

Performance & Monitoring Scrutiny Committee – 31 May 2018

Appendix F - St Edmundsbury Borough Council – Year End position

Revenue Performance

The revenue outturn position as at 31 March 2018 currently shows an overall underspend of £35,519 (0.05% of the budget). A summary by Assistant Director can be found in **Appendix G** with comments for variances by cost centre in **Appendix H**. This underspend has been achieved against an annual total income of around £75m.

St Edmundsbury Borough Council Major Outturn Variances over £50k.

Year end variance: Over /(under) spend £'000s	Explanation (in Assistant Director order)
(83)	Anglia Revenue Partnership Distribution of year end surplus to the Anglia Revenue Partners as agreed by ARP Joint Committee.
576	Non-Distributed Costs This includes St Edmundsbury's share of the Pension Capital Costs payment in respect of ill health retirement contributions (over and above our annual allowance – linked to our current pension contribution rates) under the local government pension scheme rules. This is a one-off cost that we are accommodating within the overall budget position.
(56)	Council Tax Administration Income from court costs recovered higher than anticipated.

Year end variance: Over /(under) spend £'000s	Explanation (in Assistant Director order)
<p>53</p>	<p>Democratic Services</p> <p>This includes St Edmundsbury's share of the additional costs to be incurred as a result of the General Data Protection Regulation requirements. £30k has therefore been included in the base costs, with an additional £30k transferred to reserves in respect of 2018/19.</p> <p>This is a one-off cost that we are accommodating within the overall budget position.</p>
<p>95</p>	<p>Housing Options</p> <p>Accommodation, including the running of the Winter homeless shelter, and associated homeless prevention costs have exceeded the budgeted levels, driven by the increase in homelessness cases.</p> <p>This budget is going to continually be under pressure as we are facing increased demands.</p> <p>The budget has been reviewed for 18/19 in light of the combined impact of new legislation, welfare reform, Universal Credit and continued housing pressures.</p>
<p>(68)</p>	<p>Development Control</p> <p>Planning Application income exceeded budget, predominantly driven by major applications, including the Suffolk Business Park extension.</p>
<p>(103)</p>	<p>Trade Waste</p> <p>Income from Trade Waste higher than budgeted. We have seen a big increase in income during the year (including Cardboard Collections).</p> <p>Income assumptions for this service were revisited during the 2017/18 budget setting process, which are currently being more than borne out by the projections.</p>

Year end variance: Over /(under) spend £'000s	Explanation (in Assistant Director order)
<p>(191)</p>	<p>Compostable Collection (Brown Bin)</p> <p>We are currently in year two of a three year transitional period for the introduction of the subscription-based garden waste collection service.</p> <p>Take-up of the service has continued to be strong and it is performing well. Budgets for the scheme were prudent and performance is currently well under the levels set. There is an aspiration that it can ultimately be fully cost neutral (ie. only those that use it, pay for it) and whilst this isn't yet the case, we are working towards this outcome for the future.</p> <p>This cost centre includes a £90k transfer to the Invest and Save Reserve, representing one third of the year end position.</p> <p>This reflects the three year nature of the Garden Waste Scheme, and is prudent in terms of the future cost sharing arrangements.</p>
<p>(65)</p>	<p>Ground Maintenance Operatives</p> <p>Income greater than budgeted due to additional contractual arrangements.</p>
<p>(136)</p>	<p>Industrial & Business Units</p> <p>Industrial rent income exceeded budget reflecting better occupancy levels than previously anticipated. Ongoing budget being reviewed.</p>
<p>(60)</p>	<p>The Apex</p> <p>Ticket sales for the programme have exceeded expectations. The Apex has recently hit its £2m ticket sale milestone showing the continued success of the venue.</p>
<p>26</p>	<p>Interest</p> <p>The interest figures as shown in Appendix A comprise a number of elements that relate not only to investments, but also project financing and the budget assumptions around the ongoing growth agenda.</p>

Interest (continued)

The detailed breakdown of the £26k overspend is as follows:

Interest Receivable: (£88k) overachievement

Contributions to Reserves: £125k additional to budget

Interest payable on borrowing: (£170k) underspend

Minimum Revenue Provision: (£185k) underspend

Growth Income assumptions: £345k underachievement

£120k of the contribution to reserves represents the overall benefit to the council of the net project financing position for 2017/18, and is also referred to in the Reserves Appendix D against the Capital Project Financing Reserve. The remainder relates to dividend income.

Capital Position

The Council has spent £14,712,450 of its revised capital budget of £19,163,522 as at the 31 March 2018. A further £4,365,098 is being requested to be carried forward from the 2017/18 capital budget into 2018/19 as a result of project timings.

The following table gives a high level summary of capital expenditure against budget for 2017/18. Further detail by capital project can be found at **Appendix I**.

Assistant Director:	2017/18 Revised Full Year Budget	2017/18 Actual Spend for Year	2017/18 External Grant Funded	2017/18 Carried Forward	2017/18 Actual Over / (under) Spend
	£000s	£000s	£000s	£000s	£000s
Resources & Performance	174	0	0	174	0
HR, Legal & Democratic	26	0	0	26	0
Families & Communities	68	48	0	19	0
Planning & Regulatory	1,099	529	0	570	0
Operations	7,731	5,118	304	2,608	(5)
Growth	10,066	9,017	14	968	(81)
Totals:	19,164	14,712	318	4,365	(86)