

## LEISURE & ENVIRONMENT COMMITTEE

22 JANUARY 2019

### LEISURE & ENVIRONMENT COMMITTEE REVENUE BUDGET 2019/20

#### **1.0 Purpose of Report**

- 1.1 To inform the Committee of the draft general fund revenue budget and scales of fees and charges for those areas falling under the remit of the Leisure & Environment Committee for 2019/20.
- 1.2 To seek comments from the Committee on the draft general fund revenue budget and scales of fees and charges for those areas falling under the remit of the Leisure & Environment Committee.
- 1.3 To seek approval of the Committee budget as shown at **Appendix A** to be recommended to Policy & Finance Committee at its meeting on 21 February 2019 for inclusion in the overall council budget.
- 1.4 To seek approval of the scales of fees and charges as shown at **Appendix C** to be recommended to Policy & Finance Committee at its meeting on 21 February 2019 and Council on 7 March 2019.

#### **2.0 Background Information**

- 2.1 Business Managers and service budget officers have been working with officers from Financial Services to determine a first draft general fund budget and medium term financial plan. The budgets have been prepared in line with the strategy agreed by Policy & Finance Committee on 20 September 2018.
- 2.2 The budget and Medium Term Financial Plan have been developed to reflect, in financial form, the corporate priorities of the Council. Where further targeted areas of focus have been identified, additional resources have been directed to these business units.
- 2.3 A summary of the Committee by Service Team is provided at **Appendix A**, together with a summary at subjective level for the whole Committee at **Appendix B**. To aid comparison, capital charges and central support recharges have been omitted from the reports to show just controllable budgets.

#### **3.0 Revenue Budget Proposals**

- 3.1 The current draft budget shows a decrease in 2019/20. Direct service expenditure and income excluding deferred and capital charges, and all central services recharges currently shows an overall increase of £250,580 against 2018/19 budget. This is an increase of 7.42%.
- 3.2 Staffing costs of £3.289m account for approximately 61% of the gross service budget (excluding housing benefits, capital and central recharges). Significant budget savings, therefore, cannot be achieved in this committee budget without affecting staffing levels.

- 3.3 Major variances between 2018/19 and 2019/20 are shown below:
- 3.3.1 Domestic Refuse Collection: Decrease of £0.657m – A change in accounting to correctly account for support service charges has meant that vehicle costs will now be treated as a support service, rather than a cash budget as previously. This has meant that £0.561m has been transferred from being a cash budget to a support service charge reducing the budget. The cash budget has been transferred to the vehicle pool cost centre. Additional income is forecast due to garden waste income, this relates to both increase in customers and the bringing back in house, from Rushcliffe of the admin function relating to this. To offset this, all drivers within the Business Unit were regraded during the current financial year from NS6 to NS7 meaning an increase due to this of £0.035m in salary costs inclusive of the new pay and grading structure for these posts.
  - 3.3.2 Sewerage Works: Decrease of £0.004m – The service was recently re-procured and the level of routine repairs required was significantly streamlined. However, this is offset partly by the increased costs of emptying the cesspools which the Council still have in a number of rural areas of the district.
  - 3.3.3 Street Sweeping: Decrease of £0.057m – The decrease in budget mainly relates to the change in accounting for support services. The budgets in relation to vehicle costs will now be treat as support charges rather than cash budgets. This has meant an equivalent increase in budgets on the Vehicle Pool and Workshop code as the cash income budgets have now been replaced with support service income budgets.
  - 3.3.4 Environmental Health: Decrease of £0.014m – An increase in fees and charges (shown at **Appendix C** together with estimate of increased activity has led to the increase in budgeted income.
  - 3.3.5 Neighbourhood Wardens: Increase of £0.108m – The Policy & Finance Committee agreed at its meeting on 20 September 2018, to create four new Neighbourhood Warden posts, in its pursuit of the Cleaner, Safer Greener agenda. No income has been allowed for in terms of fixed penalty notices, any income generated will be a windfall to the General Fund in year.
  - 3.3.6 Southwell Leisure Centre: Increase of £0.038m – The increase mainly arises from a change in accounting in relation to support services. The support charges from various departments have now been reflected as a cash budget, to which the various other services have now a cash income budget. This is then offset by a reduction in expenditure based on the contribution from the Southwell Leisure Centre trust towards the management fee of £0.015m agreed at the Leisure & Environment Committee on 13 November 2018.
  - 3.3.7 Neighbourhood Centres: Decrease of £0.008m – This Committee agreed a report on 26 June 2018 allowing Reach to lease the Hawtonville Community from the Council, on the basis that all day to day running costs of the centre were incurred directly by Reach. This also meant that any income that they are able to generate by renting out the space would be theirs. This has therefore allowed the decrease in budget.

- 3.3.8 Newark Sports Hub: Decrease of £0.005m – The Newark Sports Hub site has now been leased to the YMCA meaning that requirements for upkeep of the site have transferred to the YMCA and hence allowed the decrease in budget. There is also an allowance for a rental payment from the YMCA for the lease of the site.
- 3.3.9 Active 4 Today: Decrease of £0.006m – This relates to a reduction in premiums for the insurance of the Leisure Centres.
- 3.3.10 Street Naming: Decrease of £0.016m – The Asset Management Business unit have assumed responsibility for the repair and maintenance of the street name plates. As such this budget has been moved into the Asset Management Business unit.
- 3.3.11 Brunel Drive Depot: Increase of £0.014m – An assessment of the property was carried out during the year by the Asset Management Business unit in relation to works needed on the property. This has led to an increase in the R&R contributions necessary to effectively maintain the building.
- 3.3.12 Vehicle Pool and Workshop: Increase of £0.855m – Estimates of fuel costs have increased by £0.060m due to rises in prices of fuel. The additional increase relates to the change in accounting for support services. This has been offset by reductions in all other areas that have vehicle costs.

#### **4.0 Fees and Charges**

- 4.1 The level of fees and charges has been considered by officers within the framework set out in the Corporate Charging Policy. Proposals for increases in fees and charges are attached at **Appendix C** for consideration and recommendation to Policy & Finance Committee on 21 February 2019 and Council on 7 March 2019.

#### **5.0 Conclusions**

- 5.1 It is important that the Committee continues to scrutinise and review its budget in order to achieve additional savings in future years at a time when the Council is facing reducing government grants and other financial pressures.

#### **6.0 RECOMMENDATIONS that:**

- (a) the final Committee budget as shown at Appendix A be recommended to Policy & Finance Committee at its meeting on 21 February 2019 for inclusion in the overall council budget; and**
- (b) the scales of fees and charges as shown at Appendix C be recommended to Policy & Finance Committee at its meeting on 21 February 2019 and Council on 7 March 2019.**

#### **Reason for Recommendations**

**To ensure that the final budget proposals and the level of fees and charges for 2019/20 are recommended to Policy & Finance Committee on 21 February 2019.**

Background Papers

None

For further information please contact Nick Wilson.

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