

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

COALVILLE SPECIAL EXPENSES WORKING PARTY –
TUESDAY, 14 DECEMBER 2021



Title of Report	COALVILLE SPECIAL EXPENSES DRAFT BUDGET 2022/23
Presented by	Anna Wright Finance Team Manager and Deputy S151 Officer
Background Papers	Budget and Council Tax 2021/22 – Council 23 February 2021
Financial Implications	<p>Precepts will need to be increased by 13.7% per year for the next five years to maintain the current level of expenditure and maintain a 10% minimum balance.</p> <p>A precept of 9% is being proposed with savings in future years. To ensure these savings are realised, the committee must identify ways to reduce expenditure or explore opportunities for additional income.</p> <p>There is a risk if a decision is made to not increase council tax or proposed savings are not realised that there will be significant deficits in the Coalville Special Expenses balances in future years if planned expenditure continues at current levels.</p> <p>It also needs to be highlighted that if a decision is made to raise the district share of the council tax in the next five years, then the Coalville Special Expenses budget will not be able to increase or at a lower amount than forecast as there is currently a maximum £5 increase (band D) which includes the accumulation of both district and special expenses council tax.</p> <p>Signed off by the Section 151 Officer: Yes</p>
Legal Implications	<p>There are no direct legal implications.</p> <p>Signed off by the Deputy Monitoring Officer: Yes</p>
Staffing and Corporate Implications	<p>There are no direct implications</p> <p>Signed off by the Head of Paid Service: Yes</p>
Purpose of Report	To present the 2022/23 draft budget proposals and indicative increase in the Coalville Special Expenses precept.
Recommendations	FOR THE WORKING PARTY TO PROVIDE ANY COMMENTS ON THE 2022/23 DRAFT BUDGET AND THE PROPOSED INDICATIVE INCREASE IN THE COALVILLE SPECIAL EXPENSE PRECEPT TO BE CONSIDERED BY CABINET.

1. BACKGROUND

- 1.1 This report provides an opportunity for the Working Party to consider the draft budget and precept before it is presented to Cabinet.
- 1.2 At the meeting of the working party on the 20 April 2021, it was agreed by that it would be beneficial to establish a sub-group following officers' recommendation for the Working Party to consider reviewing expenditure and income in order to mitigate the need for future precept increases.
- 1.3 An Expenditure Sub-Group was established, and the group have met four times between June and November. Terms of Reference were created for the sub-group and are available at Appendix A.
- 1.4 The budget presented within this report has been considered by the Expenditure Sub-Group and there was consensus from the group regarding the increased level of precept.

2. DRAFT BUDGET POSITION 2022/23-2026/27

- 2.1 As part of the budget process the Coalville Special Expenses precept needs to be reviewed each year to make sure there is sufficient funding to cover future expenditure requirements.
- 2.2 The budget includes a five year Planned and Preventative Maintenance (PPM) programme which should provide sufficient funding to cover future planned maintenance along with a programme for play equipment replacement. The PPM programme has been updated as part of the budget preparation. However, the figures are still being finalised and may change in the final budget presented to Council in February.
- 2.3 The budget also allows for the phasing out of the Localisation of Council Tax Support Grant which commenced in 2021/22 for four years.
- 2.4 The 2022/23 Council Tax Base will not be set until the Cabinet meeting in January. An indicative 0.5% growth has been included in the draft budget. The Council Tax Base will likely change in the final budget presented to Council in February.
- 2.5 To enable consultation to commence, a draft budget requirement covering the period 2022/23 to 2026/27 has been produced and is available at Appendix B. A detailed breakdown of the draft budgets is also available at Appendix C. A summary of the provision of services provided via the 2022/23 budget are detailed in Appendix D.
- 2.6 Based on the draft budget requirement and the indicative council tax base it's anticipated that the Coalville Special Expenses would need to increase by 13.7% each year over five years to ensure there is the recommended 10% balance at the end of the five-year period. However, it was agreed at the Expenditure Sub-group that instead a 9% precept increase be recommended to this working party and a savings target to be included for 2023/24 onwards. The savings required each year are £105,000, which is just over 16% of the net expenditure budget.
- 2.7 The savings target is based on the assumption that precepts will increase by 9% per year each year for the next five years. If the increase is not approved for future years then the savings target would increase to £225,000 per year.

- 2.8 Table 1 below details the council tax by band for Coalville Special Expenses based on the 9% increase.

Table 1: Coalville Special Expenses Council Tax by band

Band	2021/22	2022/23	Increase
	£	£	£
A	45.15	49.21	4.06
B	52.67	57.41	4.74
C	60.20	65.61	5.41
D	67.72	73.81	6.09
E	82.77	90.21	7.44
F	97.82	106.61	8.80
G	112.87	123.02	10.15
H	135.44	147.62	12.18

- 2.9 It was agreed at the November meeting of the Expenditure Sub-Group, that the group would continue meeting on a bi-monthly basis to continue to review the budget to identify potential savings to meet the £105,000 savings required in 2023/24.
- 2.10 The proposal to increase the precept over the next five years along with identifying potential savings of £105,000 from 2023/24, will only provide sufficient funds to cover reoccurring budgets and the PPM/replacement play area equipment. There will be insufficient amounts in balances or reserves to fund any one-off items throughout the year unless additional savings are found, or new sources of income generation are identified.

3. BUDGET APPROVAL PROCESS

- 3.1 The Coalville Special Expenses Budget is approved as part of council's budgets and will follow the process detailed below:
- **Corporate Scrutiny Committee – 8 December 2021**
- to consider the draft budget and proposals
 - **Coalville Special Expenses Working Party – 14 December 2021**
- considers budget and Council Tax for Coalville Special Expenses
 - **Cabinet – 11 January 2022**
- considers the draft budget and approves the consultation launch
 - **Cabinet – 1 February 2022**
- considers consultation responses and recommends final budget and council tax to Council
 - **Council – 24 February 2022**
- approves the revenue and capital budgets for the General Fund, Housing Revenue Account (HRA) and Special Expenses and sets the Council Tax.