

## COMMUNITY SERVICES AND LICENSING COMMITTEE

21 MARCH 2019

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<b>Report Title</b>	<b>COMMUNITY SERVICES AND LICENSING BUDGET MONITORING REPORT Q3 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 for in order to give an expectation of possible variances against budget.
<b>Decision(s)</b>	<b>The Committee RESOLVES to note the outturn forecast for the General Fund Revenue budget and the Capital programme for this Committee.</b>
<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>There are no direct financial implications arising from this report as it looks at current revenue and capital budget estimates.</p> <p>Final positions for 2018/19 will be reported as part of the year-end outturn process.</p> <p>Andrew Cummings - Head of Finance &amp; Section 151 Officer Tel: 01453 754115 Email: <a href="mailto:andrew.cummings@stroud.gov.uk">andrew.cummings@stroud.gov.uk</a></p>
<b>Legal Implications</b>	<p>This report is provided for information purposes only; legal implications will be considered when any particular projects require decisions of the committee. Any updates to strategic risks pertinent should be included in the Strategic Risk Register as appropriate.</p> <p>Craig Hallett, Solicitor &amp; Acting Monitoring Officer Tel: 01453 754364 Email: <a href="mailto:craig.hallett@stroud.gov.uk">craig.hallett@stroud.gov.uk</a></p>
<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 will be the outturn report to S&R Committee in May 2019.

## **Background**

1. This report provides the third quarter 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. **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.**
3. Council approved the General Fund revenue budget at its meeting in February 2018.
4. The revised budget for Community Services and Licensing Committee, taking into account adjustments for workforce plan and salary inflation, is £3.6m (Original Budget was £3.55m). The budget presented to members in December 2018 outlined the revised budget as £3.657m. This has now been updated to £3.6m due to further workforce plan saving adjustments to the budget.
5. The monitoring position for the service at 31 December shows a projected net underspend of (£404k) against the latest budget. The overall position on the General Fund will be considered by Strategy and Resources committee at their meeting on 11 April 2019.
6. 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 7) provides a more detailed breakdown of the committee's budgets.
7. Table 3 shows the Capital spend and Projected outturn for Community Services and Licensing Committee for 2018/19.

**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	8	360	212	190	(23)
Youth Services		100	100	100	0
Grants to Voluntary Organisations		337	337	337	0
Licensing		(68)	(67)	(63)	4
Director (Customer Services)		133	129	127	(2)
Customer Services	9	390	393	381	(12)
Cultural Svcs - Arts and Culture	10	781	703	628	(75)
Cultural Svcs - Sport & Health Dev.	11	165	167	143	(24)
Cultural Svcs - Sports Centres	12	124	166	(9)	(175)
Public Spaces		1,031	1,302	1,302	(0)
Revenues and Benefits	13	202	158	60	(98)
<b>Community Services TOTAL</b>		<b>3,554</b>	<b>3,600</b>	<b>3,195</b>	<b>(404)</b>

The table below outlines the key variances for this Committee. Detailed narrative around the key variances are outlined from P8 onwards.

**Table 2 - Headline Budget variances**

<b>Service</b>	<b>Para Refs</b>	<b>Overspend / (Underspend) (£'000's)</b>
<b>Community Safety</b>		
Community Safety	8	16
Neighbourhood Wardens	8	(14)
Car Parks Enforcement	8	(24)
<b>Cultural Svcs - Arts and Culture</b>		
Subscription Rooms	10	(59)
<b>Cultural Svcs - Sports Centres</b>		
The Pulse Dursley	12	(177)
<b>Revenues and Benefits</b>		
Housing Benefit / Council Tax	13	(98)

**8. Community Safety - (£23k) underspend**

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

There are a number of offsetting variances which make up this underspend.

**Neighbourhood Wardens**

A (£32k) variance has been identified on salaries. This saving has been a result of the service review and two vacant posts (Senior NHW and NHW) which are currently being recruited to.

There is an income shortfall of £16k which is predominately around the removal of the service level agreement with the HRA. This budget has been adjusted as part of 2019/20 budget setting process.

### **Car parks Enforcement**

A (£24k) saving has been forecast within this service. (£12k) is a salary budget underspend due to a lengthy recruitment process for vacant post. The remaining (£12k) is an income surplus that has been realised due to the continued robust approach to parking enforcement across the district.

### **Community safety**

There is an income shortfall of £11k as a result of the removal of the service level agreement with the HRA. This budget has been adjusted as part of 2019/20 budget setting process.

## **9. Customer Services – (£12k) underspend**

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

Whilst the overall variance is insignificant, there are several larger offsetting variances that make up this underspend. A (£36k) saving has been forecast in salaries which relate to two vacant posts which have not been recruited to in this financial year. A compensating overspend of £24k has been identified on software. This is due to an ICON upgrade of the cash receipting system to ensure that the Council are compliant with current regulations, in addition the standard software contacts have increased in cost.

## **10. Cultural Services (Arts & Culture) – (£75k) underspend**

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

### **Subscription Rooms - (£59k) underspend**

A (£78k) underspend is forecast within salaries for this financial year. The Subscription Rooms will transfer to the Town Council Trust on the 28 March 2019. The programme for the Subscription Rooms has been amended this year to reduce the income risk to the Council which has been reflected in the savings on Casual and Contracted Staff. Additional savings across the service have been predicted of (£12k). A shortfall on the sale of food and drink has resulted in a forecast variance of £31k as an under achievement of income.

Members will recall that the decision was taken at this Committee on the 6 December 2018 to close the TIC in March 2019, with Stroud District Council no longer funding this service. There are redundancy costs of £13k associated with the closure, these have been taken into account in the year end forecast.

The Museum in the Park is forecasting a small underspend of (£10k).

## **11. Cultural Svcs - Sport & Health Dev – (£24k) underspend**

(Jane Bullows xtn 4322, [jane.bullows@stroud.gov.uk](mailto:jane.bullows@stroud.gov.uk))

(Jon Beckett xtn 4443, [jon.beckett@stroud.gov.uk](mailto:jon.beckett@stroud.gov.uk))

There are a number of small variances that make up this underspend, mostly external funds that will support on-going projects in 2019/20. These are proposed to be carried forward to the new financial year.

## 12. Cultural Services (The Pulse) – (£177k) income surplus

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

2018/2019 has been another fantastic year of business for The Pulse. Targets are continuing to be exceeded in all areas and we would look to continue this direction going forward by adopting a structured and reactive approach to trends and community needs.

The forecast for this financial year is currently on course to exceed the 2018/19 income targets and create an operational surplus. Income continues to rise but this has been a challenging year for the Pulse with 3 full time members of the team being out of action due to injury and maternity leave. This has caused further strain on the staffing and marketing budget as we have had to put additional resource into these areas to provide a consistent service. As a result of the staffing issue we have had to pull back on some of the 'learn to swim' activities which has impacted the income in this area this year. Utilities have also increased this year due to a meter change , which has meant that the expenditure budget has increased from our planned spend that we predicted in the last budget monitoring report.

The budget setting process for 2019/20 has taken into consideration the performance of The Pulse over last two financial years and budgets have been adjusted accordingly.

## 13. Revenues and Benefits – (£98k) underspend

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

The current forecast has identified (£70k) of salary savings within Revenue and Benefits. These are posts that have been vacant throughout the year. The service has now completed its workforce plan review which has resulted in the structure being reduced from 33 to 28. Full year salary savings have been incorporated into the 2019/20 budget.

The remaining variance is largely due to additional income received from the Government in its drive to combat income related fraud.

Estimates indicate that we are ahead of the forecast but any variation at outturn may look to be a significant figure due to the large sums involved, but will be a minor percentage of the overall value. Overpayment income is likely to decrease over time as the case load continues to reduce. Managed migration to UC has been deferred for a further year but natural migration as a result of change of circumstances continues. There has been a 12% reduction in Housing Benefit case load during 2018/19.

Due to legislative changes in 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 £30k as the subsidy no longer covers all of the Council's expenditure. Demand for supported accommodation in the district is growing resulting in subsidy loss increasing year on year.

## 14. CAPITAL

Table 3 below shows the Capital Outturn forecast for 2018/19 with a projected outturn of (£121k).

**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>
Community Buildings Investment	138	17	17	(121)
<b>TOTAL Capital</b>	<b>138</b>	<b>17</b>	<b>17</b>	<b>(121)</b>

15. The Kingshill House Trust continues to be keen to take on the freehold interest of Kingshill House (Community Buildings Investment). Discussions are ongoing and a transfer date of 2020/21 is now anticipated. It is expected that a report will be taken to S&R committee in April to approve, in principle, the terms for a transfer. A capital budget provision of £50k in 2017/18 and £150k in 2018/19 was made as part of a funding package to help assist the transfer. A total of £62k was spent in 2017/18 on the refurbishment of the cottage which has been let and is securing a regular income for the Trust. £38k has been earmarked for urgently needed repair and decoration works to the sash windows and ongoing capital works to protect the services and fabric of the building. The Trust is undertaking surveys to inform a maintenance programme into the future.

The remaining £100k of the capital contribution will not be payable until 2020/21 on completion of the transfer.

16. Members will recall that the decision was taken at the meeting in September 2018 that the £200k provision in the Capital programme for Stratford Park Lido was to be re-profiled to 2019-20.

<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	18	33	16
Abandoned Vehicles		5	(2)	3	4
Careline Services		(32)	(73)	(77)	(4)
Neighbourhood Wardens		236	185	171	(14)
Car Parks Enforcement		47	43	20	(24)
Stroud and Dursley CCTV		41	41	41	0
<b>Community Services</b>	<b>8</b>	<b>360</b>	<b>212</b>	<b>190</b>	<b>(23)</b>
<b>Hear by Right / Youth Services</b>		<b>100</b>	<b>100</b>	<b>100</b>	<b>0</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>(63)</b>	<b>4</b>
<b>Director (Customer Services)</b>		<b>133</b>	<b>129</b>	<b>127</b>	<b>(2)</b>
<b>Customer Service Centre</b>	<b>9</b>	<b>390</b>	<b>393</b>	<b>381</b>	<b>(12)</b>
Museum in the Park		406	384	374	(11)
Subscription Rooms		227	215	156	(59)
Tourism		148	104	99	(5)
<b>Cultural Services - Arts and Culture</b>	<b>10</b>	<b>781</b>	<b>703</b>	<b>628</b>	<b>(75)</b>
Health and Wellbeing		35	35	35	0
Sport and Health Development		131	132	108	(24)
<b>Cultural Services - Sports and Leisure</b>	<b>11</b>	<b>165</b>	<b>167</b>	<b>143</b>	<b>(24)</b>
The Pulse Dursley		(49)	6	(171)	(177)
Joint Use Sports Centres		49	41	42	1
Stratford Park Leisure Centre		124	119	119	0
<b>Cultural Services - Sports Centres</b>	<b>12</b>	<b>124</b>	<b>166</b>	<b>(9)</b>	<b>(175)</b>
Public Space Service		293	553	549	(4)
Cemeteries		25	26	30	4
Amenity Areas		127	126	123	(3)
Commons and Woodlands		14	14	14	0
Stratford Park Grounds Maintenance		180	199	207	8
Grassed Areas Contribution to HRA		170	170	170	0
Public Conveniences		222	215	210	(5)
<b>Public Spaces</b>		<b>1,031</b>	<b>1,302</b>	<b>1,302</b>	<b>(0)</b>
Business Rate Collection		(109)	(108)	(96)	12
Council Tax Collection		239	240	229	(11)
Council Tax Support Admin		65	58	1	(57)
Rent Allowances and Rebates		(77)	(77)	(77)	0
Housing Benefit Administration		84	44	2	(42)
<b>Revenues and Benefits</b>	<b>13</b>	<b>202</b>	<b>158</b>	<b>60</b>	<b>(98)</b>
<b>Community Services TOTAL</b>		<b>3,554</b>	<b>3,600</b>	<b>3,195</b>	<b>(404)</b>