

STROUD DISTRICT COUNCIL

COMMUNITY SERVICES AND LICENSING COMMITTEE

THURSDAY, 1 DECEMBER 2022

Report Title	COMMUNITY SERVICES AND LICENSING COMMITTEE REVENUE ESTIMATES – REVISED 2022/23 AND ORIGINAL 2023/24			
Purpose of Report	To present to the committee the revised estimates for 2022/23 and original estimates for 2023/24.			
Decision(s)	The Committee RECOMMENDS to Strategy and Resources Committee a) The revised Community Services and Licensing revenue budget for 2022/23 and original 2023/24 revenue budget are approved. b) The Fees and Charges list as shown at Appendix B is approved.			
Consultation and Feedback	Consultation has been undertaken with residents and businesses. Feedback on the outcome of the consultation will be provided to members in January 2023.			
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Options	The Administration will be considering its budget options at the Strategy and Resources Committee meeting on 02 Feb 2023. Council will consider the overall budget position for 2023/24 on 16 February 2023.			
Background Papers	None			
Appendices	Appendix A – Committee budgets Appendix B – Fees & Charges			
Implications (further details at the end of the report)	Financial	Legal	Equality	Environmental
	Yes	Yes	No	No

1. BACKGROUND

- 1.1 The Medium Term Financial Plan (MTFP) Update report to Strategy and Resources Committee in September 2022 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 2022/23 budget and MTFP (approved in February 2022) and the MTFP Update reports, the Council is facing a number of financial challenges in 2023/24 and 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 2022/23 to 2025/26. This report sets out a more detailed analysis of the changes to the Community Services and Licensing Committee budget for 2022/23 (Revised Estimates) and 2023/24 (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 **£3.307m** (the base budget has subsequently been changed to **3.747m**). The revised budget in 2022/23 has been updated with the following adjustments to reflect carry forwards and re-profiling of service budgets and the 2022/23 pay award (£1,925). This has been used as the base estimate 2023/24 budget.
- 2.2 The original estimate for Community Services and Licensing budget for 2023/24 is **£4.027m an increase of £280k** on the base budget. This is largely due to the following budget changes, as outlined in table one below.

Summary of change from the 2022/23 Original Budget

Community Services and Licensing Committee	para	2022/23 Revised Estimate (000's)	2023/24 Original Estimate (000's)
Base Budget		3,307	3,747
Virements/adjustments	3.1	291	(278)
Recurring changes:			
Pay increases	3.3	149	166
Fees and charges growth	3.4		(83)
Contract increases	3.5		62
Proposed budget adjustments	4.0		413
Net Service Budget		3,747	4,027

3. IN YEAR VIREMENTS/ADJUSTMENTS

- 3.1 In year virements include carry forwards from prior year, 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 - £315k

This reflects the recently agreed 2022/23 pay award (£1,925) which is funded from reserves in 2022/23, as set aside by Strategy & Resources Committee, but will need to be funded going forward.

The 2023/24 salary budgets have been increased by an initial 5% in line with budget strategy.

3.4 Fees & Charges Growth – (£83k)

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 - £62k

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

4. BUDGET PRESSURES/EFFICIENCIES

Para	REASON FOR PRESSURE/SAVING	2023/24 (£'000)
4.1	Gas & Electric rate increase	362
4.2	SPLC Contract - Gas & Electric rates	100
4.3	Minor adjustments over all services	8
Para	REASON FOR SAVING	2023/24 (£'000)
4.4	MTFP saving -Removal of temporary fixed 2 Year posts	(57)
	Total Community Services & Licensing	413

4.1 Utilities - £362k pressure

Gas and Electric services within the Council have been significantly impacted by the national cost of living crisis. A detailed exercise has been undertaken so that the 2023/24 budget reflects the ongoing pressure in those services where applicable.

This primarily impacts The Pulse (£283k) and the Museum in the Park (£52k).

4.2 SPLC - £100k pressure

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The recent increase in unit costs for electricity and gas has had a direct impact on the SLM contract. Within the terms of the contract a benchmark is specified, so if the price or consumption goes over the noted level then SDC is liable for 50% of the increase. A revised budget for 2023/24 has been estimated for the commitment that SDC are accountable for.

4.3 Adjustments - £8k pressure

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

4.4 Customer Services – (£57k) saving

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This saving is related to the two temporary staffing posts were included in the MTFP as part of the Customer Services review and transformation that were fixed term for two years. Funding for these post for 2023/24 will be made available through earmarked reserves.

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 2023.

Table 3 – Capital schemes 2022/23 and 2023/24

	2022/23 Original Budget (£'000)	2022/23 Revised Budget (£'000)	2023/24 Original Budget (£'000)
Community Services Capital Schemes			
Community Buildings Investment	0	17	100
Stratford Park Lido	190	220	0
Community Services Capital Schemes TOTAL	190	237	100

5.2 Community Building Investment

Discussions have been ongoing with Kingshill House Trust for several years about a possible Community Asset Transfer but there have been delays because of the impact of the Covid 19 pandemic upon their financial situation. There have also been changes to the Board of Trustees and senior staff. A capital budget provision of £50,000 in 2017/18 and £50,000 in 2018/19 was made as part of a funding package to help assist the transfer together with a tapering reduction in core funding. It was recently agreed that the £17,000 outstanding from this capital budget provision could be spent on essential works to the cottage and drains, this work has now been carried out. It is proposed that Stroud District Council will provide a one-off capital grant of £100k towards the maintenance and upkeep of the listed building, which would only become payable on the transfer of the building and grant conditions would have to be complied with.

Following discussions with the Chair and vice Chair of S&R and senior officers earlier this year additional time was given for the trust to finalise their business plan. The Trust has a 25 year lease which is due to expire in October 2024. The council will need to be confident that the board is in a position to take on the freehold and has a robust business plan before

a decision is made and reported back to S&R for approval. Committee will be updated in March 2023.

5.3 Stratford Park Lido

Due to covid-19 pandemic, the 2019 business plan developed for the lido had not been explored further. It has subsequently been picked up by the leisure consultants and included within the 20-year Leisure and Wellbeing Strategy.

The indicative costs to fully upgrade the Lido were estimated at £7.3m. £1.8m would provide a sustainable heating system and upgrade the plant room. The money allocated to the lido to upgrade the facility is not enough on its own therefore one of the actions coming out of the strategy is to explore further funding options for this facility. This will be included as part of the bigger picture to secure future capital for all the Leisure facilities.

6. IMPLICATIONS

6.1 Financial Implications

This report sets out the draft budget relating to the Committee for 2022/23. This will form part of the budget setting process to be considered by Strategy and Resources Committee in January 2022 and Council in February 2022.

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6.2 Legal Implications

There are no specific legal implications arising from the recommendations of this report.

There is a legal requirement under the Local Government Finance Act 1992, for the Authority to set a balanced budget.

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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.