

Report of the Deputy Chief Executive

GENERAL FUND REVENUE BUDGET AMENDMENTS 2019/201. Purpose of report

To seek approval for a number of amendments to the General Fund revenue budget for 2019/20.

2. Background

Detailed monitoring has identified a number of General Fund 2019/20 revenue budgets that need to be amended. There are also a number of other service priorities that will require amendments to the General Fund 2019/20 revenue budget. Details are set out in appendix 1.

The effect of the amendments set out in appendix 1 are summarised in appendix 2 and will be to increase the anticipated withdrawal in 2019/20 from the Council's General Fund balance by £177,500.

Recommendation

The Committee is asked to RESOLVE that:

- 1. The amendments to the General Fund 2019/20 revenue budget as set out in appendices 1 and 2 be approved.**
- 2. Responsibility be delegated to the Deputy Chief Executive as the Council's Brexit Lead Officer to incur expenditure on Brexit related activities as appropriate after consulting with the Chair and Vice Chair of the Committee.**

Background papers

Nil

APPENDIX 1

1. Town Hall Running Costs

Council on 17 October 2018 agreed to sell the Town Hall in Beeston to the Redeemer/Cornerstone Church for the sum of £425,000. In recent months a number of services have moved from the Town Hall to the Council Offices in anticipation of the conclusion of the sale.

A planning application in respect of the future use of the building was due to be considered by the Planning Committee on 8 October 2019 and it was anticipated that this should result in greater clarity with regard to a date for the conclusion of the sale.

The 2019/20 General Fund revenue budget makes no provision for any running costs for the Town Hall. Expenditure incurred to 31 August 2019 amounted to £49,626 including £25,956 on business rates for the 2019/20 year.

It is proposed that a budget of £75,000 be established in 2019/20 to meet Town Hall running costs until the sale has been completed.

2. Beeston Square – Rent Income

The 2019/20 budget for rent income from the Council's ownership of properties in Beeston Square is £759,600. This is considered to be higher than the sum expected and it is currently projected that Beeston Square rent income will be £700,000 in 2019/20 after allowing for the difficult financial environment that some of the occupiers of units are presently facing. The projected 2019/20 rent income is still significantly higher than the rent income of £653,750 received in 2018/19.

3. Towns Fund (Stapleford) –Project Management

The Ministry of Housing, Communities and Local Government (MHCLG) announced on 6 September 2019 that Stapleford has been included among 100 places to potentially benefit from a "Town Deal". This could secure the area resources of up to £25m. However this investment is not secured and there will be a process to be gone through (yet to be announced) before any funding can be confirmed

It is essential that the Council devotes appropriate resources to this in order to achieve the best possible outcome. It is therefore proposed that a sum of £50,000 be allocated in the 2019/20 revenue budget for a Project Manager to lead on consulting as necessary with all relevant stakeholders to generate suitable proposals that can be taken forward for submission to MHCLG.

Regular progress reports concerning this bidding process will be presented to the Finance and Resources Committee in due course.

4. Grants to Parish and Town Councils

The 2019/20 General Fund revenue budget includes £32,950 in respect of works provided by the Environment Department on parish and town council parks and recreation grounds. There is no specific budget provision for grants to parish and town councils for other purposes.

It is proposed that a further budget of £20,000 be established in 2019/20 for grants to parish and town councils. This will be a permanent budget and can be used to support parish and town councils in, for example, meeting the cost of events such as Remembrance Day and VE/VJ Day activities.

Following a request by the Leader, the Chief Executive exercised her urgency powers in August 2019 to approve a grant of £3,000 to Brinsley Parish Council for the purposes of a summer play day.

5. Mental Health Initiatives

Following on from the important and well received work of the Mental Health Working Group, a revenue budget of £10,000 was established in 2019/20 to further develop initiatives to support improvements to the mental health of residents and staff. This was supplemented by £6,000 from an underspend in 2018/19 on the budget for Grants to Voluntary Organisations.

Two initiatives have been supported so far in 2019/20:

- Specialist Development Worker from Mind for the Changing Lives Project in Eastwood (£20,160)
- Early Intervention Worker to develop Mental Health Services in Eastwood (£4,670)

In order to allow further initiatives to proceed in 2019/20, it is proposed that £19,000 from the £25,000 presently in revenue contingencies is added to the Mental Health Initiatives budget to take it to £35,000.

6. Finance Services – Final Accounts Work 2019/20

Finance and Resources Committee on 12 July 2018 agreed to include £28,000 in the 2018/19 budget for specialist interim accounts staff to assist with the production of the 2018/19 final accounts. This worked successfully with the Council achieving the 31 May 2019 deadline under the Accounts and Audit Regulations (2015) for the production of the draft Statement of Accounts 2018/19 and achieving an unqualified audit opinion and value for money conclusion from the external auditors by the statutory 31 July 2019 deadline.

The interim member of staff that was engaged led on the collation of the information required to produce the final accounts and was a lead contact in terms of engagement with the external auditors. This enabled other members of the team to conduct their final accounts tasks in conjunction with their other activities.

It is proposed that, given the successful outcome in 2018/19, an interim final accounts specialist is appointed to undertake a similar role with regards to the 2019/20 final accounts. As well as ensuring that all the required deadlines are met, this will also provide an opportunity to pass knowledge and skills on to existing members of staff that should allow them to undertake such a role in future. This support would be provided from mid February 2020 through to July 2020 with an anticipated cost of £10,500 in 2019/20 and £27,500 in 2020/21.

7. Christmas Decorations

The 2019/20 budget for Christmas Decorations is £43,000 whilst expenditure in 2018/19 amounted to £47,550. A recent tender exercise was undertaken to determine the provider for Christmas 2019 and the cost for 2019/20 is expected to be £50,000. It is therefore proposed to increase the 2019/20 revenue budget by £7,000 to £50,000 to reflect the anticipated cost.

8. Car Parks – Repairs and Maintenance

The 2019/20 revenue budget for repairs and maintenance of the Council's car park is £17,000. It has come to light that a supplier has failed to invoice the Council for communication charges since 2017! This has resulted in the Council having to pay the supplier £10,000 in 2019/20 instead of the usual £3,350 per annum.

It is proposed that a further £6,650 be added to the 2019/20 revenue budget (for the current year only) in order to meet this additional cost.

9. Finance Services – System Consultancy

As reported to Finance and Resources Committee on 12 July 2018, the Council is implementing an intelligent scanning module to allow invoices to be scanned (or a digital copy placed on the Council's server) and the visual data to then be converted into the appropriate entries in the creditors system. This offers the potential to significantly reduce the administrative burden of processing creditor invoices.

The module has been installed and tested and is presently being rolled out to departments. In order to ensure that the module operates in accordance with the Council's requirements, it is proposed to use the services of a specialist from another local authority with experience of the implementation and operation of this module. This would require the purchase of 3 days of support at an anticipated cost of £400 per day. This cost would be significantly lower than having to engage an ICT software consultant to provide this support.

10. Stapleford – Memorial Bench

Cllr Chris Rice sadly passed away in April 2019. It is proposed that £1,000 be allocated for a memorial bench in Stapleford town centre in commemoration of the life of Cllr Rice and his contribution to the local community with funding provided from revenue contingencies.

11. European Union Exit Funding Allocations

The Council has received three funding allocations of £17,484 each from the Ministry of Housing, Communities and Local Government to aid preparations from the Council's forthcoming exit from the European Union. The total funding of £52,452 is to be used to enhance capacity and capability within the Council to aid "Brexit" preparations. It is intended to help provide the Brexit Lead Officer (the Deputy Chief Executive) with the resources he requires to fulfil his role in respect of Brexit. Whilst the funding is not ring-fenced, it should not be used for matters unrelated to Brexit.

It is proposed that this funding be incorporated within the 2019/20 revenue budget and that authority be delegated to the Deputy Chief Executive, after liaising with the Chair and Vice Chair of the Committee, to incur expenditure on Brexit related activities as appropriate. Details of any expenditure incurred will be reported to the Finance and Resources Committee in due course.

APPENDIX 2

Budget Heading	Current Budget (£)	Proposed Budget (£)	GF Budget Change (£)
Town Hall Running Costs	0	75,000	75,000
Beeston Square – Rent Income	(759,600)	(700,000)	59,600
Towns Fund (Stapleford) – Project Management	0	50,000	50,000
Grants to Parish and Town Councils	32,950	52,950	20,000
Mental Health Initiatives	16,000	35,000	19,000
Finance Services – Final Accounts Work 2019/20	0	10,500	10,500
Christmas Decorations	43,000	50,000	7,000
Car Parks – Repairs and Maintenance	17,000	23,650	6,650
Finance Services – System Consultancy	0	1,200	1,200
Stapleford – Memorial Bench	0	1,000	1,000
Revenue Contingencies	25,000	5,000	(20,000)
European Union Exit Funding Allocations	0	(52,450)	(52,450)
Total	(625,650)	(448,150)	177,500