4)
Subtotal Statutory Building Control	168	168	114
Planning Strategy	319	304	306
Subtotal Strategic Planning of Local Plan	319	304	306
Development Control	(94)	(94)	(267)
Trees	43	43	42
Conservation	58	58	59
Planning Appeal Costs	70	70	69
Enforcement	108	108	106
Footpath Diversion	(2)	(2)	(2)
Subtotal Development Control	182	182	7
Economic Development	54	54	54
Market Town Projects	24	24	24
Regeneration	108	82	82
Subtotal Economic Development	187	160	161
Energy Efficiency	93	71	71
Subtotal Carbon Management	93	71	71
Refuse Collection	1,203	1,116	1,116
Multi-Bank Recycling Sites	1,138	1,181	1,181
Recycling and Environmental Initiatives	205	250	250
Subtotal Waste and Recycling	2,546	2,546	2,546
Street Cleansing	601	601	601
ENVIRONMENT Total	5,124	5,093	4,749

Committee Service Area (figures shown net of support charges, depreciation and LGPS pension adjustment)	2017/18 Original Estimate (£)000's	2017/18 Revised Estimate (£)000's	2018/19 Original Estimate (£)000's
Homelessness	120	120	121
Homelessness Prevention	139	139	140
Housing Strategy	90	111	90
Private Housing	214	204	152
Subtotal Housing (General Fund)	562	573	503

Committee Service Area (figures shown net of support charges, depreciation and LGPS pension adjustment)	2017/18 Original Estimate (£)000's	2017/18 Revised Estimate (£)000's	2018/19 Original Estimate (£)000's
Brunel Mall	(53)	(53)	(52)
Industrial Units	(16)	(16)	(16)
Brimscombe Port	50	50	50
Littlecombe site, Dursley	0	0	(61)
Gossington Depot	0	6	0
Subtotal Investment Assets	(19)	(13)	(78)

Dursley Bus Station	(3)	(5)	(3)
Miscellaneous Properties and Land	17	50	27
Subtotal Other Assets	14	46	24

Car Parks	(422)	(416)	(656)
Subtotal Car Parks	(422)	(416)	(656)

Head of Asset Management	82	82	82
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Asset Management	263	261	263
Building Maintenance	74	65	64
Subtotal Asset Management Team	337	326	327

Facilities Management	212	212	212
Ebley Mill	497	495	459
Emergency Management	92	92	91
Subtotal Facilities Management	801	799	761

Members Expenses	371	371	365
Democratic Representation and Management	(167)	(167)	(157)
Electoral Registration	124	124	126
Elections	109	86	88
Youth Councils	3	3	3
Subtotal Democratic Representation and Mgt	440	418	426

Past Service Pension Costs/Central Budget Alloc	1,607	1,591	1,861
Corporate Management	(22)	(22)	(22)
Pension Costs	49	49	49
Land & Property Custodian	(29)	(29)	(28)
Subtotal Resources and Finance - Direct Spend	1,604	1,589	1,859

Committee Service Area (figures shown net of support charges, depreciation and LGPS pension adjustment)	2017/18 Original Estimate (£)000's	2017/18 Revised Estimate (£)000's	2018/19 Original Estimate (£)000's
Chief Executive	189	189	189
Strategic Head (Corporate Services)	46	46	47
Human Resources	456	417	420
Policy and Review	121	121	122
Marketing	53	53	54
Subtotal Corporate Services (HR etc)	630	591	596
Legal Services	422	422	416
Procurement	62	62	63
Democratic Services	132	100	96
Subtotal Corporate Services (Legal)	616	585	575
Strategic Head (Finance and Business Services)	111	0	80
Financial Services	722	742	748
Business Projects	62	62	62
Information & Communication Technology	892	892	903
Subtotal Finance and Business Services	1,675	1,695	1,713
STRATEGY & RESOURCES Total	6,104	5,936	5,946
Add: COMMUNITY SERVICES Total	3,701	3,809	3,554
Add: ENVIRONMENT Total	5,124	5,093	4,749
Add: HOUSING Total	562	573	503
SUBTOTAL Service Revenue Expenditure	15,491	15,411	14,752
Technical Adjustments	565	1,801	1,752
Net Service Revenue Expenditure	16,056	17,213	16,503

(Table may contain roundings)