



COUNCIL

25TH SEPTEMBER 2018

AGENDA ITEM (9)

FUNDING ALLOCATIONS - 2017/18 BUDGET SURPLUS

Accountable Member	Councillor Mark Annett Leader of the Council
Accountable Officers	Jenny Poole Chief Finance Officer 01285 623313 jenny.poole@cotswold.gov.uk

Purpose of Report	To consider recommended funding allocations to the Council Priorities Fund.
CABINET Recommendation	That Council approves the funding allocations set out in paragraphs 6 and 7 of this report.
Reason for Recommendation	To best utilise the budget surplus from 2017/18.

Ward(s) Affected	None
Key Decision	No
Recommendation to Council	Yes, from the Cabinet

Financial Implications	As set out in the report
Legal and Human Rights Implications	None
Human Resource Implications	None
Environmental and Sustainability Implications	None
Human Resource Implications	None

Key Risks	None
Equalities Analysis	Not required

Related Decisions	None
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Background Documents	Service/financial performance quarterly reports
Appendices	None
Performance Management Follow Up	Implement Council decision(s)
Options for Joint Working	Joint working is fundamental to the Council's strategic approach, and contributes to the Council's financial position.

Background Information

1. At its Meeting on 21st June 2018, the Cabinet considered the 2017/18 Quarter 4 service and financial performance information, and the ensuing year end position.
2. The Council's approved budget for 2017/18 set a net revenue budget for the year of year of £10,485,093, with a budgeted surplus and contribution to General Fund balances in the year of £440,746.
3. At the end of the year, the Council had overspent against its net cost of services budget by £276,000. However, when the Council's funding sources - Business Rates and Government Grants - were included, the Council's outturn position was a surplus for the year of £1,691,183.
4. The Gloucestershire Business Rates Pool generated a surplus of around £4 million. This Council's share of the surplus (which is included in the figure above) amounted to £482,179.
5. The most significant reason behind government grants received being £1.3 million more than anticipated was the payment of grant to this Council in compensation for national changes to business rates. The reduced business rates yield is recognised in the Collection Fund Statement; however, the grant is received into the General Fund Revenue Account.
6. When the 2018/19 budget forecasts were prepared (in January 2018) it was anticipated that the 2017/18 Collection Fund would end the year with a deficit of £2.1 million, and with £0.8 million being this Council's share of the deficit. The actual year-end position resulted in a Collection Fund deficit of £3.7 million, and this Council's share increased to £1.5 million. The Council's budget for 2018/19 included provision to repay the Collection Fund £0.8m. The increase in Collection Fund deficit will now impact upon budget setting in 2019/20. In order to provide for the additional contribution to the Collection Fund, which will be payable in 2019/20, it is recommended that £700,000 is appropriated to the Council's Business Rates Smoothing Reserve.
7. Should Council approve the £700,000 appropriation to the Business Rates Smoothing Reserve (see paragraph 6), the Council has £991,183 available to fund one-off projects which support the Council priorities and/or transfer to working balances. It is recommended that the Council earmarks funding for the following:-
 - £200,000 to provide for Ubico Ltd services exceeding budgetary provision;
 - £750,000 to fund invest to save projects or to allocate to support delivery of Council priorities - for example, investment in parking services, projects associated with the outcomes of the Cirencester Town Centre Masterplan, investment in the waste collection service to improve customer service or reduce costs, provision for Publica to invest in key service areas. Cabinet will consider detailed business cases for these and/or other items.

8. Cabinet has approved the following further funding allocations from the under-spend:-

- £20,000 to provide funding for a review of the Council's commercial property investments, given the changing retail property market;
- £10,000 to invest in Member training; and
- £11,183 transfer to the General Fund Working Balance.

9. This item was considered by the Cabinet on 21st June 2018; and the Cabinet commended the recommendation as presented to the Council for approval.

(END)