

# STROUD DISTRICT COUNCIL

## COMMUNITY SERVICES AND LICENSING COMMITTEE

THURSDAY, 30 NOVEMBER 2023

<b>Report Title</b>	<b>Community Services and Licensing Committee Revenue Estimates – Revised 2023/24 and original 2024/25</b>			
<b>Purpose of Report</b>	To present to the committee the revised estimates for 2023/24 and original estimates for 2024/25.			
<b>Decision(s)</b>	<b>The Committee RECOMMENDS to Strategy and Resources Committee</b> <b>a) The revised Community Services and Licensing revenue budget for 2023/24 and original 2024/25 revenue budget are approved.</b> <b>b) The Fees and Charges list as shown at Appendix B is approved.</b>			
<b>Consultation and Feedback</b>	Consultation has been undertaken with residents and businesses. Feedback on the outcome of the consultation will be provided to members in January 2024.			
<b>Report Author</b>	Adele Rudkin, Accountant Email: adele.rudkin@stroud.gov.uk			
<b>Options</b>	The Administration will be considering its budget options at the Strategy and Resources Committee meeting on 01 February 2024. Council will consider the overall budget position for 2024/25 on 22 February 2024.			
<b>Background Papers</b>	None			
<b>Appendices</b>	Appendix A – Committee budgets Appendix B – Fees & Charges			
<b>Implications (further details at the end of the report)</b>	Financial	Legal	Equality	Environmental
	Yes	Yes	No	No

### 1. Background

- 1.1 The Budget Strategy report to Strategy and Resources Committee in October 2023 set out the way in which the Council would approach setting budgets for the forthcoming financial year.
- 1.2 Members will be aware from both the 2023/24 budget and MTFP (approved in February 2023) and the Budget Strategy report, the Council is facing a number of financial challenges in future years. A budget deficit has been forecast due to anticipated reductions in the level of Government funding and inflationary/cost pressures across the Council's services.

- 1.3 The Medium-Term Financial Plan (MTFP) report to Strategy and Resources will set out a projection of General Fund expenditure over the medium term 2023/24 to 2027/28. This report sets out a more detailed analysis of the changes to the Community Services and Licensing Committee budget for 2023/24 (Revised Estimates) and 2024/25 (Original Estimates).
- 1.4 The Committee's service revenue budgets have been prepared in accordance with the budget framework set out in the Budget Strategy report. They are presented in draft format and are subject to further change as the budget setting process progresses. Any subsequent changes will be included in the MTFP report to Strategy and Resources and Council.
- 1.5 **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.**

## 2. Summary

- 2.1 The original budget for the Community Services and Licensing Committee was **£4.440m** (the base budget has subsequently been changed to 5.030m). The revised budget in 2023/24 has been updated with adjustments to reflect carry forwards and re-profiling of service budgets and the 2023/24 pay award (£1,925 or 3.88%, whichever is higher).
- 2.2 The original estimate for Community Services and Licensing budget for 2024/25 is **£5.713m an increase of £683k** on the base budget. This is largely due to the following budget changes, as outlined in table one below.

### Summary of change from the 2023/24 Original Budget

Community Services and Licensing Committee	para	2023/24 Revised Estimate (000's)	2024/25 Original Estimate (000's)
Base Budget		4,400	5,030
Virements/adjustments	3.1	562	(567)
<b>Recurring changes:</b>			
Pay increases	3.3	68	217
Fees and charges growth	3.4		(89)
Contract increases	3.5		38
Proposed budget adjustments			723
New items funded from reserves			362
<b>Net Service Budget</b>		<b>5,030</b>	<b>5,713</b>

Table may contain roundings

## 3. In year virements/adjustments

- 3.1 In year virements include carry forwards from prior year of £407k, MTFP adjustments, re-distribution of corporate maintenance budgets according to the proposed schedule of works within each Committee.

## 3.2 Inflation

### 3.3 **Pay Inflation - £285k**

This reflects a change to the 2023/24 budget for the recently agreed pay award from 1 April 2023 of £1,925 or 3.88%, whichever is higher for each employee.

The 2024/25 salary budgets have been increased by an initial 5.6% in line with the budget strategy.

The total increase of £285k is broken down into £68k in 2023/24 representing the pay award being higher than the budgeted 5% increase, and an additional £217k from 2024/25 onwards representing the 5.6% included in the Budget Strategy.

### 3.4 **Fees & Charges Growth – (£89k)**

Fees and charges budgets have been inflated by 5% unless stated otherwise on the fees and charges appendix.

A full list of fees and charges for this committee is included in Appendix B.

### 3.5 **Contract Increases - £38k**

Contract inflation has been updated in line with the Budget Strategy.

## 4. Budget Pressures/Efficiencies

SERVICE	Para	REASON FOR PRESSURE/SAVING	2024/25 (£'000)
Revenue & Benefits	4.1	Counter Fraud fee increase	47
Revenues & Benefits	4.2	Housing Benefit subsidy	302
Customer Services	4.3	New posts as part of Council Plan	272
Leisure Service	4.4	New in house Leisure Services	15
Leisure Service	4.4	Air Source Heat Pumps (additional cost)	54
Corporate Maintenance	4.5	Stratford Park	49
Other	4.6	General pressures (below £20k threshold)	6
SERVICE	Para	REASON FOR SAVING	2024/25 (£'000)
Museum	4.7	Utility savings	(45)
Community Health & Wellbeing	4.8	Previous budget decisions - Community Hub	(20)
		<b>Total Community Services &amp; Licensing</b>	<b>680</b>

### Pressures

#### 4.1 **Revenue & Benefits - £47k pressure**

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

This is in relation to counter fraud and enforcement work done by the CFEU, working in partnership with councils across Gloucestershire, social housing providers and organisations to detect and prevent fraud and loss. The capacity for Counter Fraud Work

and Enforcement work is increasing in 2024/25 and although this will bring significant benefits to the Council an upfront cost is created which must be budgeted for.

#### 4.2 **Revenue & Benefits - £302k pressure**

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

A pressure continues for housing benefit payable for residents in supported accommodation. Where the cost of such accommodation is significantly higher than the amount allowable under housing benefit this cannot all be claimed back through housing benefit subsidy, and part of the cost is borne by the local authority. Additional budget to address an increase in costs was included in this year's budget but costs have continued to rise. The main driver for this is that the Local Housing Allowance has remained frozen whilst local rents have been increasing with inflation, leaving the Council to meet the gap in the middle.

#### 4.3 **Customer Services - £272k pressure**

Liz Shellam, xtn 4234, [liz.shellam@stroud.gov.uk](mailto:liz.shellam@stroud.gov.uk)

The increase in budget for the Customer Contact Centre is to support the team structure required to implement and maintain a centralised contact model as defined by the Council Plan. The vision for Stroud District Council is to centralise all customer contact through one multi-skilled, multi-discipline team to improve customer experience and first call resolution rates. As more of our services are accessed online, anticipated demand will shift to more cost-effective digital channels. The saving realised from the reduction in demand due to improved efficiencies in service delivery and centralising contact is assumed to offset this pressure over a three-year period in the MTFP.

#### 4.4 **Leisure Service - £69k pressure**

Angela Gillingham xtn 4452, [angela.gillingham@stroud.gov.uk](mailto:angela.gillingham@stroud.gov.uk)

Associated costs with bringing Stratford Park Leisure Centre in-house to operate alongside The Pulse from November 2024, creating a Leisure Service for Stroud District Council as approved by Council on the 20 July 2023. Additional costs relating to the setup of the new Leisure Service are to be funded from the Leisure earmarked reserve and are included in new items funded from reserves, para 4.10.

There is also an allowance for the additional cost of running the new air source heat pumps, as included in the Decarbonisation of Stratford Park Leisure Centre, Museum in the Park and The Pulse report which was approved by Council in February 2023. As the cost of electricity has reduced since this time, the budget pressure attached to the heat pumps has also reduced.

#### 4.5 **Corporate Maintenance - £49k pressure**

Ali Fisk, xtn 4430, [alison.fisk@stroud.gov.uk](mailto:alison.fisk@stroud.gov.uk)

Additional and rising costs of building maintenance for Stratford Park internal and external repairs.

#### 4.6 **Adjustments**

There are a number of minor adjustments across all services that contribute towards this figure and are generally below the reporting threshold (+/- £20k). Within the proposed

adjustment line is re-allocation of Community Services payroll budget following the recent re-structure, overall, the difference is net nil across the Council.

## **SAVINGS**

### **4.7 Museum in The Park – (£45k) saving**

Kevin Ward, [kevin.ward@stroud.gov.uk](mailto:kevin.ward@stroud.gov.uk)

In April 2023 a new Utilities contract was signed with a notable reduction in rates for both gas and electric, initiating a saving in 2024/25 from the previous rates in 2023/24.

### **4.8 Community Hub – (£20k) saving**

Angela Gillingham xtn 4452, [angela.gillingham@stroud.gov.uk](mailto:angela.gillingham@stroud.gov.uk)

This was a previous budget allocation included in the MTFP for 3 years that will drop out in 2024/25.

## **NEW ITEMS FUNDED FROM RESERVES**

### **4.9 ILP Funded Projects - £115k**

Angela Gillingham xtn 4452, [angela.gillingham@stroud.gov.uk](mailto:angela.gillingham@stroud.gov.uk)

Funding received in 2022/23 from the Integrated Locality Partnership & Integrated Care Board, is to support the delivery on their two priorities; Children and Young People’s Mental Health & Dementia, Frailty and Carers. It is being used to increase staff hours to support the delivery of the Health & Wellbeing Plan and Physical Activity Action Plan 2022-2025.

### **4.10 In House Leisure Service set up costs - £247k**

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These set up costs are identified in the Leisure Management report, approved by Council in July 2023, which set out the costs associated with bringing the leisure service in house from November 2024. These costs will be fully funded from the existing Leisure earmarked reserve as previously agreed by Strategy and Resources Committee

## **5. CAPITAL PROGRAMME**

5.1 Table three below outlines the capital schemes that the Committee is responsible for. These changes have been reflected in the table below, but at this stage, no further changes have been incorporated into the Capital Programme. Council will consider the Capital Programme and the Capital Strategy at their meeting in January 2024.

**Table 3 – Capital schemes 2023/24 and 2024/25**

	<b>2023/24 Original Budget (£'000)</b>	<b>2023/24 Revised Budget (£'000)</b>	<b>2024/25 Original Budget (£'000)</b>
<b>Community Services Capital Schemes</b>			
Community Buildings Investment	100	0	100
Decarbonisation SPLC/MIP/The Pulse	5,400	5,356	0
Stratford Park Lido	0	201	0
Stratford Park Tennis Courts	128	0	0
<b>Community Services Capital Schemes TOTAL</b>	<b>5,628</b>	<b>5,557</b>	<b>100</b>

## 5.2 Community Building Investment

Terms for a new lease have been offered to Kingshill House Ltd and are being reported to Strategy Resources on 23 November for approval. If approved, the council will take responsibility for the roof and structure of the building under the terms of the new lease. This change will place a greater obligation on the council to meet repair costs and these must be included within appropriate budgets. The existing £100k earmarked in the capital budget will be used to carry out priority works and investigations in 2024/25 to continue to protect the structure and fabric of the building. As freeholder owner of this listed building the responsibility to maintain Kingshill House would fall to Stroud District Council if a new lease wasn't agreed.

## 6. IMPLICATIONS

### 6.1 Financial Implications

This report sets out the revised budget for 2023/24 and draft original budget for 2024/25 relating to this Committee. This will form part of the budget setting process to be considered by Strategy and Resources Committee and Council in February 2024.

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### 6.2 Legal Implications

This is a draft budget proposal and will be subject to the budget and policy framework rules set out in the council's constitution and consideration of consultation responses received by the Council

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### 6.3 Equality Implications

There are not any specific changes to service delivery proposed within this decision.

### 6.4 Environmental Implications

There are no significant implications within this category.