

STROUD DISTRICT COUNCIL
COMMUNITY SERVICES AND LICENSING
COMMITTEE

AGENDA
ITEM NO

6

8 DECEMBER 2016

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| Report Title | REVENUE ESTIMATES – REVISED 2016/17 AND ORIGINAL 2017/18 |
| Purpose of Report | To present to the committee the revised estimates for 2016/17 and original estimates for 2017/18. |
| Decision(s) | <p>The Committee RECOMMENDS to Strategy and Resources Committee</p> <p>a) The revised CS&L revenue budget for 2016/17 and original 2017/18 revenue budget are approved.</p> <p>b) That the budget proposal of £60k for Youth Strategy work be considered as part of the budget so the service delivery continues beyond March 2017 (paragraph 11).</p> |
| Consultation and Feedback | Consultation has been undertaken with residents and businesses. Feedback on the outcome of the consultation will be provided to Strategy and Resources committee at the meeting on 26 January 2017. |
| Financial Implications & Risk Assessment | <p>The estimates have been incorporated into the Council's Medium Term Financial Plan (MTFP) which is being presented to Strategy and Resources committee in January 2017.</p> <p>David Stanley, Accountancy Manager Tel: 01453 754100 Email: david.stanley@stroud.gov.uk</p> |
| Legal Implications | <p>This report sets out the revised 2016/17 budget and the estimates for the budget required in 2017/18 necessary to meet the council's statutory duty to establish the council tax requirement for 2017/18. There no other direct legal implications to report.</p> <p>Karen Trickey, Legal Services Manager & Monitoring Officer Tel: 01453 754369 Email: karen.trickey@stroud.gov.uk</p> |
| Report Author | <p>Adele Rudkin, Accountant Tel: 01453 754109 Email: adele.rudkin@stroud.gov.uk</p> |

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| Options | The Administration will be considering its budget options at the Strategy & Resources Committee meeting on 26 January 2017. Council will consider the overall budget position for 2017/18 on 09 February 2017. |
| Performance Management Follow Up | Budget monitoring reports are presented to Committee in September, January and March each year. Members will be informed of the outturn position for 2016/17 at the Strategy and Resources Committee meeting in June 2017. |
| 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 2016/17 to 2020/21. This report sets out a more detailed analysis of the changes to the Community Services and Licensing Committee budget for 2016/17 (Revised Estimates) and 2017/18 (Original Estimates).
2. **This report presents the members with a summarised view of the committee's budgets and the changes made to both the 2016/17 and 2017/18 budget. Further information on the changes outlined in the report, is available. 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.**
3. **Please note that the tables for Community Services and Licensing budgets are shown inclusive of General Fund Housing services for information only. Council's decision of 27th October 2016 transfers responsibility from Community Services and Licensing to Housing Committee for Homelessness and Housing Advice. These budgets are still included in this report to enable reconciliation between the budget approved in February 2016 to the current position. The detailed budgets presented to Strategy and Resources committee in January 2017 will be stated after the transfer of responsibility.**

Revenue Budget position

4. The net General Fund Revenue budget for 2016/17 approved by Council in February 2016, was £16.133m. This has now been revised to £16.714m after allowing for the increase to the Waste and Recycling budgets as approved by Strategy & Resources in April 2016 and carry forwards approved in June 2016. The original budget for the Community Services and Licensing committee was £6.564m.
5. This has subsequently been used as the base estimate for both 2016/17 revised and 2017/18 original estimates. The revised estimates incorporate changes arising from budget pressures and efficiency savings. The original budget approved in February 2016 has only changed as a result of items reported to the committee in budget monitoring reports.

6. The original estimate for Community Services & Licensing budget for 2017/18 is **£6.326m, a decrease of (£238k)** on the base budget. This is largely due to the following significant budget changes: technical adjustments of **£7k**, the removal the one-off 2016/17 budget proposals of **(£50k)**, pay inflation **£38k**, previous policy decisions of **(£49k)**, budget pressures of **£6k**, and budget and efficiency savings of **(£193k)**. Table 1 provides a summary of the changes to the 2016/17 and 2017/18 estimates, but does not include the effect of the budget proposal for Youth Strategy.
7. An updated estimate of the committee's budget will be presented to Strategy and Resources committee in January 2017. It has not been possible to reflect all the budget changes to the committee in this report due to the availability and timing of the information required. These will include:
- **Employer Pension contributions** – We are in the process of agreeing final assumptions and contribution rates with the actuary following the draft results of the 2016 Pension Fund Valuation. It is expected that the Primary rate will increase (being the amount the council contributes per employee as a percentage of Gross pay).
 - **Payroll Inflation** – Calculation of the impact of the Living Wage Foundation's recommended increase from £8.25 per hour to £8.45 on the committee's budgets.
 - **Multi-Service Contract** – The MTFP from February 2016 was prepared on the basis of an estimate of full year costs from 2017/18 onwards. These estimates had been prepared in October 2015, largely based on information and assumptions available at that time; these will require significant testing for robustness and need to be updated accordingly.

Table 1 – Summary of changes from the 2016/17 Original Budget

| | 2016/17 Original Estimate (£)000's | 2016/17 Revised Estimate (£)000's | 2017/18 Original Estimate (£)000's |
|---|---|--|---|
| Community Services & Licensing Committee | | | |
| [a] Original Budget | 6,564 | 6,564 | 6,564 |
| [a2] Restated Original Budget | 6,564 | 6,564 | 6,564 |
| [b1] 2014/15 Carry forwards | | 49 | |
| [b2] Technical Adjustments | | | 7 |
| [c] Reversal of Prior-year Budget Proposals | | | (50) |
| [d] Pay Inflation 2017/18 | | | 39 |
| [e] Price Inflation & Income Inflation | | | 3 |
| Base Budget | 6,564 | 6,613 | 6,563 |
| [f] Previous Policy Decisions | | | (49) |
| [g] Budget Pressures | | | 6 |
| [h] Efficiency Savings | | (67) | (194) |
| [i] Pension Accounting Adjustment | | | |
| Net Service Revenue Expenditure Budget | 6,564 | 6,546 | 6,326 |

(Table subject to rounding's)

| Committee Service Area | 2016/17 Original Estimate (£)000's | 2016/17 Revised Estimate (£)000's | 2017/18 Original Estimate (£)000's |
|---|---|--|---|
| Community Safety | 265 | 276 | 263 |
| Abandoned Vehicles | 32 | 32 | 32 |
| Careline Services | (9) | (9) | (9) |
| Neighbourhood Wardens | 220 | 221 | 228 |
| Car Parks Enforcement | 111 | 111 | 121 |
| Stroud and Dursley CCTV | 43 | 43 | 43 |
| Subtotal Community Safety | 662 | 673 | 678 |
| Hear by Right / Youth Services | 89 | 102 | 39 |
| Strategic Head (Customer Services) | 195 | 195 | 148 |
| Grants to Voluntary Organisations | 370 | 370 | 370 |
| Customer Service Centre | 504 | 504 | 508 |
| Homelessness | 186 | 186 | 187 |
| Homelessness Prevention | 136 | 136 | 137 |
| Housing Strategy | 116 | 116 | 117 |
| Private Housing | 306 | 306 | 285 |
| Subtotal Housing (General Fund) | 744 | 744 | 725 |
| Public Space Service | 537 | 537 | 540 |
| Cemeteries | 133 | 133 | 133 |
| Amenity Areas | 170 | 170 | 170 |
| Commons and Woodlands | 14 | 14 | 14 |
| Stratford Park Grounds Maintenance | 223 | 223 | 223 |
| Grassed Areas Contribution to HRA | 171 | 171 | 171 |
| Public Conveniences | 273 | 273 | 273 |
| Subtotal Public Spaces | 1,520 | 1,520 | 1,523 |
| Business Rate Collection | (78) | (82) | (81) |
| Council Tax Collection | 518 | 479 | 482 |
| Council Tax Support Admin | 74 | 62 | 61 |
| Rent Allowances and Rebates | (73) | (73) | (73) |
| Housing Benefit Administration | 380 | 368 | 369 |
| Subtotal Revenues and Benefits | 821 | 755 | 758 |
| Licensing | (30) | (30) | (29) |
| Museum in the Park | 484 | 484 | 486 |
| Subscription Rooms | 296 | 296 | 298 |
| Tourism | 186 | 186 | 187 |
| Subtotal Cultural Svcs - Arts and Culture | 966 | 966 | 971 |
| Health and Wellbeing | 33 | 38 | 34 |
| Sport and Health Development | 149 | 166 | 148 |
| Subtotal Cultural Svcs - Sport & Health Dev. | 182 | 204 | 182 |
| Dursley Pool and Sports Centre | 257 | 257 | 168 |
| Joint Use Sports Centres | 124 | 125 | 125 |
| Stratford Park Leisure Centre | 162 | 162 | 162 |
| Subtotal Cultural Svcs - Sports Centres | 542 | 543 | 454 |
| COMMUNITY SERVICES Total | 6,564 | 6,546 | 6,326 |

8. Technical and Prior-year adjustments

b) The 2016/17 revised estimate includes budgets carried forward from 2015/16, as approved by Strategy and Resources on 15 June 2016 of **£49k**.

c) The following budgets have been amended reflecting the time-limited budget proposals from previous years:

- **Youth Strategy Work - £50k – removal**

d) For 2017/18, there is a technical adjustment of **£7k** to reflect the re-structure of the Community Safety and Facilities Service. This is a % re-apportionment of the salary budget that will now sit within Community Services; an overall saving has been identified to the Council.

9. Inflation

e) Pay Inflation

For 2017/18 salary budgets have been increased by an initial 1% in line with budget strategy.

f) Price inflation/Income inflation

A 2% increase on contract budgets has been added to allow for inflation and 3% on software licenses in line with the budget strategy.

Income from Fees and Charges has continued to be under pressure during 2016/17. The Budget Strategy report recommended that fees and charges for 2017/18 should be increased by 2% unless to do so would have a detrimental impact on the service. With these two issues in mind, a number of income targets have been revised slightly and the remaining income budgets have only been increased where it is considered achievable.

10. Previous Policy Decisions (2016/17 only)

Removal of budget for Interim Multi Service Contract Review Manager - (Post no longer in payroll establishment **£49k**).

11. Budget Pressures & efficiencies

Table 3 provides a detailed overview of the budget pressures and efficiencies for 2016/17 and 2017/18, which have been incorporated into the General Fund budget.

The council has been working on identifying savings for the Medium Term Financial Plan (MTFP) since July 2016 and these have been reviewed by Strategic Heads and Committee chairs and vice-chairs. Further consultation on the budget and efficiency savings took place with all committee members.

Table 3 – Budget Pressures and Efficiencies

| Type | Budget | Reason for Budget Pressure or Efficiency Saving | 2016/17 (£) 000's | 2017/18 (£) 000's |
|--|-----------------------------|--|----------------------|----------------------|
| ES | Business Rate Collection | Workforce Planning (Payroll review) - budget set in accordance with agreed establishment | (4) | (4) |
| ES | Council Tax | Workforce Planning (Payroll review) - budget set in accordance with agreed establishment | (48) | (54) |
| ES | Housing Benefit Admin | Workforce Planning (Payroll review) - budget set in accordance with agreed establishment | (15) | (15) |
| ES | Private Housing | Workforce Planning (Payroll review) - budget set in accordance with agreed establishment | | (22) |
| ES | Sports & Health Development | Historic surplus salary budget removed | | (1) |
| ES | The Pulse- Dursley | Increased budgeted income due to 'The Pulse' Dursley now fully operational | | (91) |
| BP | Neighbourhood Wardens | Pension adjustment in line with Workforce Planning Review | | 6 |
| ES | Rednock JUSC | Re-negotiated Premises Contact | | (6) |
| PPD | Community Services | Previous Policy Decisions - Youth Strategy (£50K), Head of Cultural services (£48k) | | (98) |
| Subtotal Community Services and Licensing Committee | | | (67) | (285) |

12. Budget Proposal – Youth Work Strategy

A budget proposal of £60k was proposed by Community Services and Licensing committee at their meeting on 8th September 2016 when approving the Youth Work Strategy. The budget proposal would extend funding for a further 3 years (2017/18 to 2019/20) at an increased level of £60k per annum.

Given the level of budget and efficiency savings identified in the table above, one potential funding source would be to fund the budget proposal from these savings. (Permanent staff savings of £69k identified within the Revenue and Benefits Team could be reallocated to the Youth Work Strategy).