

Agenda No 7

AGENDA MANAGEMENT SHEET

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| Report Title: | Finance & Performance Monitoring 2017/18 – Year-End |
| Name of Committee: | Cabinet |
| Date: | 25 th June 2018 |
| Report Director: | Head of Corporate Resources & Chief Financial Officer |
| Portfolio | All Portfolios |
| Ward Relevance | All Wards |
| Prior Consultation | Finance & Performance Monitoring 2017/18 – Quarter 3 Cabinet 5 th February 2018, Finance & Performance Monitoring 2017/18 – Quarter 2 Cabinet 4 th December 2017, Finance & Performance Monitoring 2017/18 – Quarter 1 Cabinet 4 th September 2017 |
| Contact Officer | Mannie Ketley - Head of Corporate Resources & Chief Financial Officer |
| Report Subject to Call-in | Yes |
| Report En-Bloc | No |
| Forward Plan | Yes |
| Corporate Priorities | This report relates to the following priority(ies): All Council Priorities |
| Risk Management Implications | This report is intended to give Cabinet an overview of the Council's spending and performance position for 2017/18 to inform future decision-making. |
| Financial Implications | As detailed in the main report. |
| Environmental Implications | There are no environmental implications arising from this report. |

Legal Implications

There are no legal implications arising from this report.

Equality and Diversity

No new or existing policy or procedure has been recommended.

Recommendation

RECOMMENDATION

- 1) The Council's anticipated financial position for 2017/18 be considered;

IT BE RECOMMENDED TO COUNCIL THAT:

- 2) The creation of a General Fund revenue carry forward earmarked reserve be approved;
- 3) Supplementary General Fund revenue expenditure budgets totalling £354,140 be approved for 2018/19, as a result of budget carry forwards from 2017/18 (see section 2.2);
- 4) A £354,140 transfer to the carry forward reserve be approved for 2017/18;
- 5) An £846,160 transfer to the Business Rates Equalisation reserve be approved for 2017/18;
- 6) A £463,970 transfer to the Budget Stability reserve be approved for 2017/18;
- 7) A net £187,000 transfer of revenue grants and Section 106 contributions to earmarked reserves be approved for 2018/19
- 8) Other 2017/18 net transfers to General Fund earmarked reserves, totalling £111,710 as detailed at Appendix 2, be approved;
- 9) Supplementary capital budgets be approved for 2018/19 as a result of budget carry forwards from 2017/18 as follows:
 - a. General Fund capital £3,657,190
 - b. Housing Revenue Account capital £7,258,590;
- 10) A 2017/18 HRA capital supplementary budget of £118,480 for the Housing Windows and Doors Replacement Scheme be approved, to be met from HRA balances;
- 11) A 2017/18 General Fund capital supplementary budget of £57,090 for Disabled Facilities Grant be approved, to be wholly funded by additional grant funding;
- 12) A 2017/18 General Fund capital supplementary

budget of £37,900 for the Purchase of Art Work be approved, to be funded by external grant and the art reserve;

- 13) A 2017/18 General Fund capital supplementary budget of £11,900 for the new Licensing System be approved to be funded by revenue contribution;
- 14) A 2017/18 General Fund capital supplementary budget of £40,110 for Open Spaces Safety Improvements and capital expenditure by parish councils be approved, to be wholly funded by Section 106 contributions;
- 15) A 2018/19 General Fund revenue salary budget virement of £72,000 to Customer Support Services from Work Services Unit be approved, following a successful trial period;
- 16) A 2018/19 General Fund capital supplementary budget of £75,000 for the procurement of a modern planning and LLPG system be approved, to be wholly funded from Planning Delivery Grant; and
- 17) Performance summary and performance data included in Appendix 5 be considered and noted.

**Reasons for
Recommendation**

The performance and financial position of the Council's General Fund and Housing Revenue Account budgets need to be noted by Cabinet to ensure Members are fully aware of the current status.

The report also includes supplementary, virement and savings requests that will require consideration for inclusion in the current 2018/19 budgets.

Cabinet – 25th June 2018

Finance & Performance Monitoring 2017/18 – Period 8

Report of the Head of Corporate Resources & Chief Financial Officer

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period;

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17) Performance summary and performance data included in Appendix 5 be considered and noted.

1. INTRODUCTION

This report sets out the financial and performance year-end position for 2017/18 for both revenue and capital for the General Fund (GF) and Housing Revenue Account (HRA). Members should note that the financial figures may be subject to change until the audit of the accounts is completed, however, it is not expected that any major amendments having an impact on the Council's overall revenue financial position for 2017/18 will emerge.

The key sections of the report are laid out as follows:

- General Fund (GF) Revenue Budgets - Sections 2.1, 2.2 & 2.3 and Appendix 1;
- General Fund (GF) Reserves and Balances – Sections 2.7 and Appendix 2
- Housing Revenue Account (HRA) Revenue Budgets - Sections 3.1, 3.2 and Appendix 3;
- Housing Revenue Account (HRA) Reserves and Balances - Section 3.3;
- Capital Budgets - Section 4 and Appendix 4;
- Performance – Section 5 and Appendix 5

Throughout the report, from a financial perspective, adverse variances to budget, expenditure overspends and income shortfalls, are shown as positive values (+). Favourable variances, such as expenditure underspends and additional income, are shown as negative values (-).

2. GENERAL FUND (GF) REVENUE BUDGETS:

2.1 Key Messages

In 2017/18 the Council had total Portfolio expenditure of £14.160m against a revised budget, of £15.324m resulting in a one-off underspend of **-£1.164m**. Officers have requested that **+£354,000** of the underspend on portfolio budgets be carried forward to 2018/19, leaving a one-off net underspend of **-£811,000**.

This underspend has arisen mainly due to a number of one-off underspends that are not expected to continue to arise in future years. For example, over half of the net

portfolio underspend can be explained by the £487,000 overachievement of income from the Garden Waste service, as explained in more detail in section 2.2.

The Council's overall variance on the 2017/18 budget, after considering corporate items as part of the closedown process and reserve transfers, is an underspend of **-£1.077m** compared to revised budgets.

Included within this year-end position is the **-£22,000** overachievement of the Council's annual revised corporate savings target of £200,000, because of greater efficiencies achieved throughout the year.

Some of the major variances are explained in detail in section 2.2.

2.2 Key Items

Waste Collection & Recycling

The garden waste service has provided increased revenue, significantly over and above the initial budgeted expectations of £400,000 for year one. 48% of households subscribed to the service providing the Council with a revenue income of £887,000 in the first year. The cost of the processing the payments for the new garden waste service for 2017/18 was £12,010.

This strong level of service take-up has provided an additional £487,000 of income compared to the 2017/18 budget, contributing significantly to the overall favourable General Fund revenue position at year-end.

However, it should be noted, that take-up in the first twelve months was in-line with expectations for the third year of operation of the chargeable service. With only moderate further growth in service usage anticipated it is not expected that across the medium to long term that income will exceed the projections already contained within the Medium Term Financial Plan.

In addition, there have also been sizeable underspends of £165,000 due to an increase in the market price for recycled materials, resulting in lower than anticipated Recycling gate fee charges. Savings have not yet been recognised in 2018/19 due to the volatility in the market for recycled materials. Furthermore, the end of the current contract in 2019/20 also presents a substantial medium-term financial risk to the Council.

Hall of Fame

On first April 2017 a charge for entry was introduced, which was anticipated to generate an annual income of £165,000. However, in 2017/18 only £15,000 was recognised.

To improve customer numbers a range of marketing activities are being delivered to promote the attraction. This includes a community partnership with Wasps RFC, train station signage, national distribution of 121,000 leaflets, attendance at travel trade shows, social media, radio advertising and the production of a video with Rugby FM involving local rugby clubs.

In addition, the lack of a café provider resulted in a £50,000 income shortfall for the 2017/18 financial year, but after a successful tender process a new provider is now in place.

However, from a positive aspect, in February 2018 it was announced that a 'Presenting Partner' sponsor has been secured for the attraction, resulting in a £600,000 sponsorship.

Town Centre Improvements

The Town Centre Improvement budget is funded by the additional business rates generated from Phase 1 of the Elliot's Field development. The budget for 2017/18 was largely underspent this year. Consequently, a £200,000 carry forward has been requested to cover committed works of £75,000 including; Public Realm Study, Brown Tourism Signage Scheme, Destination Management and Market Reviews. The remaining balance of the carry forward will be discussed at the Visitor Economy Working Party.

Housing Option Team

Homelessness represents an increasing service and financial pressure for the Council. Historically the Council has used Bed and Breakfast when the need for temporary accommodation arises. However, with increasing demand on this service, this is becoming an unaffordable option and other alternatives are now being utilised.

To mitigate this pressure, the Council leased its first Private Sector Leasing (PSL) scheme property via a private landlord in June 2016. Since then 41 units of private sector accommodation have been secured, which will house local people in housing need.

Despite this initiative, homelessness demand remains very high. Notably Severe Weather Emergency Protocols (SWEPP) were in place for the vast majority of the final quarter of 2017/18. SWEPP aims to get rough sleepers off the streets during periods of below zero night-time temperatures, by providing emergency accommodation. This resulted in an extensive use of Bed and Breakfast accommodation during the period.

Overall, the service incurred a net spend of £515,000 during 2017/18 representing a £215,000 overspend against budget.

Planning Income

Planning fee income for 2017/18 was £1.131m, resulting in a surplus of £228,000 compared to the £903,000 revised budget. It is proposed £200,000 of this surplus is transferred to the budget stability reserve as detailed in section 2.7.

Salary Underspends

During 2017/18, there were a number of large one-off underspends across the portfolios as shown below;

- **IT Services** - £45,000 one-off savings due to vacant posts, including the ICT Manager post which is currently being recruited to.
- **Planning Services** - £65,000 one-off savings due to vacant posts and the failure to recruit to some of these posts, though this was offset with £36,000 spend on agency costs.
- **Corporate Property** - £58,000 one-off saving due to vacant posts, including the Property Manager post that was appointed to during 2017/18.
- **Regulatory Service** - £118,000 one-off savings due to a delayed restructure.
- **WSU Admin** - £172,000 underspends following the restructure. These savings have already been recognised in the 2018/19 budget.

2.3. Major Variances

General Fund revenue services show a net underspend to outturn of **-£811,000**. This amount is made up of a total in year variance -£1,165,000 and £354,000 carry forwards into 2018/19.

The following table identifies the major GF revenue budget variances and carry forward requests by Portfolio and Service area.

| Portfolio | Variance/Carry Forward Requests | | | |
|--------------------------|---------------------------------|----------------------------|-------------------|---|
| Growth and Investment | | | | |
| Service | Over / Under spend £ | Carry Forward Request £ | Net Variance £ | Comments |
| Benn Hall | -31,940 | 0 | -32,940 | Following the new marketing plan, the Benn Hall has refreshed its events programme, which has contributed to bar sales increasing by 61% from the previous financial year, this has resulted in an overachievement of bar income of £28,000. |
| Economic Development | -30,580 | +30,580 | 0 | The variance mainly relates an extension to the Local Plan timeframe, plus small salary savings and other minor underspends across the service. A total of £30,580 is requested to be carried forward to complete the Local Plan in 2018/19. |
| Hall of Fame | +251,900 | 0 | +251,900 | See section 2.2 |
| Town Centre Improvements | -200,540 | +200,540 | 0 | See section 2.2 A carry forward of the underspends of £200,540 is requested to cover the cost of deferred work. |
| Sport & Recreation | +46,680 | 0 | +46,680 | The variance mainly relates to redundancy costs, there are also small salary overspends within the Sport & Recreation department. |
| Other budget variances | +37,910 | 0 | +37,910 | |
| Sub-total | +73,430 | +231,120 | +304,550 | |

Positive Figures (+): Overspend/Underachievement of income
Negative Figures (-): Underspend/Additional income

| Environment and Public Realm | | | | |
|-------------------------------------|--|--|-------------------------------|---|
| Service | Over/ Under spend £ | Carry Forward Request £ | Net Variance £ | Comments |
| Cemeteries | -69,910 | 0 | -69,910 | The service has received higher than expected burial and licence income. |
| Allotments | +22,680 | 0 | +22,680 | The service has incurred costs for remedial works following the service being transferred to the Allotment Associations. |
| Safety and Resilience | -39,960 | +4,000 | -35,960 | Salary underspends due to vacant posts of £27,000 and an underspend on staff training has resulted in the variance to the service. £4,000 of this underspend has been requested to be carried forward to provide additional health and safety training in 2018/19. |
| Miscellaneous Highway Services | -78,030 | +38,000 | -40,030 | The service underspent as all scheduled work was not completed in 2017/18, due to a lack of staff resources. A carry forward of £38,000 is requested to fund car park repairs in 2018/19. |
| Waste Collection & Recycling | -688,650 | 0 | -688,650 | Following the successful introduction of the Garden Waste scheme, the service has seen an overachievement of budgeted income of £487,000. Further underspends of £165,000 on the service have arisen due to an increase in the market price for recycled materials, resulting in lower than anticipated Recycling gate fee charges. Savings have not yet been recognised in 2018/19 due to the volatility in the market for recycled materials. |
| Regulatory Services | -155,490 | +50,000 | -105,490 | The underspend mainly relates to salary savings due to posts being held vacant pending the completion of the service restructure. A carry forward of £50,000 is requested for temporary additional staffing costs to enable the service to progress with the review of the Licensing service. |
| WSU | -149,350 | 0 | -149,350 | The Trade Waste service has seen an overachievement of £130,000 against its income budgets, following a revised pricing structure and an increase in customer numbers. There are also salary savings of £172,000 within the WSU Admin, although £132,000 of these savings have been used as a contribution to the Weighbridge Capital scheme. |
| Other budget variances | -51,180 | 0 | -51,180 | |
| Sub-total | -1,209,890 | +92,000 | -1,117,890 | |

| Communities and Homes | | | | |
|--------------------------------------|--|--|-------------------------------|--|
| Service | Over/ Under spend £ | Carry Forward Request £ | Net Variance £ | Comments |
| Central Telephone Services | +20,200 | 0 | +20,200 | As part of the digitalisation scheme there has been an increase in the number of handsets issued, resulting in a £15,000 overspend. |
| Welfare Services | -27,040 | 0 | -27,040 | The variance relates to 2016/17 income that has been received in 2017/18. Offsetting a shortfall in 2016/17. |
| Heart Service – Disabled Adaptations | +44,920 | 0 | +44,920 | The revenue budget includes a £30,000 credit from the capital scheme, to contribute towards the running costs of the scheme. However, as reported within the capital monitoring section, increased demand has led to budgetary constraints on the service. Consequently this £30,000 credit has not been made in 2017/18, contributing to an overspend against the revenue budget. |
| Housing Options Team | +206,470 | 0 | +206,470 | See section 2.2 |
| Customer & Information Services | -43,160 | 0 | -43,160 | Salary savings from a number of vacant posts has resulted in a variance to the service of £44,000. |
| Other budget variances | -22,560 | 0 | -22,560 | |
| Sub-total | +178,830 | 0 | +178,830 | |

Positive Figures (+): Overspend/Underachievement of income
Negative Figures (-): Underspend/Additional income

| Corporate Resources | | | | |
|-----------------------------------|--|--|-------------------------------|---|
| Service | Over/ Under spend £ | Carry Forward Request £ | Net Variance £ | Comments |
| Corporate Property Administration | -63,380 | 0 | -63,380 | Salary savings following a mid-year management change, in addition to a member of staff taking flexible retirement. |
| Housing Benefits Payments | +32,070 | 0 | +32,070 | Mainly due to an underspend on Housing Benefit payments less subsidy, this was offset with an underachievement of income from Housing Benefit overpayments. |
| Legal Services | -63,590 | 0 | -63,590 | Greater income generated from legal work for third parties, including Section 106, Tree Preservation Orders and Deeds of Variation, has resulted in a greater level of income to the service. Due to the ad-hoc nature of these requests, this income has not yet been incorporated into the 2018/19 budget. |
| General Financial Services | -24,300 | 0 | -24,300 | A £20,000 budget adjustment was made to the 2017/18 budget for expected additional bank charges relating to processing debit and credit card payments. However, with more customers choosing to pay via direct debit and other channels (faster payments) the falling volume of card transactions has more than offset these additional card handling costs. It should be noted that £12,000 of card processing costs relating to the garden waste service have been recorded against the waste service budget. |
| Human Resources Recruitment | +39,860 | 0 | +39,860 | The variance relates to an overspend on recruitment expenses of £39,860, due to high staff turnover and failure to recruit to a number of posts, which then needed to be re-advertised. There has been a number of salary underspend throughout the year as mentioned in section 2.2 |
| Human Resources | -18,870 | +8,730 | -10,140 | Other underspends on employee training and wellbeing costs. A £8,730 carry forward is requested from the HR training budget for additional training requirements in 2018/19 for the HR Strategy and Corporate Values |
| Other budget variances | -39,560 | 0 | -39,560 | |
| Sub-total | -137,770 | +8,730 | -129,040 | |

Positive Figures (+): Overspend/Underachievement of income
Negative Figures (-): Underspend/Additional income

| Executive Directors Office | | | | |
|---------------------------------------|------------------------------|----------------------------------|----------------------|--|
| Service | Over/ Under spend £ | Carry Forward Request £ | Net Variance £ | Comments |
| Civic Responsibilities | -21,890 | +22,290 | +400 | Underspends on members training and special events A carry forward of £22,290 is requested to be spent on Planning & Audit Training for Members, in addition to a Special Events programme that could include events for the centenary of WW1. |
| Communications | -34,400 | 0 | -34,400 | The variance largely relates to an underspend of £15,000 on Consultancy and Website Enhancements. The service has also started to provide a shared data management service with Nuneaton & Bedworth Borough Council generating additional income of £6,000 in 2017/18. |
| Other budget variances | -12,950 | 0 | -12,950 | |
| Sub-total | -69,240 | +22,290 | -46,950 | |
| Portfolio Expenditure Subtotal | -1,164,640 | +354,140 | -810,500 | |

Positive Figures (+): Overspend/Underachievement of income
Negative Figures (-): Underspend/Additional income

| Other Corporate Items | Over/ Under spend £ | Carry Forward Request £ | Net Variance £ | |
|--------------------------------------|------------------------------|----------------------------------|----------------------|--|
| Net Cost of Borrowing | -171,770 | 0 | -171,770 | Through prudent management of our investment portfolio our income has exceeded budget. In particular, £80,000 exchange rate gains following sale of Icelandic bank assets. |
| Overachievement of Corporate Savings | -21,650 | 0 | -21,650 | See section 2.5 for further details |
| Other | -191,950 | 0 | -191,950 | Includes underspend on Minimum Revenue Provision (MRP) and Revenue Contributions to Capital Outlay (RCCO) – See Appendix 1 |
| Sub-total | -385,370 | 0 | -385,370 | |
| Total Net Revenue Expenditure | -1,550,010 | 354,140 | -1,195,870 | |

Positive Figures (+): Overspend/Underachievement of income
Negative Figures (-): Underspend/Additional income

2.3 Income and Reserve Transfers

The sources of income from which the net revenue expenditure was financed, together with transfers to and from reserves and balances are set out in the following table to give the final net budget position for the year.

| | Revised Budget £ | Actual £ | Variance £ | |
|---|---------------------|--------------------|-------------------|---|
| Total Net Revenue Expenditure | 15,566,560 | 14,016,550 | -1,550,010 | |
| Corporate Income | | | | |
| Revenue Support Grant | -510,930 | -510,930 | 0 | |
| Retained Business Rates | -4,495,690 | -5,342,690 | -847,000 | See section 2.6 for further details |
| Council Tax | -7,062,870 | -7,062,870 | 0 | See section 2.6 for further details |
| New Homes Bonus Grant | -2,671,540 | -2,671,430 | +110 | |
| Other Grants | -375,350 | -375,620 | -270 | |
| Collection Fund Surplus | -355,900 | -355,900 | 0 | |
| Sub-total | -15,472,280 | -16,319,440 | -847,160 | |
| Transfers to and from Reserves and Balances | | | | |
| Contribution to Carry Forward Reserve | 0 | 354,000 | +354,000 | See section 2.4 for further details |
| Contribution to Budget Stability Reserve | 264,160 | 264,160 | 0 | See sections 2.6 & 2.7 for further details |
| Contribution to Business Rates Equalisation Reserve | 0 | 846,160 | +846,160 | See section 2.7 for further details |
| Transfer from Earmarked Reserves | -120,000 | 0 | +120,000 | Planned transfer not required due year-end position |
| Transfer from GF Balances | -238,440 | -238,440 | 0 | See section 2.7 for further details |
| Sub-total | -94,280 | 1,225,880 | +1,320,160 | |
| NET POSITION | 0 | -1,077,010 | -1,077,010 | |

The previous table shows that the final net position on General Fund revenue was an underspend of £1,078,390.

2.4 Carry Forwards

Council approval is sought for the creation of a new earmarked reserve for General Fund revenue carry forwards. The purpose of this reserve is to hold the balances of underspent General Fund revenue budgets that will be requested for approval from members to be carried forward into the new financial year. This allows the earmarking of these funds to be spent in the forthcoming financial year and aids the smoothing of volatility in General Fund balances.

It is proposed the carry forwards in the previous table are moved into the new earmarked carry forward reserve and subject to approval, be transferred back into the related services in 2018/19. If approval is not given these carry forwards will be transferred back into General Fund balances.

2.5 Corporate Savings

The annual £200,000 Corporate Savings target at the end of 2017/18 had been exceeded by £21,650, representing total savings of £221,650 achieved in the year. The following table summarises how the savings target has been realised.

| | £ |
|--|-----------------|
| Savings Target for 2017/18 | +200,000 |
| Business Rates Refund (RAGM) | -53,000 |
| One-off budgets within Economic Development no longer required | -73,000 |
| Salary savings from vacant posts | -54,500 |
| Other ad-hoc savings | -41,150 |
| Total savings achieved in 2017/18 | -221,650 |
| Overachievement of | -21,650 |

2.6 Collection Fund

Council Tax

The authority's share of council tax income for 2017/18 was estimated in February 2017 at **£7.063m**.

The amount credited to the General Fund in 2017/18 for council tax income is fixed to the budgeted amount of council tax billed during the year, not the actual cash collected. Any difference between the actual amount collected and the initial forecast will feed through into a surplus or deficit on the Collection Fund, to be met from or credited to future years' budgets.

For 2017/18 the actual cash position for council tax was an overall surplus of £606,000. This will be distributed between ourselves, Warwickshire County Council and The Office of the Police and Crime Commissioner for Warwickshire in the relevant shares, as detailed in the Collection Fund Statement. Rugby Borough Council's share of the surplus is **£72,000** and this will be credited to the General Fund budget in 2019/20.

The Council Tax income has exceeded the budgeted amount mainly due to new houses coming into occupation and change in residents' circumstances.

Retained Business Rates

The authority's share of business rates income for 2017/18 was estimated at **£4.497m**.

The impact on the General Fund for business rates partially follows the council tax collection fund model, in that only some of the transactions go through the Collection Fund, whereas others are a direct charge for the General Fund.

The actual business rates income collected goes through the Collection Fund and in 2017/18 there is a year-end deficit of £2.638m. This will be distributed between ourselves, Warwickshire County Council and Central Government in the relevant shares. Rugby Borough Council's share of the deficit is **£1.055m** and this will be charged to the General Fund budget in 2019/20.

This deficit arose in 2017/18 due to a delay in the Valuation Office bringing new properties onto the Rating list e.g. Amazon at Gateway and LEVC at Ansty Park. There was also an increase in the appeal provision, with our share increasing from

£1.977m to **£4.437m**. This appeal provision was calculated by applying 4.7% to gross rates payable being the national average of appeal losses on the 2010 rating list as measured by the Ministry of Homes Communities and Local Government (MHCLG).

However, as mentioned previously some parts of the business rates retention system operate outside the Collection Fund and are a direct charge to the General Fund. The main aspect of the system the operates in this was is the levy that we have to pay Government each year, which is equivalent to 50% of the Council's share in the growth of local business rates. As a result of the lower business rates recorded in the Collection Fund, the £1.7m levy that paid to Government is £195,000 less than budgeted, resulting in a favourable variance for the General Fund.

The Council participates in the Coventry & Warwickshire Business rates pool (the Pool), which operates to allow partners to work together, so that the Council can retain a greater proportion of any business rate growth within the Pool area. The 50% levy of £1.7m is therefore also offset by a pooling gain and in 2017/18 £342,000 was gained from pool membership, which was higher than the budgeted amount £200,000.

As a result of lower levy and higher pooling gain, plus some additional s31 grant funding from Central Government, the overall income received and charged to the General Fund for 2017/18 was higher than estimated and resulted in an in-year surplus of **£846,000**.

It is proposed that this surplus be transferred to the Business Rates Equalisation reserve and will be used, alongside other balances within this reserve, to completely offset the £1.055m deficit as part of budget setting for 2019/10.

In summary:

- As a result of this partial Collection Fund model for business rates, there is a positive variance against budget, even though the actual 2017/18 cash performance was adverse.
- It is proposed this positive variance of £846,000 be transferred to the Business Rates Equalisation reserve.
- The actual deficit on collection in 2017/18 will be charged to the General Fund budget in 2019/20.
- Therefore the balance on the Business Rates Equalisation reserve will be used, to completely offset the £1.055m deficit as part of budget setting for 2019/10.

The following table provides a breakdown of the 2017/18 business rates budgets and actuals.

| | 2017/18 Budget £ | 2017/18 Outturn £ | Variance £ |
|------------------------------------|---------------------|----------------------|-----------------|
| RBC share of NDR Income @ 40% | -18,075,150 | -18,075,150 | 0 |
| Less Tariff | 12,473,750 | 12,394,760 | -78,990 |
| Gross Amount Retained | -5,601,400 | -5,680,390 | -78,990 |
| Section 31 Grants | -652,810 | -1,081,810 | -429,000 |
| Levy Payment | 1,957,690 | 1,761,810 | -195,880 |
| Net Retained Income | -4,296,520 | -5,000,390 | -703,870 |
| Business Rates Pooling Income | -200,000 | -342,290 | -142,290 |
| Total Business Rates Income | -4,496,520 | -5,342,680 | -846,160 |

The following table shows the movement in the collection fund from April 2017 through to 31st March 2018.

Collection Fund Surplus/Deficit

Every January as part of the annual budget setting process an estimate of the cumulative surplus/deficit position on the collection fund for the current year is also required.

This collection fund estimate forms part of the income budget for the forthcoming financial year. This amount is fixed and distributed from the collection fund and recorded in the general fund in-year.

At the end of the year, any difference between the estimated figures, and actual income figures, creates a surplus or deficit on the collection fund.

This surplus/deficit will roll forward to the next January estimate and form part of the cumulative position on the collection fund to be recovered or distributed in the forthcoming year.

The following table provides the movements from April 2017 for both Business Rates and Council Tax and illustrates the estimated values compared with the overall final position as at 31st March 2018.

| | Council Tax 2017/18 £'000 | Business Rates 2017/18 £'000 | Total 2017/18 £'000 |
|--|---------------------------------|------------------------------------|---------------------------|
| Balance at 1st April 2017 | -99 | -84 | -183 |
| Estimated position 31 st March | -87 | 115 | 28 |
| Movement from estimate to outturn (to be recovered in 2019/20) | 15 | 940 | 955 |
| Balance at 31st March | -72 | 1,055 | 983 |

2.7 General Fund Balances

The following section sets out the year-end position for GF revenue balances and other major reserves in addition to the anticipated usage for 2018/19.

General Fund Balances

| | £ | £ |
|--|------------|-------------------|
| General Fund Balance at 1st April 2017 | | -2,230,200 |
| Carry Forward Budgets approved from 2016/17 | +136,870 | |
| Supplementary budget approvals | +101,570 | |
| Actual underspend to the end of 2017/18 | -1,077,010 | |
| Amount to be added balances | | -839,570 |
| GF balance at 31st March 2018 | | -3,068,760 |

Positive Figures (+): Contribution from Balances
Negative Figures (-): Contribution to Balances

After accounting for all in-year budget adjustments and reserve transfers, £840,000 will be added to GF revenue balances to leave a total **£3.069m** at the end of 2017/18.

Budget Stability Reserve

This was created in 2013/14 to allow short term contributions towards balancing the budget. There are various items within the Council's budget that are subject to significant degrees of volatility or variation from one year to another, often due to factors that are outside the Council's control or influence; this reserve assists the mitigation of such volatility by allowing the Council to call upon it in years where budget overspends occur and conversely replenish it in years where underspends arise.

| | £ |
|---|-----------------|
| Balance at 1st April 2017 | -74,550 |
| Proposed transfer from overachievement of Planning income | -199,810 |
| Budgeted contribution in 2017/18 | -264,160 |
| Balance at 31st March 2018 | -538,520 |

Positive Figures (+): Contribution from Balances
Negative Figures (-): Contribution to Balances

Should the proposed reserve transfers be approved the balance in the budget stability reserve will be **£539,000** at year-end. There are no other immediate plans in 2018/19 to use this reserve but the balance is to be set aside to mitigate future budget volatility.

Business Rates Equalisation Reserve

This reserve was also established in 2013/14 to allow mitigation of fluctuations in the business rates base and resultant income.

| | £ |
|--|-------------------|
| Balance at 1st April 2017 | -439,190 |
| In year transfer to Reserve | -846,160 |
| Balance at 31st March 2018 | -1,285,350 |

Positive Figures (+): Contribution from Balances
Negative Figures (-): Contribution to Balances

As previously highlighted in section 2.6, the collection fund for business rates is currently reporting a deficit of £1.055m. This deficit will be charged to the General Fund in 2019/20, but the balance on this earmarked reserve will be used in 2019/20 to mitigate the deficit. The initial estimates for business rates in 2018/19 anticipate additional growth and assumes a further £552,000 to be transferred into the Business Rates Reserve by the end of March 2019.

Revenue Grants and Section 106 Contributions

Revenue Grants & Contributions from 3rd parties are payments and contributions from 3rd parties where either the grant conditions have been met or no conditions exist. The monies are held in this reserve until required to fund expenditure in future years. In 2017/18 £546,000 of unspent grant was transferred to this reserve and £216,000 was transferred from the reserve to fund related expenditure.

Section 106 Developer Contributions represent amounts of money paid to the Council during development for specific projects and agreements with developers for the provision of additional facilities as and when land or schemes become available to provide those facilities. In 2017/18 £36,000 of unspent contributions were transferred to this reserve and £179,000 was transferred from the reserve to fund related expenditure.

Other Reserves

In addition to the transfers set out previously, a further net £111,000 has been added to other General Fund earmarked reserves in 2017/18. Appendix 2 details the movements in these earmarked reserves for 2017/18.

3 HOUSING REVENUE ACCOUNT (HRA) REVENUE BUDGETS:

3.1 Context

Housing Rents were set by Council on 7th February 2017 in the context of rent policy changes from government, most notably the imposition of 1% rent reductions for the period 2016/17 until 2019/20. Supplementary budgets totalling £134,530 were approved during 2017/18 in respect of:

- Changes to Terms and Conditions; and
- Housing Structure Review 2017/18

3.2 Year-End Position

The year-end position shows a net underspend of **-£5.196m** against the 2017/18 revised budget. This total includes the removal of Amounts Set Aside for the Repayment of Debt of £4.922, in accordance with recommendation 10 of the report to Council (24th April 2018) on High Rise Blocks in Rugby (see following notes), resulting in a total HRA balance of **-£6.493m** at 1st April 2018.

The following table identifies the key HRA revenue budget variances.

| HRA Income and Expenditure | Variance at Year-End £ |
|---|---------------------------|
| Rent income from dwellings – lower level of rental income received compared to budget, due to a reduced level of re-let properties moving to target rent in year. | +33,580 |
| Rent income from non-dwellings, service charges, and other contribution to expenditure – major variances arising from: <ul style="list-style-type: none"> • higher void levels for service charge properties, particularly Biart Place where units remained vacant to allow structural surveys to take place in year (+£70,000); • reduced HRA garage income – vacant garages rose from 56% to 59% of stock during 2017/18 (+£7,000); and • a reduction in the level of staff time apportioned to capital projects against original estimates (+£9,000) | +87,230 |
| Supervision and Management – major variances arising from: <ul style="list-style-type: none"> • salary and related employment cost savings arising from vacant posts (-£210,000); • utility savings, notably expenditure on gas (-£70,000); • restructuring savings arising from the termination of the Securitas monitoring contract at the Control Centre to be replaced by in-house provision (-£54,000), offset by: • additional expenditure on structural surveys, security and risk measures at Biart Place (24/7 floor walking, inspection of void properties, etc.) to minimise potential of a shock event (+£197,000) | -453,560 |
| Provision for bad or doubtful debts – the level of arrears categorised as ‘Above 52 weeks’ has risen to £208,000 as at 31 st March 2018 (including debts of £139,000 relating to former tenants) | +131,780 |

| | |
|---|-------------------|
| Interest & Investment income – Slippage within the HRA capital programme resulted in higher HRA cash balances within the year for investment, coupled with higher interest rates following the rise in Bank of England base rate (November 2017) | -196,890 |
| Other minor variances | -123,350 |
| Variance Before Adjustments to Repayment of Debt | -274,510 |
| Amounts Set Aside for the Repayment of Debt – in accordance with recommendation 10 set out in the report to Council (24 April 2018) on High Rise Blocks in Rugby, the 2017/18 voluntary debt repayment of £4.992m will be assigned to HRA revenue balances | -4,921,570 |
| Net Variance | -5,196,080 |

Positive Figures (+): Overspend/Underachievement of income
Negative Figures (-): Underspend/Additional income

3.3 HRA Balances

HRA Revenue Balances

| | £ | £ |
|--|------------|-------------------|
| HRA Balance at 31st March 2017 | | -1,430,990 |
| Budgeted contribution from HRA Balances | +134,530 | |
| Anticipated underspend to the end of 2017/18 | -5,196,080 | |
| Amount to be added to balances | | -5,061,550 |
| HRA Balance at 31st March 2018 | | -6,492,540 |

Major Repairs Reserve

The Major Repairs Reserve is an earmarked reserve for the capital financing of the planned element of replacement expenditure on council houses. The reserve earns interest on all balances which must also be used for this purpose. Significant expenditure charged during 2017/18 included:

- 900+ window and door replacements;
- 90+ replacement bathroom suites; and
- 210+ combi boiler replacements

| | £ | £ |
|--|------------|-------------------|
| Balance at 31st March 2017 | | -2,462,960 |
| Depreciation on non-current assets | -2,868,080 | |
| Appropriations to or (from) HRA Revenue | -921,860 | |
| Interest Received | -18,910 | |
| Capital Financing | +4,692,360 | |
| Amount to be taken from balances | | +883,510 |
| Balance at 31st March 2018 | | -1,579,450 |

Housing Repairs Account

The Housing Repairs Account is an earmarked reserve for the financing of reactive and planned maintenance on council houses.

| | £ | £ |
|--|------------|-------------------|
| Balance at 31st March 2017 | | --954,140 |
| Contributions during the year | -3,237,680 | |
| Repairs and maintenance charged | +3,101,740 | |
| Amount to be added to balances | | -135,740 |
| Balance at 31st March 2018 | | -1,090,080 |

HRA Balances (Capital)

HRA Balances (Capital) are utilised to fund acquisitions (in tandem with a proportion of retained Right to Buy receipts) and other capital expenditure not financed via the Major Repairs Reserve, for example Housing Management System software, CCTV and Lifeline replacement equipment.

| | £ | £ |
|--|------------|--------------------|
| Balance at 31st March 2017 | | -15,686,590 |
| Contributions during the year | 0 | |
| Expenditure charged | +1,661,890 | |
| Amount to be added to balances | | +1,661,890 |
| Balance at 31st March 2018 | | -14,024,700 |

Right-to-Buy (RTB) Capital Receipts

The Council entered a 1-4-1 retention agreement with Ministry of Housing Communities and Local Government (MHCLG) in 2012 allowing it to retain a greater proportion of receipts upon the condition that they are utilised in provision of replacement housing within 3 years. Receipts under the 1-4-1 retention agreement that are not utilised must be returned to Her Majesty's Treasury (HMT) and incur an interest charge of Bank of England Base Rate plus 4%. Only 30% of the expenditure incurred on replacement housing may be financed from RTB receipts.

25 homes were sold under RTB in 2017/18 producing an average receipt of £85,000 (prior to pooling). 8 homes were purchased in 2017/18, including 3 at the Cawston Meadows site. A further 31 homes will be added to the portfolio from this development in 2018/19.

| | £ | £ |
|--|------------|-------------------|
| Balance at 31st March 2017 | | -5,849,730 |
| Net contributions (after pooling) | -1,286,120 | |
| Expenditure charged | +529,530 | |
| (Increase) / decrease in RTB Receipts | | -756,590 |
| Balance at 31st March 2018 | | -6,606,320 |

3.4 HRA Revenue Budget Carry Forwards from 2017/18 to 2018/19

No carry forward budgets are sought for 2018/19.

4 CAPITAL

A summary of the overall position on the capital programme is provided at Appendix 4. It can be seen there is a net underspend of **-£11.077m**.

4.1 General Fund – Capital

The General Fund capital programme shows a net underspend to year-end of **-£3.537m**. This amount is made up of a total in year variance of +£120,000 and -£3.657m carry forwards into 2018/19. Explanations for in-year variances and carry forward requests are detailed in the following table.

| Carry forwards into 2018/19 | £ |
|---|------------|
| Growth and Investment | |
| Benn Hall Refurbishment – completion of planned priority repairs/upgrades to toilets and heating. This carry forward is to be vired to the Corporate Property Enhancements budget for 2018/19 | -4,280 |
| Corporate Resources | |
| Carbon Management Plan – on-going commitment including completion of Phase 4 Solar Panel installation: Art Gallery and Museum and Queens Diamond Jubilee Leisure Centre The following corporate and HRA properties now benefit from solar power: Town Hall, Work Services Unit, John Barford Car Park, Tanser Court, Albert Square. | -607,450 |
| Market Quarter Development – carry forward to finance marketing costs for site sale 18/19 | -50,010 |
| Corporate Property Enhancements – ongoing works at various properties including the Benn Hall, Town Hall and John Barford Car Park which are part of the rolling annual £100k budget | -51,800 |
| Environment and Public Realm | |
| Crematorium Project - completion/retention costs | -60,960 |
| Vehicle Procurement – procurement has been deferred, pending the completion of a review vehicle use across the Council | -1,264,620 |
| Woodland Creation Project – carry forward budget for on-going planting, to be met from Woodland Trust grant | -4,300 |
| Route Optimiser System – for completion of the scheme | -9,790 |
| Hollowell Way Play Area Refurbishment – slippage for potential works on multi usage games area (MUGA), subject to external funding application | -41,990 |
| Open Spaces Refurbishment – completion of footpath repairs at Freemantle park (funded by Section 106 contributions) | -10,150 |

| | |
|---|-------------------|
| Rainsbrook Cemetery Preparation – delays while officers liaise with the Environmental Agency on water courses, to provide data on protection prior to commencement of works | -194,060 |
| Great Central Walk Bridges – awaiting an engineering report from Warwickshire County Council on the scale, costs and optimal scheduling of works | -530,200 |
| Street Furniture – staff absence has led to delays in the delivery time of these projects, in particular bus shelters | -36,830 |
| Whitehall Recreation Ground - staff absence has led to delays in the delivery of this project | -463,550 |
| Purchase of Waste Bins – carry forward for ongoing purchases | -40,100 |
| Communities and Homes | |
| New Licensing System – on-going development of the system, in partnership with the supplier | -31,900 |
| CSW superfast broadband – on-going costs for rollout of superfast broadband across the borough, where other funding streams are being exhausted first prior to drawdown of RBC resources | -239,480 |
| Others | |
| Including resourcing and specific delays involving ICT projects | -15,720 |
| Subtotal | -3,657,190 |

| | |
|--|-------------------|
| Net variances +/-(-) | £ |
| Growth and Investment | |
| Purchase of Artwork – various artwork bought in the year, funded from grants and the art reserve | +37,900 |
| Communities and Homes | |
| Disabled Facilities Grants – supplementary budget required to match additional grant funding, despite an increased demand expenditure has been deferred due to budget constraints | +57,070 |
| New Licensing System – supplementary for cloud based software and first year's maintenance being funded from revenue savings | +11,900 |
| Environment and Public Realm | |
| Open Spaces Safety Improvements – planned expenditure of £9,510 being funded from s.106 income | +9,510 |
| Section 106 capital expenditure – capital spend by Parish Councils | +30,600 |
| Other items | -26,870 |
| Subtotal | +120,110 |
| Net variance and carry forwards | -3,537,080 |

Positive Figures (+): Overspend
Negative Figures (-): Slippage / Underspend

4.2 2018/19 Supplementary Request

The Planning department have been using a system called Fast Planning for a number of years, however due to the age of the system it is no longer fit for purpose. Specifically, the time taken in management overheads for both the planning staff in their daily operational tasks and for IT Services in providing a number of support functions, mainly reporting and system maintenance.

A General Fund capital supplementary budget of £75,000 is requested for approval, to procure a modern Planning and Local Land and Property Gazetteer (LLPG) system. This will enable the end-to-end processing of planning applications both pre and post application, including enforcement, s106 and land charges with a relevant customer web portal and supporting document management capabilities. The new system will ensure that the Council has a robust and fit for purpose solution and will allow for officer efficiencies and is in keeping with the wider digitalisation programme.

The proposed scheme will be wholly funded from the Council's Planning Delivery Grant that was allocated to the Council a number of years ago and can only be used to fund capital expenditure.

4.3 Housing Revenue Account – Capital

The HRA capital programme shows a net variance at year-end of **-£7.540m**. This amount is made up of a total in year variance of -£281,000 and -£7.259m carry forward requests into 2018/19. Explanations for in-year variances and carry forward requests are detailed in the following table.

| Carry forwards into 2018/19 | £ |
|---|----------|
| Housing Management System – requirements and specification for new system are in progress, with implementation planned for 18/19. This will be added to the supplementary capital budget of £495,000 approved by Council on 24 th April 2018 for the new system | -73,300 |
| Energy Efficiency phase 2 – progress of phase 2 is on hold, due to review of efficiencies and savings made as a result of phase 1 | -900,000 |
| CCTV Upgrade – delayed contract issuance for phase 2 (camera) requirements for the upgrade of the software, in particular relating to movement sensors | -46,050 |
| Lifelines – implementation taking longer than planned due to extended consultation periods | -80,320 |
| Roof Refurbishments – the scheme has been deferred to establish the long-term upgrading requirements of the blocks at Rounds Gardens & Lesley Souter House | -353,930 |
| Property Repairs Team Vehicles – procurement has been deferred, pending the completion of a review of vehicle use across the Council | -353,460 |
| Kitchen Modifications – start date was delayed by the supplier constraints | -274,830 |

| | |
|---|-------------------|
| Heating Upgrades – carry forward requested to cover the reduced budget for 2018/19, due to savings being made for other projects | -114,880 |
| Bathroom Modifications – carry forward requested for the completion of approximately 33 bathrooms | -94,120 |
| Door Security Systems – on-going consultations with tenants to decide options for security systems | -50,000 |
| Patterdale Sheltered Scheme Improvements – the availability of staff resources has prevented progress in 2017/18 | -262,500 |
| Purchase of Council Houses – carry forward requested for ongoing commitments and purchases | -582,280 |
| Cawston Meadows Houses - carry forward for ongoing commitments and purchases | -4,002,610 |
| Other items | -70,310 |
| Subtotal | -7,258,590 |

| | |
|---|-------------------|
| Net variances +/-(-) | |
| Housing Window Replacement – increased expenditure against 2017/18 budget. However, on completion the project has come in under the total estimated cost by £730,000 | +118,480 |
| Roof Refurbishments – Biart Place – budget no longer required due to proposed repair or redevelopment | -204,860 |
| Energy Efficiency Measures – Multi Storey Flats – return of budget due to repair or redevelopment of Biart Place | -225,000 |
| Energy Efficiency Long Lawford External Cladding – saving due to eco funding award being utilised in this schemes place. | -51,690 |
| Fire Risk Prevention Works – overspend due to unprecedented works being carried out, mainly at the high-rise flats | +73,120 |
| Other items | +8,900 |
| Subtotal | -281,050 |
| Net variance and carry forwards | -7,539,640 |

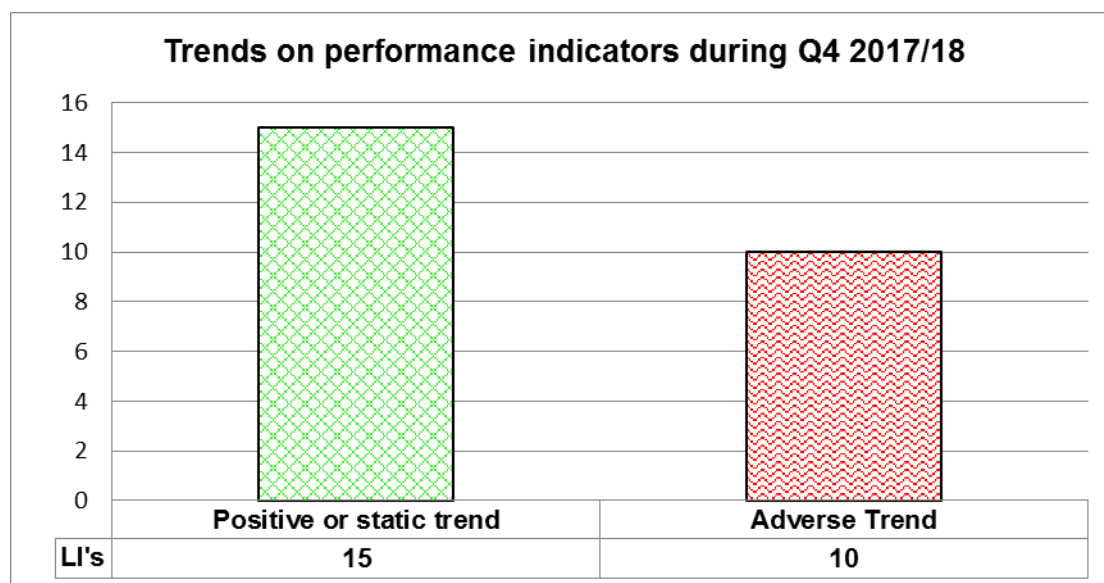
Positive Figures (+): Overspend
Negative Figures (-): Slippage / Underspend

5. PERFORMANCE

This is the monitoring report for the fourth quarter of 2017/18. In an effort to make performance data easier to digest the performance indicators have been grouped into Data Sets and presented in Appendix 5. This brings focus and clarity to the performance indicators and where they sit within the organisation.

Q4 Summary

During Q4 the Corporate Assurance & Improvement Team undertook a series of planning workshops with each department reviewing their current performance measures. Out of these workshops will come a new set of performance indicators approved by Senior Management Team that will begin reporting in a brand-new format from Q1 2018/19 and will be aligned to the Corporate Strategy.



60% of the reported indicators are showing as having a positive or static trend. Appendix 5 contains narrative on the adverse trending indicators.

Positive performance has not dropped below 60% throughout the 2017/18 financial year.

Growth & Investment

- The annual data surrounding new builds and the 5-year land supply are currently unavailable for 2017/18 so has not been included in Appendix 5. As soon as the Development Strategy team has the data it will be entered onto the RPMS.

To get login details for the RPMS or a refresher course on using the system please contact RPMSsupport@rugby.gov.uk

Name of Meeting: Cabinet

Date of Meeting: 25th June 2018

Subject Matter: Finance & Performance Monitoring 2017/18 – Year-End

Originating Department: Leader and Deputy Leader of the Council

LIST OF BACKGROUND PAPERS

| Document No. | Date | Description of Document | Officer's Reference | File Reference |
|--------------|--------------------------------|---|---------------------|----------------|
| | 4 th September 2017 | Finance & Performance Monitoring 2017/18 – Q1 | | |
| | 4 th December 2017 | Finance & Performance Monitoring 2017/18 – Q2 | | |
| | 5 th February 2018 | Finance & Performance Monitoring 2017/18 – Q3 | | |

General Fund**Revenue Budget Position 2017/18 April 2017 to March 2018****Key:**

+ = over spend / income shortfall

- = under spend / additional income

| | Revised Budget Excluding Carry Forwards | Year-End Position | Variance to Revised Budget | Proposed Carry Forwards to 2018/19 | Net Variance |
|---|---|----------------------|-------------------------------------|---|---------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Portfolio Expenditure :- | | | | | |
| Growth & Investment | 3,229 | 3,303 | 74 | 231 | 305 |
| Environment & Public Realm | 7,508 | 6,298 | -1,210 | 92 | -1,118 |
| Communities & Homes | 1,071 | 1,250 | 179 | - | 179 |
| Corporate Resources | 1,619 | 1,481 | -138 | 9 | -129 |
| Executive Director Office | 1,897 | 1,828 | -69 | 22 | -47 |
| | 15,324 | 14,160 | -1,164 | 354 | -810 |
| Less Corporate Savings Target | 22 | - | -22 | - | -22 |
| Less IAS 19 Pension Adjustment | -309 | -325 | -16 | - | -16 |
| Less Capital Charge Adjustment | -2,392 | -2,392 | - | - | - |
| Net Service Expenditure | 12,645 | 11,443 | -1,202 | 354 | -848 |
| Net Cost of Borrowing | 628 | 456 | -172 | - | -172 |
| Income from Investment Properties | - | -50 | -50 | - | -50 |
| MRP Adjustment | 1,476 | 1,438 | -38 | - | -38 |
| Parish Precepts | 731 | 731 | - | - | - |
| Revenue Contribution to Capital Outlay | 88 | - | -88 | - | -88 |
| Total Net Expenditure | 15,568 | 14,018 | -1,550 | 354 | -1,196 |
| Corporate Income | | | | | |
| Revenue Support Grant | -511 | -511 | - | - | - |
| Retained Business Rates | -4,496 | -5,342 | -846 | - | -846 |
| New Homes Bonus Funding | -2,672 | -2,671 | 1 | - | 1 |
| Government Grants | -375 | -377 | -2 | - | -2 |
| Council Tax | -7,063 | -7,063 | - | - | - |
| Collection Fund Surplus/Deficit | -356 | -356 | - | - | - |
| Total Income | -15,473 | -16,320 | -847 | - | -847 |
| Transfers to/from Reserves and Balances | | | | | |
| Transfer to Carry Forward Reserve | - | 354 | 354 | -354 | - |
| Transfer to Budget Stability Reserve | 264 | 264 | - | - | - |
| Transfer to Business Rates Equalisation Reserve | - | 846 | 846 | - | 846 |
| Transfer from Earmarked Reserves | -120 | - | 120 | - | 120 |
| Transfer from GF Balances | -239 | -239 | - | - | - |
| Total Transfers | -95 | 1,225 | 1,320 | -354 | 966 |
| Overall Variance | - | -1,077 | -1,077 | - | -1,077 |

General Fund (GF) Reserves and Balances

| | Balance at 31st March 2017 £ | Transfers out £ | Transfers in £ | Balance at 31st March 2018 £ | Comment |
|---|---------------------------------------|-----------------------|-------------------|---------------------------------------|---|
| Core Reserves | | | | | |
| Business Rates Equalisation Reserve | -439,190 | 0 | -846,160 | -1,285,350 | See main report |
| Budget Stability Reserve | -74,560 | 0 | -463,970 | -538,530 | See main report |
| Carry Forward Reserve | 0 | 0 | -354,140 | -354,140 | See main report |
| Sub-total | -513,750 | 0 | -1,664,270 | -2,178,020 | |
| Grants and S106 Contributions | | | | | |
| Revenue Grants & Contributions | -541,690 | 216,160 | -546,320 | -871,850 | Contributions from government bodies and other third parties, committed for future expenditure. |
| Section 106 (Developer) Contribution | -1,431,810 | 178,820 | -35,660 | -1,288,650 | Contributions from developers, committed for future expenditure. |
| Sub-total | -1,973,500 | 394,980 | -581,980 | -2,160,500 | |
| Other Earmarked Reserves | | | | | |
| Hall of Fame Licence Reserve | -300,000 | 0 | 0 | -300,000 | No transfers in 2017/18. These monies are held to account for timing differences between budgeted and actual licence payments |
| Works Services Unit Operational Reserve | -127,000 | 0 | 0 | -127,000 | No transfers in 2017/18. |
| LAMS reserve | -98,250 | 0 | -10,870 | -109,120 | Interest related to the Local Authority Mortgage scheme |
| Digitalisation & Trading Reserve | -90,420 | 9,540 | 0 | -80,880 | Transfer out to fund expenditure on Office 365 consultancy fees and the Gold Suite annual licence costs. |
| Housing Benefits Reserve | -62,430 | 58,120 | -120,350 | -124,660 | Contribution towards the digitalisation project, offset with transfer to fund Integrated Revenues & Benefits system. |
| Hackney Carriages Reserve | -42,480 | 10,020 | 0 | -32,460 | Prior year underspends to be used to mitigate budget volatility in future years. |
| Corporate Apprentice Scheme Reserve | -36,200 | 0 | -17,500 | -53,700 | Contribution towards the Corporate Apprentice Scheme. |
| CIPFA Training Reserve | -27,510 | 1,040 | 0 | -26,470 | Transfer out to match expenditure in year. |
| Queen's Diamond Jubilee Reserve | -26,230 | 0 | 0 | -26,230 | Prior year funds set aside for potential future investment in the centre. |
| Woodside Park R&M Reserve | -21,290 | 5,840 | 0 | -15,450 | Contribution to pay for repairs to the sewage system. |
| Cremator Replacement Reserve | -20,000 | 0 | -10,000 | -30,000 | Budgeted contribution for planned long-term replacement of the cremators. |
| Insurance / RM Reserve | -19,280 | 60 | -10,980 | -30,200 | Fortuitous reduction in premium charges, held to mitigate risk of future cost increases. |
| Crematorium Cameo Reserve | -11,770 | 7,500 | -4,330 | -8,600 | Monies held for future investment in memorialisation |
| IT Equipment Reserve | -10,000 | 0 | -21,900 | -31,900 | The initial £10,000 balance is held for planned audio-visual improvements for the Council Chamber. The additional contribution in 2017/18 has been made to fund 2018/19 capital expenditure for new Licensing software. |
| Corporate Assurance Training Reserve | -9,000 | 0 | 0 | -9,000 | Prior year underspends held for investment in staff development |
| Environmental Crimes Reserve | -7,760 | 0 | -2,800 | -10,560 | Ring-fenced surplus from Environmental Crime Fixed Penalty Notices. This income can only be used for related educational or preventative works. |
| Acquisition Reserve (AG/M) | -5,030 | 10,760 | -5,730 | 0 | £10,755 worth of new artwork purchased in 2017/18 |
| Licensing Reserve | -5,350 | 0 | -10,130 | -15,480 | Over-achievement of income, to be used to mitigate budget volatility in future years. |
| Warwickshire Consortium Reserve | -1,800 | 0 | 0 | -1,800 | Monies held for Warwickshire Wide Training joint working. |
| Sub-total | -921,800 | 102,880 | -214,590 | -1,033,510 | |
| TOTAL | -3,409,050 | 497,860 | -2,460,840 | -5,372,030 | |

Housing Revenue Account (HRA)
Revenue Budget Position 2017/18 April 2017 to March 2018

Appendix 3

| |
|---|
| Key: + = over spend / income shortfall - = under spend / additional income |
|---|

| | Original Budget | Revised Budget | Year-End Position | Variance to Revised Budget |
|--|--------------------|-------------------|----------------------|----------------------------------|
| Description | £'000 | £'000 | £'000 | £'000 |
| Income | | | | |
| Rent income from dwellings | -16,253 | -16,253 | -16,220 | 34 |
| Rent income from land and buildings | -152 | -152 | -163 | -11 |
| Charges for services | -1,473 | -1,473 | -1,403 | 70 |
| Contributions towards expenditure | -215 | -215 | -187 | 28 |
| Total Income | -18,094 | -18,094 | -17,973 | +121 |
| Expenditure | | | | |
| Transfer to Housing Repairs account | 3,237 | 3,237 | 3,237 | 0 |
| Supervision and Management | 4,622 | 4,756 | 4,303 | -454 |
| Rents, Rates, Taxes and other charges | 3 | 3 | 4 | 1 |
| Depreciation & Impairment | 3,681 | 3,681 | 2,868 | -813 |
| Debt Management Cost | 15 | 15 | 28 | 13 |
| Provision for Bad or Doubtful Debt | 131 | 131 | 263 | 132 |
| Amounts set aside for the repayment of debt | 4,922 | 4,922 | 0 | -4,922 |
| Total Expenditure | 16,610 | 16,745 | 10,703 | -6,042 |
| Net Cost of Services | -1,483 | -1,349 | -7,270 | -5,921 |
| HRA Share of Corporate & Democratic Core Costs | 200 | 200 | 200 | 0 |
| Interest Payable & Similar Charges | 1,251 | 1,251 | 1,262 | 11 |
| Interest & Investment Income | -26 | -26 | -233 | -207 |
| Net Operating Expenditure | -58 | 77 | -6,040 | -6,117 |
| Appropriation to Major Repairs Reserve | 0 | 0 | 922 | 922 |
| Contributions to (+) / from (-) Reserves | 58 | 58 | 58 | -0 |
| Revenue Contributions to Capital Expenditure | 0 | 0 | 0 | 0 |
| Surplus(-)/Deficit(+) for year | 0 | 135 | -5,061 | -5,196 |

Appendix 4

Capital Budget Position 2017/18 April 2017 to March 2018

Summary

Key:

RED Over £10,000

AMBER Up to £10,000

GREEN Up to £5,000

NB + = over spend - = under spend / additional income

| Portfolio | Revised Budget 2017/18 £ | Expenditure to Year-End 2017/18 £ | Variance to Revised Budget 2017/18 £ | Traffic Light to Year-End |
|-------------------------------|--------------------------------|--|---|---------------------------------|
| Growth & Investment | 49,310 | 82,430 | +33,120 | RED |
| Communities & Homes | 1,136,910 | 917,760 | -219,150 | RED |
| Environment & Public Realm | 3,312,470 | 662,510 | -2,649,960 | RED |
| Corporate Resources | 953,070 | 251,980 | -701,090 | RED |
| Sub Total General Fund | 5,451,760 | 1,914,680 | -3,537,080 | RED |
| Housing Revenue Account | 14,423,430 | 6,883,790 | -7,539,640 | RED |
| Overall Total | 19,875,190 | 8,798,470 | -11,076,720 | RED |



RPMS

Performance Report for Cabinet

Report Author: Christopher Trezise (Admin)

Generated on: 10 April 2018


How to analyse the trend data

It is important to note that trend data is set to two extremes. Aim to maximise the value or aim to minimise the value. Some data that we collect is not measured against either of these trends and is just factual data.

This report is best viewed in colour so it is recommended to view the electronic version rather than printed black and white copies

An upward pointing arrow is indicative of a positive trend and a downward pointing arrow is indicative of a negative trend.

N/A – When you see this in the trend box, it means that the data is not measured against a trend so a trend arrow is not generated.

 - The blue trend arrows represent the long-term trend. Long term looks at the data and compares it to the same period over a larger frequency – i.e. Months are compared for the same period last year, quarters compared to same period in previous year and Years are compared over 4 years.




 - The purple trend arrows represent the short-term trend. Short term looks at the data and compares it to the previous frequency – either the last month, quarter or year.

 - The bar (both purple and blue) represents no movement in the trend.




Where the short-term trend shows as negative then contextual commentary from the assignees and managers has been provided directly beneath the performance measure. Where seasonal trends occur, as at the Art Gallery or Leisure Centre, then contextual commentary will be provided on the long-term trend instead.

Communities & Homes

Customer Advice & Support Team Operational Dataset

| Performance Indicator (PI) | Latest Data Available | | Performance Trend Analysis | | | Portfolio |
|---|-----------------------|------------|---|---|---|------------------|
| Benefits - average end to end time for claims (days) | 28.02 | March 2018 |  |  |  | 6 - CH Portfolio |




Equality & Diversity Data Set

| Performance Indicator (PI) | Latest Data Available | | Performance Trend Analysis | | | Portfolio |
|--|-----------------------|---------|---|---|---|------------------|
| Percentage of Employees with a Disability | 32.80% | 2017/18 |  |  |  | 6 - CH Portfolio |

It is important to note that disabilities are not just physical, looking at the short term trend there has been no increase or decrease in staff identifying as disabled.

| | | | | | | |
|--|------|------------|---|-----|-----|------------------|
| Ethnic Minority representation in the workforce - employees | 9.8% | Q4 2017/18 |  | N/A | N/A | 6 - CH Portfolio |
|--|------|------------|---|-----|-----|------------------|

Homelessness Data Set







| Performance Indicator (PI) | Latest Data Available | | Performance Trend Analysis | | | Portfolio |
|---|-----------------------|------------|---|---|---|------------------|
| Number of homeless preventions made by Rugby Borough Council | 44 | Q4 2017/18 |  |  |  | 6 - CH Portfolio |

Although this shows as an adverse trend it has only dropped by 2 and is still higher when compared to Q4 last year.







| | | | | | | |
|---|----|------------|---|---|---|------------------|
| Number of homeless preventions made due to financial advice being provided by Citizens Advice Bureau | 86 | Q4 2017/18 |  |  |  | 6 - CH Portfolio |
|---|----|------------|---|---|---|------------------|

Corporate Resources

Financial Data Set

| Performance Indicator (PI) | Latest Data Available | | Performance Trend Analysis | | | Portfolio |
|--|-----------------------|------------|---|---|---|------------------|
| % of Council Tax collected (cumulative over 10 months per year) | 98.50% | Q4 2017/18 |  |  |  | 6 - CR Portfolio |
| Percentage of Non-domestic Rates collected (cumulative over 10 months per year) | 98.5% | Q4 2017/18 |  |  |  | 6 - CR Portfolio |

Housing Voids Data Set

| Performance Indicator (PI) | Latest Data Available | | Performance Trend Analysis | | | Portfolio |
|--|-----------------------|------------|---|---|---|------------------|
| Average number of days to inspect void property | 1 | March 2018 |  |  |  | 6 - CR Portfolio |
| Average number of days to repair void property | 25 | March 2018 |  |  |  | 6 - CR Portfolio |

Average number of days to repair has increased by 11 days from February but is a marked improvement on January which saw the average repair time at 55 days. There have been large fluctuations in Q4 compared to Q3 where the average repair time floated between 26 and 33 days.

One contributing factor has been the use of an external contractor being under resourced who provides an essential service for electrical safety. The asset management team meet with the voids team on a weekly basis to discuss any issues relating to gas and electrical safety checks. A plan of action has been identified to address proactive works. Secondly, in the last quarter, a number of properties, which would be classed as 'major voids' have been let, these properties required significant remedial works to bring them up to the lettable standard.

| | | | | | | |
|-------------------------------|---------|------------|---|---|---|--|
| Average void rent loss | £783.51 | March 2018 |  |  |  | |
|-------------------------------|---------|------------|---|---|---|--|

Average rent loss has increased by £384 from the previous month however it is still better than January's which is showing as a loss of £1,198. The previous quarter's rent loss ranged between £580 and £920.

The increase can be attributed to a number of factors including the restructure of the housing service and a significant number of properties being held as 'void unavailable' (This is a void property that isn't available for letting due to extensive works and investigations). These have been released back into stock and re-let during the last quarter. The trend is likely to continue for some months whilst the backlog of held stock is reallocated.

Sickness Absence Data Set

| Performance Indicator (PI) | Latest Data Available | | Performance Trend Analysis | | Portfolio | |
|---|-----------------------|------------|---|---|---|------------------|
| Number of working days lost due to long term sickness absence | 430 | Q4 2017/18 |  |  |  | 6 - CR Portfolio |
| Number of working days lost due to short term sickness absence | 976 | Q4 2017/18 |  |  |  | 6 - CR Portfolio |

In 2017/18 we lost a total number of 2296.5 days due to short term sickness absence. 380 days were for musculoskeletal problems, 178.5 for sickness and diarrhoea, 78.5 for flu, 209 for colds and 313.5 for mental health problems.



Managers continue to work within the parameters of the Absence Management Policy. A Mental Health support group will be formed during early 2018/19 with trained Mental Health first aiders who will be able to offer support to fellow employees who are experiencing difficulties. We also offer counselling for employees whether they are at work or are absent.

| | | | | | | |
|---|-----|------------|---|---|---|------------------|
| Number of staff on long term sickness absence | 20 | Q4 2017/18 |  |  |  | 6 - CR Portfolio |
| Number of staff on short term sickness absence | 274 | Q4 2017/18 |  |  |  | 6 - CR Portfolio |










We are now able to refer employees whose return to work would be expedited by physiotherapy to a local clinic. We will also be looking at putting on wellbeing events throughout the year. It is hoped that in the next financial year sickness absence will reduce.

Environment & Public Realm

Environmental Data Set




| Performance Indicator (PI) | Latest Data Available | | Performance Trend Analysis | | | Portfolio |
|---|-----------------------|------------|---|---|---|-------------------|
| Cumulative Tonnage of household waste sent for reuse, recycling and composting | 14571 | Q4 2017/18 |  | N/A | N/A | 6 - EPR Portfolio |
| No. of Flytipping incidents reported | 280 | Q4 2017/18 |  |  |  | 6 - EPR Portfolio |
| Flytipping has increased by 26 more reported incidents from last quarter however since Q4 2014/15 this measure has fluctuated between 200 and 300 reported incidents. It is anticipated that the number of reported incidents will drop in Q1 2018/19 as that would fit the current pattern when looking at the full set of data on the RPMS. | | | | | | |
| Percentage of household waste sent for reuse, recycling and composting | 45.3% | Q4 2017/18 |  | N/A | N/A | 6 - EPR Portfolio |

Food Hygiene Data Set

| Performance Indicator (PI) | Latest Data Available | | Performance Trend Analysis | | | Portfolio |
|--|-----------------------|------------|---|---|---|-------------------|
| % of premises within the Rugby Borough that have attained the Food Hygiene Rating 5 | 70.9% | Q4 2017/18 |  |  |  | 6 - EPR Portfolio |
| % of premises within the Rugby Borough that have attained the Food Hygiene Rating 4 and above | 85.4% | Q4 2017/18 |  |  |  | 6 - EPR Portfolio |
| % of premises within the Rugby Borough that have attained the Food Hygiene Rating 3 and above | 92.7% | Q4 2017/18 |  |  |  | 6 - EPR Portfolio |

The slight decreases of all three PIs are within normal fluctuation as we do around 400 inspections per year and small fluctuations are to be expected




Parks and Open Spaces Data Set

| Performance Indicator (PI) | Latest Data Available | | Performance Trend Analysis | | Portfolio |
|--|-----------------------|------------|---|---|-------------------|
| Quality rating of Parks and the Grounds | 2.59 | Q4 2017/18 |  |   | 6 - EPR Portfolio |






This indicator has been showing an adverse trend for last two quarters, it has reduced in score by 0.16, the Parks and Open Spaces manager has stated that there is a seasonal dip in the score over the autumn/winter period. A score of 2 = acceptable based on the national qualitative measure for green spaces. 3=Good.

Growth & Investment

Land Charges Data Set

| Performance Indicator (PI) | Latest Data Available | | Performance Trend Analysis | | Portfolio |
|---|-----------------------|------------|---|---|------------------|
| Average end to end time for Land Charge Searches | 4.64 | March 2018 |  |   | 6 - GI Portfolio |

Sports & Rec Data Set

| Performance Indicator (PI) | Latest Data Available | | Performance Trend Analysis | | Portfolio | |
|---|-----------------------|------------|---|---|------------------|------------------|
| Total number of young people contacts - Borough wide ages 5-19 | 24,061 | Q4 2017/18 |  | N/A | N/A | 6 - GI Portfolio |
| Despite this number being lower than last quarter there are 3000 more contacts than Q4 2016/17. | | | | | | |
| Total grant aid obtained from external funding sources | £72,050.00 | Q4 2017/18 |  | N/A | N/A | 6 - GI Portfolio |
| Leisure Centre Visits | 183,081 | Q4 2017/18 |  |   | 6 - GI Portfolio | |