

COMMUNITY SERVICES AND LICENSING COMMITTEE

7 SEPTEMBER 2017

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Report Title	BUDGET MONITORING REPORT 2017/18 – REPORT 1
Purpose of Report	To present the 2017/18 forecast outturn position against the revenue budgets and Capital programme that the committee is responsible for
Decision(s)	<p>The Committee RECOMMENDS to Strategy and Resources Committee:</p> <p>a) the Capital Budget for Community Building Investment is reduced from £180,000 to £50,000</p> <p>The Committee RESOLVES:</p> <p>b) to note the outturn forecast for the General Fund Revenue budget and the Capital programme for this Committee.</p>
Consultation and Feedback	Budget holders have been consulted about the budget issues in their service areas. The feedback has been incorporated into to the report to explain difference between budgets and actual income and expenditure.
Financial Implications and Risk Assessment	<p>The outturn forecast for the committee's budget shows a net underspend of £17k. This will be included in the overall General Fund outturn forecast reported to Strategy and Resources committee in October 2017.</p> <p>There has been no expenditure to date on the committee's Capital budgets, but assurances have been provided by the relevant budget holders that the 2017/18 budget allocations will be fully spent by the end of the year.</p> <p>David Stanley – Accountancy Manager Tel: 01453 754100 Email: david.stanley@stroud.gov.uk</p>
Legal Implications	<p>None to report.</p> <p>K Trickey, Legal Services Manager 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>
Options	None
Performance Management Follow Up	Budgets will continue to be monitored on a regular basis during the year by budget holders supported by Finance. The next monitoring report is due in March 2018, with an updated budget report in December 2017/January 2018.

Background Papers/ Appendices	None
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Stroud District Council Medium Term Financial Plan (MTFP) position

1. The Committee has previously been advised that we are faced with a challenging financial climate.
 - Stroud will be the first council in Gloucestershire to lose all government Revenue Support Grant (RSG) and will pay more money back to government than other councils in Gloucestershire (£549,000 from our own resources will go to Whitehall in 2019/20. Cheltenham will pay £391,000 and Cotswold will pay £218,000. The other three districts - Gloucester, Tewkesbury and Forest of Dean will continue to receive small amounts of RSG.
 - The current MTFP has already built in council tax increases of £5 per annum – the maximum allowed under government rules before triggering the need for a referendum of council taxpayers
 - Potential changes to New Homes Bonus will mean further reduction to this 'reward' payment and, as a result, our income will fall regardless of performance
 - The Government has yet to decide on business rate retention by local government. The expected primary legislation has been abandoned.

2. **It is against this background that it is important that budgets are not overspent. In cases where an overspend is forecast, management action must be taken to minimise or mitigate the impact on the council's financial position of an overspend.**

3. The current MTFP, approved by Council in February 2017, anticipates that there will be a £3.5m gap between the Council's income and expenditure by 2020/21. At that point we will have used up all our reserves unless we take action before then.

4. **Generating income and creating even greater efficiencies remain as important as ever, but there are likely to be cuts to the committee's budgets to close the funding gap. The budget setting process during the autumn will need to focus on these, with the budget proposals being considered by Strategy and Resources Committee on 18th January 2018.**

Background

5. This report provides the first monitoring position statement for the financial year 2017/18. The purpose of this report is to notify members of any known significant variations to budgets for the current financial year, highlight any key issues, and to inform members of any action to be taken if required.

- 6. Due to the volume of information contained in the report, it would be helpful where members have questions on matters of detail if they could be referred to the report author or the appropriate service manager before the meeting.**
7. Council approved the General Fund revenue budget at its meeting in February 2017 including the budget proposals of the administration for Youth Work (£60k per annum). This committee had previously considered the standstill revenue budget at its meeting in December 2016.
8. The latest budget for Community Services and Licensing Committee taking into account the carry forwards is £3.73m (Original Budget was £3.70m).
9. The monitoring position for the service at 30 June 2017 shows a projected net overspend of £17k against the latest budget. The overall position on the General Fund will be considered by Strategy and Resources committee at their meeting on 12th October 2017.
10. Table 1 below shows the overall projected outturn position for this Committee. Table 2 outlines the services with significant variations along with an explanation of why they have arisen. (a significant variation is defined as being +/- £20,000 on each reporting line. Appendix A (pages 6 to 7) provides a more detailed breakdown of the committee's budgets.
11. Table 3 shows the Capital spend and Projected outturn for Community Services and Licensing Committee for 2017/18.

Table 1 – Community Services and Licensing Revenue budgets 2017/18

Community Services Committee	Para Refs	2017/18 Original Budget (£'000)	2017/18 Revised Budget (£'000)	2017/18 Forecast Outturn (£'000)	2017/18 Outturn Variance (£'000)
Community Safety		382	393	376	(18)
Youth Services		99	99	99	0
Grants to Voluntary Organisations		337	337	337	0
Licensing		(69)	(69)	(79)	(10)
Strategic Head (Customer Services)	13	132	132	190	58
Customer Services		386	386	384	(2)
Cultural Svcs - Arts and Culture		787	787	787	0
Cultural Svcs - Sport & Health Dev.		153	176	176	0
Cultural Svcs - Sports Centres		172	174	174	0
Public Spaces	14	1,037	1,037	1,067	30
Revenues and Benefits	15	284	284	242	(42)
Community Services TOTAL		3,701	3,737	3,754	17

12. The table below outlines the key variances for this Committee.

Table 2 - Headline Budget variances

Service	Para. Ref	Overspend / (Underspend) (£'000's)
Strategic Head (Customer Services)		
Subscription Rooms - Consultants fees	13	58
Public Spaces		
Grounds maintenance - Ubico Contract	14	30
Revenues and Benefits		
Housing Benefit / Council Tax - Salary underspend	15	(42)

13. Strategic Head Customer Services – £58k overspend

(Joanne Jordan 4005, joanne.jordan@stroud.gov.uk)

This overspend is directly related the appointment of the Business Projects Manager dealing with the ongoing options appraisal for the Subscription Rooms.

14. Public Spaces - £30k overspend

(Carlos Novoth xtn 4406, carlos.novoth@stroud.gov.uk)

Members will recall that the Grounds Maintenance service forms part of Stroud's new Multi Service Contract with Ubico. An overall budget overspend was identified in late 2016/17, with provision of £400k made in the Medium Term Financial Plan for this year to cover the estimated budget shortfall. Changes to budgets will be evaluated and reflected as part of the budget setting process later in the year.

15. Revenues and Benefits – (£42k) underspend

(Simon Killen xtn 4013, simon.killen@stroud.gov.uk)

The current forecast has identified salary savings within Revenue and Benefits. This is due to a number of vacancies arising within the team through retirement, general staff turnover and reduction of hours. Posts have not been filled permanently due to the work being absorbed within existing teams as well as utilising the CIVICA on-demand service, for off-site processing within Benefits. Salary savings will be addressed as part of a wider workforce plan exercise.

The future remains uncertain within benefits, particularly as we now head towards the Universal Credit full service in October 2017 and the impact that will have on demand and workload. The potential risk around workload is that there may be a decrease in the number of cases processed directly by the Revenues and Benefits team. However, the introduction of Universal Credit across the district may mean recipients move in/out of eligibility frequently during the year so the 'churn' within the system increases both in volume and complexity.

It is also worth noting that legislative changes to the way in which Homeless Housing Benefit claims are funded through the subsidy system, there is an increased cost to authority in the current year of around £30,000 as the subsidy no longer covers all of the Council's expenditure. The overall number of homeless cases dealt with through Housing Benefit so far this year is 46, compared with 48 in total for the whole of 2016/17.

16. Table 3 below shows the Capital Outturn forecast for 2017/18 with a projected outturn of £208k.

Table 3 – Capital Outturn forecast

Community Services Capital Schemes	2017/18 Revised Budget (£'000)	2017/18 Spend to date (£'000)	2017/18 Projected Outturn (£'000)	2017/18 Outturn Variance (£'000)
Stratford Park Lido	20	0	20	0
Stratford Park Sensory Garden	8	0	8	0
Community Buildings Investment	180	0	50	(130)
TOTAL Capital	208	0	78	(130)

17. The Councils Capital programme for 2017/18 is reported and updated regularly throughout the year by the responsible officers and is covered in Agenda item 11.
18. The budget for the Community Building Investment will be reduced from £180,000 to £50,000 when the General Fund Capital Programme is considered by Strategy and Resources committee at their meeting in October 2017. This is because the £130,000 capital funding provided to Stroud Town Council following the transfer of assets on 31 March 2017 was financed in 2016/17.
19. The actual spend to date figure is currently nil, with budget holders providing assurance that the remaining relevant capital budgets are forecast to be spent in full this financial year.

Community Services Committee	Para Refs	2017/18 Budget (£'000)	2017/18 Revised Budget (£'000)	2017/18 Spend to date (£'000)	2017/18 Forecast Outturn (£'000)	2017/18 Outturn Variance (£'000)
Community Safety		65	70	11	70	0
Abandoned Vehicles		5	5	1	5	0
Careline Services		(31)	(31)	(122)	(31)	0
Neighbourhood Wardens		235	241	54	234	(7)
Car Parks Enforcement		68	68	9	57	(11)
Stroud and Dursley CCTV		41	41	(3)	41	0
Community Services		382	393	(50)	376	(18)
Hear by Right / Youth Services		99	99	(36)	99	0
Grants to Voluntary Organisations		337	337	145	337	0
Licensing		(69)	(69)	(22)	(79)	(10)
Strategic Head (Customer Services)		132	132	32	190	58
Customer Service Centre		386	386	87	384	(2)
Museum in the Park		417	417	95	417	0
Subscription Rooms		223	223	104	223	0
Tourism		147	147	(23)	147	0
Cultural Services - Arts and Culture		787	787	176	787	0
Health and Wellbeing		35	39	9	39	0
Sport and Health Development		119	137	29	137	0
Cultural Services - Sports and Leisure		153	176	38	176	0
The Pulse Dursley		(6)	(6)	(63)	(6)	0
Joint Use Sports Centres		59	61	9	61	0
Stratford Park Leisure Centre		119	119	7	119	0
Cultural Services - Sports Centres		172	174	(48)	174	0

Community Services Committee	Para Refs	2017/18 Budget (£'000)	2017/18 Revised Budget (£'000)	2017/18 Spend to date (£'000)	2017/18 Forecast Outturn (£'000)	2017/18 Outturn Variance (£'000)
Public Space Service		300	300	70	300	0
Cemeteries		24	24	3	24	0
Amenity Areas		127	127	31	157	30
Commons and Woodlands		14	14	(1)	14	0
Stratford Park Grounds Maintenance		180	180	29	180	0
Grassed Areas Contribution to HRA		170	170	0	170	0
Public Conveniences		223	223	32	223	0
Public Spaces		1,037	1,037	165	1,067	30
Business Rate Collection		(109)	(109)	16	(110)	(1)
Council Tax Collection		256	256	79	253	(3)
Council Tax Support Admin		64	64	0	53	(11)
Rent Allowances and Rebates		(77)	(77)	(3,417)	(77)	0
Housing Benefit Administration		150	150	(104)	123	(27)
Revenues and Benefits		284	284	(3,426)	242	(42)
Community Services TOTAL		3,701	3,737	(2,937)	3,754	17