

STROUD DISTRICT COUNCIL

COMMUNITY SERVICES AND LICENSING COMMITTEE

23 MARCH 2023

Report Title	COMMUNITY SERVICES AND LICENSING BUDGET MONITORING REPORT Q3 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)	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 to 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	Appendix A – Detailed Budget Breakdown			
Implications (further details at the end of the report)	Financial	Legal	Equality	Environmental
	No	Yes	No	No

1 BACKGROUND

- 1.1 This report provides the third 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 31 December 2022 shows a **projected net revenue overspend of £669k** against the latest budget.
- 2.2 The Capital programme is showing a forecast spend of £37k 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 £3.747m (Original Budget was £3.307m) as summarised in Table 1. This considers any MTFP adjustments, carry forwards and re-profiling of corporate maintenance budgets and the recently agreed pay award (£1,925) which is funded from reserves as set aside by Strategy & Resources Committee.

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 Reserve Transfers (£'000)	2022/23 Outturn Variance (£'000)
Community Services Committee						
Community Safety	3.6	171	192	189	0	(3)
Cultural Services - Arts and Culture	3.7	410	419	461	(26)	17
Cultural Services - Community Health & Wellbeing		165	301	(50)	351	0
Cultural Services - Sports Centres	3.8	(90)	51	302	(23)	229
Customer Services	3.9	475	520	501	0	(19)
Grants to Voluntary Organisations		330	330	330	0	0
Licensing		(44)	(39)	(71)	29	(4)
Public Spaces	3.10	1,401	1,439	1,475	0	35
Revenues and Benefits	3.11	380	420	835	0	415
Youth Services		109	114	113	0	(1)
Community Services and Licensing TOTAL		3,307	3,747	4,085	331	669

Table contains roundings.

3.6 Community Safety – (£3k) underspend

(Angela Gillingham xtn 4452, angela.gillingham@stroud.gov.uk)

A salary saving of £20k has arisen due to short term vacancies during the year. The team is currently one member of staff down, the post is currently out for recruitment with a view to being filled by April 2023. This amount has been factored into the overall corporate vacancy saving figure reported to Strategy & Resources Committee.

3.7 Cultural Services – Museum in the Park – £17k - overspend

(Kevin Ward 0153 763394, kevin.ward@stroud.gov.uk)

Whilst the overall variance is not material there are two offsetting variances contributing to the overspend. Staffing vacancies and recruitment difficulties have resulted in an underspend on salaries (5k). 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.

3.8 Cultural Services – Sports Centres - £229k overspend

(Darren Young 01453 540995, darren.young@stroud.gov.uk)

The Pulse (£139k) overspend/unachieved income

There are several significant variances which contribute to the overall forecast. Income is predicted to be down by £53k 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 Q2 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 forecast. Swimming lessons are holding which remains positive. Additional costs of £46k (predominately gas) have been forecast in response to the Utilities increase, this will be monitored closely to measure the impact on leisure centres across the country. Strain continues on the expenditure budgets of £40k as costs continue to rise on equipment hire, course costs and 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 £68k has been estimated for the commitment that SDC are accountable for. The actual figure will be calculated at the end of the financial year. Additional costs for roof repairs and the monitoring of water quality of £21k have been incurred.

3.9 Customer Services – (£19k) underspend

(Liz Shellam, xtn 4234, liz.shellam@stroud.gov.uk)

Following Covid-19, cash deposits are no longer held at Ebley Mill, therefore no secure cash collections by G4S. This has now been offered as an efficiency saving as part of the budget setting process for 2023/24.

An in-year vacancy saving of (£55k) 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.

3.10 Public Spaces – £35k overspend

(Angela Gillingham xtn 4452, angela.gillingham@stroud.gov.uk)

There are several material factors which culminate in an overspend of £35k. Commons & Woodlands £9k, extensive tree works have been identified in the woodlands we own in the Dursley area. The Ubico contract is forecasting minor additional costs within this Committee of £26k. Stratford Park is estimating extra expenditure of £25k for scheduled maintenance

for the bandstand, roof repairs to the canoe store and security services. A favourable offsetting variance of (£23k) on salaries has also been forecast which will be attributed to the overall salary savings to Strategy & Resources. Savings have also been achieved (£24k) due business rates not being applicable on Public Conveniences, this budget has now been removed for 2023/24. Modest underspends amounting to (£5k) are also projected.

3.11 Revenues & Benefits – £415k unachieved income/underspends
(Simon Killen xtn 4013, simon.killen@stroud.gov.uk)

The most significant variance of 263k 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.

Administration of the Governments Council Tax Energy Rebate scheme enforced some changes to the software which restricted being able to carry out normal statutory recovery runs which has led to a forecast deficit in income of £68k. There are additional costs associated with the HB Subsidy Audit relating to previous financial years The budget issue has been addressed as part the budget setting process.

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

	Para Refs	2022/23 Original Budget (£'000)	2022/23 Revised Budget (£'000)	2022/23 Forecast Outturn (£'000)	2022/23 Outturn Variance (£'000)
Community Services Capital Schemes					
Community Buildings Investment	4.1	0	17	17	0
Stratford Park Lido	4.2	190	220	20	(200)
Community Services Capital Schemes TOTAL		190	237	37	(200)

4.1 Community Buildings Investment

As part of the budget recently agreed by Council members agreed an additional revenue funding allocation of £25,000 to support the Kingshill House Trust. At their next meeting the Strategy and Resources Committee will be considering an update on the longer term issues relating to the building including the lease to the Trust”. The Council has also released £17k over and above grant funding to assist with essential repairs to the cottage and drains this financial year.

4.2 **Stratford Park Lido**

The current cost-of-living crisis along with the increase cost of borrowing and the reallocation of staff resource within community services on other projects over the past year, has had a significant impact on the project moving forward, therefore an underspend is forecast for this financial year. Future spend will be combined with the feasibility investment piece which includes both leisure centres and the Lido.

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.

Lucy Clothier, Accountancy Manager

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5.2 **Legal Implications**

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