

STROUD DISTRICT COUNCIL

COMMUNITY SERVICES AND LICENSING COMMITTEE

REPORT FOR INFORMATION

Report Title	Community Services and Licensing Budget Monitoring Report Q3 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 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.			
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Options	None			
Background Papers	None			
Appendices	None			
Implications (further details at the end of the report)	Financial	Legal	Equality	Environmental
	No	No	No	No

1 Background

- 1.1 This report provides the third 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 31 December 2020 shows a projected net revenue overspend of £1.403m against the latest budget, as summarised in Table 1.

- 2.2 The Capital Programme is showing a forecast nil spend against a budget of £117k.
- 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 31 December 2020 shows a **projected net overspend of £1.403m** 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		211	226	208	(18)
Cultural Services - Arts and Culture	3.6	415	428	400	(28)
Cultural Services - Community Health & Wellbeing	3.7	159	179	149	(29)
Cultural Services - Sports Centres	3.8	(197)	(81)	1,031	1,112
Customer Services	3.9	403	403	336	(67)
Grants to Voluntary Organisations		341	341	340	(2)
Licensing	3.10	(59)	(59)	(25)	34
Public Spaces	3.11	1,412	1,434	1,397	(38)
Revenues and Benefits	3.12	141	141	589	448
Youth Services		104	123	114	(10)
Community Services and Licensing TOTAL		2,931	3,136	4,539	1,403

Table contains roundings.

The table below outlines the key variances for this Committee.

Table 2 - Headline Budget variances

Service	Para Refs	Overspend/ (Underspend) (£'000)
Cultural Services - Arts and Culture	3.6	(28)
Cultural Services - Community Health & Wellbeing	3.7	(29)
Cultural Services - Sports Centres	3.8	1,112
Customer Services	3.9	(67)
Licensing	3.10	34
Public Spaces	3.11	(38)
Revenues and Benefits	3.12	448
TOTAL		1,432

3.6 Cultural Services – (£28k) unachieved income/underspends
(Kevin Ward 01453 760916, kevin.ward@stroud.gov.uk)

The previous forecast in Q2 was informed with a more optimistic view and some uncertainty of what lay ahead in the future. There was 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 was restricted. The current Covid 19 restrictions have meant the Museum has had to close again, so an underspend on expenditure budgets is forecast along with a loss of income due to no visitors expected the remainder of this financial year.

3.7 Cultural Services – Community Health & Wellbeing – (£29k) 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 was filled in November 2020. In addition, as a direct result of the Covid-19 pandemic small savings will be achieved across the whole of the service.

3.8 Cultural Services – Sports Centres - £1.112m unachieved income/overspend
(Angela Gillingham 01453 540995, angela.gillingham@stroud.gov.uk)

During 2020/21 the leisure industry has been hit with three national lockdowns. The knock on effect of this is The Pulse will only have been open for four months in total this financial year. During the months of opening severe restrictions were in force which resulted in operating at only 50% of normal capacity. In December further conditions were sanctioned on the leisure industry when the tiers changed, this resulted in no classes at the centre. The staff have been paid throughout the closure and many of the fitness instructors have delivered classes and activities through Facebook and live streaming. This has brought in a small amount of income however in the current lockdown competition is fierce for online apps and we decided to reward all members for their loyalty with free access and keep them active to help with their mental health and physical wellbeing. Essential roof repairs were also carried out during this year which put an increased pressure on the budget and further compacted the loss of income and operational deficit.

The current Government guidelines will mean that we will not be able to open this financial year. The earliest we can open some of the facilities will be April 12, followed by fitness classes returning 17 May and possibly all restrictions removed by the end of June. We

endeavor to start to rebuild capacity and provide a stronger programme for the remaining 9 months of 2021/22 financial year.

The loss of income due to Covid-19 is eligible for the Government's 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 £1.065m income lost, the expected income from Government would be approximately £0.710m. These figures are reported as Government grants to Strategy and Resources Committee and will change as the lost income figure changes.

3.9 Customer Services – (£67k) underspend
(Shobhan Sen 01453 754700, shobhan.sen@stroud.gov.uk)

The forecast underspend is mainly around salaries. There are currently in-year vacancies which recruitment is underway, these vacant posts are anticipated to be filled in the new financial year. 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.

3.10 Licensing – £34k unachieved income
(Rachel Andrew 01453 754401, rachel.andrew@stroud.gov.uk)

The main loss of Licensing Act 2003 income for 2020/21 has been a result of the significant reduction in temporary event notices due to the fact that occasional events have mainly been prohibited under the Covid-19 restrictions. During 2019/20 there were 670 temporary event notices submitted, by the end of Q3 2020/21 only 55 had been submitted. Many pubs, cafes and bars have had to remain closed or had restricted opening. However, all invoices for the annual fees for current licences, that were/are due in the financial year 2020/21, have now been raised, although about 50 still remain unpaid as of February 2021. The total number of premises licences has not reduced significantly and remains at about 470.

There is also a reduction in income for taxi licensing for 2020/21. This is due to the fact that many taxis and private hire businesses have not had little or no work, during the Covid restrictions. Many businesses have surrendered their licences and some have deferred their renewals to when things pick up. There have been very few new driver, vehicle and operator applications during this period in comparison to other years. In Jan 2020 there were 186 driver licences and 177 vehicles licences. As of February 2021 there are 163 driver licence and 156 vehicle licences.

3.11 Public Spaces – (£38k) – underspend
(Mike Hammond 01453 754447, mike.hammond@stroud.gov.uk)

The forecast underspend on Stratford Park is reflective of the part-year saving on contract costs associated with the transfer of the grounds maintenance function to Ubico. There are a number of pending projects that may be completed within this financial year which would then reduce the underspend, but given the current conditions this is unlikely.

3.12 Revenues & Benefits – £448k unachieved income
(Simon Killen 01453 754013, simon.killen@stroud.gov.uk)

The most significant variance £374k 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 (£74k) 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 £170k. 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)	2020/21 Outturn Variance (£'000)
Community Services Capital Schemes					
Community Buildings Investment	4.1	117	117	0	(117)
Stratford Park Lido	4.2	30	0	0	0
Community Services Capital Schemes TOTAL		147	117	0	(117)

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 2021/22 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 Covid-19, 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	60	15
Careline Services		(103)	(103)	(120)	(17)
Community Safety		14	29	27	(2)
Neighbourhood Wardens		230	230	215	(15)
Stroud and Dursley CCTV		27	27	27	0
Community Safety		211	226	208	(18)
Museum in the Park		401	414	386	(28)
Subscription Rooms		4	4	4	0
Tourism		10	10	10	0
Cultural Services - Arts and Culture	3.6	415	428	400	(28)
Community Health & Wellbeing		159	179	149	(29)
Cultural Services - Community Health & Wellbeing	3.7	159	179	149	(29)
Stratford Park Leisure Centre		122	197	217	20
The Pulse		(319)	(278)	814	1,092
Cultural Services - Sports Centres	3.8	(197)	(81)	1,031	1,112
Customer Service Centre		403	403	336	(67)
Customer Services	3.9	403	403	336	(67)
Grants to Voluntary Organisations		341	341	340	(2)
Grants to Voluntary Organisations		341	341	340	(2)
Licensing		(59)	(59)	(25)	34
Licensing	3.10	(59)	(59)	(25)	34
Amenity Areas		152	170	170	(1)
Cemeteries		28	27	28	0
Commons and Woodlands		14	14	14	0
Grassed Areas Contribution to HRA		200	200	200	0
Public Conveniences		248	229	226	(4)
Public Space Service		554	554	546	(8)
Stratford Park		212	235	207	(28)
Street Naming Maintenance		5	5	8	3
Public Spaces	3.11	1,412	1,434	1,397	(38)
Business Rate Collection		(101)	(101)	(106)	(4)
Council Tax Collection		211	211	349	138
Council Tax Support Administration		21	21	20	(1)
Creditors		79	79	78	(1)
Housing Benefit Administration		110	110	50	(59)
Rent Allowances and Rebates		(178)	(178)	197	375
Revenues and Benefits	3.12	141	141	589	448
Hear by Right / Youth Services		104	123	114	(10)
Youth Services		104	123	114	(10)
Community Services and Licensing TOTAL		2,931	3,136	4,539	1,403

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