

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

COALVILLE SPECIAL EXPENSES WORKING PARTY –  
TUESDAY, 3 JANUARY 2023



<b>Title of Report</b>	<b>2023/24 DRAFT BUDGET AND COUNCIL TAX</b>
<b>Presented by</b>	Anna Crouch Finance Team Manager & Deputy S151 Officer
<b>Background Papers</b>	<a href="#">Budget and Council Tax 2022/23</a> – Council 24 February 2022
<b>Financial Implications</b>	<p>It is a statutory requirement that the Council approve a balanced budget.</p> <p>Special expenses are part of the council’s budget and therefore must also have a balanced budget. The report provides options to produce a balanced budget.</p> <p>Councillors will need to choose the appropriate balance between increasing council tax, reducing costs and rephasing asset preventative maintenance.</p> <p><b>Signed off by the Section 151 Officer:</b> Yes</p>
<b>Legal Implications</b>	<p>There are no legal implications arising directly out of this report.</p> <p><b>Signed off by the Monitoring Officer:</b> Yes</p>
<b>Staffing and Corporate Implications</b>	<p>None</p> <p><b>Signed off by the Head of Paid Service:</b> Yes</p>
<b>Purpose of Report</b>	To present the 2023/24 draft budget to the Coalville Special Expenses precept.
<b>Recommendations</b>	<b>FOR THE COALVILLE SPECIAL EXPENSES WORKING PARTY TO PROVIDE COMMENTS ON THE DRAFT BUDGET (APPENDIX A) AND FEEDBACK ON THE RECOMMENDED LEVEL OF COUNCIL TAX INCREASE/SAVINGS TO BE ACHIEVED TO BE CONSIDERED BY CABINET.</b>

**1. BACKGROUND**

- 1.1 This report provides an opportunity for the Working Party to provide comments on the draft budget and precept increase before it is presented to Cabinet.

## 2. DRAFT BUDGET POSITION 2023/24-2027/28

- 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.
- 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 Council Tax Base has been calculated for 2023/24 and the Band D equivalents for Coalville is 6,743 an increase of 65 from 2022/23.

### Budget Requirement

- 2.5 To enable consultation to commence, a draft budget requirement covering the period 2023/24 to 2027/28 has been produced and is available at Appendix A. Table 1 below shows the change in budget requirement from the current year budget to 2023/24.

Table 1: Budget Comparison 2022/23 to 2023/24.

	2022/23 Budget	2023/24 Budget	Change
	£	£	£
Parks, Recreation Grounds & Open Spaces	396,380	449,840	53,460
Broomley's Cemetery & Closed Churchyard	74,660	23,980	-50,680
One Off Grants	2,000	2,000	0
Coalville in Bloom (Other Expenses)	5,000	5,000	0
Coalville Events	78,050	66,730	-11,320
External Grant Funding (play equipment)	0	0	0
<b>SPECIAL EXPENSES (NET COST OF SERVICE)</b>	<b>556,090</b>	<b>547,550</b>	<b>-8,540</b>
Service Management recharges/Admin Buildings	129,380	160,180	30,800
<b>NET COST OF SERVICES AFTER RECHARGES</b>	<b>685,470</b>	<b>707,730</b>	<b>22,260</b>

- 2.6 There are favourable variances in relation to an additional £10,500 burial income and a decrease in PPM of £49,000. The adverse variances relate to increases in expenditure in relation to Grounds Maintenance Recharges (£54,000), Utilities (£6,000), Christmas Decorations Contract (£7,000), Events (£5,000) and Service Management Recharges (£7,500).
- 2.7 There has been a change in accounting for 2023/24, salaries in relation to Events are no longer included within Coalville Events budget line, instead they will be recharged as Service Management. Table 2 below shows the budget impact of this change.

Table 2: Impact of Accounting Change

	<b>2022/23 Budget £</b>	<b>Budget Changes £</b>	<b>Salaries Changes</b>	<b>2023/24 Budget £</b>
Coalville Events	78,050	12,000	-23,320	66,730
Service Management	129,380	7,480	23,320	160,180

Planned Preventative Maintenance (PPM)

- 2.8 The proposed PPM budget for 2023/24 is £95,510 and the planned maintenance is detailed in Table 3.

Table 3: 2023/24 Planned Preventative Maintenance

Coalville Park Public Conveniences - refurb disabled toilets	4,500
Cropston Drive Pavilion - renovation of changing rooms	4,000
Scotlands Recreation Ground Sports Pavilion - options appraisal & maintenance	9,000
Scotlands Recreation Ground Bowls Pavilion - replace bowls store doors	910
Coalville Closed Cemetery - tree works	1,050
Coalville Cemetery - tree works	1,800
Coalville Cemetery - path sealing	4,130
Ascot Drive play area - fencing works	1,540
Cropston Drive play area - replacement equipment	6,580
Greenhill BMX play area - replacement equipment	32,780
St Faiths Rd play area - replacement equipment	16,360
Staples Drive play area - fencing works	10,340
Sunningdale play area - fencing works	2,520
	95,510

Financing the Budget

- 2.9 The Council is required to set a balanced budget for each special expenses account. It is good practice to have a minimum level of balances, which is recommended at circa 10% of reoccurring expenditure
- 2.10 An options appraisal (Table 4 below) has been undertaken to finance the 2023/24 budget requirement, including covering the forecast brought forward deficit of £16,900. The options appraisal shows three options:
1. No increase in council tax precept
  2. Inflationary increase in council tax precept
  3. The level of council tax precept increase needed to balance the budget.
- All three options have been calculated for both nil reserves at the end of the year and the recommended 10%.

Table 4: Options Appraisal – Financing the Budget

Option	1		2		3	
	No Increase		Inflation		No Savings	
Balances	0%	10%	0%	10%	0%	10%
Council Tax Increase	0%	0%	10%	10%	42.7%	55.0%
Savings Needed	212,280	273,500	162,510	223,730	-	-
<u>Council Tax</u>						
2022/23	73.81	73.81	73.81	73.81	73.81	73.81
Increase	-	-	7.38	7.38	31.48	40.56
2023/24	73.81	73.81	81.19	81.19	105.29	114.37

2.11 The Referendum Principles in relation to Council Tax Increases allows the Council to increase Council Tax by the higher of £5 or 2.99% for 2023/24. The limit includes all special expenses account and not just Coalville. It should be noted that due to these referendum principles, implementing option 3 for all special expense accounts that require an increase is not viable as it would equate to an increase on average of over £10. Therefore, there will need to be a mix of council tax increases and savings for each special expense area to enable balanced budgets.

2.12 The working party are invited to comment on what level of council tax increase they would like to recommend to Cabinet and suggestions for how the savings can be achieved i.e., what budgets will be cut or where additional income can be generated. Table 5 shows the council tax increases in increments along with the savings required.

Table 5: Council Tax Increase/Savings Required

Council Tax			Savings	
			Balances	
Increase	Total		0%	10%
0%	-	73.81	212,000	274,000
5%	3.69	77.50	187,000	249,000
10%	7.75	81.56	162,000	224,000
15%	12.23	86.04	138,000	199,000
20%	17.21	91.02	112,000	174,000
25%	22.75	96.56	88,000	149,000
30%	28.97	102.78	63,000	124,000

### 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:

- **Coalville Special Expenses Working Party – 3 January 2023**
  - considers budget and Council Tax for Coalville Special Expenses
- **Corporate Scrutiny Committee – 4 January 2023**
  - to consider the draft budget and proposals
- **Cabinet – 10 January 2023**
  - considers the draft budget and approves the consultation launch
- **Cabinet – 31 January 2023**
  - considers consultation responses and recommends final budget and council tax to Council
- **Council – 23 February 2023**
  - approves the revenue and capital budgets for the General Fund, Housing Revenue Account (HRA) and Special Expenses and sets the Council Tax.

