

Annex A - detail of base budget changes by cost centre

	20/21 budget	One-off adj	Pay inflation	BM changes	Covid adj	21/22 budget
Assets	2,359,260	94,000	(9,094)	192,882	(320,650)	2,316,398
Commissioning Strategy	(6,254,716)	86,000	(8,286)	(175,364)	0	(6,352,366)
Comms & Marketing	(142,000)	0	(2,330)	14,100	0	(130,230)
Contracts	262,925	(43,562)	(3,500)	436,066	(1,503,729)	(851,800)
Corporate Finance	(5,324,100)	4,000,000	(12,855)	(50,000)	0	(1,386,955)
Corporate Responsibility	(1,340,420)	0	(12,509)	71,950	0	(1,280,979)
Customer Experience	(962,650)	(100)	(22,635)	(32,250)	0	(1,017,635)
Development Management	(232,400)	(3,242)	(34,942)	(91,043)	0	(361,627)
Env & Regulatory Services	(106,200)	0	(1,822)	0	0	(108,022)
Finance	(665,100)	0	(64,160)	3,450	0	(725,810)
Insight & Intelligence	(455,700)	0	(7,696)	32,250	0	(431,146)
Localities	(732,920)	104,100	(5,354)	30,400	0	(603,774)
Operational Services	(1,309,300)	74,300	(32,493)	161,928	0	(1,105,565)
People	(292,200)	0	(5,010)	14,000	0	(283,210)
Technology	(1,052,800)	0	(11,026)	(20,000)	0	(1,083,826)
	(16,248,321)	4,311,496	(233,712)	588,369	(1,824,379)	(13,406,547)

Assets:

This cost centre covers our commercial properties and our climate change programme. The expectations around commercial income have significantly reduced due to the pandemic and staff in this department are carefully managing many requests for deferred and reduced rents.

The climate change programme had an original vision of a budget of £200k per year for three years but the funding for this wasn't set aside and we have no additional capacity to do this. We did however add considerable resource to this team and extend the climate manager's post by two years using the Covid recovery funds so the hope is that with over £100k still in earmarked reserves from the initial tranche of funding, this programme can continue to achieve its objectives for the next two years without placing any additional strain on base budget.

Commissioning Strategy:

This budget covers grounds maintenance and waste and contains large parts of the Ubico budget. There has been pressure on the recycling element of the budget due to an increase in the cost of recycling and the team are working to find solutions to reduce this strain.

The Ubico budget has been held at last year's figures for now pending a conversation with them. Various funding was given last year on the basis that it would generate savings this year so that will be discussed. Some of these one off items make up the reduction in one off funding shown in the table above.

Communications and Marketing:

The way that the Communications department approaches its messaging has changed and the budget has altered to reflect that, reallocating budget from more hard copy approaches to electronic and social media. We are also in discussions with other cost centre managers to centralise the marketing budget. Existing Business Managers would still have input into their marketing spend but it allows the specialists in the Comms dept to bring their expertise to each task and find the most cost efficient way to reach the most people. The initial response from BMs has been that this would be a welcome support.

Contracts:

The main item in this budget is the Leisure contract. The expected improvement in budget comes from the uplift in contractual income we would have received had our Leisure Centres been operating as normal. GLL, who have the contract to operate them, are doing their best to return to a profitable operation but until social distancing ends, it's unlikely we'll see sufficient profits generated to enable them to pay management fees so this income has been provided against. This is the single biggest impact on our base budget and the largest ongoing threat to our financial stability related to income within our control.

Corporate Finance:

This section covers centralised services like Legal and Treasury. The large adjustment was caused by a one off pension payment that was required last year but does not form part of the baseline budget ongoing.

Corporate Responsibility:

These are central governance costs, members costs, election costs etc. We're expecting a reduction in this expenditure as travel remains reduced and we are hoping that some of the efficiencies in comms rolled out in other departments can be mirrored in this one.

Customer Experience:

There's a variety of services contained here from customer service and office reception to homelessness services which see an uplift in budget due to the requirement to house more people caused by Covid.

Development Management:

Planning application, appeals, conservation, flood defence and the Growth Board are covered by this budget which has seen a growth in both income and costs. Part of the excess growth in costs is caused by the Growth Board initiative requesting further time to deliver its objectives but since it has no more budget to fund the staff seconded to it, it has asked all participating Councils to cover their costs next year.

Environmental and Regulatory Services:

This is a relatively small budget for ERS services and hasn't changed.

Finance:

The rise in Finance costs is an increase in the contract cost for Internal Audit.

Insight and Intelligence:

The main focus of this budget is planning policy. Some small savings but otherwise no material change.

Localities:

These are the budgets for communities, arts and tourism. Although it looks like the budget has decreased, it's an adjustment for short term initiatives which were funded from reserves for a specific period of time.

Operational Services:

This department covers all aspects of benefit payments and collection, including fraud investigation. It also covers pollution control, food safety and markets. We are hoping to reduce costs in this area next year including a reduction in the Ubico cost for cleaning up on market days which rose tenfold from 19/20 to 20/21. The budget changes are mostly a projected surplus in housing benefit and an expected reduction in court fees.

People:

People covers human resources and training. No significant change to this budget.

Technology:

This budget predominantly covers IT. There is a small increase relating to increased spend on licenses. These are not all new but the previous budget was being overspent. The Business Manager is doing all he can to hold costs to within the current budget, in spite of the sharp increase in reliance on IT caused by lockdowns and the increase in home working. He has however flagged that going forward there is likely to be an increased funding requirement in the capital programme because laptops have a shorter useful life than desktops.