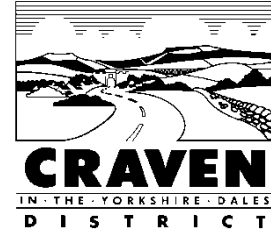


Policy Committee – 13th December 2016



Bereavement and Leisure Services - Supplementary Revenue Estimate

Ward(s) affected: All

Lead Member: Cllr Patrick Mulligan

Report of the Director of Services

1.0 **Purpose of Report** –

1.1 To request Members approval for two credit supplementary revenue budget estimates for the Bereavement and Leisure Services

2.0 **Recommendations** – Members are recommended to:

2.1 Approve a credit supplementary revenue budget estimate of £575 for the financial year 2016/17, full year equivalent £6,900 for the Bereavement Service. This is the additional income over and above an investment in the service of £43,600 as set out in paragraph 6.1.2.

2.2 Approve a credit supplementary revenue budget estimate of £2,100 for the financial year 2016/17, full year equivalent £25,200 for the Leisure Service. This is the additional income over and above an investment in the service of £18,500 as set out in paragraph 6.1.2.

3.0 **Background**

3.1 Central Government funding of Council services has been cut hard in recent years with Craven District Council having had to manage a 40% reduction in its government funding.

3.2 With funding cuts continuing the Council requires savings of up to £1m over the period to 2018/19. The Council must continue to be innovative in finding savings and increasing income, some of which can come from new service models. In addition a cultural shift towards revenue growth through service delivery and creating income streams from services is a must, particularly within the discretionary services.

3.3 Both Leisure and Bereavement Services currently show close to or reasonable levels of operating surpluses. Therefore on the face of it an assumption could be

made that these services are well structured and sufficiently resourced to deliver the Council's aspirations for income and savings growth. However, whilst the services do well, this does mask strains on the ability to effectively deliver a high performing service not only undermining the current service potential to maximise output, and therefore income and savings, but it severely jeopardises the potential success in further development/increases in income and savings generation in line with the Council's requirements.

4.0 Bereavement Services

- 4.1 The Council's Bereavement Service is a discretionary service, but is an essential service for the District to provide. The Council needs to ensure that its Bereavement Services continues to deliver a high quality service available to meet needs balanced against maximising revenue income. In order to achieve this, the service must enhance the levels of professional competence amongst its staffing resources and create an entrepreneurial approach to maximising income levels.
- 4.2 The significant growth in the service over recent years has increased the demands on staffing resources. Recent levels of absence have highlighted how fragile the service is with a lack of resilience to ensure day to day operations are managed effectively. The current team copes to the best of its ability, which is commendable. However, to maximise future income potential, resources must be realigned to meet demands.
- 4.3 A review of the existing structure has been undertaken to identify the capacity, technical skills and resourcing model required to deliver a high quality service balanced against maximising income
- 4.4 It is proposed to increase the overall resource level in the service to provide resilience in both current operational requirements whilst also developing the services potential to increase income. To aid succession planning and business continuity resilience, a new post of an Apprentice in Cemetery & Cremation Management is also proposed.
- 4.5 The overall effect of the proposals will see a small increase in resources from 4.08 full time equivalents to 5 with an additional gross salary budget requirement of £43,600. The revised structure has been devised with the ability to increase income and savings potential for the bereavement services whilst retaining a high quality and attractive service to its customers.

With this in mind the additional costs will be offset against additional income and savings of £50,500 projected for 2017/18 which consists of additional income to be generated by the investment in resource and an increase in budgeted income from a better than predicted outturn following the changes to holding over which can be embedded in the base budget. The effect is an overall surplus of £6,900 in 2017/18.

- 4.6 Appendix A provides a breakdown of the income/savings identified together with staff and other costs.

4.7 Not to implement changes to the Bereavement Services structure will leave the service susceptible to, at the very best, stagnation, at worst, failure to be able to deliver a good quality full time service, making it vulnerable to market forces and neighbour competition, due to the low level of resource and lack of resilience in undertaking the day to day operation, ultimately risking losses in income.

5.0 Leisure Services

- 5.1 Leisure Services too is a discretionary service, but one that is supported by the Council as being a valuable service to assist in the healthy wellbeing of the communities it serves. Therefore the Council needs to ensure it can deliver a high quality service whilst growing and developing income opportunities. On the same basis as Bereavement Services, to achieve this, the service must enhance the levels of professional competence and realign staffing resources to maximise income levels.
- 5.2 A review of the existing structure has been undertaken to identify the capacity, technical skills and resourcing model required to deliver a high quality revenue generation service.
- 5.3 The outcome of the review identified the need to realign resources to realise the services' growth potential. Re-defining job roles and rebalancing responsibilities will create opportunities to maximise income growth. Realignment will enhance the level of management coverage across the range of Centre opening hours. Enhancing resources across the operation will reduce the reliance on casual staff and will enhance resilience and succession planning.
- 5.4 Whilst it is acknowledged the current arrangements have allowed the service to be operational, they do not provide sufficient capacity to enhance the level of service provision or maximise income growth potential.
- 5.5 As a result of the proposals the resource levels will increase from 22.74 fte's to 23.12 fte's with an increase in gross salary budget of £18,500. As with the bereavement service the revised leisure structure has been devised with the ability to increase income and savings potential for the leisure centre whilst retaining a high quality and attractive service to its customers. With this in mind the additional costs will be offset against the additional income/savings potential. Further income/savings have been identified for the service directly attributable to the increase in resource, totalling £43,700 giving an overall surplus in 2017/18 of £25,200. Appendix B provides a breakdown of the income/savings identified together with staff and other costs.
- 5.6 The initial stages in the development of the Leisure Centre Masterplan are running parallel with this structure review. It is appreciated that the Masterplan itself will highlight resource requirements as implementation takes place. However, there is a significant amount of in-depth development, feasibility and options appraisal works that are required in the task of producing the Masterplan. As such it is considered necessary to implement a structure than can both assist in the

production works and put in place the essential foundations for any income growth in the future.

6.0 **Implications**

6.1 **Financial Implications –**

6.1.1 The current financial year net operational costs of the bereavement and leisure services are (£293,020) and (£10,295) respectively.

6.1.2 The proposals for each of the services result in overall favourable full year equivalent revenue budgets of (£6,900) and (£25,200) for the bereavement and leisure services respectively for which supplementary revenue estimates are required. The proportion for the 2016/17 financial year is (£575) and (£2,100) respectively.

6.1.3 A summary of the additional income and expenditure is set out in the table below.

Service	Additional Expenditure 17/18	Additional Income/ Savings 17/18	Net additional income/ Savings 17/18	Net additional Income/ Savings 18/19
Bereavement	£43,600	£50,500	(£6,900)	(£14,900)
Leisure	£18,500	£43,700	(£25,200)	(£45,200)

Note: the above figures do not include inflationary cost or income increases.

6.1.4 The service review proposals as presented do not lead to any current staff redundancies.

6.2 **Legal Implications –** None arising directly from this report.

6.3 **Contribution to Corporate Priorities –** Financial Resilience will be achieved for the Council with an appropriate level of staffing for the current operation allowing the best chance of contributing to the increasing income for the Council.

7.0 **Risk Management –**

7.1 There are resilience and risk of ability to deliver full services issues in both services which will significantly reduce the chances of further growth and income potential if not addressed.

7.2 Growth and new income generation potential can only be developed with a suitable and fit for purpose resource level and structure, without these the development blocks will not exist and future initiatives carry a higher than average risk of failure.

8.0 Consultations with Others – None

9.0 Access to Information : Background Documents – None

10.0 Author of the Report – Hazel Smith, Business Services Manager, 01756 706310; hsmith@cravenc.gov.uk

Note : Members of CLT are invited to contact the author in advance of the meeting with any detailed queries or questions.

11.0 Appendices

Appendix A – Bereavement Services Income/Savings Breakdown

Appendix B - Leisure Services Income/Savings Breakdown