

## COMMUNITY SERVICES AND LICENSING COMMITTEE

6 SEPTEMBER 2018

**10**

<b>Report Title</b>	<b>Community Services and Licensing Budget Monitoring Report Q1 2018/19</b>
<b>Purpose of Report</b>	To present the 2018/19 forecast outturn position against the revenue budgets and Capital programme that the committee is responsible in order to give an expectation of possible variances against budget and items to be considered as part of the budget setting process
<b>Decision(s)</b>	<p><b>The Committee RESOLVES:</b></p> <p>a) to note the outturn forecast for the General Fund Revenue budget and the Capital programme for this Committee.</p> <p><b>The Committee RECOMMENDS to Strategy and Resources Committee:</b></p> <p>b) to approve the re-profiled capital budgets for Stratford Park Lido and Community Buildings, as set out in paragraph 13 and 14.</p>
<b>Consultation and Feedback</b>	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.
<b>Financial Implications and Risk Assessment</b>	<p>This report sets out the outturn forecast on the committee's revenue and capital budgets.</p> <p>There are a number of variations reported on the revenue budget, with a net underspend of £323k projected. Members should consider the ongoing nature of some of the variations and whether to include these as part of the Council's wider Savings Plan to reduce the core deficit across the Medium Term Financial Plan (MTFP).</p> <p>The report also sets out the Capital outturn position, with changes proposed to the profiling of the capital scheme across 2018/19 and 2019/20.</p> <p>David Stanley – Accountancy Manager Tel: 01453 754100 Email: <a href="mailto:david.stanley@stroud.gov.uk">david.stanley@stroud.gov.uk</a></p>

<b>Legal Implications</b>	There are no legal implications arising directly from this report. Specific legal advice can be provided in relation to the projects referred to below prior to implementation. R1608D2308C2008. Mike Wallbank, Solicitor Email: <a href="mailto:Mike.Wallbank@stroud.gov.uk">Mike.Wallbank@stroud.gov.uk</a>
<b>Report Author</b>	Adele Rudkin - Accountant Tel: 01453 754109 Email: <a href="mailto:adele.rudkin@stroud.gov.uk">adele.rudkin@stroud.gov.uk</a>
<b>Options</b>	None
<b>Performance Management Follow Up</b>	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 Dec 2018.
<b>Background Papers/ Appendices</b>	None

## Background

1. This report provides the first monitoring position statement for the financial year 2018/19. 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.
2. Appendix A of this report also provide members with an indicative budget for 2019/20. This is essentially the 2018/19 base budget plus provision for inflation and changes already agreed as part of the Savings Plan. The Budget Strategy report to Strategy and Resources committee in October 2018 will set out the budget framework that committees should follow. This will include expectations around inflationary pressures, income targets and savings targets. Therefore, the indicative budgets shown in the appendix are subject to change, but give the committee a good overview of the budget changes likely to be made.
3. **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.**
4. Council approved the General Fund revenue budget at its meeting in February 2018.
5. The revised budget for Community Services and Licensing Committee, taking into account adjustments for workforce plan and salary inflation, is £3.450m (Original Budget was £3.554m).
6. The monitoring position for the service at 30 June 2018 shows a projected net underspend of (£323k) against the latest budget. The overall position on the General Fund will be considered by Strategy and Resources committee at their meeting on 04th October 2018.

7. 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 (page 8) provides a more detailed breakdown of the committee's budgets.
8. Table 3 shows the Capital spend and Projected outturn for Community Services and Licensing Committee for 18/19.

**Table 1 – Community Services and Licensing Revenue budgets 2018/19**

<b>Community Services Committee</b>	<b>Para Refs</b>	<b>2018/19 Original Budget (£'000)</b>	<b>2018/19 Revised Budget (£'000)</b>	<b>2018/19 Forecast Outturn (£'000)</b>	<b>2018/19 Outturn Variance (£'000)</b>
Community Safety		360	267	285	18
Youth Services		100	100	85	(16)
Grants to Voluntary Organisations		337	337	337	0
Licensing		(68)	(67)	(61)	6
Director (Customer Services)		133	134	127	(7)
Customer Services		390	393	382	(11)
Cultural Svcs - Arts and Culture	9	781	722	683	(39)
Cultural Svcs - Sport & Health Dev.		165	167	153	(14)
Cultural Svcs - Sports Centres	10	124	131	(13)	(144)
Public Spaces	11	1,031	1,056	1,073	17
Revenues and Benefits	12	202	209	77	(133)
<b>Community Services TOTAL</b>		<b>3,554</b>	<b>3,450</b>	<b>3,127</b>	<b>(323)</b>

The table below outlines the key variances for this Committee. **Given the core deficit position on the MTFP, members should consider whether the underspends shown in the table above should be reviewed and included in the Council's Savings Plan.**

**Table 2 - Headline Budget variances**

<b>Service</b>	<b>Para. Ref</b>	<b>Overspend / (Underspend) (£'000's)</b>
<b>Community Safety</b>		
Amenity Areas	11	26
<b>Cultural Svcs - Arts and Culture</b>		
Subscription Rooms	9	(32)
<b>Cultural Svcs - Sports Centres</b>		
The Pulse Dursley	10	(146)
<b>Revenues and Benefits</b>		
Housing Benefit / Council Tax -	12	(133)

## 9. Cultural Services (Arts & Culture) – (£39k) underspend

(Joanne Jordan xtn 4005, [joanne.jordan@stroud.gov.uk](mailto:joanne.jordan@stroud.gov.uk))

### Subscription Rooms - (£32k) underspend

A £32k underspend is forecast on salaries for this financial year. Given the decision made by Strategy and Resources committee at their meeting in July 2018 to transfer the Subscription Rooms to the Town Council in April 2019, there will be some impact on service delivery during the latter half of the year. The forecast provided by the service only takes into account the known staffing position. The programme for the Subscription Rooms has been amended this year to reduce the income risk to the Council. As such, members should treat the forecast with a degree of caution.

The remaining variance are small underspends within Arts and Culture.

## 10. Cultural Services (The Pulse) – (£146k) income surplus

(Angela Gillingham xtn 01453 540995, [angela.gillingham@stroud.gov.uk](mailto:angela.gillingham@stroud.gov.uk))

The forecast is based on the data for the first 4 months of 17/18 in comparison to the actuals for this financial year. It is difficult to predict with 100% confidence in the first quarter, the trend is up on last year in some areas which gives assurance that we will exceed this year's original income target. A more detailed forecast will be included in the next budget monitoring report later in the year.

Swimming lessons and memberships are still proving to be the main income streams for the pulse.

There has been a slight downturn in membership sales over the summer but this is attributed to the warm weather and has been reflected in the forecast outturn.

As referenced in paragraph 8 of this report, members should consider the performance of the Pulse when setting budgets for 19/20. Income targets for 17/18 and 18/19 were or are forecast to be exceeded. However, the trend in membership and the impact of seasonal variations need to be understood before a final decision can be made on any revised income targets.

## 11. Public Spaces – £17.2k overspend

(Mike Hammond xtn 4447, [mike.hammond@stroud.co.uk](mailto:mike.hammond@stroud.co.uk))

Whilst the overall variance is not significant, there are some larger offsetting variances which are outlined below. These services form part of the wider Multi Service Contract which is reported through Environment Committee.

An overspend within Amenity areas of £26k has been forecast. Seasonal grass cutting has been reduced in order to reduce the contract cost. This variance reflects a reduced cost pressure within the budget but remains overspent overall. Public Conveniences are forecasting an underspend of (£16.5k). This has been achieved by reducing the frequency of the number of cleans across the service.

Additionally there are some small overspends spread across the service.

## 12. Revenues and Benefits – (£133k) underspend

(Simon Killen xtn 4013, [simon.killen@stroud.gov.uk](mailto:simon.killen@stroud.gov.uk))

The current forecast has identified salary savings within Revenue and Benefits. The service is covering 3 vacancies within the benefits team, along with an apprentice post. This has put pressure on maintaining performance, particularly within benefits and the off site processing is being utilised with Civica on Demand system.

The Revenue and Benefit Service is undergoing its service review as part the councils overall workforce plan, which is expected to be completed in the Autumn. Any potential savings will be dealt with as part of the budget setting process

No forecast has been made concerning Housing Benefit subsidy and performance in recovering overpaid benefits. It is too early to provide an accurate forecast given the continuing rollout of Universal Credit (UC) across the district. DWP's expectation is that our caseload will decrease leading to a reduced level of subsidy.

However, there continues to be a significant level of fluctuation in benefit entitlement for claimants (in part due to Universal Credit changes) that makes this a very complex area to forecast early in the year. DWP have also made additional resources available to investigate cases of Fraud and Error (RTI and VEP).

Recovery of overpaid benefit sits outside of the main benefit subsidy and is an area that provides an income stream to the council. There is some risk to the Council that due to UC workloads and staffing pressures within the service that the budgeted level of net recovery (approximately £125k) will not be achieved in full this year.

Table 3 below shows the Capital Outturn forecast for 2018/19 with a projected outturn of (£50k).

**Table 3 – Capital Outturn forecast**

<b>Community Services Capital Schemes</b>	<b>2018/19 Revised Budget (£'000)</b>	<b>2018/19 Spend to date (£'000)</b>	<b>2018/19 Projected Outturn (£'000)</b>	<b>2018/19 Outturn Variance (£'000)</b>
Stratford Park Lido	100	0	0	(100)
Community Buildings Investment	88	3	138	50
<b>TOTAL Capital</b>	<b>188</b>	<b>3</b>	<b>138</b>	<b>(50)</b>

13. A provision of £200,000 has been made in the capital programme to review and improve Stratford Park Lido which is part of the Stratford Park Leisure Centre contract. Consultants will be recruited for the next stage of the process to develop a business plan and place a bid for capital funding to the Heritage Lottery Fund in January 2019. The full £200,000 is estimated to be spent in 2019/20. This will be dealt with as part of the updated capital programme which will be reported to Strategy and Resources committee in October 2018.
14. Discussions have taken place with Kingshill House Trust with a view to the Trust taking over the freehold interest from Stroud District Council. The expectations are that the freehold transfer will take place by the end of 2018/19. Works to renovate the derelict cottage are now complete and the cottage has now been let securing a regular income for the Trust. A total of £62k was spent in 17/18. There is budget available of £50k for 19/20. This will be dealt with as part of the updated capital programme which will be reported to Strategy and Resources committee in October 2018.
15. Any re-profiling of the capital budgets will be considered by Strategy and Resources committee in October 2018, due to the impact on the capital financing arrangements.

<b>Community Services Committee</b>	<b>Para Refs</b>	<b>2018/19 Original Budget (£'000)</b>	<b>2018/19 Revised Budget (£'000)</b>	<b>2018/19 Forecast Outturn (£'000)</b>	<b>2018/19 Outturn Variance (£'000)</b>
Community Safety		63	66	77	11
Abandoned Vehicles		5	5	5	0
Careline Services		(32)	(73)	(73)	0
Neighbourhood Wardens		236	185	192	7
Car Parks Enforcement		47	43	43	0
Stroud and Dursley CCTV		41	41	41	0
<b>Community Services</b>		<b>360</b>	<b>267</b>	<b>285</b>	<b>18</b>
<b>Hear by Right / Youth Services</b>		<b>100</b>	<b>100</b>	<b>85</b>	<b>(16)</b>
<b>Grants to Voluntary Organisations</b>		<b>337</b>	<b>337</b>	<b>337</b>	<b>0</b>
<b>Licensing</b>		<b>(68)</b>	<b>(67)</b>	<b>(61)</b>	<b>6</b>
<b>Director (Customer Services)</b>		<b>133</b>	<b>134</b>	<b>127</b>	<b>(7)</b>
<b>Customer Service Centre</b>		<b>390</b>	<b>393</b>	<b>382</b>	<b>(11)</b>
Museum in the Park	9	406	371	368	(3)
Subscription Rooms		227	230	197	(32)
Tourism		148	122	118	(4)
<b>Cultural Services - Arts and Culture</b>		<b>781</b>	<b>722</b>	<b>683</b>	<b>(39)</b>
Health and Wellbeing		35	35	35	0
Sport and Health Development		131	132	118	(14)
<b>Cultural Services - Sports and Leisure</b>		<b>165</b>	<b>167</b>	<b>153</b>	<b>(14)</b>
The Pulse Dursley	10	(49)	(42)	(188)	(146)
Joint Use Sports Centres		49	50	51	2
Stratford Park Leisure Centre		124	124	124	0
<b>Cultural Services - Sports Centres</b>		<b>124</b>	<b>131</b>	<b>(13)</b>	<b>(144)</b>
Public Space Service	11	293	318	319	1
Cemeteries		25	25	33	8
Amenity Areas		127	127	154	26
Commons and Woodlands		14	14	12	(2)
Stratford Park Grounds Maintenance		180	180	180	0
Grassed Areas Contribution to HRA		170	170	170	0
Public Conveniences	11	222	222	205	(17)
<b>Public Spaces</b>		<b>1,031</b>	<b>1,056</b>	<b>1,073</b>	<b>17</b>
Business Rate Collection		(109)	(109)	(111)	(2)
Council Tax Collection		239	241	224	(18)
Council Tax Support Admin		65	67	33	(34)
Rent Allowances and Rebates		(77)	(77)	(77)	0
Housing Benefit Administration		84	87	8	(79)
<b>Revenues and Benefits</b>	12	<b>202</b>	<b>209</b>	<b>77</b>	<b>(133)</b>
<b>Community Services TOTAL</b>		<b>3,554</b>	<b>3,450</b>	<b>3,127</b>	<b>(323)</b>

## Indicative 2019/20 Budgets

<b>Committee Service Area</b>	<b>2018/19 Base Budget (£'000)</b>	<b>2019/20 Indicative Budget (£'000)</b>
Community Safety	66	67
Abandoned Vehicles	5	5
Careline Services	(73)	(72)
Neighbourhood Wardens	185	188
Car Parks Enforcement	43	45
Stroud and Dursley CCTV	41	41
<b>Subtotal Community Safety</b>	<b>267</b>	<b>273</b>
Hear by Right / Youth Services	100	101
Director of Customer Services	134	137
Grants to Voluntary Organisations	337	317
<b>Subtotal Grants to Voluntary Organisations</b>	<b>337</b>	<b>317</b>
Customer Service Centre	393	400
Public Space Service	318	324
Cemeteries	25	25
Amenity Areas	127	127
Commons and Woodlands	14	14
Stratford Park	180	180
Stratford Court		
Grassed Areas Contribution to HRA	170	170
Public Conveniences	222	222
<b>Subtotal Public Spaces</b>	<b>1,056</b>	<b>1,062</b>
Business Rate Collection	(109)	(108)
Discretionary NNDR Relief		
Council Tax Collection	241	247
Council Tax Support		
Council Tax Support Administration	67	70
Rent Allowances and Rebates	9	9
Housing Benefit Administration	87	184
<b>Subtotal Revenues and Benefits</b>	<b>295</b>	<b>403</b>



## Appendix A

Committee Service Area	2018/19 Base Budget (£'000)	2019/20 Indicative Budget (£'000)
Licensing	(69)	(67)
Arts and Culture		
Museum in the Park	371	377
Subscription Rooms	230	235
Tourism	122	123
<b>Subtotal Cultural Svcs - Arts and Culture</b>	<b>722</b>	<b>735</b>
Health and Wellbeing	35	36
Sport and Health Development	132	134
<b>Subtotal Cultural Svcs - Sport &amp; Health Dev.</b>	<b>167</b>	<b>170</b>
The Pulse, Dursley	(42)	(29)
Joint Use Sports Centres	50	0
Stratford Park Leisure Centre	124	124
<b>Subtotal Cultural Svcs - Sports Centres</b>	<b>131</b>	<b>95</b>
<b>COMMUNITY SERVICES Total</b>	<b>3,534</b>	<b>3,626</b>

The base budget for 2018/19 shown in the table above are based on:

- Original Budget 2018/19 as reported to Council in January 2018
- Addition of 1% Pay inflation to service budgets recognising the increased pay award of 2%

The base budget for 2018/19 will not tie-back to the original/revised budget for the committee as shown in this report. Budget changes concerning the Workforce Plan have not been reflected in these tables, as all changes will be reported through Strategy and Resources committee in October 2018.

The Indicative budget for 2019/20 is based on:

- Base budget 2018/19
- Addition of 2% pay inflation in recognition of the agreed pay award
- Addition of non-pay inflation on contracts/IT services where the council is contractually obliged to uprate the contract cost
- Known changes to service budgets as reflected in the MTFP presented to Council in January 2018 and February 2018

No other budget changes have been reflected at this stage.