

LEISURE & ENVIRONMENT COMMITTEE

19 JANUARY 2021

LEISURE & ENVIRONMENT COMMITTEE REVENUE BUDGET 2021/22

1.0 Purpose of Report

- 1.1 To seek feedback from the Leisure & Environment Committee on the proposed general fund revenue budget for the 2021/22 financial year (01 April 2021 – 31 March 2022) for those services which fall under its remit.
- 1.2 To seek feedback from the Committee on the scale of proposed fees & charges for 2021/22 for those services which fall under its remit.
- 1.3 To seek approval from the Committee for the 2021/22 base budget in **Appendix A** to be recommended to Policy & Finance Committee at its meeting on 22 February 2021 for inclusion in the overall council budget; and
- 1.4 To seek approval from the Committee for the 2021/22 fees & charges in **Appendix D** to be recommended to Policy & Finance Committee at its meeting on 22 February 2021 and Council at its meeting on 09 March 2021.

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 2021/22 and medium-term financial plan for between 2021/22 and 2024/25. The general fund budgets have been prepared in line with the strategy agreed by Policy & Finance Committee on 25 June 2020.
- 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 2021/22 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 2020/21 initial budget for controllable costs, as approved by Council on 09 March 2020, with its currently proposed 2021/22 budget for controllable costs. The Committee's proposed 2021/22 budget is £1,079,000 more than its 2020/21 initial budget; an increase of 26%.
- 2.5 The £1,079,000 increase in the Committee's proposed 2021/22 budget is comprised of a £315,000 increase in employee costs, a £581,000 increase in running costs and a £183,000 decrease in income.

Table 1: changes in controllable costs between 2020/21 and 2021/22 budgeted for services in Leisure & Environment Committee

Expenditure or income?	Expenditure type	Error! Reference source not found. initial budget (£m)	Error! Reference source not found. base budget (£m)	Increase or (decrease) in budget (£m)
Expenditure	Employees	4.399	4.713	0.315
Expenditure	Running Expenses	2.015	2.596	0.581
Expenditure	Total	6.414	7.309	0.896
Income	Total	(2.225)	(2.042)	0.183
Net Expenditure	Total	4.189	5.268	1.079

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 102%, or £320,000, of the £315,000 increase in budgeted employee costs.

Table 2: the five services in Leisure & Environment Committee which most account for changes in budgeted employee costs between 2020/21 and 2021/22

Rank	Service (cost centre)	Increase or (decrease) in employee budget (£m)	Percentage of change in overall employee budget
1	Street Scene Grounds Maintenance	0.211	67%
2	Health & Community Relations	0.059	19%
3	Environmental Services Management Brunel Drive Depot Administration Community Facilities Management Street Scene Street Cleansing Waste & Recycling	0.020	6%
4	Vehicle Pool & Workshop	0.017	5%
5	Neighbourhood Wardens	0.013	4%
		0.320	102%

2.8 Five services account for 98%, or £570,000, of the £581,000 increase in budgeted running expenses.

Table 3: the five services in Leisure & Environment Committee which most account for changes in budgeted running expenses between 2020/21 and 2021/22

Rank	Service (cost centre)	Increase or (decrease) in running expenses budget (£m)	Percentage of change in overall running expenses budget
1	Active 4 Today	0.640	110%
2	Street Scene Grounds Maintenance	(0.211)	(36)%
3	Vehicle Pool & Workshop	0.057	10%
4	Newark Livestock Market	0.043	7%
5	Waste & Recycling	0.042	7%
		0.570	98%

2.9 Five services account for 100%, or £184,000, of the £183,000 decrease in budgeted income.

Table 4: the five services in Leisure & Environment Committee which most account for changes in budgeted income between 2020/21 and 2021/22

Rank	Service (cost centre)	(Increase) or decrease in income budget (£m)	Percentage of change in overall income budget
1	Newark Livestock Market	0.200	109%
2	Street Scene Grounds Maintenance	(0.018)	(10)%
3	Waste & Recycling	(0.016)	(9)%
4	Community Facilities Management	0.012	7%
5	Environmental Health	0.005	3%
		0.184	100%

2.10 **Appendix C** lists the reasons for increases or decreases of over £10,000 between the 2020/21 initial budget and proposed 2021/22 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 2021/22 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 22 February 2021:

- a) the 2021/22 base budget in **Appendix A** for inclusion in the overall council budget;
- b) and to Council on 09 March 2021 the 2021/22 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 (FIN20-21/1138)

5.1 The Committee's proposed 2021/22 budget is £1,079,000 more than its 2020/21 initial budget; an increase of 26%. Employee budgets of £4.713m account for 64% of controllable costs. Significant budget savings cannot be achieved without affecting staffing levels.

5.2 The council's medium-term financial plan for between 2021/22 and 2024/25 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 2020-2023, though particularly the objectives to:

- a) *“Continue to maintain the high standard of cleanliness and appearance of the local environment”*; and
- b) *“Enhance and protect the district's natural environment”*.

7.0 RECOMMENDATIONS

- a) **that the following recommendations be made to Policy & Finance Committee at its meeting on 22 February 2021:**
 - i. **the 2021/22 base budget in Appendix A for inclusion in the overall council budget;**
 - ii. **and to Council on 09 March 2021 the 2021/22 fees & charges in Appendix D.**

Reason for Recommendations

To ensure that the budgets and fees & charges finally proposed for 2021/22 are recommended to Policy & Finance Committee on 22 February 2021.

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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