

STROUD DISTRICT COUNCIL
COMMUNITY SERVICES AND LICENSING
COMMITTEE

AGENDA
ITEM NO

7

30 MARCH 2017

Report Title	BUDGET MONITORING REPORT 2016/17 – REPORT 3
Purpose of Report	To present to the Committee a forecast of the outturn position against the revenue budget and capital programme for 2016/17.
Decision(s)	<p>The Committee RESOLVES:</p> <p>a) to note the outturn forecast for the General Fund Revenue budget and the Capital programme for this Committee</p> <p>b) RECOMMENDS: to Strategy & Resources that the provisional carry forward as set out in paragraph 12 are approved (subject to the outturn position)</p>
Consultation and Feedback	Budget holders have been consulted about the budget issues in their service areas. The feedback has been incorporated in the report to explain differences between budgets and actual income and expenditure.
Financial Implications and Risk Assessment	<p>The outturn forecast for the Committee’s budget shows a net underspend of £330k. This will be included in the overall General Fund outturn forecast reported to Strategy and Resources committee in April 2017.</p> <p>The committee’s Capital budgets are likely to spend as per budget apart from capital slippage likely on the LA Social Housing</p> <p>David Stanley – Accountancy Manager Tel: 01453 754100 Email: david.stanley@stroud.gov.uk.</p>
Legal Implications	<p>The report is for information and does not therefore raise any legal implications</p> <p>Alan Carr, Solicitor Tel: 01453 754357 Email: alan.carr@stroud.gov.uk</p>
Report Author	<p>Adele Rudkin, Accountant Tel: 01453 754109 Email: adele.rudkin@stroud.gov.uk</p>
Options	None

Performance Management Follow Up	Budgets will continue to be monitored on a regular basis by budget holders supported by Finance. The outturn position will be reported to Strategy and Resources Committee in June 2017
Background Papers/ Appendices	None

Background

1. This report provides the third financial report to the committee for the financial year 2016/17. 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.
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.**

Revenue Budget position

3. The original net General Fund Revenue budget for 2016/17 was £16.103m as approved by Council at their meeting on 28 January 2016. This has now been revised to £16.350m.

The latest budget for Community Services and Licensing Committee is £5.758m as approved by Council in February 2017.

4. The monitoring position for the service at 31 January 2017 shows a projected net underspend of (£330k) against the latest budget, as summarised in Table 2. The overall position on the General Fund will be considered by Strategy and Resources Committee at their meeting on 13 April 2017.
5. 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 +/- £20k on each reporting line). Appendix A provides a more detailed breakdown on the committee's budgets.

Summary of Report Headlines

- **Major Variations**

The report sets out the forecast outturn position on the committee's budgets, with Appendix A providing more detailed explanations on the major variances. Whilst the overall position on the CS&L budget is positive, concern remains on the financial performance of the Subscription Rooms. Revenue and Benefits outturn position is showing as a favorable significant variance, this projection was based on known factors at the end of January 2017. Whilst there is every confidence this will remain constant, there is still risk that this variance may fluctuate due to unknown factors over the next few months.

- **Salaries - Underspend**

Budget holders and Finance worked together to review the establishment and associated staffing budgets for 2016/17, and budgets were set in accordance with the agreed establishment. The current forecast has identified a number of savings within the following services, Community Safety, Arts & Culture (Subscription Rooms) Sports Centres (The Pulse – Dursley) and Revenue and Benefits. An assessment of these savings has identified some in year savings due to staff turnover. A number of these workforce planning savings were reviewed and actioned as part of the Budget setting process for 2017/18.

- **Additional Expenditure**

Expenditure forecast due to predicted pressures within Arts and Culture (Subscription Rooms), Sports Centres (The Pulse - Dursley) and Public Spaces – (Ground Maintenance Scheme).

6. Areas of Risk and Uncertainty

The forecast outturn variance of a net (£330k) underspend highlighted in paragraph 4 of this report is based on known and estimated outcomes. There are a number of different outcomes that may occur and it is difficult to predict with a degree of certainty which outcome is more likely, Seasonal factors affecting income from events and activities in specific budget areas (e.g. Subscription Rooms, Dursley Pool and Sports Centre), or the overall position of the local economy and the effect on income generation.

Listed below are the main area of risk and uncertainty associated with outturn forecast.

- **‘The Pulse’ Dursley**

Dursley Pool has undergone a major transformation over the past 12 months and has now been re-branded as the ‘The Pulse’ Dursley. It opened to the public on the 9th July 2016, after a £1.7m investment from SDC.

On the weekend of opening the centre achieved 800 members which has now grown to 1370.

The Pulse now comprises of a state of the art gym, indoor cycling and fitness studio, dedicated changing and shower facilities along with the 25 metre pool and adapted change facility.

As with any new venture there is some risk and uncertainty

- **Public Spaces - – Grounds Maintenance service**

Members will recall Stroud’s new Multi Service Contract with Ubico commenced on the 02 July 2016 and the introduction of the new waste service in November which saw weekly food waste collections introduced and wheeled bins replacing black sacks for residual waste collections. The Grounds Maintenance service is part of this new contract. Historically budgets have been split between Community Services & Licensing and Environment Committee. The allocation of budgets within the service was evaluated at budget setting time to reflect the current distribution of costs across the whole of the Multi Service Contract.

- **Revenues & Benefits**

Forecast is based on actual caseload and Housing Benefit data to the 31st January 2017 with a projection for the following two months. As with all estimates this forecast will be subject to change. Even small changes on these assumptions can have a great impact on the overall forecast position. Furthermore, the projection includes a pre-empted view on benefit recovery, which can be difficult to project through the year.

Carry Forwards- Provisional

Carry forwards of budgets may be approved if there are valid reasons why the underspend has happened and there is supporting evidence behind the request. Such requests include where we have had external funding for a particular scheme that has a revised schedule into the next financial Year.

Health and Wellbeing – (£25k) – funding for various schemes that have been re-profiled into 2017/18, where we have generally had external funding.

7. Capital Programme

The Community Services and Licensing Capital Programme of £0.73m was approved by Council in January 2016. This has subsequently been revised to £1.5m following the approval of the carry forwards/slippage and profiling changes by Strategy and Resources Committee at their meetings in July 2016 and January 2017.

Table 1 below shows the Capital Outturn Forecast for 2016/17 with a projected outturn variance of (£100k).

Community Services Capital Schemes	2016/17 Original Budget (£'000)	2016/17 Revised Budget (£'000)	2016/17 Spend to date (£'000)	2016/17 Projected Outturn (£'000)	2016/17 Outturn Variance (£'000)
LA Social Housing	167	100	0	0	(100)
Private Sector Housing Strategy	350	350	335	350	0
Dursley Pool Fitness Extension	150	900	875	900	0
Stratford Park Sensory Garden	0	8	0	8	0
Walled Garden Project (MITP)	36	25	22	25	0
CCG Health through Warmth Grants	0	200	55	200	0
TOTAL Capital	703	1,583	1,287	1,483	(100)

8. The variation on capital schemes is attributable to the provision of Social Housing
 - The LA Social Housing capital budget, which supports the delivery of new affordable homes in the district, is forecast to underspend in the current financial year. Commitments of £100k have been made, with further expenditure wholly dependent on the timing of development on strategic sites that can support delivery of affordable housing. It is likely that some capital slippage will occur in 2016/17, as it is not always possible to predict when housing development will start.

Table2 – Revenue budget outturn forecast

Community Services Committee	Para Refs	2016/17 Revised Budget (£'000)	2016/17 Spend to date (£'000)	2016/17 Forecast Outturn (£'000)	2016/17 Outturn Variance (£'000)	Salary Variations (£'000)	Expenditure Variations (£'000)	Income Variations (£'000)
Community Safety	9	729	521	703	(27)	(35)	25	(17)
Youth Services		102	57	103	1	0	1	0
Grants to Voluntary Organisations	10	340	302	313	(27)	0	(27)	0
Licensing		(18)	(52)	(33)	(15)	0	(1)	(14)
Strategic Head (Customer Services)		201	146	201	0	0	0	0
Customer Services		505	453	519	14	1	10	3
Cultural Svcs - Arts and Culture	11	981	740	985	4	(38)	70	(27)
Cultural Svcs - Sport & Health Dev.	12	204	146	170	(34)	2	(37)	1
Cultural Svcs - Sports Centres	13	536	399	508	(28)	(90)	28	33
Public Spaces	14	1,527	1,071	1,556	29	6	22	1
Revenues and Benefits	15	652	(9,375)	403	(248)	(41)	(318)	111
Community Services TOTAL		5,758	(5,592)	5,427	(330)	(194)	(227)	91
Transfer to/from Reserves								
Carry Forwards					25			
Underlying Variation					(305)			

(table may contain roundings)

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9. Community Safety – (27k) underspend

Mike Hammond xtn 4447, mike.hammond@stroud.gov.uk

This variation is an in year salary saving. Civil Enforcement Officers posts have been vacant since November, three of these posts have now been filled and recruitment is underway for the remaining position. The Wardens posts that were vacant at the beginning of the year have also been recruited to.

10. Grants to Voluntary Organisations – (27k) Saving/Underspend

(Joanne Jordan xtn 4005, joanne.jordan@stroud.gov.uk)

As previously reported in Q1 budget monitoring report, the Community Investment Grant (CIG) scheme helps to support voluntary and community sector organisations with their core costs e.g. salaries, volunteer costs, rent, utilities etc. The underspend relates to funding previously set aside for 'Volunteer and Community Action – Stroud District' which has subsequently gone into liquidation and will cease to exist.

11. Cultural Svcs – Arts and Culture – £4k Overspend

(Joanne Jordan xtn 4005, joanne.jordan@stroud.gov.uk)

Whilst the overall variance is insignificant, there two larger offsetting variances within this area.

Subscription Rooms - £27k Overspend

There is a combined salary saving of (£22k) following a member of contracted staff leaving post in January 2016 and not being replaced. Further to this, a second member of staff left on a STR5 salary at the end of April and was replaced at the beginning of June with a part time STR3 role. An income shortfall of £44k has been forecast, this is due to a decline in the number of bookings taken for room hire, and consequently this has had a knock on effect on bar takings as events have not taken place. A £7k overspend has also been identified, this will be offset against the salary saving above, as it concerns freelance staff being brought in to help develop the marketing role which was not replaced in January 2016.

Phase 2 of the Subscription Rooms review is currently underway which will explore options as set out in the report to Strategy and Resources on the 26 January 2017.

Tourism/Tourist Information Centre - (£25k) underspend

This variation is due to a salary saving for a TIC & Box Office assistant post that was filled part way through the year and (£12k) underspend across the service.

12. Cultural Svcs - Sport & Health Dev – (£34k) underspend

Jane Bullows xtn 01453 757322, jane.bullows@[stroud.gov.uk](mailto:jane.bullows@stroud.gov.uk)

There are a number of small variances that make up this underspend, mostly external funds that will support on-going projects in 2017/18. (£25k) of this underspend is proposed to be carried forward.

(£8.5k) of external funding for the 'On Target' weight management that ended in August 2016. Since then there has been a change in county-wide weight management services/strategy creation and in readiness to commit to/consider the way forward for Stroud district project options 17/18 and beyond it is requested to carry this over to 2017/18.

(£5.5k) external funding is requested to be carried forward. There has been a slow take up to the start to the Cycling4Health scheme mainly due to a delayed implementation date and seasonal variations in the weather. For 2017/18 a marketing campaign including 'e' marketing and the creation of our own webpage will target a wider audience and re-launch the project in the new year.

(£2.4k) of external funding from Badminton England. This is funding for Stroud Community Badminton Development Plan.

(£2.3k) of external Funding from Street Games for delivery of inclusive sessions in 2017/18

(£4.5k) of External funding from GCC for Health Inequalities Project towards a grants scheme for local health & wellbeing projects and the Active for life project which runs until August 2017

(£2.2k) to support Healthy Lifestyles projects across the district and Kapers Summer Play-Scheme to enable more opportunities for participants.

The remaining variance of (£8.5k) is due to collective small underspends across the service.

13. Cultural Services – Sports Centres – (£28k) underspend

(Angela Gillingham xtn 01453 540995, angela.gillingham@stroud.gov.uk)

The overall overspend is made up of several variances as detailed below.

The Pulse – Dursley

The material variances are listed below. The forecast has been based on historical data (previous 3 years performance) membership targets outlined in the original business plan and predicted increase in prices.

Salary saving (£73k) – (£15k) of the saving is due to Sports centre staff no longer contracted from July 2016, the Sports Centre opening hours have been reduced to reflect the current programme. The remaining (£58k) has been identified at 'The Pulse' where a number of vacancies have not been filled while considering the options to evaluate what staff are needed once the centre has been up and running for 6 months. Vacancies are currently being filled by casual members on an adhoc basis.

An overspend of £20k has been forecast across the service and is largely attributable to the following: Rateable value of the centre has increased by £14k. Additional IT upgrading, networking, IT licences, data line and telecommunications.

A **£25k** Income shortfall has also been identified due to the fitness centre being operational for 9 months of this financial year

14. Public Spaces - £29k overspend

(Carlos Novoth xtn 4406, carlos.novoth@stroud.gov.uk)

This overspend directly relates to the new Grounds Maintenance Contract with Ubico. Whilst the council has signed off Ubico's budgeted proposal, there has been a minor redistribution of costs across services. This has resulted whilst the grounds maintenance service is showing an overspend, the street cleansing service (Environment Committee) is showing a projected underspend this year. These budgets were reviewed as part of the budget review process last year.

15. Revenues and Benefits – (£248k) estimated underspend

(Simon Killen xtn 4013, simon.killen@stroud.gov.uk)

A projected salary underspend of **(£41k)** is due to a number of vacancies arising within the team through retirement and general staff turnover. Salary budgets were reviewed as part of the budget setting process and savings identified from 2017/18 onwards. It may be more relevant to project the Revenue and Benefits outturn across a range (£250k -£300k) given the risks/uncertainties referred to earlier in the report. However for the purposes of reconciliation, an outturn forecast of £248k has been used within this report.

The revised forecast was derived from the estimated caseload up to end of Jan. This has consequently been used as a basis for the rest of the Financial year, which may fluctuate depending on any external factors.

The continued use of 'Civica on Demand' is allowing the service to continue managing fluctuations and operating effectively without replacing these posts. Funding has been awarded from the FERIS project, which has been used to cover costs associated with the use of 'Civica on Demand'. Additional grant monies from DWP (Fraud and Error Reduction Incentive Scheme) and DCLG (New Burdens for Welfare Reform and Real Time Information) and lower than anticipated spend have collectively made up the additional underspend.

Community Services Committee	Para Refs	2016/17 Original Budget (£'000)	2016/17 Revised Budget (£'000)	2016/17 Spend to date (£'000)	2016/17 Forecast Outturn (£'000)	2016/17 Outturn Variance (£'000)
Community Safety		265	326	237	316	(10)
Abandoned Vehicles		32	43	39	50	8
Careline Services		(9)	(17)	(26)	(18)	(1)
Neighbourhood Wardens		220	221	168	211	(10)
Car Parks Enforcement		111	113	82	97	(16)
Stroud and Dursley CCTV		43	43	21	46	3
Community Services	9	662	729	521	703	(27)
Hear by Right / Youth Services		89	102	57	103	1
Grants to Voluntary Organisations	10	340	340	302	313	(27)
Licensing		(30)	(18)	(52)	(33)	(15)
Strategic Head (Customer Services)		195	201	146	201	0
Customer Service Centre		504	505	453	519	14
Museum in the Park		484	501	403	503	2
Subscription Rooms		296	298	228	325	27
Tourism		186	182	108	157	(25)
Cultural Services - Arts and Culture	11	966	981	740	985	4
Health and Wellbeing		33	38	28	34	(5)
Sport and Health Development		149	165	118	136	(29)
Cultural Services - Sports and Leisure	12	182	204	146	170	(34)
The Pulse Dursley		257	245	157	218	(28)
Joint Use Sports Centres		124	125	107	118	(7)
Stratford Park Leisure Centre		162	166	135	173	7
Cultural Services - Sports Centres	13	542	536	399	508	(28)

Community Services Committee	Para Refs	2016/17 Original Budget (£'000)	2016/17 Revised Budget (£'000)	2016/17 Spend to date (£'000)	2016/17 Forecast Outturn (£'000)	2016/17 Outturn Variance (£'000)
Public Space Service		537	540	494	557	17
Cemeteries		133	146	71	147	1
Amenity Areas		170	158	99	171	13
Commons and Woodlands		14	14	9	14	0
Stratford Park Grounds Maintenance		223	246	202	264	18
Grassed Areas Contribution to HRA		171	171	1	171	0
Public Conveniences		273	252	196	233	(19)
Public Spaces	14	1,520	1,527	1,071	1,556	29
Business Rate Collection		(78)	(85)	80	(73)	12
Council Tax Collection		518	431	510	467	35
Council Tax Support Admin		74	62	0	34	(29)
Rent Allowances and Rebates		(73)	(74)	(10,373)	(274)	(200)
Housing Benefit Administration		380	317	408	250	(67)
Revenues and Benefits	15	821	652	(9,375)	403	(248)
Community Services TOTAL		5,791	5,758	(5,592)	5,427	(330)