

# STROUD DISTRICT COUNCIL

## COMMUNITY SERVICES AND LICENSING COMMITTEE

THURSDAY, 1 DECEMBER 2022

Report Title	COMMUNITY SERVICES AND LICENSING BUDGET MONITORING REPORT Q2 2022/23			
Purpose of Report	To present the 2022/23 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)	<b>The Committee RESOLVES to note the outturn forecast for the General Fund Revenue budget and the Capital Programme for this Committee.</b>			
Consultation and Feedback	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 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
	Yes	Yes	No	No

### 1. BACKGROUND

- 1.1 This report provides the second monitoring position statement for the financial year 2022/23. 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 2022 shows a **projected net revenue overspend of £592k** against the latest budget.
- 2.2 The Capital programme is showing a forecast spend of £237k against a revised budget of £237k.

- 2.3 Table 2 shows the capital spend and projected outturn for the Community Services & Licensing Committee for 2022/23.

### 3. REVENUE BUDGET POSITION

- 3.1 Council approved the General Fund Revenue budget for 2022/23 in February 2022 including budget proposals of the administration.
- 3.2 The latest budget for Community Services and Licensing Committee is £3,598m (Original Budget was £3,307m) as summarised in Table 1. This considers any MTFP adjustments, carry forwards and re-profiling of corporate maintenance budgets. The recently agreed pay award (£1,925) which is funded from reserves as set aside by Strategy & Resources Committee will be reflected in quarter 3 report.
- 3.3 In response to the impact of the cost of living crisis, a detailed exercise examining the effect on the gas and electric services within the Council has been undertaken. Estimates have been included within the budget forecast outturn position where applicable.
- 3.4 The outturn position is mainly attributable to those items outlined in Table 1 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 2022/23**

	Para Refs	2022/23 Original Budget (£'000)	2022/23 Revised Budget (£'000)	2022/23 Forecast Outturn (£'000)	2022/23 Outturn Variance (£'000)
<b>Community Services Committee</b>					
Community Safety		171	179	174	(5)
Cultural Services - Arts and Culture	3.5	410	406	411	5
Cultural Services - Community Health & Wellbeing		165	295	291	(3)
Cultural Services - Sports Centres	3.6	(90)	26	266	241
Customer Services	3.7	475	497	476	(21)
Grants to Voluntary Organisations		330	330	330	0
Licensing		(44)	(44)	(52)	(8)
Public Spaces	3.8	1,401	1,422	1,460	38
Revenues and Benefits	3.9	380	380	725	345
Youth Services		109	109	110	1
<b>Community Services and Licensing TOTAL</b>		<b>3,307</b>	<b>3,598</b>	<b>4,191</b>	<b>592</b>

Table contains roundings.

- 3.6 **Cultural Services – Museum in the Park – £5k - overspend**  
(Kevin Ward 0153 763394. [kevin.ward@stroud.gov.uk](mailto:kevin.ward@stroud.gov.uk))

Whilst the overall variance is not material there are two offsetting variances which contribute to the overspend. Staffing vacancies and recruitment difficulties have resulted in an underspend on salaries (£13k). A budget pressure has been forecast on electricity along with additional expenditure on collections management due to outbreak of mould due to Covid lockdowns and poor environment at a collection store requiring intervention and support from conservation experts.

There are several significant variances which contribute to the overall forecast. Income is predicted to be down by **£55k** due to the uncertainty regarding the cost of living crisis which so many of our communities are facing, a downturn in spending has been predicted on memberships which is seen as a luxury item by many. In Q1 it was projected that memberships remain under our pre covid-19 levels. We instigated a campaign in September which showed an upturn but due to the rising costs a more cautious approach has been taken in our long-term forecast anticipating cancellations in the run up to Christmas. Swimming lessons are holding which remains positive. Additional costs of **£61k** (gas predominately) have been forecast in response to the Utilities increase, this will be monitored closely to measure the impact on leisure centres across the country. An upgrade to the hot water generation has attracted costs of **£35k**, strain continues on the expenditure budgets as costs continue to rise on essentials such as chemicals and building cleaning.

### **Stratford Park Leisure Centre - £89k overspend**

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 forecast of £89k has been estimated for the commitment that SDC are accountable for. The actual figure will be calculated at the end of the financial year.

#### **3.7 Customer Services – (£21k) underspend**

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

Following covid-19, cash deposits are no longer held at Ebley Mill, therefore no secure cash collections are made by G4S. This has led to an in-year budget saving and is being considered as an efficiency as part of the budget setting process for 2023/24.

An in-year vacancy saving of (£21k) has been recognised. Several staff have successfully attained internal development opportunities in other service areas which has resulted in vacancies within the team. These roles are actively being recruited to in order to backfill any outstanding positions, however, success is varied in attracting candidates due to the current employment market and offering fixed term contracts. This saving has been attributed to overall salary saving reported through to Strategy & Resources Committee.

#### **3.8 Public Spaces – £38k overspend**

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

There are several contributory factors which culminate in an overspend of £38k. Commons & Woodlands £11k, extensive tree works have been identified in the woodlands we own in the Dursley area. £9k attributable to dry stone wall works are required in the closed cemetery that SDC manage in Berkeley. The Ubico contract is forecasting minor additional costs within this Committee of £12k. Stratford Park is estimating extra expenditure of £10k for scheduled maintenance for the bandstand, roof repairs to the canoe store and security services. There are modest underspends across Public spaces amounting to (£8k).

#### **3.9 Revenues & Benefits – £345k unachieved income/underspends**

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

The most significant variance of £362k 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. Additional budget to address some of the costs was actioned as part of budget setting last financial year. 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 in-year saving on salaries (£100k). In year vacancies have arisen due to several posts that have proved difficult to recruit to and in addition a member of staff taking retirement. These positions have now been advertised with the intention to recruit in the near future. This amount has been factored into the overall corporate vacancy saving figure reported to Strategy & Resources Committee.

#### 4. CAPITAL

Table 2 below shows the 2022/23 Capital Programme for this Committee.

**Table 2 – Capital Outturn forecast**

	2022/23 Original Budget (£'000)	2022/23 Revised Budget (£'000)	2022/23 Forecast Outturn (£'000)	2022/23 Outturn Variance (£'000)
<b>Community Services Capital Schemes</b>				
Community Buildings Investment	0	17	17	0
Stratford Park Lido	190	220	220	0
<b>Community Services Capital Schemes TOTAL</b>	<b>190</b>	<b>237</b>	<b>237</b>	<b>0</b>

##### 4.1 Community Buildings 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.

##### 4.2 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.

## **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 specific legal implications arising from this report recommendation.

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.