

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

COALVILLE SPECIAL EXPENSES WORKING PARTY –
TUESDAY, 20 APRIL 2021



Title of Report	COALVILLE SPECIAL EXPENSES FINANCE UPDATE
Presented by	Dan Bates Head of Finance and Section 151 Officer
Background Papers	Addendum to item 10 – Budget and Council Tax 2021/22 Council 23 rd February 2021 Coalville Special Expense Working Party Finance Update 15 th December 2020
Financial Implications	The Net Revenue Expenditure for 2020/21 is estimated at £486k and the total funding available is £502k. The forecasted surplus of £16k will be added to Coalville Special Expenses balances and these are estimated to be £97k as at 31 March 2021.
	Signed off by the Section 151 Officer: Yes
Legal Implications	None.
	Signed off by the Deputy Monitoring Officer: Yes
Staffing and Corporate Implications	None.
	Signed off by the Deputy Head of Paid Service: Yes
Purpose of Report	To inform the committee of the 2020/21 Period 11 actuals and the forecast outturn for the year. To present the 2021/22 budgets and indicative increases in the Coalville Special expense precept that might be required in future years if no action is taken to reduce expenditure.
Recommendations	THAT THE WORKING PARTY NOTES: 1. THE 2020/21 PERIOD 11 ACTUALS AND THE FORECAST OUTTURN FOR THE YEAR. 2. THE 2021/22 BUDGETS AND FORECASTED BALANCES FOR 2022/23 TO 2025/26. AND 3. PROVIDES COMMENTS IT MAY HAVE ON REVIEWING FUTURE YEARS BUDGETS AND FUNDING.

1. FORECASTED REVENUE OUTTURN 2020/21

- 1.1 The net revenue expenditure for 2020/21 is estimated at £486k and the total funding available is £502k. The forecast surplus of £16k will be added to Coalville Special Expenses balances and these are estimated to be £97k as at 31 March 2021. Appendix 1 shows more information in relation to the period 11 actuals and forecast outturn for 2020/21.
- 1.2 As previously reported, due to the pandemic there will be a reduction in planned grounds maintenance services (£42k) and an underspend on overtime due to the majority of the 20/21 events being cancelled (£8k). There has been increased burial fee income (£4k) but increased general repairs (£7k), service management (£9k) and £5k has been allocated from balances towards Scotlands Playing Fields Environmental improvements. This has meant that the forecasted contribution to reserves is now £16k, compared to a budgeted deficit of £15k that was to be funded through reserves. The reduction in the events expenditure of £30k has been approved to be spent on Christmas decorations and will be earmarked at the yearend and funding carry forward into 2021/22.
- 1.3 A list of the earmarked reserves and the asset protection reserves as at period 11 are shown on **Appendix 1**.

2. BUDGET POSITION 2021/22 and INDICATIVE BUDGETS 2022/23 to 2025/26

- 2.1 Following the Cabinet meeting on the 2 February 2021 and publishing of the Council reports Cabinet decided to amend the proposed increase in the Coalville Special expense precept for 2021/22 to nil. This was approved by Council on 23 February 2021. Therefore, the Coalville Special Expense Council Tax Band D equivalent has remained at £67.72 for 2021/22.
- 2.2 The effect of not increasing the 2021/22 Coalville Special expense precept by the proposed £5.92 has meant a reduction in precept income of £38,977 and a corresponding reduction in balances held.
- 2.3 The budget requirement covering 2021/22 and indicative budgets to 2025/26 has been produced and is available at **Appendix 2**. A breakdown of the detailed 2021/22 budgets is also available at **Appendix 3**.
- 2.4 For the 2021/22 budgets the net expenditure is £560,040 and a contribution from balances of £70,382 will be required to fund this. This means the Coalville Special Expenses estimated balances as at 31st March 2022 will be £26,220. It's recommended that 10% of the budget requirement is kept in balances and this equates to £56,004. Therefore, a shortfall in funding of £29,784. It is therefore recommended that no further funding is allocated from Coalville Special expense balances during 2021/22. There could be in year budget savings from cancelled events due to the ongoing impact of COVID-19 and these have been included in the Events report. If these savings occur it would help towards achieving the recommended level of balances for 2021/22.
- 2.5 For 2022/23 to 2025/26 indicative budgets, balances and increases in council tax have been produced and are available at **Appendix 2**. This highlights that if expenditure continues at the predicted levels then Coalville Special expenses will have deficit balances for 2022/23 to 2024/25 and will require an average year on year increase in precept of 13% up to 2025/26 in order to hold sufficient balances by 2025/26. These

are only indicative figures and will be reviewed each year as part of the budget setting process.

- 2.6 As stated the figures for 2022/23 to 2025/26 are only indicative and other sources of funding could be available to help fund future years Planned Preventive Maintenance (PPM) expenditure, either from S106 contributions or other external contributions. Some funding and possible savings on replacement play equipment has already been identified and is covered under the Capital Programme report and will be built into future forecasts if approved. Any S106 contributions or external funding that is used to fund expenditure will help towards improving future years figures and will go towards reducing future years increases in Council Tax.
- 2.7 The Working Party may want to consider undertaking a review of the 2021/22 budgets or suggest areas of expenditure that could be reduced so that these can be costed and reported back in order for any changes to be built into the 2022/23 budget process.