

COMMUNITY SERVICES AND LICENSING COMMITTEE

6 DECEMBER 2018

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Report Title	COMMUNITY SERVICES AND LICENSING COMMITTEE REVENUE ESTIMATES – REVISED 2018/19 AND ORIGINAL 2019/20
Purpose of Report	To present to the committee the revised estimates for 2018/19 and original estimates for 2019/20.
Decision(s)	The Committee RECOMMENDS to Strategy and Resources Committee The revised CS&L revenue budget for 2018/19 and original 2019/20 revenue budget are approved.
Consultation and Feedback	Consultation has been undertaken with residents and businesses. Feedback on the outcome of the consultation will be provided to Strategy and Resources committee at the meeting on 17 January 2019.
Financial Implications & Risk Assessment	The revenue and capital budgets for 2019/20, as detailed in this report, will be included in the General Fund Estimates report and incorporated into the Council's MTFP being considered by Strategy and Resources committee in January 2019. David Stanley, Accountancy Manager Tel: 01453 754100 Email: david.stanley@stroud.gov.uk
Legal Implications	This report forms part of the revenue budget setting process and in making recommendation to Strategy & Resources Committee, Members should rely on financial advice provided during decision-making and raise further inquiry of the Finance Team at the meeting, if required. Nicola Swan Interim Head of Legal & Monitoring Officer Tel: 01453 754369 Email: nicola.swan@stroud.gov.uk
Report Author	Adele Rudkin, Accountant Tel: 01453 754109 Email: adele.rudkin@stroud.gov.uk
Options	The Administration will be considering its budget options at the Strategy & Resources Committee meeting on 17 January 2019. Council will consider the overall budget position for 2019/20 on 24 January 2019.

Performance Management Follow Up	Budget monitoring reports are presented to Committee in September and March each year. Members will be informed of the outturn position for 2018/19 at the Strategy and Resources Committee meeting in May 2019.
Background Papers and Appendices	None

Background

1. The Budget Strategy report to Strategy and Resources Committee in October 2018 set out the way in which the Council would approach setting budgets for the forthcoming financial year.
2. Members will be aware from both the 2018/19 budget and MTFP (approved in January 2018) and the Budget Strategy reports, the Council is facing a number of financial challenges in 2019/20 and future years. A budget deficit has been forecast in the latter part of the medium term due to anticipated reductions in the level of government funding, and inflationary and cost pressures across the Council's services. The service committee's revenue budgets have been prepared in accordance with the budget framework set out in the Budget Strategy report.
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 2019/20 to 2022/23. This report sets out a more detailed analysis of the changes to the Community Services and Licensing Committee budget for 2018/19 (Revised Estimates) and 2019/20 (Original Estimates).
4. **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

5. The original budget for the Community Services and Licensing committee was £3.554m.
6. This has subsequently been used as the base estimate for both 2018/19 revised and 2019/20 original estimates. The revised estimates incorporate changes arising from budget pressures and efficiency savings. The original budget approved in February 2018 has only changed as a result of items reported to the committee in budget monitoring reports.

Indicative revenue budgets were included in Appendix A of the September budget monitoring report and were based upon assumptions and known changes at the time. Budgets presented in this report will differ as a result of more detailed work undertaken by budget holders/finance team etc.

7. The original estimate for Community Services & Licensing budget for 2019/20 is **£3.253m a decrease of £301k** on the base budget. This is largely due to the following significant budget changes:

- Technical adjustments of **(£77k)** (para 8)
- Pay inflation **£67k** (para 9)
- Budget pressures of **£45k** (para 10 and table 3)
- Budget and efficiency savings of **(£345k)** (para 10 and table 3)
- Insurance savings of **(£23k)** as a result of a review of the insurance requirements of the Council undertaken in May of this year prior to the full retender over the summer
- Workforce planning savings of **(£196k)** (para 10 and table 3)

An updated estimate of the committee's budget will be presented to Strategy and Resources committee in January 2019. There may be minor changes to the committee in this report around the **Multi-Service Contract** – Further detailed discussions between SDC and Ubico to determine the final 19/20 budget are expected to be finalised over the next few weeks.

Table 1 – Summary of changes from the 2018/19 Original Budget

Community Services & Licensing Committee	2018/19 Original Estimate (£'000)	2018/19 Revised Estimate (£'000)	2019/20 Original Estimate (£'000)
[a] Original Budget	3,554	3,554	3,554
[b1] In-year virements		195	189
[b2] Technical Adjustments		55	(77)
[c] Reversal of Prior-year Budget Proposals			
[d] Pay Inflation 2019/20			67
[e] Price & Income Inflation			38
Base Budget	3,554	3,805	3,772
[f] Previous Policy Decisions			
[g] Budget Pressures			45
[h] Efficiency Savings		(8)	(345)
[i] WFP Savings		(140)	(196)
[j] Recharge Adjustment *			0
[k] Insurance Adjustment			(23)
Net Service Revenue Expenditure Budget	3,554	3,657	3,253

(Table subject to rounding's)

8. Technical adjustments/In year virements

In year virements include centralisation of service software budgets to ICT (across all committees) and alignment of budgets to agreed establishment structures. Technical adjustments include the 2018/19 1% salary inflationary catch up, re-structuring changes to budgets across the committees following the workforce plan review and re-distribution of the building maintenance budget according to the proposed schedule of works with each committee.

9. Inflation

d) Pay Inflation

The 2019/20 salary budgets have been increased by an initial 2% in line with budget strategy.

e) Price inflation

Gas and electricity supplies have seen a significant inflationary increase due to the renewal of both contracts from the beginning of October. Software budgets have been increased by CPI in line with budget strategy.

10. Budget Pressures & Efficiencies

Table 3 provides a detailed overview of the budget pressures and efficiencies for 2018/19 and 2019/20, which have been incorporated into the General Fund budget.

The most significant change to the budget in 2019/20 is an increase in the level of budgeted income for The Pulse, Dursley (£285k). The Pulse continues to maintain a large presence within the local community. Additional investment has been made into this year's marketing activities in order to reach a wider and broader audience which has helped increase our market share in the local area.

The business has managed to keep a steady flow of new users coming to the centre whilst retaining a higher than industry average of existing customers. This has been achieved through programming, investment in staff training and good levels of customer satisfaction.

Obviously, the performance of The Pulse will need to be kept under review as the business matures, which may change the income potential or mean that costs need to adjust to reflect changing market conditions. The additional income that has been included in the 2019/20 budget is consistent with actual performance over the last 18 months.

11. Workforce Plan

There are a number of Phase 2 reviews that have been completed and implemented for this Committee, these include the Museum in the Park, Community Services and Regeneration which have resulted in savings of (£140k) in 2018/19 and (£196k) in 2019/20. The table below outlines the net post reductions across these services. Please note that the reductions within Community Services will impact over several committees.

Number of net post reductions

Phase 2 WFP	Net post reductions
Museum in the Park	-2
Community Services	-7
Regeneration	-3

At the time of writing this report there were still a number of services within Phase 2 that were in the process of being reviewed. These include Revenues and Benefits and Customer Services, as these have yet to complete there may some future impact on the Community Services Committee budget.

Members will recall from the Strategy and Resources meeting on the 4th October 2018 that the freehold interest in the Subscription Rooms and forecourt and the

business will transfer on 31st March 2019. The 2019/20 budget reflects the one off grant of £230,000 as set out in the conditions of transfer.

A separate report is being considered by the committee concerning the Tourist Information Centre (TIC) in Stroud. For the purposes of this report, no change has been made to the TIC budgets for 2019/20. Any decision made by this committee regarding TIC provision will be reflected in the budget estimates included in the report to Strategy and Resources and Council in January 2019.

12. Capital

Table 4 below outlines the capital schemes that the committee is responsible for. The budget monitoring report to Strategy and Resources committee in October 2018 recommended a change in the budget profile of the capital schemes for Stratford Park Lido and Community Building Investment.

These changes have been reflected in the table below, but at this stage, not further changes have been incorporated into the Capital Programme. Council will consider the Capital Programme and the Capital Strategy at their meeting in January 2019.

Table 4 – Capital schemes 2018/19 and 2019/20

Capital Scheme	2018/19 Original Estimate (£'000)	2018/19 Revised Estimate (£'000)	2019/20 Original Estimate (£'000)
Community Services			
Stratford Park Lido	80	-	200
Community Building Investment	100	138	-
Subtotal Community Services	180	138	200

Further detail on the capital schemes was contained in the Capital Projects Monitoring report in May 2018 <https://www.stroud.gov.uk/media/682343/item-8-capital-projects-monitoring.pdf>

Community Services	2018/19 Original Estimate (£'000)	2018/19 Revised Estimate (£'000)	2019/20 Original Estimate (£'000)
Community Safety	63	18	24
Abandoned Vehicles	5	(2)	3
Careline Services	(32)	(73)	(89)
Neighbourhood Wardens	236	185	194
Car Parks Enforcement	47	43	40
Stroud and Dursley CCTV	41	41	37
Subtotal Community Safety	360	212	208
Hear by Right / Youth Services	100	100	101
Director (Customer Services)	133	134	135
Grants to Voluntary Organisations	337	337	337
Subtotal Grants to Voluntary Organisations	337	337	337
Customer Service Centre	390	393	387
Public Space Service	293	553	526
Cemeteries	25	26	27
Amenity Areas	127	126	137
Commons and Woodlands	14	14	14
Stratford Park Grounds Maintenance	180	199	190
Grassed Areas Contribution to HRA	170	170	170
Public Conveniences	222	215	215
Subtotal Public Spaces	1,031	1,302	1,279
Business Rate Collection	(109)	(109)	(119)
Council Tax Collection	239	241	208
Council Tax Support Admin	65	67	52
Rent Allowances and Rebates	(77)	(77)	(77)
Housing Benefit Administration	84	87	142
Subtotal Revenues and Benefits	202	209	205
Licensing	(68)	(67)	(62)

Community Services	2018/19 Original Estimate (£'000)	2018/19 Revised Estimate (£'000)	2019/20 Original Estimate (£'000)
Museum in the Park	406	384	378
Subscription Rooms	227	215	230
Tourism	148	104	92
Subtotal Cultural Svcs - Arts and Culture	781	703	700
Health and Wellbeing	35	35	36
Sport and Health Development	131	132	133
Subtotal Cultural Svcs - Sport & Health Dev.	165	167	169
The Pulse Dursley	(49)	6	(327)
Joint Use Sports Centres	49	41	0
Stratford Park Leisure Centre	124	119	122
Subtotal Cultural Svcs - Sports Centres	124	166	(205)
COMMUNITY SERVICES Total	3,554	3,657	3,253

(Budgets are shown net of support charges, depreciation and IAS19 adjustments)

Budget Pressures and Efficiencies

TYPE	SERVICE	REASON FOR EFFICIENCY/PRESSURE	2018/19 000's	2019/20 000's
BP	Licensing	Reduced Income - Consistent for last 3 years		6
BP	Amenity Areas	MSC Contract Budget pressure		7
BP	Neighbourhood Wardens	HRA funding contribution removed		16
BP	Abandoned Vehicles	Ad hoc Reimbursement no longer budgeted		5
BP	Community Safety	HRA funding contribution removed		8
BP	Community Safety	Removed Service - fixed penalty notice		3
Subtotal - Pressures				45
ES	Sports Centres	Closure of Maidenhill and Thomas Keble Joint Use Sports Centres	-8	-50
ES	The Pulse - Dursley	Increased budgeted income		-285
ES	Various	Work Force Plan Review savings over various services including Community Services, Museum and Tourism	-140	-196
ES	Public Spaces	Public Conveniences - Business rates legislation review		-11
Subtotal - Efficiencies			-148	-541
Total Community Services Pressures and Efficiencies			-148	-496