

## Questions on Budget 2021-22

### Places Directorate

1. We are budgeting c£300k for consultancy to let contracts (Highways maintenance c£30k-£50k; Refuse collection £215k and leisure £50k). Is this sum going to provide us with value for money? Is there no cheaper way of letting contracts (e.g. through ESPO)?

**The relevant Project Boards have asked this question and all use of external consultants is under review. However, there is an acceptance that external support is needed not necessarily for letting of contracts but helping us work out what we need. So Leisure support will include doing a needs assessment so we can determine what we might commission. Waste management support includes work on developing a waste management strategy amongst other works. We know from other Councils that these big procurements can be costly but costs need to be seen in the context of length and size of contract e.g. waste could be £3m pa for 10 years.**

2. The waste, leisure and highways contracts are all up for renewal. What evidence is there from other authorities, or organisations such as ESPO, that we can cut costs following contract re-letting or are we likely to end up with higher costs, a reduced service or both? The recent contract extensions have led to higher costs.

**We have set an indicative objective to reduce costs by 10% for waste and for Highways. For Leisure, we aim to be cost neutral. It is very unlikely that we can let these contracts, save 10% and keep the existing service levels. Members will have to decide what type of service they want to offer and whether they wish to stick to the 10% indicative targets.**

3. What cost assumptions for these contracts (in 2 above) are included within the MTFP?

**No savings/pressures have been built in for these contracts when the current contracts expire. This is highlighted as a risk – risk 17.**

4. In the covering report risk 21, why is there no budget for planned work?

**We have not been in a position to do this given the pandemic. We may be able to do some things using internal resource. We would look to use some earmarked reserves or capital reserves to do this if we can.**

5. Are we making any savings this year on home to school transport (budget line RC1520) with schools closed? Will the cost of the necessity to have extra school buses due to the need to socially distance (£150k) be met from the Government's covid grant?

**No because in the first lockdown, Government guidance stated we should continue to pay contractors even if the service was not being delivered. Yes Covid grant is used to fund this.**

6. We are not required to provide free or subsidised travel to school or college for students aged over 16 (budget line RC1521). Why are we subsidising this travel

at a cost of £116k? Or is this a subsidy for those whose families are on benefits and those who can pay full cost do?

**Members decide what the policy is and how much people contribute (and our policy exceeds the minimum requirement hence the subsidy) and this issue has come up as part of our budget review. It will be reviewed.**

7. Does the explanation for budget line RC1600, parking, mean that the cashless car parking system has resulted in c£44k maintenance costs in excess of what it previously cost us to run the car parks?

**The £44k includes additional maintenance costs and card processing fees. Some of this will be offset by cash collection savings, increased capacity for parking attendants, internal cash processing etc**

8. Why is Ashwell Road business units (RC5821) a cost to us when our other properties produce income in excess of costs? Is it because it is used by RCC services rather than let commercially?

**The total cost is £16k (£6k after depreciation). There are tenants in here and RCC do use some of the units. The units are susceptible to flooding risk and are not in the best state or location. The aim is to get to a cost neutral position. Future of these units will be part of the Asset review.**

9. Could budget line RC5875 (school sports) be explained, please. We are in academic year 2020/21 and so should know what ran (if anything) between September and December 2020. We can safely assume little to no activity Jan to March 2021 so only have the summer programme to consider. Is the pressure of £20k a result of potentially no income from schools? And why is it £20k and not the full £300k? Or is it that we run this at a loss?

**The School Sports programme is expected to go ahead, however if we are still operating under restrictions then there is the potential for a pressure of £20k. The net cost is £300 not £300,000 as the service operates at near cost neutral.**

#### Resources Directorate

1. What is the purpose of the minimum reserve level?

**This is something we are legally required to set. In any given year, the minimum reserve level is there to meet the extra costs that we could incur above that budgeted. With demand led services, a lot of discretionary income, council tax collection rates there are various variables that could go against us. £3m represents 7% of our budget and other Councils have seen overspends at this type of level.**

2. Why is Internal Audit reserves financing Ash dieback (para 3.5.9)

**As per the recommendation, we are proposing to repurpose some reserves including the IA reserve to this priority.**