

CABINET – 10TH DECEMBER 2020

Report of the Head of Finance and Property Services

Lead Member: Councillor Tom Barkley

Part A

ITEM 9 DRAFT 2021/22 GENERAL FUND AND HRA BUDGETS

Purposes of the Report

To advise members of the projected base budget position for 2021/22 including the savings and growth proposals put forward for the year and provide the basis for the budget consultation.

Recommendations

1. That the Cabinet endorses for consultation the draft General Fund and HRA Revenue Budgets for 2021/22 as set out in Tables 1 and 2 in the report.
2. That the Cabinet endorses for consultation including Loughborough Special Expense Budget and Levy for 2021/22 as set out in Appendix 3.

Reasons

- 1.&2. To provide the opportunity for consultation on the General Fund and HRA budgets for the 2021/22 financial year.

Policy Justification

The Council's Budgets are fundamental to the delivery of all services and underpins all Corporate Plan objectives.

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 2020 to 15th January 2021. 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 11th February 2021. In addition, consultation will be undertaken with:

- Trade Unions;

- Local Businesses and Commercial Ratepayers;
- Key partners, including town and parish councils;
- Loughborough Area Committee, re the Loughborough special expenses budget

Proposals on the General Fund and HRA Budgets and Council Tax will return to Cabinet on 11th February 2021 for recommendation to Council on 22nd February 2021.

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

Risks identified in respect of the Draft Original Budget are tabulated below:

<i>Risk Identified</i>	<i>Likelihood</i>	<i>Impact</i>	<i>Overall Risk</i>	<i>Risk Management actions planned</i>
Failure to take account of the spending plans of the Council.	Unlikely (2)	Minor (1)	Very Low (2)	Robust budget planning and Budget Monitoring process are in place.
Further exceptional spending being required during the financial year.	Likely (3)	Major (3)	Moderate (9)	It is considered that the Working Balance reserve (and other revenue reserves) remain sufficient to manage normal and one-off events for 2021/22.

Equality and Diversity

There are no specific Equalities and Diversity issues affecting the recommendation in this report, although any such issues affecting particular service pressures and savings will be considered prior to proposals being implemented.

Key Decision: No

Background Papers:

None

Officer to Contact:

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Part B

Background and context

1. The COVID-19 outbreak has had a major global impact on health, wellbeing and economic prosperity since the virus was originally identified in China in the latter months of 2019. Within the United Kingdom, significant restrictions were placed on day to day life in March 2020 which resulted in a major contraction in economic activity alongside the increasing health and social care impacts of the virus.
2. From a Council perspective COVID-19 has created new cost pressures in areas such as community support, increasing demand for homelessness services and distribution of business grants, coupled with significant losses across virtually all of the Council's principal income streams.
3. At the point of drafting this report (November 2020) the full impact of COVID-19 - globally, within the United Kingdom, locally within Charnwood, and on the Council itself - remains very uncertain. Known unknowns at this time include the extent of any 'second wave' of the pandemic and the effectiveness and availability of vaccines to counter the disease. In practice therefore, the full extent of the COVID-19 impact is unlikely to be fully knowable for several months. What is apparent at this time however is that the financial impact on the Council is material and that pre-existing patterns of income and expenditure have been significantly disrupted. Further, the future financial outlook for the Council, already clouded with uncertainty arising from the (delayed) 'Fair Funding' review and the end of the Brexit transitional period, appears even more challenging than previously articulated.
4. Due to the absence of a multi-year financial settlement that a completed Fair Funding review may have created, and without knowledge of local authority funding allocations for 2021/22 (which might be expected in mid-December 2020) it has been necessary to prepare this budget using assumed levels of government funding. In general terms it is assumed for the purposes of this draft budget that future government funding will be in line with that received for 2020/21. It should be noted that this assumption is not an expectation, but more a reflection of the absence of any information in this area.
5. The pressures of managing the COVID-19 outbreak and 'Brexit' suggest major structural changes in local government funding are unlikely, but as set out in the updated 2020 – 2023 Medium Term Financial Strategy (MTFS) (reported to Cabinet 15 October and approved by Council 9 November 2020), significant downside risks exist in this area for 2021/22, particularly in the Government's treatment of New Homes Bonus allocations. A more settled position should be available when the final budget is presented.

General Fund budget overview

6. This draft budget is informed by the updated MTFS which projected a use of General Fund reserves of £2.1m for 2021/22 assuming that £2m of service pressures would arise and that £1.3m of efficiency savings would be delivered. At 31 March 2022 this would have resulted in a General Fund working balance of £1.1m, well below the recommended minimum working balance set by the Section

151 Officer of £2m. This outcome was considered highly undesirable and this budget therefore incorporates additional service savings and income generation which allows the working balance to be maintained (based on the key assumption of Government funding levels being maintained) at a level above £2.0m.

7. The draft Original Budget for 2021/22 shows a use of General Fund reserves of £1.3m which includes unavoidable service pressures of £1.8m offset by ongoing savings of £2.1m. In addition, there are two one-off planning service pressures, connected with the delivery of the local plan of £0.1m funded from an earmarked planning reserve. The net of this position results in a projected General Fund balance at 31 March 2022 of £2.0m.
8. The service pressures and savings, and additional income generation are summarised at Appendix 1.

Principal General Fund budget assumptions - funding

9. 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 being the assumed maximum increase that will be allowed by Government without a local referendum.
10. The New Homes Bonus (NHB) scheme had been due to be discontinued in 2019/20, but due to the delay in the outcome of the Fair Funding review, was been extended into 2020/21 and it is assumed, due to the continued delay of the Fair Funding review that NHB will continue and the Council's NHB award will continue at recent levels of around £4m per annum.
11. It should be noted that in the 2020/21 financial settlement NHB was awarded in respect of that year was that year only, rather than for each of a four-year period as had previously been the case with the scheme. Should the Government choose not to extend the NHB scheme (and not to compensate the Council via other funding streams) then NHB receipts would reduce to around £2.2m creating an additional funding shortfall in the order of £2m.
12. 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 new funding regime derived from the Fair Funding review. However, this will now be delayed until at least the 2022/23 financial year and this draft assumes current business rate funding arrangements will continue. This draft budget assumes a 'safety net' position (92.5% of the government settlement for 2020/21) adjusted for inflation, reflecting the current negative outlook for business rates

Approach to developing the 2021/22 Budgets

13. The initial step was to establish a base budget has been established which reflects the current year budget for 2020/21 adjusted for salary and contract inflation. All one-off items that were included in the 2020/21 budget were removed.
14. As part of the medium-term process of addressing the Council's financial challenges Cabinet Members reviewed a set of 'Options for Change' developed by Officers with a view to identifying acceptable service reductions and service

efficiencies for inclusion within the draft budget at a Cabinet Member / Officer briefing.

15. Unavoidable pressures were also considered at this briefing. The pressures have been categorised as Covid19 related costs £0.9m, contractual commitments £0.3m, and other unavoidable costs of £0.6m.
16. Progress with the Council's commercialism agenda – and specifically actual and prospective acquisitions of commercial property – has allowed the budgeting of a greater income contribution in this area.
17. Savings and income generation have been categorised into corporate savings, commercial savings (income generation), savings available from vacant posts, service reviews – organisational changes, and service changes.
18. As noted previously, the service pressures and savings are set out at Appendix 1. The summary draft General Fund budget for 2021/22 is set out in Table 1, below.

Table 1: Draft General Fund budget 2021/22

Actual 2019/20 £000	General Fund Budget Summary	Original Budget 2020/21 £000	Revised Budget 2020/21 £000	Draft Original Budget 2021/22 £000	Variance Original 2020/21 vs Original 2021/22 £000
19,176	General Fund Service Expenditure	19,038	22,643	19,262	(224)
0	Service (Savings) 2021/22	0	0	(2,059)	2,059
0	Service Pressures 2021/22	0	0	1,819	(1,819)
0	Service Pressures One Off 2021/22	0	0	106	(106)
19,176	Net Service Expenditure	19,038	22,643	19,128	(90)
213	Revenue Contributions to Capital	0	0	0	0
227	Interest Paid	240	240	240	0
(562)	Less: Interest on Balances	(500)	(300)	(300)	(200)
19,054	Total Borough Expenditure	18,778	22,583	19,068	(290)
74	Contribution (from)/to Reinvestment Reserve	(36)	(195)	0	(36)
(2,200)	Contribution(from)/to Working Balance	(1,069)	(1,822)	(1,391)	322
(173)	Contribution (from)/to Collection Fund	143	143	50	93
(213)	Contribution(from)/ to Capital Plan Reserve	0	500	0	0
395	Contribution (from)/to Other Reserves	(45)	(63)	(106)	61
16,937	Precept Requirement	17,771	21,146	17,621	150
5,290	NNDR (business rates)	4,947	4,947	4,379	568
6,893	Council Tax Receipts	7,288	7,288	7,582	(294)
1,213	Loughborough Special Levy	1,271	1,271	1,321	(50)
3,731	New Homes Bonus	4,122	4,122	4,289	(167)
(17)	General Government Grants (Covid)	0	3,375	0	0
(173)	Collection Fund Surplus/(Deficit)	143	143	50	93
16,937	Precept Income	17,771	21,146	17,621	150
£000		£000	£000	£000	
Actual 2019/20	<u>REVENUE BALANCES</u>	Original 2020/21	Revised 2020/21	Draft Budget 2021/22	
6,871	<u>Working Balance at 1 April</u>	5,900	4,498	1,820	
(2,373)	Transfer from/(to) General Fund	(926)	(1,679)	(1,341)	
0	Transfer from Growth Support Fund	0	101	0	
0	Transfer from/(to) Reinvestment Reserve	(170)	0	0	
0	Contribution to the LLEP Enterprise Zone	0	(1,100)	0	
0	Business Rates Appeals Adjustment	0	0	1,561	
4,498	Balance at 31 March	4,804	1,820	2,040	
809	<u>Reinvestment Reserve Balance at 1 April</u>	366	883	418	
0	Transfers from/(to) Fund one off Item	(36)	(195)	0	
0	Committed Reinvestment Reserve	0	(270)	0	
74	Transfers from/(to) General Fund	170	0	0	
883	Balance at 31 March	500	418	418	
2,193	<u>Capital Plan Reserve Balance at 1 April</u>	1,288	1,980	1,808	
0	Transfer from/(to) General Fund	0	500	0	
(213)	Funding of Capital Expenditure	0	(630)	0	
1,980	Balance at 31 March	1,288	1,850	1,808	
101	<u>Growth Support Fund Balance at 1 April</u>	5	101	0	
0	Transfer from/(to) General Fund	0	(101)	0	
101	Balance at 31 March	5	0	0	
763	<u>Other Revenue Reserve Balances at 1 April</u>	700	1,158	1,113	
395	Transfers from/(to) Fund one off Item	(45)	(45)	(106)	
1,158	Balance at 31 March	655	1,113	1,007	
8,620	TOTAL BALANCES	7,252	5,201	5,273	

Additional notes on the General Fund Budget

19. The level of uncertainty in the above figures should not be noted as the NNDR (business rates) and New Homes Bonus, in total amounting to some £8.7m. As noted previously, this funding has downside risk and it will not be possible to obtain any clarity in this area until after local government funding allocations are announced (typically in mid-December).
20. As noted previously, it is proposed to increase Council Tax by the permitted £5 per band D property for the fifth year in a row. The Loughborough Special Levy will increase by 1.99%, with the Borough precept calculated to ensure that the overall increase remains within the £5 limit.
21. The General Fund Service Expenditure for 2021/22 is £225k higher than that budgeted for in 2020/21, the major items being Salary inflation increases £157k, Contractual increases of £129k, offset by other reductions in Supplies and Services budgets of £61k.
22. 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 and 1% provision to cover pension increases.
23. The budget for investment income in 2021/22 has been set £200k below the level for 2020/21. This reflects the reduction in the interest earned on investment income on short-term cash held as investments and is attributed in main to the adverse effect on the global economy and treasury management markets of COVID-19.
24. The budget has been balanced by using a contribution from working balance to fund the shortfall of £1.3m, and a one-off income adjustment £1.6m relating to historical over-provisioning for business rate appeals. This results in a working balance of £2.04m at the end of March 2022, which is above the minimum target of £2m for this reserve.

Loughborough Special Expenses

25. The budget position for Loughborough Special Expense and Levy for 2021/22. The proposed increase to the Loughborough Special Levy is 1.99% to a rate of £77.98 per Band D property (2020/21: £76.46). There are ongoing service savings and pressures have been identified as follows:
 - Loughborough Community Grant - £13.5k saving
 - Biggin Street toilet amalgamation with Town Centre toilet - £4.6k saving
 - Management of Open Spaces Contract - £1.3k saving (apportionment)
 - Street Trading consent license - Loss of income £10.8k pressure
 - Carillion - Loss of income £3k pressure
26. Detailed explanations of the variances between the 2020/21 and 2021/22 budgets are provided in the notes at Appendix 3.

General Fund reserves and balances

Working balance

27. It is a requirement to ensure that the level of balances is appropriate for the Council's commitments and current level of expenditure. The recommended minimum working balance set by the Section 151 Officer is £2m, representing six weeks net expenditure, in line with good practice. The draft original budget balance on this fund at the end of March 2022 is projected at £2.04m, above this limit.

Reinvestment Reserve

28. 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.

29. The Reinvestment reserve has a balance of £418k to be used for the above purpose. This may be topped up should this be operationally justified and financially feasible.

Capital Plan Reserve

30. This revenue reserve is earmarked to finance General Fund capital expenditure, although there are no restrictions on this reserve, and it can be used for revenue purposes. This reserve is forecast at £1.8m at 31 March 2022.

Other Earmarked Revenue Reserves

31. There are nine other Earmarked Reserves which may be used in line with the purpose of the reserve fund or for general purposes.

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

Reserve Balances	Estimated Balance at 1st April 2021	Used or Transferred to Other Reserves in 2021/22	Balance at 31 March 2022
	£'000	£'000	£'000
Working Balance	1,820	220	2,040
Reinvestment Reserve	418	0	418
Capital Plan Reserve	1,808	0	1,808
Earmarked Reserves	1,113	(106)	1,007
Total Revenue Reserves	5,159	114	5,273

Housing Revenue Account (HRA)

32. The HRA draft Original budget has been prepared on the assumption that rental income will be increased by CPI+1% in line with national guidelines. Other assumptions and changes are discussed in the HRA section of this report.
33. The draft Original budget position for 2021/22 is a breakeven. This includes service pressures £22k and service savings £176k making a net reduction of £154k.
34. These are due to the realignment of budgets and analysis of past actual expenditure alongside the need to increase spend within the Compliance are of Repairs and Maintenance. These are detailed at Appendix 2.
35. Rents have been increased by CPI+1% in accordance with national guidelines.

HRA balances (reserves)

Principal HRA reserve

36. The Section 151 Officer recommends a minimum level of working balances for the HRA of £110 per property. There are 5,469 properties anticipated at 31st March 2022 (anticipating 40 right to buy sales); working balances have been adjusted to reflect this projection at £602k.

HRA Financing Fund

37. 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 2022 is £5.6m.

Major Repairs Reserve

38. The Major Repairs Reserve is a statutory fund and can only be used to finance capital expenditure and debt repayment. The anticipated balance at 31 March 2022 is £3.1m.
39. The HRA draft Capital Programme for 2021/22 is £7.4m. This is fully funded from Depreciation £3.4m, HRA Revenue contribution to Capital (RCCO) £3.2m, and the HRA financing fund £0.4m RCCO and £0.4m from 1-for-1 capital receipts (HRA Right to buy sales)
40. Total HRA balances as at 31 March 2022 are anticipated to be £9.3m.

Table 3: Draft HRA 2021/22 Budget

2019/20 Actual	Housing Revenue Account	2020/21 Original Budget	2020/21 Revised Budget	2021/22 Draft Original Budget
£000		£000	£000	£000
	Expenditure			
5,220	Supervision and Management	5,550	5,540	5,441
6,718	Repairs and Maintenance	6,769	6,824	6,802
191	Rents, Rates and Other Charges	139	224	225
270	Provision for Bad Debts & Other Charges	383	593	383
3,249	Depreciation	3,189	3,189	3,409
(17,892)	Net Revaluation non-current assets increase	0	0	0
18	Debt Management Expenses	10	10	10
(2,226)	Expenditure Sub-total	16,040	16,380	16,270
	Income			
(20,483)	Dwelling Rent Income	(20,937)	(20,580)	(21,100)
(366)	Shops, Land and Garages Rent	(360)	(350)	(355)
(55)	Warden Service Charges	(57)	(49)	(49)
(355)	Central Heating, Cleaning and Communal Charges	(350)	(323)	(336)
(143)	Leasehold Flat and Shop Service Charges	(158)	(143)	(143)
(26)	Hostel Service Charges	(31)	(30)	(29)
(11)	Council Tax Recharged	(11)	(10)	(10)
(21,439)	Income Sub-Total	(21,904)	(21,485)	(22,022)
(23,665)	Net (income)/Cost of service	(5,864)	(5,105)	(5,752)
(85)	Transfer from General Fund – Grounds Maintenance	(84)	(84)	(85)
2,709	Interest Payable	2,706	2,709	2,709
(124)	Investment Income and Mortgage Interest	(66)	(35)	(25)
(21,165)	Net Operating Expenditure/(Income)	(3,308)	(2,515)	(3,153)
3,659	Revenue Contribution to Capital	3,308	3,308	3,153
(556)	Pension Adjustment	0	0	0
(1)	Accumulated Absence Adjustment	0	0	0
17,892	Reversal of Gain on Revaluation	0	0	0
20,994	Appropriations	3,308	3,308	3,153
(171)	(Surplus)/Deficit for the year	0	793	0
HRA Balances:				
(613)	HRA Balance at beginning of year	(610)	(610)	(607)
(171)	(Surplus)/Deficit for the year	0	793	0
174	Transfer to/from Reserves	3	(790)	5
(610)	HRA Balance at end of year	(607)	(607)	(602)
(8,061)	HRA Financing Fund beginning of year	(8,235)	(8,235)	(5,988)
(174)	Transfer to/from Reserves	(3)	790	(5)
0	Revenue Contribution to Capital	1,457	1,457	370
(8,235)	HRA Financing Fund at end of year	(6,781)	(5,988)	(5,623)
(3,364)	Major Repairs Reserve at end of year	(3,364)	(3,111)	(3,111)
(12,209)	Overall HRA balances end of the year	(10,752)	(9,706)	(9,336)

Appendices

- Appendix 1 – General Fund and HRA Service Pressures and Savings 2021/22
- Appendix 2 – HRA Service Pressures and Savings 2021/22
- Appendix 3 – Loughborough Special Expense Budget and Levy 2021/22

Appendix 1

General Fund Service (Savings) and Pressures Summary 2021/22	£'000's	one off /ongoing
Corporate Savings		
Minimum Revenue Provision & interest savings on Environmental Services Fleet purchase	(350)	ongoing
Corporate - staff T&Cs	(200)	ongoing
Increase manage vacancy allowance from 2.5% to 3.5% based on vacant hours analysis	(150)	ongoing
Commercialisation		
Commercialisation - Rental Income Increase to a £650k Budget	(470)	ongoing
Deletion of vacant posts or vacant hours - No service changes required		
Finance - Payments Assistants 24.5hrs Post Q045 4.5hrs, Post M142 20hrs	(17)	ongoing
Procurement Team - 3-year SLA with Nottingham City Council Post M267 20 hrs, Post L310 37 hrs	(13)	ongoing
Neighbourhood Development Post A052 7 hrs, Post P002 Admin Assistant 22 hrs	(25)	ongoing
Street Management - Street Warden Post M005 37 hrs	(29)	ongoing
Environmental Planning Assistant M388 37hrs, Compliance Technician P139 37hrs, & Principal Planning Officer P214 0.50 hrs	(64)	ongoing
Customer Service and Contact Centre vacant posts	(56)	ongoing
Other service reviews – changes in organisational structure		
Service Reviews across 8 Head of Service Areas	(340)	ongoing
Service changes		
Reduce Member Grants to £500 per Cllr	(13)	ongoing
Merge existing grant schemes including sports grants and reduce to £50k in total. Community Development Engagement and Loughborough Grants total £104k,	(54)	ongoing
Reduce LLEP Funding to £9k	(8)	ongoing
Reduce Staff Training budget from £60k to £50k and Member Training Budgets from £10k to £7.5k based on the reduced cost of online training going forward	(12)	ongoing
Reduce Scrutiny Committees by two from four Member Allowance saving	(10)	ongoing
Change Mayoralty car to electric at the end of the current lease in Jan 2021	(2)	ongoing
Reduce Environmental Services Communications budget, related to campaigns and other Environmental projects	(60)	ongoing
Review of areas maintained under the Management of Open Spaces Contract	(70)	ongoing
Consistency in the opening hours at the museum all year to allow for the option of delivering specific events at the Museum in the hours closed to the public.	(2)	ongoing
Biggin Street Public Toilets - Consolidate onto Market Place facilities	(20)	ongoing
Sell wood from the Outwoods	(10)	ongoing
Increase Garden Waste charge by £1 per year from £40 to £41 and £45 to £46 (national average is £40)	(30)	ongoing
Reduce quality of life tree works budget to £28k	(10)	ongoing
Planning Applications - Bank Charges reduction	(2)	ongoing
Planning Applications - Increase in Pre-Application Advice Income	(7)	ongoing
Provision of Building Control Services for NWLDC - Management Fee	(20)	ongoing
Crematorium Turnover Commission Income increase	(15)	ongoing
Total Savings	(2,059)	
	£'000's	one off /ongoing

Service Pressures 2021/22		
Covid 19 Related Pressures		
Leisure Centres - Assumes No income but no subsidy	247	one off
Markets income - Estimated income Loss	128	one off
Town Hall - Estimated income loss, assumes Panto attendance is unrestricted by COVID	273	one off
Town Centre Street trading income Loss	11	one off
Public Conveniences loss of income	18	one off
Museum loss of income	4	one off
Carillon income shortfall	3	one off
Car parking - Estimated loss of income, assumed at 85% of pre Covid 19 Levels	141	one off
Homelessness provision not compensated by additional government grant	60	one off
Contractual Costs/Pressures		
Revenues & Benefits - Capita	23	ongoing
Environmental Services Serco contract costs including Fleet costs	236	ongoing
Open spaces - Idverde	17	ongoing
Trade Waste	19	ongoing
HR contractual inflation	6	ongoing
Corporate Merchant Bank Charges	17	ongoing
Members Allowance inflation	16	ongoing
Other Pressures		
Planning Fees & Charges - Income Levels reduced to reflect recent history	300	ongoing
Local Plans - Contribution to Strategic Growth Plan	30	ongoing
Building Control - Street Naming & Numbering - Income Levels reduced to reflect recent history	26	ongoing
Reduced Lottery Income to reflect recent history	11	ongoing
Organisational Development - Residents Survey	8	ongoing
Website Development	2	ongoing
Cyber Insurance (new requirement) and Commercial Property Insurance cover	23	ongoing
Supported Living additional Housing Benefit losses to £665k (worse case could be £1.1m)	200	
Total Pressures	1,819	
Net (Saving)	(240)	
Items to be funded as One Off from un ringfenced Planning Reserve		
Local Plans Examination Costs	96	
Appeals & Enforcement Costs	10	
Total One-off Items funded by Planning Reserve	106	

Appendix 2

Housing Revenue Account Service Pressures & Savings Summary	2021/22	£ 000's	£ 000's
	Ongoing One-Off	Savings	Pressures
Supervision and Management			
Housing Income Team - reduction of Travel expenses	Ongoing	(2,800)	
Post: M294 (Financial Inclusion Officer) vacancy savings of 5hrs	Ongoing	(4,100)	
Tenancy Services - Cleaning of HRA Properties and Pest Control	Ongoing	(13,800)	
Tenancy Services - reduction of Travel expenses	Ongoing	(10,800)	
Post: Q077 (Tenancy & Estate Management Officer) 37hr saving	Ongoing	(35,900)	
ASB - reduction of Travel Expenses based on previous years actuals	Ongoing	(4,500)	
Tenant Participation & Consultation - reduction of Travel expenses	Ongoing	(1,000)	
Tenant Participation & Consultation - reduction of Subsistence	Ongoing	(2,300)	
Wardens Services - reduction of Furniture budget	Ongoing	(5,000)	
Wardens Services - reduction of Equipment budget	Ongoing	(4,000)	
Central Control - reduction of Buildings R&M budget	Ongoing	(1,800)	
Central Control - reduction of Travel expenses	Ongoing	(600)	
Repairs and Maintenance			
Grounds Maintenance variation	Ongoing		1,400
Compliance - increase in Legionella budget	Ongoing		15,000
Compliance - reduction of Legal income budget	Ongoing		3,600
Central Control - Disaster Recovery Plan contract	Ongoing		2,500
Responsive Repairs- reduction of Travel expenses	Ongoing	(3,200)	
Voids - Hire of Rooms	Ongoing	(700)	
Voids - reduction of Travel	Ongoing	(1,100)	
Rechargeable Repairs - cost saving	Ongoing	(1,800)	
Health & Safety - reduction of Equipment budget	Ongoing	(5,000)	
Capital Team - reduction of Travel expenses	Ongoing	(15,700)	
Capital Team - reduction of Equipment budget	Ongoing	(1,500)	
Compliance - reduction of Gas App replace & renew budget	Ongoing	(30,000)	
Compliance - reduction of Disabled Adaptations budget	Ongoing	(10,000)	
Compliance - reduction of Fire Alarms budget	Ongoing	(13,000)	
Compliance - reduction of Travel expenses	Ongoing	(800)	
Compliance - Fire Ext budget no longer needed	Ongoing	(1,000)	
Compliance - reduction of Legal cost budget	Ongoing	(3,600)	
Business Support - reduction of Travel expenses	Ongoing	(2,300)	
Total Ongoing Savings		(176,300)	22,500
Overall Net savings			(153,800)

Appendix 3

Appendix 3						
LOUGHBOROUGH SPECIAL EXPENSES						
2020/21			2021/22			
Loughborough Special Expenses	Service	Total	District / Capital Charges	Loughborough Special Expenses	2020/21 to 2021/22 Difference	Note
£		£	£	£	£	
68,400	Loughborough CCTV	337,400	258,500	78,900	10,500	1
80,300	Community Grants - General / Fearon Hall / Gorse Covert	66,800	0	66,800	(13,500)	2
45,700	Marios Tinenti Centre / Altogether Place / Community Hubs	45,800	0	45,800	100	3
8,800	Charnwood Water Toilets	6,300	0	6,300	(2,500)	4
35,300	Voluntary & Community Sector Dev Officer post (75% LSX)	36,300	0	36,300	1,000	5
4,500	Biggin Street Toilet - Friday Opening	0	0	0	(4,500)	6
121,000	Contribution towards Loughborough Open Spaces Grounds Maintenance	122,400	0	122,400	1,400	7
(8,300)	November Fair	(2,700)	0	(2,700)	5,600	8
	<u>Parks:</u>					
350,400	Loughborough - including Loughborough in Bloom	433,500	80,300	353,200	2,800	9
69,800	Gorse Covert and Booth Wood	70,300	0	70,300	500	10
	<u>Sports Grounds:</u>					
115,300	Derby Road	123,000	7,400	115,600	300	11
43,200	Lodge Farm	48,800	5,700	43,100	(100)	12
74,300	Nanpantan	108,400	33,000	75,400	1,100	13
19,000	Park Road	22,100	3,000	19,100	100	14
20,700	Shelthorpe Golf Course	23,800	0	23,800	3,100	15
37,300	Loughborough Cemetery	47,700	0	47,700	10,400	16
43,300	Allotments - Loughborough	49,200	0	49,200	5,900	17
14,000	Carillon Tower	39,800	23,200	16,600	2,600	18
48,400	Festive Decorations and Illuminations	69,100	13,300	55,800	7,400	19
99,600	Town Centre Management	121,500	8,900	112,600	13,000	20
1,291,000		1,769,500	433,300	1,336,200	45,200	
	Adjustments from Year 2019/20	215,410	230,619	(15,209)		
(20,158)	Adjustments from Year 2018/19					
1,270,842	AMENDED SUB TOTAL	1,984,910	663,919	1,320,991		
Divided by				Divided by		
16,621.00	Council Tax Base			16,940.12		
<u>76.46</u>	Special Council Tax			<u>77.98</u>		

Loughborough Special Expense Notes

- 1 25% of the total costs of CCTV have been charged to the Loughborough Special Rate for 2021/22, compared to 22% in 2020/21. The total number of cameras has reduced overall, but the number charged to the Loughborough Special Rate is unchanged. This additional 3% is the main reason for the increased charge.
- 2 The Loughborough Community Grant has been reduced by £13.5K for 2021/22 as part of the Service Review process, subject to approval by Cabinet
- 3 no comment required
- 4 There has been a change in the law & public conveniences are no longer charged NNDR, resulting in a saving of £2.3K.
- 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 Zero cost in 2021/22 due to the public convenience service review to amalgamate the Biggin Street toilets with the town centre toilets 2021/22, subject to approval by Cabinet
- 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 Support Service Recharges have increased £5.4K, due to more time being spent in this area by the Head of Leisure & Culture and the Markets and Fairs team in the delivery of this event which marks the 800th year of the Markets and Fairs Royal Charter.
- 9 The play equipment budget has increased by £1.3K to allow to cover health and safety measures and additional costs of replacement equipment. The Management of Open Spaces contract budget has increased by £1.9K for inflation, which has been offset by amendments to the MOS variations budget £1.7K and a further reduction of £1.3K for the removal of certain areas of land as part of the service review carried out for 2021/22, subject to approval by Cabinet. Support Services recharges have increased £2.4K, due to more time being spent in this area by the Head of Waste, Engineering and Green Spaces.
- 10 no comment required
- 11 no comment required
- 12 no comment required
- 13 Support Services recharges have increased £1.1K, mainly due to slightly more time being spent in this area by the Property Services team.
- 14 no comment required
- 15 Support Services recharges have increased £3.3K, mainly due to more time being spent in this area by the Policy and Green Spaces Development team on the introduction of disc golf.
- 16 An inflation increase of £0.9K has been included for the cemetery service provided by North West Leicester District Council. The Management of Open Spaces and the NNDR budgets have also increased for inflation £0.5K and £0.4K respectively. Increased Support Services recharges £8.5K, are mainly due to more time being spent in this area by the Policy and Green Spaces Development team and the Head of Waste, Engineering and Green Spaces on developing the future provision of this service.
- 17 Support Services recharges have increased £5.6K, mainly due to more time being spent in this area by the Policy and Green Spaces Development team.
- 18 The Electricity budget has reduced by £0.8k, the tower is not expected to fully open in 2021/22. The Heritage Lottery Fund grant application has been delayed to 2021/22 due to Covid19 (grant applications have been frozen), if successful the delivery of the museum upgrade will not be completed until late summer 2021 at the earliest. This directly impacts on visitor numbers & income generation, resulting in a £3K anticipated loss of income service pressure for 2021/22, subject to approval by Cabinet. Support Service Recharges have increased £2.9K, this is mainly due to more time being spent in this area by the Head of Leisure and Culture and the Museum team to support the trust in the re-opening of the Carillon Tower war memorial museum. 50% of the total cost of the Carillon is charged to the Loughborough Special Rate

- 19 Support Service Recharges have increased £7.5K, this is mainly due to more time being spent in this area by the Head of Leisure & Culture and the Markets and Fairs team in the delivery of this project within Government Covid19 secure guidelines
- 20 It is considered unlikely that the number of street traders will improve significantly to meet the income targets made in previous years, resulting in a one off £10.8K service pressure for 2021/22, subject to approval by Cabinet. This is as a direct consequence of Covid19 and anticipated reduced trader confidence and footfall in the town centre. Support Service Recharges have increased £2K, this is mainly due to more time being spent in this area by the Head of Leisure & Culture and the Markets and Fairs team in the delivery of the town centre activity, dressing and major events within Government Covid19 secure guidelines.