

LOUGHBOROUGH AREA COMMITTEE – 6TH JANUARY 2020

Report of the Head of Strategic Support

Part A

ITEM 5 LOUGHBOROUGH SPECIAL EXPENSES DRAFT BUDGET 2020/21

Purpose of Report

To advise the Loughborough Area Committee of the draft Loughborough Special Expense budget for 2020/21.

Recommendation

That the Loughborough Area Committee note the draft Loughborough Special Expense budget for 2020/21 set out in Appendix 1 to this report.

Reason

To enable the views of the Committee to be sought on the draft Loughborough Special Expenses for 2020/21 in accordance with its terms of reference, prior to the final budget report on the 13th February 2020.

Policy Justification and Previous Decisions

At the Budget Scrutiny meeting on 4th December 2019, it was recommended that the Loughborough Special expenses Budget and Levy 2020/21 be endorsed for the consultation period from 17th December 2019 to 15th January 2020.

The Council's Budgets are fundamental to the delivery of all services. The Draft General Fund, HRA and Loughborough Special Expenses Budgets were approved for consultation by the Cabinet on 16th December 2019.

One of this Committee's functions, set out in its terms of reference, is to carry out a consultative role in relation to budgetary and financial issues which either solely or predominantly affect the Loughborough town area.

Report Implications

The following implications have been identified for this report.

It is planned that the proposals on the Council's General Fund, HRA and Loughborough Special Expenses Budgets and Council Tax will be submitted to the Cabinet on the 13th February 2020 for recommendation to Council on 24th February 2020.

Financial Implications

There are no specific financial implications associated with this decision but could impact on the financial implications of other policies and decisions.

Risk Management

There are no specific risks associated with this decision.

Appendices: Appendix 1 Draft Loughborough Special Expenses Budget and Levy 2020/21

Background Papers: None

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Part B

Loughborough Special Levy

1. Appendix 1 shows the Loughborough Special Expense Budget and Levy for 2020/21. There is a proposed increase of 1.75% to the Loughborough Tax Base and a 1.99% increase on the Loughborough Special Rate from 74.97 in 2019/20 to 76.46 in 2020/21. There is an ongoing service pressure request of £5K for the Remembrance Day Parade to be funded from the Loughborough Special Rate.

2. Detailed explanations of the differences between the 2019/20 and 2020/21 budgets are also provided in Appendix 1.

Appendix 1

LOUGHBOROUGH SPECIAL EXPENSES						
2019/20		2020/21			Difference Under/(Over)	Note
Loughborough Special Expenses Budget	Service	Total	District / Capital Charges	Loughborough Special Expenses Budget		
£		£	£	£	£	
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 dependent 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.