

CABINET – 16TH DECEMBER 2019

Report of the Head of Finance and Property Services Lead Member: Councillor Tom Barkley

Part A

ITEM 10 DRAFT 2020/21 GENERAL FUND AND HRA BUDGETS

Purposes of the Report

1. To advise members of the projected base budget position for 2020/21.
2. To review savings and growth proposals put forward for the year 2020/21, and to begin a period of consultation.

Recommendations

1. That the Cabinet endorses for consultation the draft General Fund and HRA Revenue Budgets for 2020/21 as set out in Tables 1 and 4 in the report.
2. That the Cabinet endorses for consultation the Loughborough Special Expense Budget and Levy for 2020/21 as set out in Appendix 2.

Reason

- 1.&2. To provide the opportunity for consultation on the 2020/21 budgets as well as potential pressures and savings.

Policy Justification

The Council's Budgets are fundamental to the delivery of all services.

Implementation Timetable including Future Decisions and Scrutiny

Cabinet is asked to endorse the Budget proposals contained in and appended to this report as a basis for consultation. These proposals will be subject to consultation over the period from 17th December 2019 to 15th January 2020. Both the Scrutiny Commission and the Budget Scrutiny Panel will have the opportunity to scrutinise this report before it is presented to Cabinet.

The Scrutiny Commission will also have the opportunity to scrutinise the final report to Cabinet on 13th February 2020. In addition, consultation will be with:

Trade Unions;
Local Businesses and Commercial Ratepayers;
Formal consultation with key partners, including members of Charnwood Together, Towns and Parishes.

Proposals on the General Fund and HRA Budgets and Council Tax will return to Cabinet on 13th February 2020 for recommendation to Council on 24th February 2020.

Report Implications

The following implications have been identified for this report.

Financial Implications

There are no direct financial implications from approving this report for consultation. However, if the final report is approved then there will be financial implications for the Council and these are set out in Part B of this report.

Risk Management

There are no specific risks associated with the decision Cabinet is being asked to make. However, Part B of the report identifies risks associated with the eventual adoption of the new Budgets.

Equality and Diversity

There are no specific Equalities and Diversity issues affecting the recommendation in this report, though any such issues affecting particular service pressures and savings will have been considered when those proposals were submitted.

Key Decision: No

Background Papers: None

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Part B

Background

As has been the case over recent years, this draft budget is being prepared without knowing the contents of the fairer funding financial settlement from government for 2020/21. We now know that the process will be delayed into 2020 which limits the amount of information on which to base our assumptions for the draft budget.

On 3rd October 2019, the Ministry of Housing, Communities and Local Government released a 'Technical Consultation' on proposals for the 2020/21 Financial Settlement which states a strong indication on a reduction to the future New Homes Bonus funding starting from 2021/22 of around £1.1m and £1.7m in 2022/23.

It was envisaged that the new national business rate retention scheme would be in place from 2020/21 (with a headline 75% retention rate compared to the current 50% retention scheme currently in place), as the centrepiece of the new funding regime derived from the Fair Funding review. However, this will now be delayed until the 2021/22 financial year, therefore the NNDR funding stream remains volatile.

1. The Council's Medium-Term Financial Strategy (MTFS) presented to Cabinet 14th November 2019 indicated that there would be a shortfall of £1.430m in the General Fund for 2020/21 with the assumptions that the Council's transformation and efficiency savings of £0.5m are delivered. The MTFS assumes that £1m of the shortfall would be covered by the use of working balance reserves and there would be an additional financial challenge of £430k in the year. There are many uncertainties going forward due to expected changes in government policy (for example the allocation of business rates and the New Homes Bonus payments); the outcome of the Fairer Funding Review and Brexit have been delayed until 2020 and the global economic environment which affects interest rates, inflation and demand for services remains uncertain.
2. The proposed Draft Budget for 2020/21 shows a deficit of £975k and includes ongoing unavoidable service pressures of £945k offset by ongoing savings of £370K, giving a net ongoing pressure of £575K, plus one-off service pressures of £81K, these pressures are detailed in Appendix 1. The MTFS shortfall indicated £1.430m, the draft budget deficit is lower by £455k.
3. Despite an increase in Net Service Expenditure and uncertainty over future funding, Charnwood Borough Council still has one of the lowest council tax rates of all districts in the country, the budget assumes a council tax increase of £5 per Band D equivalent property. This is in line with the increase allowable by Central Government and will not be subject to a referendum.

4. The New Homes Bonus (NHB) scheme assumptions for the calculation projections are that the Council will receive a 'full' four years' worth of NHB funding in 2020/21, this will reduce to just two years' worth of NHB funding in 2021/22 and there will be a further reduction to just one years' worth of NHB funding in 2022/23.
5. Revenue Support Grant (or 'formula' grant) is (historically) allocated to each local authority by the government using an assessment of need based on the characteristics of population, geography and other sources of finance available to an individual local authority. The grant has been phased out since 2014/15 (£4.2m) and no longer exists from 2020/21.
6. It is anticipated that the government will introduce a new regime of business rate retention, with a '75% retention' scheme replacing the existing '50% retention' scheme alongside the implementation of the recommendations arising from the Fair Funding review. This will now be delayed until 2021/22.
7. The HRA draft budget has been prepared on the assumption that rental income will be increased by CPI+1% in line with government policy. Other assumptions and changes are discussed in the HRA section of this report.

Overview

8. During 2019/20 the Council has continued to look for ways of improving services and securing value for money with the services it delivers. The Council continues to actively seek out partnership opportunities that will lead to improvements in service delivery and value for money. This persistence means that even as resources have continued to reduce the Council has been able to maintain the services it delivers without any needs for any major reduction or cessation of services.
9. The draft budget for 2020/21 contains net ongoing unavoidable service pressures of £575k funded from working balance and one-off service pressures £81K funded by earmarked reserves. (Appendix 1) If this draft budget is approved, and achieved, for 2020/21 it will result in revenue balances remaining above the minimum target levels at the end of March 2021.

Approach to the 2020/21 Budgets

10. A base budget has been established which reflects the current year budget for 2019/20 adjusted for salary and contract inflation. All one-off items that were included in the 2019/20 budget have been removed. Heads of Service have then submitted unavoidable pressures and savings for 2020/21. These pressures and savings have been identified as one-off, i.e. will only impact in 2020/21, or ongoing which will continue for the foreseeable future. Additionally, Heads of Service have submitted option for change requests for service pressures greater than £10,000 in support of their pressures for Senior Leadership Team (SLT) approval.
11. SLT has drawn up a list of budget pressures and savings (Appendix 1) to be added to the base budget on an ongoing basis and two one off items for consideration and approval.

12. The remainder of this report covers:

- Details of proposals of savings and pressures in Appendix 1.
- Loughborough Special Expense Budget and Levy in Appendix 2.
- A review of the Council's reserves. It is the duty of the Council under the Local Government Act 2003 to ensure that a balanced budget is set after due consideration of the duties and plans which are proposed for the coming year and that adequate financial reserves are held.
- A section on the HRA.
- A brief section on risks.

Table 1

Actual 2018/19 £000	General Fund Budget Summary	Original Budget 2019/20 £000	Draft Budget 2020/21 £000	Variance £000
17,844	General Fund Service Expenditure	18,496	18,389	(107)
0	One Off Directorates Savings Target	(300)	0	300
0	Net Ongoing Service (Savings) & Pressures	(341)	575	916
0	Net One Off Service Pressures	283	81	(202)
17,844	Net Service Expenditure	18,138	19,045	907
752	Revenue Contributions to Capital	0	0	0
29	Council Tax Support Grants to Parishes	0	0	0
356	Interest Paid	240	240	0
(447)	Less: Interest on Balances	(390)	(500)	(110)
18,534	Total Borough Expenditure	17,988	18,785	797
214	Contribution (from)/to Reinvestment Reserve	0	(36)	(36)
48	Contribution (from)/to Working Balance	(798)	(1,075)	(277)
(234)	Contribution (from)/to Collection Fund	(173)	100	273
(451)	Contribution (from)/ to Capital Plan Reserve	0	0	0
(51)	Contribution (from)/to Other Reserves	(63)	(45)	18
(13)	Contribution (from)/to Growth Support Fund	0	0	0
18,047	Precept Requirement	16,954	17,729	775
745	Revenue Support Grant	0	0	0
4,957	NNDR	5,290	4,947	(343)
6,502	Council Tax Receipts	6,893	7,294	401
1,194	Loughborough Special Levy	1,213	1,259	46
3,620	New Homes Bonus	3,731	4,129	398
1,263	General Government Grants	0	0	0
(234)	Collection Fund Surplus/(Deficit)	(173)	100	273
18,047	Precept Income	16,954	17,729	775
£p	Council Tax for Band D	£p	£p	
117.09	Base Borough Council Tax	122.09	127.09	
74.97	Loughborough Special Levy	74.97	76.46	
£000	<u>REVENUE BALANCES</u>	£000	£000	
Actual		Original	Draft	
2018/19		2019/20	2020/21	
7,057	<u>Working Balance at 1 April</u>	4,990	5,900	
28	Transfer from/(to) General Fund	(971)	(975)	
(214)	Transfer from/(to) Reinvestment Reserve	0	(122)	
6,871	Balance at 31 March	4,019	4,803	
595	<u>Reinvestment Reserve Balance at 1 April</u>	608	414	
214	Transfers from/(to) Fund one off Item	0	(36)	
0	Transfers from/(to) General Fund	0	122	
809	Balance at 31 March	608	500	
2,644	<u>Capital Plan Reserve Balance at 1 April</u>	1,711	1,288	
(451)	Funding of Capital Expenditure	(618)	0	
2,193	Balance at 31 March	1,093	1,288	
114	<u>Growth Support Fund Balance at 1 April</u>	0	5	
(13)	Funding of Capital Expenditure	0	0	
101	Balance at 31 March	0	5	
813	<u>Other Revenue Reserve Balances at 1 April</u>	805	700	
(50)	Transfers from/(to) Fund one off Item	(63)	(45)	
763	Balance at 31 March	742	655	
10,737	TOTAL BALANCES	6,462	7,251	

13. The level of uncertainty in the above figures should not be underestimated as the NNDR and New Homes Bonus, in total amounting to £9,076k, these are estimates based on the MTFs report. A review of these figures will be required for the final budget report in light of further information released by the Government.
14. It is proposed to increase Council Tax by the permitted £5 per band D property for the fourth year in a row. The Loughborough Special Levy will increase by 1.99%, the overall increase will remain at £5. This increase is required to meet the shortfall resulting from the reductions in New Homes Bonus funding, NDR and unavoidable service pressures. Charnwood Borough Council still has a low-level Band D Council Tax rate compared to other Leicestershire Authorities.
15. The General Fund Service Expenditure 2020/21 is £107k lower than 2019/20 this is due to a 5% reduction in the base budgets of £300K, against non-Salary, non-contract budgets, reductions in recharges between General Fund and HRA £272k following a review of recharges in line with CIPFA code of Practice, offset by increased salary and contract inflation costs.
16. The forecast for investment income in 2020/21 is £110k higher than 2019/20. This additional investment income can be attributed to a higher level of short-term cash held and treasury investments which are providing a higher return than the benchmark London Interbank Bid Rate (LIBID). The Treasury Management Investment Strategy will be further reviewed with Link Asset Services in 2020 to ensure that the investment income levels can be maintained for 2020 and beyond.
17. The budget has been balanced by using a contribution from working balance to fund the shortfall of £975k. This would leave the working Balance at £4.803m at the end of March 2021 which is above the minimum target of £2m for this reserve.
18. The base position includes provision for inflation at rates deemed appropriate to the major contracts, there is no general inflation provision and services are expected to manage within existing budgets. An average 2% provision for salary has been included in the budget in line with the recent pay settlements and 1% provision for pension increases.
19. Loughborough Special Levy Appendix 2 shows the budget position for Loughborough Special Expense and Levy for 2020/21. The proposed increase to the Loughborough Special Levy is 1.99% a rate of 76.46 (74.97) in 2019/20. There is an ongoing service pressure request of £5K for the Remembrance Day Parade.
20. Detailed explanations of the variances between the 2019/20 and 2020/21 budgets are provided in the notes in Appendix 2.

Reserves and Balances

21. There is a requirement to ensure that the level of balances is appropriate for the Council's commitments and current level of expenditure. The following basis is used to determine the reserves and working balance.

22. Working Balance

The recommended minimum Working Balance is £2m, and this represents between 6- and 7-weeks net expenditure by the Council and is in line with good practice. As a result of the uncertainty of future funding it is felt that holding a Working Balance of £3m or above would be prudent until further details are known. The draft budget balance on this fund at the end of March 2021 is anticipated to be £4.6m, which is above this limit.

23. Reinvestment Reserve

This is used for three purposes, these being:

- For items that produce a payback to the Council;
- To fund costs that lead to appreciable service improvements;
- To fund one-off costs.

This reserve has a minimum target level of £500k and a transfer of £122K has been made from the working balance to bring this back up to £500K balance.

24. Capital Plan Reserve

This revenue reserve is used to finance General Fund capital expenditure and there are no restrictions on the types of capital schemes that this can be used for. In addition, there is no minimum balance for this reserve. This reserve is predicted to be at £1.2m at 31 March 2021.

25. Earmarked Revenue Reserves

There are eight Earmarked Reserves, and these will be utilised in line with the purpose of the reserve fund or for general purpose.

Table 2 - Revenue Reserves (assuming the draft budget in Table 1 is adopted).

Reserve Balances	Estimated Balance at 1st April 2020	Used or Transferred to Other Reserves in 2020/21	Balance at 31 March 2021
	£'000	£'000	£'000
Working Balance	5,900	(1,097)	4,803
Reinvestment Reserve	414	86	500
Capital Plan Reserve	1,288	0	1,288
Growth Support Fund	5	0	5
Earmarked Reserves	700	(45)	655
Total Revenue Reserves	8,307	(1,213)	7,251

Housing Revenue Account

26. The budget position for 2020/21 is a breakeven. The overall position of the balances is a reduction of £1,457k which is a revenue contribution to capital. The service pressure increases total £107k and a realignment of recharges between the General Fund and HRA of £272k.
27. There are ongoing options for change budget pressures of £107k for 2020/21. There is a one-off option for £45.2k relating to the cost of purchasing Cloud Based rental predictive analytical software, aimed at securing current rent and service charge income streams. The ongoing pressures include £37.4k for the extension of a Universal Credit officer for a fixed period to 31 March 2023 and £24k as a realignment of anticipated rechargeable income relating to repairs. There have been fewer repairs identified that can be recharged to tenants, leading to the need to reduce anticipated income.

Table 3 – Summary of 2020/21 HRA budget pressures

	One-Off	Ongoing	Total
	2020/21	2020/21	2020/21
	£	£	£
Head of Landlord Services			
Cloud Based Rental Predicative analytical software	45,200		45,200
Universal credit officer extension – fixed period to 31 March 2023		37,400	37,400
Fewer charges for rechargeable repairs		24,000	24,000
Subtotal for Head of Landlord Services	45,200	61,400	106,600
Total for the Housing Revenue Account	45,200	61,400	106,600

28. The 2019/20 budget is the fourth year of 1% rent reductions from a frozen 2015/16 baseline as set out though the Welfare Reform and Work Act 2016. Through these 1% reductions there is a projected net total cash reduction in the rent charged of around 4%. This has a substantial adverse impact on rental income. Inflation has been positive over same four-year period so there has been an even greater “real terms” decrease in rental income levels. Government has now clarified rent policy for 2020 onwards, and a CPI* (1.7%) + 1% increase has been calculated, this is the principal reason for the increase in budget.

Recharges

29. The basis for several recharges between the General Fund and Housing Revenue Account have been reviewed. The review focused upon reflecting the level of work relating to the HRA by staff whose direct costs are in the General Fund. This has led to an increase of £272k to the HRA and is in-line with the CIPFA code of practice. The review considered the time apportionments for the Senior Leadership Team alongside the costs of the Democratic Service and Monitoring Officer.

HRA Balances

30. The Chief Financial Officer's recommended minimum level of working balances for the HRA is £110 per property. There are 5,523 properties anticipated at 31st March 2021 (anticipating 40 RTB sales and 16 acquisitions) and working balances have been adjusted to reflect the recommended minimum of £607k.
31. The draft new capital programme for 2020/21 is £7,646k this is fully funded from the HRA Revenue contribution to Capital £3,308k from the HRA revenue budget and £1,457k from HRA financing fund and 1 for 1 capital receipts from HRA Right to buy sales.
32. The HRA Financing Fund was set up in order to set aside monies to cover future HRA expenditure. This includes the repayment of external debt principal of the £79m incurred when the self-financing regime came about in 2012. This costs the HRA approximately £2.7m in interest payments each year. The first of these loans is due for settlement during 2024/25. The anticipated balance of the HRA Financing Fund at 31 March 2021 is £6.9m. This incorporates an underspend in the 2019/20 which at the end of October 2019 is predicted to be £164k.

Appendices

Appendix 1 – General Fund and HRA Service Pressures and Savings 2020/21

Appendix 2 – Loughborough Special Expense Budget and Levy 2020/21

Table 4 – Draft HRA 2020/21 Budget

2018/19 Actual £000	Housing Revenue Account	2019/20 Final Budget £000	2020/21 Draft Budget £000
	Expenditure		
4,901	Supervision and Management	5,118	5,550
6,289	Repairs and Maintenance	6,461	6,769
130	Rents, Rates and Other Charges	139	139
335	Provision for Bad Debts and Other Charges	383	383
3,025	Depreciation	3,057	3,189
(13,072)	Net Revaluation increase of non-current assets	0	0
19	Debt Management Expenses	10	10
1,627	Expenditure Sub-total	15,168	16,040
	Income		
(20,698)	Dwelling Rent Income	(20,548)	(20,883)
(365)	Shops, Land and Garages Rent	(373)	(373)
(55)	Warden Service Charges	(55)	(55)
(293)	Central Heating and Communal Charges	(322)	(400)
(226)	Leasehold Flat and Shop Service Charges	(156)	(158)
(26)	Hostel Service Charges	(24)	(24)
(11)	Council Tax Recharged	(11)	(11)
(21,674)	Income Sub-Total	(21,489)	(21,904)
(20,047)	Net (income)/Cost of service	(6,321)	(5,864)
(82)	Transfer from General Fund – Grounds Maintenance	(84)	(84)
2,743	Interest Payable	2,706	2,706
(93)	Investment Income and Mortgage Interest	(88)	(66)
(17,479)	Net Operating Expenditure/(Income)	(3,787)	(3,308)
3,716	Revenue Contribution to Capital	3,659	3,308
(389)	Pension Adjustment	0	0
5	Accumulated Absence Adjustment	0	0
13,072	Reversal of Gain on Revaluation	0	0
16,404	Appropriations	3,659	3,308
(1,075)	(Surplus)/Deficit for the year	(128)	0
HRA Balances:			
(617)	HRA Balance at beginning of year	(613)	(610)
(1,075)	(Surplus)/Deficit for the year	(128)	0
1,079	Transfer to/from Reserves	131	3
(613)	HRA Balance at end of year	(610)	(607)
(6,982)	HRA Financing Fund at beginning of year	(8,061)	(8,356)
(1,079)	Transfer to/from Reserves	(131)	(3)
0	Revenue Contribution to Capital	0	1,457
0	Adjustments to 2019/20 budget	(164)	0
(8,061)	HRA Financing Fund at end of year	(8,356)	(6,902)
(3,926)	Major Repairs Reserve at end of year	(2,324)	(2,324)
(12,600)	Overall HRA balances at end of the year	(11,290)	(9,833)

Appendix 1

General Fund Service Pressures & Savings Summary (Option for Change)			£ 000's	£ 000's
	Head of Service	Ongoing One-Off	Savings	Pressures
Decrease in grant from MHCLG to administer the Council Tax Support service	Karey Barnshaw	Ongoing		18
Decrease in grant from DWP to administer the housing benefit service	Karey Barnshaw	Ongoing		93
The implementation of the selected Cloud computing model	Karey Barnshaw	Ongoing		111
Reduced Housing Benefit Subsidy grants claims for supported living	Karey Barnshaw	Ongoing		465
Increase in rent/services charges of Industrial Units	Dave Wall	Ongoing	(14)	
Transformation – ICT enabled. Saving realised online booking system	Simon Jackson	Ongoing	(12)	
Net Income relating to New Commercial property investment	Simon Jackson	Ongoing	(150)	
Commercialisation Income – Review of fees and charges	Simon Jackson	Ongoing	(30)	
Member Grant scheme to support local community and voluntary sector and £26k added to Capital Plan each year.	Julie Robinson	Ongoing		26
Garden Waste Sticker increase in costs and increase provision	Matt Bradford	Ongoing		20
Increased Bulky Waste Income	Matt Bradford	Ongoing	(60)	
Shortfall in income generated from Garden Waste subscriptions	Matt Bradford	Ongoing		60
Reduced Income from Loughborough crematorium turnover commission	Matt Bradford	Ongoing		20
Increased Net Income - Trade Waste	Matt Bradford	Ongoing	(5)	
Loughborough Remembrance Parade funded from Loughborough Special Expenses	Sylvia Wright	Ongoing		5
Loughborough Market income target adjustment	Sylvia Wright	Ongoing		20
Tourism SLA - Leicestershire Promotions	Sylvia Wright	Ongoing		27
Price increase and increase in number of Private Sector Alarm Charges	Peter Oliver	Ongoing	(34)	
LCC street management reimbursement	Alan Twells	Ongoing	(15)	
Empty Homes legal Fees new reserve set up in 2019/20	Alison Simmons	Ongoing	(50)	
Building control shortfall of income currently under review	Richard Bennett	Ongoing		80
Ongoing Total Service (Savings) and Pressures			(370)	945
Net Ongoing Pressures				575
Charnwood Forest Regional Park - partnership funding for landscape partnership Funded from Reinvestment Reserve	Matt Bradford	One-off		36
Contribution towards Strategic Growth Plan Funded from Planning Reserve	Richard Bennett	One-off		45
One-Off Total Services Pressures				81
Grand Total Service Pressures				656

Appendix 2

LOUGHBOROUGH SPECIAL EXPENSES						
2019/20		2020/21			Variance Under/(Overspend)	Note
Loughborough Special Expenses	Service	Total	District / Capital Charges	Loughborough Special Expenses		
£		£	£	£	£	
67,800	Loughborough CCTV	333,800	265,400	68,400	(600)	1
81,800	Community Grants - General / Fearon Hall / Gorse Covert	80,300	0	80,300	1,500	2
44,900	Marios Tinenti Centre / Altogether Place / Community Hubs	45,700	0	45,700	(800)	3
9,600	Charnwood Water Toilets	8,800	0	8,800	800	4
34,500	Voluntary & Community Sector Dev Officer post (75% LSX)	35,300	0	35,300	(800)	5
4,400	Biggin Street Toilet - Friday Opening	4,500	0	4,500	(100)	6
120,000	Contribution towards Loughborough Open Spaces Grounds Maintenance	121,000	0	121,000	(1,000)	7
(5,100)	November Fair	(8,300)	0	(8,300)	3,200	8
	Parks:					
404,700	Loughborough - including Loughborough in Bloom	427,900	77,500	350,400	54,300	9
68,200	Gorse Covert and Booth Wood	69,800	0	69,800	(1,600)	10
	Sports Grounds:					
112,700	Derby Road	127,200	11,900	115,300	(2,600)	11
43,700	Lodge Farm	43,200	0	43,200	500	12
72,900	Nanpantan	112,800	38,500	74,300	(1,400)	13
20,200	Park Road	21,600	2,600	19,000	1,200	14
21,400	Shelthorpe Golf Course	22,600	1,900	20,700	700	15
45,100	Loughborough Cemetery	37,300	0	37,300	7,800	16
52,000	Allotments - Loughborough	43,300	0	43,300	8,700	17
15,600	Carillon Tower	34,900	20,900	14,000	1,600	18
51,200	Festive Decorations and Illuminations	65,000	16,600	48,400	2,800	19
102,500	Town Centre Management	109,700	10,100	99,600	2,900	20
1,368,100		1,736,400	445,400	1,291,000	77,100	
(148,931)	Adjustments from Year 2017/18					
0	Adjustments from Year 2018/19	(14,059)	17,896	(31,955)		
1,219,169	AMENDED SUB TOTAL	1,722,341	463,296	1,259,045		
(5,892)	Council Tax Support Grant			0		
1,213,277	AMENDED TOTAL			1,259,045		
Divided by				Divided by		
16,183.50	Council Tax Base			16,466.71		
74.97	Special Council Tax			76.46		

Loughborough Special Expense Notes

- 1 22% of the total costs of CCTV have been charged to the Loughborough Special Rate for 2020/21, compared to 23% in 2019/20. The total number of cameras has increased overall, but the number charged to the Loughborough Special Rate is unchanged. However, a realignment of Support Service recharges has been carried out for 2020/21 resulting in a number of increased charges to this cost centre, mainly from the Improvement and Organisational Development team, Audit and Risk and the Head of Strategic Support.
- 2 The £1,500 saving on the Loughborough Community grant is due to a 5% corporate reduction made to all non-contract expenditure budgets in 2020/21. The Gorse Covert and Fearon Hall budgets remain unchanged, the 5% reduction made to these has been found from reductions to the number of strategic partners.
- 3 The Utility budgets have increased slightly, making them more in line with anticipated increased costs and future usage. There is also a slight increase in the rental costs for the two properties
- 4 Slightly reduced Utility and Management of Open Spaces Contract costs are anticipated for 2020/21
- 5 Increased costs are due to an anticipated 2% pay award and additional pension/NI contributions for the Voluntary and Community Sector Development post M298, 75% of which is funded by Loughborough Special Expenses.
- 6 No comment required
- 7 This increase is due to contract inflation. Future years funding via the Loughborough Special Rate is to be reviewed each subsequent year, as approved by Cabinet 16/02/17 (min 88).
- 8 The budgets for Security and Site Preparation and Clearance costs have increased £2.5k offset by reduced Traffic Management costs £3.2k, this is due to traffic management duties being transferred to operational staff. Site Rental Income has increased by £1K, in-line with previous year actuals. Support Service recharges have reduced £1.3K, this is mainly due to less time being spent in this area by the Audit and Risk Service Unit.
- 9 The Management of Open Spaces contract budget has increased by £1K for inflation. The budget for Tree Maintenance work has also increased by £1K, this is part of the £40K ongoing service pressure approved as part of the 2016/17 budget process (Cabinet 18/02/16 min 106), tree maintenance work elsewhere has been reduced accordingly due to work being carried out as needed previous years. The Metered Water budget has also increased by £1K making it more in line with anticipated future usage and increased charges. A realignment of Support Service recharges has been carried out for 2020/21, this has resulted in a £56.4K reduced charge from the Management of Open Spaces team, the Policy and Green Spaces Development team and the Cleansing team.
- 10 The Management of Open Spaces contract budget has increased by £0.4K for inflation. The budget for Tree Maintenance has also increased by £1.2K, maintenance work elsewhere has reduced accordingly as explained above for Parks Loughborough
- 11 The Management of Open Spaces budget has increased by £0.5K for inflation. The Utility and Legionella Risk Assessment and Control budgets have both increased by £1K & £0.7K respectively. These increases are offset by a £3K reduction to the Building Repair and Maintenance budget, a number of repairs have taken place at this site in 2019/20 which will not be expected going forward. A realignment of Support Service recharges has been carried out for 2020/21 resulting in a £3K increased charge to this cost centre, mainly from the Improvement and Organisational Development team, Audit and Risk and Head of Strategic Support
- 12 The Building Repairs and Maintenance budget has reduced by £2K, however, sufficient budget has been retained to cover the cost of increasing anti-social behaviour repairs on this site. This is part offset by increased Legionella Risk Assessment and Control Costs £0.7K. Support Service recharges have increased £0.5K this is mainly due to slightly more time being spent in this area by both the Cleansing and Policy and Green Spaces Development teams.
- 13 The Metered & Unmeasured Water charges at this site have increased £4K, this is mainly due to invoicing issues caused by the deregulation of the water industry, previous years under estimated invoices are currently being recovered, making future year predictions difficult to calculate, however consumption at this site will be closely monitored going forward. The Electricity budget has also increased £1.6K making it more in-line with anticipated future usage and increased charges. The Legionella Risk Assessment and Control budget has also increased £1.3K, this is to cover essential compliance work needed at this site. Support Service recharges from both the Cleansing and Management of Open Spaces teams have reduced by £5K overall, this is due to a realignment of these charges being carried out for 2020/21 as detailed in Parks Loughborough.
- 14 The Metered Water budget has increased by £1.2K, making it more in-line with anticipated future usage and increased charges. This is offset by a £2.3K reduced Support Service recharge from the Policy and Green Spaces Development team.
- 15 The income from Golf Course fees has increased by £0.7K, this is part of the Management of Open Spaces contract whereby CBC receive a guaranteed income amount, pre-set by Idverde and increased by inflation each year. This is partly offset by slightly increased Utility and Management of Open Spaces contract costs which have increased by inflation £0.6K. Support Service recharges have reduced £0.5K this is mainly due to slightly less time being spent in this area by both the Management of Open Spaces and Policy and Green Spaces Development teams.

- 16 The budget for Tree Maintenance has increased by £0.6K, maintenance work elsewhere has reduced accordingly as explained above for Parks Loughborough. A £1.4K budget for Management of Open Spaces variations to contract budget is required this year to cover the cost of the additional ground work required at the cemetery extension on an ongoing basis. These additional costs are offset by slightly increased income expectations £2K for inflation and reduced NNDR £1K, the 2019/20 budget was set too high. Support Service recharges from the Head of Waste, Engineering and Green Spaces, the Cleansing and Policy and Green Spaces Development teams have reduced by £7K overall, this is due to a realignment of these charges being carried out for 2020/21 as detailed in Parks Loughborough.
- 17 A £1.5K Repair and Maintenance budget has been included for 2020/21 for ongoing general maintenance of the sites. The budget for Tree Maintenance work has increased by £1K, maintenance work elsewhere has reduced accordingly as explained above for Parks Loughborough. The Metered Water budget has also increased by £2.7K, water consumption at these sites is variable dependant on climate, we have had a very dry Spring this year, resulting in higher consumption, the budget for 2020/21 has been increased to allow for this reoccurrence. These increased costs are part offset by slightly increased income expectation £1.6K due to a reduced number of unoccupied plots. Support Service recharges from the Policy and Green Spaces Development, the Cleansing and the Management of Open Spaces teams have reduced by £12.4K overall, this is due to a realignment of these charges being carried out for 2020/21 as detailed in Parks Loughborough.
- 18 The Electricity budget has reduced by £0.8k making it more in-line with previous year actuals and anticipated future usage. Support Service Recharges have also reduced £1.8K due to less time being spent in this area by both the Audit and Risk Service Unit and the Head of Leisure and Culture. 50% of the total cost of the Carillon is charged to the Loughborough Special Rate
- 19 The Installation and Dismantling of the Festive Decorations and the Town Centre Dressing budgets have been reduced by £1.7K to take into account previous year spend. Support Service recharges have also reduced £1K this is mainly due to less time being spent in this area by the Markets and Fairs Service unit
- 20 Employee costs have increased £1K, this is due to a 2% anticipated pay award and additional pension/NI contributions. The Publicity budget has been reduced by £2.2K due to savings in partnership working. The Equipment Purchase, Repair and Storage costs have also reduced by £1.2K in line with previous year actuals and ongoing expected expenditure. The budget for the Street Trading Consents income has been increased by £2K, this is based on previous year actuals and the assumption that this trend will continue going forward. An option for change/service pressure for £5K has been included to cover the annual cost of the Remembrance Day Parade in order to comply with health and safety requirements in the management of this event. A realignment of Support Service recharges has been carried out for 2020/21 resulting in a reduction of £3K in this area, namely the Market and Fairs Service Unit, the L&E Admin and Business Support Services Unit and ICS.