

LEISURE & ENVIRONMENT COMMITTEE

21 JANUARY 2020

LEISURE & ENVIRONMENT COMMITTEE REVENUE BUDGET 2020/21

1.0 Purpose of Report

- 1.1 To seek feedback from the Leisure & Environment Committee on the proposed general fund revenue budget for the 2020/21 financial year (01 April 2020 – 31 March 2021) for those services which fall under its remit.
- 1.2 To seek feedback from the Committee on the scale of proposed fees & charges for 2020/21 for those services which fall under its remit.
- 1.3 To seek approval from the Committee for the 2020/21 base budget in **Appendix A** to be recommended to Policy & Finance Committee at its meeting on 20 February 2020 for inclusion in the overall council budget; and
- 1.4 To seek approval from the Committee for the 2020/21 fees & charges in **Appendix D** to be recommended to Policy & Finance Committee at its meeting on 20 February 2020 and Council at its meeting on 09 March 2020.

2.0 Background Information

- 2.1 Business managers and service budget officers have been working with officers in the Financial Services team to prepare a general fund budget for 2020/21 and medium-term financial plan for between 2020/21 and 2023/24. The general fund 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 **Appendices A** and **B** summarise the budgets proposed for the Committee for 2020/21 by service team and subjective level respectively. These **appendices** exclude capital charges and central support recharges, because service officers do not have direct influence over how much they pay for these. The budgets in this report and its **appendices** are for controllable costs: costs which service officers have direct influence over.

Revenue Budget

- 2.4 *Table 1* below compares the Committee's 2019/20 initial budget for controllable costs, as approved by Council on 07 March 2019, with its currently proposed 2020/21 budget for controllable costs. The Committee's proposed 2020/21 budget is £143,000 more than its 2019/20 initial budget; an increase of 4%.
- 2.5 The £143,000 increase in the Committee's proposed 2020/21 budget is comprised of a £662,000 increase in employee costs, partially offset by a £19,000 decrease in running costs and a £500,000 increase in income.

Table 1: changes in controllable costs between 2019/20 and 2020/21 budgeted for services in Leisure & Environment Committee

Expenditure or income?	Expenditure type	2019/20 initial budget (£m)	2020/21 base budget (£m)	Increase or (decrease) in budget (£m)
Expenditure	Employees	3.276	3.938	0.662
Expenditure	Running Expenses	2.079	2.061	(0.019)
Expenditure	Total	5.355	5.999	0.643
Income	Total	(1.740)	(2.240)	(0.500)
Net Expenditure	Total	3.616	3.759	0.143

2.6 Most of the changes above in budgeted employee costs, running expenses and income relate to a small number of services. Tables 2-4 below show the five services which most account for each of the changes above.

2.7 Five services account for 100%, or £661,000, of the £662,000 increase in budgeted employee costs.

Table 2: the five services in Leisure & Environment Committee which most account for changes in budgeted employee costs between 2019/20 and 2020/21

Rank	Service (cost centre)	Increase or (decrease) in employees budget (£m)	Percentage of overall increase or (decrease) accounted for by service
1	Domestic Refuse Collection	0.236	36%
2	Street Sweeping	0.219	33%
3	Health & Community Relations	0.189	29%
4	Neighbourhood Wardens	0.009	1%
5	Vehicle Pool And Workshop	0.008	1%
		0.661	100%

2.8 Five services account for 165%, or £31,000, of the £19,000 decrease in budgeted running expenses.

Table 3: the five services in Leisure & Environment Committee which most account for changes in budgeted running expenses between 2019/20 and 2020/21

Rank	Service (cost centre)	Increase or (decrease) in running expenses budget (£m)	Percentage of overall increase or (decrease) accounted for by service
1	Domestic Refuse Collection	(0.024)	(129)%
2	Active 4 Today	(0.011)	(58)%

3	Street Sweeping	0.008	41%
4	Environmental Health	(0.007)	(35)%
5	Neighbourhood Wardens	0.003	16%
		(0.031)	(165)%

2.9 Five services account for 101%, or £504,000, of the £500,000 increase in budgeted income.

Table 4: the five services in Leisure & Environment Committee which most account for changes in budgeted income between 2019/20 and 2020/21

Rank	Service (cost centre)	(Increase) or decrease in income budget (£m)	Percentage of overall (increase) or decrease accounted for by service
1	Domestic Refuse Collection	(0.394)	(79)%
2	Vehicle Pool And Workshop	(0.091)	(18)%
3	Environmental Health	(0.023)	(5)%
4	Community Nutrition Grant	0.008	2%
5	National Assistance Act Burial	(0.004)	(1)%
		(0.504)	(101)%

2.10 **Appendix C** lists the reasons for increases or decreases of over £5,000 between the 2019/20 initial budget and proposed 2020/21 budget for services in Leisure & Environment Committee.

Fees & Charges

2.11 Officers have considered the Fees and Charges Toolkit approved by Economic Development Committee on 20 November 2019 when setting the level of fees & charges. The proposed fees & charges for 2020/21 are in **Appendix D** for consideration.

3.0 Proposals

3.1 Officers are proposing to the Committee that it recommends to Policy & Finance Committee at its meeting on 20 February 2020:

- a) the 2020/21 base budget in **Appendix A** for inclusion in the overall council budget;
- b) and to Council on 09 March 2020 the 2020/21 fees & charges in **Appendix D**.

4.0 Equalities Implications

4.1 Business Managers consider the implications on equalities when assessing how best to deliver the services they are responsible for.

5.0 Financial Implications

- 5.1 The Committee's proposed 2020/21 budget is £143,000 more than its 2019/20 initial budget; an increase of 4%. Employee budgets of £3.938m account for 66% of controllable costs. Significant budget savings cannot be achieved without affecting staffing levels.
- 5.2 The council's medium-term financial plan for between 2020/21 and 2023/24 requires significant savings in future years, as changes to how councils manage their finances and other challenges take effect.
- 5.3 It is important that the Committee continually scrutinises and reviews its budget in order to identify additional savings which will be achieved in future years.

6.0 Community Plan – Alignment to Objectives

- 6.1 The proposals in this report support the council to achieve multiple objectives of the Community Plan 2019-2023, though particularly the objectives to:
- a) *“Improve the cleanliness and appearance of the local environment”;* and
 - b) *“Improve the health and wellbeing of local residents, with a particular focus on narrowing the gap in healthy life expectancy and other health outcomes”.*

7.0 RECOMMENDATION(S)

- a) **that the following recommendations be made to Policy & Finance Committee at its meeting on 20 February 2020:**
 - i. **the 2020/21 base budget in Appendix A for inclusion in the overall council budget;**
 - ii. **and to Council on 09 March 2020 the 2020/21 fees & charges in Appendix D.**

Reason for Recommendations

To ensure that the budgets and fees & charges finally proposed for 2020/21 are recommended to Policy & Finance Committee on 20 February 2020.

Background Papers

Nil

For further information please contact Nick Wilson (Business Manager – Financial Services) on Extension 5317 or Mohammed Sarodia (Assistant Business Manager – Financial Services) on Extension 5537.

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