

STROUD DISTRICT COUNCIL

COMMUNITY SERVICES AND LICENSING COMMITTEE

REPORT FOR INFORMATION

Report Title	Community Services and Licensing Budget Monitoring Report Q2 2020/21			
Purpose of Report	To present the 2020/21 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.			
Decision(s)	The Committee RESOLVES to: a) To note the outturn forecast for the General Fund Revenue budget and the Capital Programme for this Committee.			
Consultation and Feedback	Budget holders have been consulted about the budget issues in their service areas. The feedback has been incorporated into the report to explain difference between budgets and forecast income and expenditure.			
Report Author	Adele Rudkin, Accountant Tel: 01453 754109 Email: adele.rudkin@stroud.gov.uk			
Options	None			
Background Papers	None			
Appendices	None			
Implications (further details at the end of the report)	Financial	Legal	Equality	Environmental
	Yes	No	No	No

1 Background

- 1.1 This report provides the second monitoring position statement for the financial year 2020/21. 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.
- 1.2 **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.**

2. Summary

- 2.1 The monitoring position for the Committee at 30 September 2020 shows a projected net revenue overspend of £1.425m against the latest budget, as summarised in Table 1.

- 2.2 The Capital Programme is showing a forecast spend of £117k against a budget of £147k.
- 2.3 Table 3 shows the capital spend and projected outturn for the Community Services & Licensing Committee for 2020/21.
- 2.4 This position does include the expected financial impact of Covid-19, with detail included in the narrative where necessary. It is expected that the loss of sales, fees and charges due to Covid-19 will be, in part, supported by central government. An estimate of the compensation has been included in the narrative for applicable services.

3. Revenue Budget Position

- 3.1 Council approved the General Fund Revenue budget for 2020/21 in February 2020 including budget proposals of the administration.
- 3.2 The original budget for the Community Services and Licensing Committee was **£2.966m** (the base budget has subsequently been changed to **£2.931m** due to a technical adjustment on The Pulse regarding re-payment of debt from major works). The revised budget in 2020/21 has been updated with the following adjustments to reflect carry forwards and re-profiling of service budgets. It also includes an increase in budget to reflect the payment of the Real Living Wage for staff at Stratford Park Leisure Centre, as agreed at Community Services and Licensing Committee on 23 January 2020, calculated at £72k.
- 3.3 The monitoring position for the Committee at 30 September 2020 shows a **projected net overspend of £1.425m** against the latest budget, as summarised in Table 1. The overall position on the General Fund will be reported to Strategy and Resources Committee.
- 3.4 The outturn position is mainly attributable to the major items outlined in Table 2 with an explanation of the significant variances that have arisen (a significant variation is defined as being +/- £20,000 on each reporting line).
- 3.5 Appendix A provides a more detailed breakdown on the Committee's budget

Table 1 – Community Services and Licensing Revenue budgets 2020/21

	Para Refs	2020/21 Original Budget (£'000)	2020/21 Revised Budget (£'000)	2020/21 Forecast Outturn (£'000)	2020/21 Outturn Variance (£'000)
Community Services Committee					
Community Safety	3.6	211	226	246	20
Cultural Services - Arts and Culture	3.7	415	428	461	32
Cultural Services - Community Health & Wellbeing	3.8	159	179	145	(34)
Cultural Services - Sports Centres	3.9	(197)	(81)	810	891
Customer Services	3.10	403	403	361	(42)
Director (Customer Services)		0	0	0	0
Grants to Voluntary Organisations		341	341	340	(2)
Licensing	3.11	(59)	(59)	(22)	37
Public Spaces		1,412	1,434	1,443	9
Revenues and Benefits	3.12	141	141	656	515
Youth Services		104	123	122	(2)
Community Services and Licensing TOTAL		2,931	3,136	4,562	1,425

Table contains roundings.

The table below outlines the key variances for this Committee.

Table 2 - Headline Budget variances

Service	Para Refs	Overspend/ (Underspend) (£'000)
Cummunity Safety	3.6	20
Cultural Services - Arts and Culture	3.7	32
Cultural Services - Community Health & Wellbeing	3.8	(34)
Cultural Services - Sports Centres	3.9	891
Customer Services	3.10	(42)
Licensing	3.11	37
Revenues and Benefits	3.12	515
TOTAL		1,420

3.6 Community Safety - £20k unachieved income
(Michael Towson 01453 754336, micheal.towson@stroud.gov.uk)

Car Park enforcement has been directly affected by the suspension of Car Parking charges in the District (March 2020 until July 21 2020). This was due to the lockdown measures as a result of Covid-19. It is expected that user numbers will also be down over the next twelve months; therefore, budget expectations will not be reached.

3.7 Cultural Services - £32k unachieved income/underspends
(Kevin Ward 01453 760916, kevin.ward@stroud.gov.uk)

Income targets will not be met this year due to the Museum being closed from mid-March to July 2020 as a result of the Covid-19 pandemic. There will be some recovery from July onwards with a phased re-opening. However, with very limited visitor numbers permitted on site, to take into account the ability to accommodate guidelines on social distancing, normal earned income will be restricted. Maintaining public trust and confidence during the phased re-opening is crucial. There are some small underspends forecast that will offset the full financial year impact on income.

The lost income recoverable through the Government sales, fees and charges compensation scheme is expected to be approximately £29k, however this figure will change as the expected income loss changes.

3.8 Cultural Services – Community Health & Wellbeing – (£34k) underspend
(Emma Keating Clark 01453 754177, emma.keatingclark@stroud.gov.uk)

An in year salary saving has been identified due to a vacant post. This vacancy has now been filled, with a start date for November 2020. In addition, as a direct result of the Covid-19 pandemic small savings will be achieved across the whole of the service.

3.9 Cultural Services – Sports Centres - £891k unachieved income/overspend
(Angela Gillingham 01453 540995, angela.gillingham@stroud.gov.uk)

The Pulse re-opened on the 27 July after being shut since mid-March. The studio and gym were originally opened for members only, however with only 800 members reactivating their memberships instead of 1,400 annual members, the decision was taken to open to non-members as well. The uptake of gym usage has been extremely slow which at this point is probably due to a mix of Covid-19 concerns and the August holidays which is the slowest footfall month nationally.

The swimming pool is performing better with 1,000 children back on lessons. The downside is that we have had to reduce the number in lesson by 50 and give more pool time for lessons. The reduction in capacity across the site has meant that we have had to reduce numbers in the centre by around 45%. At the end of September, three schools have resumed swimming lessons. The main School programme will not return until September 2021 if current restrictions stay in place. Trying to bring new customers to the centre is proving difficult despite various campaigns and further lockdowns imposed on Leisure Centres.

An overspend of £40k is also forecast regarding essential repairs to the roof coverings at The Pulse. These are some thirty plus years old and whilst they remain serviceable a recent survey has highlighted a large number of areas that need remediation. The roof has been subject to water ingress for the last 3-4 years and we have carried out some minor repairs without success. The tender returns ranged from £44K to £61k and greatly exceeded the initial projection. The successful contractor specialises in the repair of this type of roof covering, with the completion of these works we will be able to extend the life of the roof coverings for another twenty plus years.

The loss of income due to Covid-19 is eligible for the Governments compensation scheme for lost sales, fees and charges. The scheme covers 75% lost income, after deducting 5% to account for volatility in income plus any 'savings' over the same period. For the Pulse this includes an allowance for the redeployment of staff over lockdown as well as reduced running costs whilst closed. Based on the current forecast of £825k income lost, the expected income from Government would be approximately £531k, leaving a net loss of £294k. These figures are reported as Government grants to Strategy and resources committee and will change as the lost income figure changes.

3.10 **Customer Services – (£42k) underspend** (Shobhan Sen 01453 754700, shobhan.sen@stroud.gov.uk)

An underspend is forecast on salaries, there are currently in year vacancies within the team which are anticipated to be filled by Autumn 2020. A saving has also been achieved regarding the G4S cash collection service, which has not been in operation due to Ebley Mill being closed as a result of the Covid-19 pandemic.

3.11 **Licensing – £37k unachieved income** (Rachel Andrew 01453 754401, rachel.andrew@stroud.gov.uk)

Due to the Covid-19 restrictions all pubs, cafes and bars had to be closed from March until 4 July 2020. They are now able to open but with limitations. During this period there were some licence applications to the Council but less than normal. The Council made a decision to not raise invoices for annual fees due on premises licences and club premises certificates during this period due to the financial hardships the businesses have been suffering. Raising of invoices for annual fees commenced in September 2020 starting with those that are have been overdue the longest. It is anticipated that some of the variance will be recuperated as annual fees start to be paid, however some premises may have decided not to re-open. Additionally, during this period events have been prohibited due to

the Covid-19 restrictions which means very few temporary event notices have been submitted between March 2020 and the current time. For the same period in 2019 the Council received 405 temporary event notices with an income of £8,505. This amount cannot be recuperated.

The lost income recoverable through the Government sales, fees and charges compensation scheme is expected to be approximately £19k, however this figure will change as the expected income loss changes.

3.12 Revenues & Benefits – £515k unachieved income (Simon Killen 01453 754013, simon.killen@stroud.gov.uk)

The most significant variance £465k is the shortfall on housing benefit subsidy claims, principally for supported accommodation. Although there is a higher rent allowable in supported accommodation, where the cost of housing 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. This cost continues to rise as both the cost and number of supported accommodation placements increase. Although a significant amount it should be noted that this represents a variance of only 2.7% on the housing benefit subsidy budget. This will continue to be monitored and the situation is subject to change throughout the year as housing benefit claims change and are difficult to predict.

An underspend on salaries is also forecast (£77k) which is primarily around three vacant posts that have not been filled over the lockdown period.

Due to the Covid-19 pandemic, it is expected that there will be a shortfall on enforcement and recoverable income of £115k. In order to support residents, enforcement action was not undertaken during the lockdown period and a sensitive approach is currently being used.

CAPITAL

4. Table 3 below shows the 2020/21 Capital Programme for this Committee.

Table 3 – Capital Outturn forecast

	Para Refs	2020/21 Original Budget (£'000)	2020/21 Revised Budget (£'000)	2020/21 Forecast Outturn (£'000)	2021/22 Original Budget (£'000)
Community Services Capital Schemes					
Community Buildings Investment		117	117	117	0
Stratford Park Lido		30	0	0	30
Community Services Capital Schemes TOTAL		147	117	117	30

4.1 Community Buildings Investment

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 a future meeting of Strategy and Resources Committee to approve, in principle, the terms for a transfer once they have been agreed.

4.2 Stratford Park Lido

The preparation work has been undertaken by the consultants regarding submission of a bid. This work has now been completed but due to Covid-19 has not been followed up. Their recommendation is to submit bids into alternative funding before a submission is made to HLF. These bids will support the submission to the HLF as well as catering for any possible changes that might be recommended following the Stratford Park review. Due to the impact of Covid19 this has now been re-profiled to 2021/22.

Appendix A

	Para Refs	2020/21 Original Budget (£'000)	2020/21 Revised Budget (£'000)	2020/21 Forecast Outturn (£'000)	2020/21 Outturn Variance (£'000)
Community Services Committee					
Car Parks Enforcement		44	44	65	21
Careline Services		(103)	(103)	(103)	0
Community Safety		14	29	29	0
Neighbourhood Wardens		230	230	228	(1)
Stroud and Dursley CCTV		27	27	27	0
Community Safety	3.6	211	226	246	20
Museum in the Park		401	414	447	32
Subscription Rooms		4	4	4	0
Tourism		10	10	10	0
Cultural Services - Arts and Culture	3.7	415	428	461	32
Community Health & Wellbeing		159	179	145	(34)
Cultural Services - Community Health & Wellbeing	3.8	159	179	145	(34)
Stratford Park Leisure Centre		122	197	205	9
The Pulse		(319)	(278)	604	883
Cultural Services - Sports Centres	3.9	(197)	(81)	810	891
Customer Service Centre		403	403	361	(42)
Customer Services	3.10	403	403	361	(42)
Grants to Voluntary Organisations		341	341	340	(2)
Grants to Voluntary Organisations		341	341	340	(2)
Licensing		(59)	(59)	(22)	37
Licensing	3.11	(59)	(59)	(22)	37
Amenity Areas		152	170	170	(1)
Cemeteries		28	27	27	(0)
Commons and Woodlands		14	14	14	0
Grassed Areas Contribution to HRA		200	200	200	0
Public Conveniences		248	229	206	(23)
Public Space Service		554	554	560	6
Stratford Park		212	235	260	24
Street Naming Maintenance		5	5	7	2
Public Spaces		1,412	1,434	1,443	9
Business Rate Collection		(101)	(101)	(105)	(3)
Council Tax Collection		211	211	301	90
Council Tax Support Administration		21	21	12	(10)
Creditors		79	79	69	(10)
Housing Benefit Administration		110	110	93	(16)
Rent Allowances and Rebates		(178)	(178)	287	465
Revenues and Benefits	3.12	141	141	656	515
Hear by Right / Youth Services		104	123	122	(2)
Youth Services		104	123	122	(2)
Community Services and Licensing TOTAL		2,931	3,136	4,562	1,425

The outturn variances on the above table reflect reserve movements as outlined in Table 1, table contains roundings.

5. IMPLICATIONS

5.1 Financial Implications

There are no financial implications arising from this report as it reports on previous financial activities and expected forecasts.

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5.2 Legal Implications

There are no legal implications arising from the recommendations in this report

One Legal
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5.3 Equality Implications

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

5.4 Environmental Implications

There are no significant implications within this category.