

## **APPENDIX B - Overview of PBC Budgets by Service for 2023/24 Budget Setting**

### **Environmental Services**

Approximately 104 fte staff, of which 80 fte are front line staff and 24 are back office.

<b>2022/23 Budget</b>	<b>£</b>
Pay	3,611,260
Non Pay	4,517,550
Income	-3,530,470
<b>Total</b>	<b>4,598,340</b>

Environmental Service is predominately a front line service but includes some areas of income generation in the form of charges to businesses, residents and other public bodies. The key services to resident are Waste collection, Street Cleansing and open space provision.

The key drivers of cost are on staffing (permanent, seasonal and agency) and waste collection costs such as bins and vehicle costs which are over £1m per annum.

The Service also continues to provide chargeable services for a number of Parks and playgrounds that have been transferred to Town Council across the Borough.

A review of the Environmental Services has been carried out by an external consultancy and has produced a Service Delivery Action Plan which looks at supporting the management function to enable change alongside ICT support. The use of fees and charges to help manage demand and prevent abuse of free services was also a recommended.

### **Key List of Services and Issues**

<b>Service Area</b>	<b>Pay / Non Pay / Fees &amp; Charges Income</b>
Domestic Waste Collection	Potential to better manage the Agency budget but this is offset by above inflation increases from living wage. Need to fund new waste bins from revenue and not capital. Introduce new charges for Replacement Bins and Bulky Waste
Trade Waste Collection & Disposal	Increase in Trade Waste Charges in line with inflation and service costs Need to fund new waste bins from revenue and not capital.
Street Cleansing	Previously offered as a saving to reduce street cleansing offer, this could be revisited.
Parks Maintenance	Increase charges to Town Council in line with inflation and service costs
Management of Open Spaces & Recreation	Increase in fees & charge and could remove subsidy for junior sport
Bereavement Services	Need to fund new income development such as Niche Walls from revenue (invest to save) and not capital Increase charges in line with inflation and service costs. General increases in fees & charges.
Enforcement	Via District Enforcement
Countryside Access	Consider Review of Function as it is a County Council function

## Housing, Health & Engineering (HHE)

Approximately 36 fte staff

<b>2022/23 Budget</b>	<b>£</b>
Pay	1,587,510
Non Pay	867,847
Income	(741,370)
<b>Total</b>	<b>1,713,987</b>

HHE is a mix of services across statutory functions within the housing remit including homelessness, disabled facilities grant but it also covers pest control, parking and engineering services.

The service is at the front of developing the key government grant funded schemes through Nelson Town Deal and Colne Levelling Up as well as schemes via the Joint Venture Companies.

Most of the budgets are staff based and funded by grant as opposed to fees and charges.

### Key List of Services

<b>Service Area</b>	<b>Pay / Non Pay / Fees &amp; Charges Income</b>
Environment Health - Residential & Commercial	The function requires further review to support front line service delivery. Most fees are set nationally.
Pest Control	Increase charges in line with inflation and service costs
Car Parking	Need to look at a Car Park Strategy 2024/25 which is Council wide and not Area Committee led. This could then lead to the potential to introduce charges.
Bus Station	Review of Charges to Bus Companies for Rent
Regeneration Team	Need to review and strengthen the team to support major capital project delivery
Town Centre Maintenance, Engineering, Land Drainage Cycleways, Miscellaneous Land	Potential to review scope of function which covers some County Council functions. Also to look at better ways of working with the Regeneration Team
Admin Team	Part of Transformation Programme Review

## Planning Economic Development & Regulatory Services

Approximately 25 fte staff

<b>2022/23 Budget</b>	<b>£</b>
Pay	854,340
Non Pay	318,650
Income	(711,500)
<b>Total</b>	<b>461,490</b>

The service covers a wide range of professional statutory functions and also generates fee income for the Council so reductions in service can have consequential impact on both service and income generation.

<b>Service Area</b>	<b>Pay / Non Pay / Fees &amp; Charges Income</b>
Building Control	Increase in staff costs and numbers to support the service with offset through increase in fees.
Development Control	Increase in staff costs and numbers to support the service with offset through increase in fees. Re-introduction of pre planning advice Potential to remove budget for Cost on Appeals
Tourism and Economic Development	Potential to remove budgets associated with tourism and business development Potential to remove Business Award Budget
Taxi Licensing	Fees could be increased based on cost increases.
Licensing	Fees are set nationally
Area Committee	Potential to simplify costs around Area committee budgets to hold costs centrally and not devolved down to area committee level

## Resources Directorate (including Corporate Management)

Approximately 38 fte staff.

<b>2022/23 Budget</b>	<b>£</b>
Pay	2,180,240
Non Pay	1,033,390
Income	(255,470)
<b>Total</b>	<b>2,958,160</b>

The bulk of the service is based on staffing supporting the back office function for the Authority including the legal, financial, democratic services including Mayoralty and returning officer functions which the Authority must provide. The Directorate also includes Performance and Contract management for the Liberata and Leisure Trust contracts, PR & Communications including website development and localities and policy.

There is some scope of creating synergy between teams as a result of forming the new Directorate but the teams are currently split out in to small units but generally the Directorate is providing statutory functions for a District Council. Recent discussions around retaining the current system for planning, area committees and Community safety partnerships means that there is limited further scope in staffing reductions.

The service has a key role in shaping the Corporate Priorities and maintaining links with communities as well as help to drive performance across the Authority.

## **Pendle Leisure Trust**

Formed in 20001, PLT provides all leisure services across three leisure centres, running track, golf course and theatre.

At one point the Management Fee was as high as £2.374m in 2009/10 and it has since reduced to £1.107m in 2023/24. During this period the number of staff has reduced from 177 to 110.

The Trust has implemented significant savings since 2010/11. The key ones being:-

- Reduction in Senior Management and Head Office staff
- Closure of 2 of the leisure facilities on bank holidays and shorter opening at weekends
- Closure of Seedhill Athletics & Fitness Centre during the day, bank holidays and weekends
- Public opening hours reduced at the leisure centres during quiet times
- Public swimming times reduced to increase private lessons, therefore increasing income
- Overall growth in admissions and trading Income

The Trust has also over a number of years grown the community, health and physical activity intervention work through the Healthy Lifestyle Team. This team work with health partners to engage with Pendle's hard to reach population, local schools and clubs. They deliver Cardiac Rehab, Weight Management along with the Good Life project, Arts and Wellbeing project and other health prevention activities.

The Trust has examined various saving options for part closure of facilities such as closure of a leisure centre for one/two days a week. However the savings are not significant enough to consider part closure. Closure or mothballing of a centre is also not an option due to the cost of redundancy of operational and Head Office staff.

Other saving options could be considered on a medium term basis to help the Trust through a transitional period once a decision is made on the long term future of the leisure facilities.

### **Options for 2023/24**

The Trust will face additional significant financial pressures which could place an unsustainable pressure on the day to day operations and is financially untenable. Not least rising energy costs but also further increases in the National Minimum Wage from April 2023 and other inflationary increases on supplies and services. The cost of the NMW is expected to be £100k. In addition to the rising costs, Pendle's leisure estate is ageing and energy inefficient. From a climate change perspective the leisure centres are the Borough's biggest polluter.

PLT have outlined a number of saving suggestion for 2023/24;

- Potential to seek direct funding from Town and Parish Councils
- Purchase utilities through the Council – significant Irrecoverable VAT saving if the energy contracts were moved back to the Council.
- VAT Saving on annual recharges from the Council
- Possibility of shared support services between the Trust and the Council to reduce costs. This could include Marketing & Communications; HR; Finance.

## **Liberata UK**

The Liberata UK contract was signed in 2005 and renewed in 2017 and runs until 2030. This contract is by far the biggest cost to the Council and accounts for 29% of the Council's budget – by contrast the Leisure service is 5%. In 2005 the contract would have been worth around 22% of the Council budget. This gearing effect reduces the ability of Pendle Council to control its own cost base and forces it to find high levels of savings within its retained services.

The service delivers HR, ICT, Revenues & Benefits, Property Services and Customer Services on behalf of the Council. The contract sum is just over £5m.

The contract is index linked to inflation and increases annually. The contract increased by 5% in 2022/23 and could increase by +9% next April (subject to agreement).

A review of the contract is currently underway with a view to reducing the cost of the Contact.

## **Key Strategic Savings and Strategies**

### **Option 1 Status Quo**

1. Increase in Council Tax rise of 1.99%.
2. Take Transformation Savings as outlined

### **Option 2 Do Minimum**

3. Further increase in Council Tax of 2.99% (maximum allowed)
4. Increases in Fees & Charges in line with inflation (where local discretion allows) to ensure full cost recovery.
5. Introduce new fees and charges in Waste to manage demand
6. Scale back of the capital programme to focus delivery on major grant funded capital schemes.
7. Simplify accounting arrangement to consolidate area committee budgets in to single Council budgets in areas such as car parking, tree maintenance, miscellaneous land, town centre management, parks.

### **Option 3 Working Towards**

8. Pending outcome of the Leisure review consider options of existing leisure centres.
9. Feasibility Study on office accommodation in Nelson between No1 Market Street and Nelson Town Hall to consider better utilisation.
10. Liberata Contract Options – pending outcome of the review.
11. Simplification of Planning system and administration of Area Committees.
12. Review of discretionary grants and subsidies to partners.