

STRONGER COMMUNITIES COMMITTEE

Date: Monday 13 November 2023

Title: Finance Report:
Revised Revenue Budget 2023/24 and Draft Base Revenue Budget 2024/25 and Revenue Growth Items, Special Revenue Projects, and Capital Projects

Contact Officer: Responsible Financial Officer

Background

Financial Regulation 3.2 requires *each committee through the actions of the Policy, Governance & Finance Committee, to review its three-year forecast of revenue and capital receipts and payments. Having regard to the forecast, it shall thereafter formulate and submit proposals for the following financial year to the Council not later than the end of November each year including any proposal for revising the forecast.*

The purpose of this report is to present to Members the revised budget for 2023/24 and the first draft revenue budget for 2024/25. Please see attached documents.

The budget process is ongoing and there is further work to do. Consequently, an updated report on all cost centres which are the responsibility of this committee will be presented later in the budget cycle. This will include a fuller explanation of variances. For now, this report covers only the major matters of note.

Recharges from Works Department and Central Support

To get a true cost of its services, the Council recharges the total cost of its Works Departments (Cost Centres 604, 605 and 606) and Central Support (Cost Centre 602) across the various cost centres/ services. For the Works Department this is done based on the weekly time sheets, and for the Central Support is based on the apportionment of responsibilities of the Officers.

The budget holding committee for the Works Department and Central Support is the Policy, Governance and Finance Committee and the revised estimates for 2023-24 and the proposed budget for 2024-25 will be brought to the next meeting of that Committee. This will have followed completion work following the first year if the in-house grounds' maintenance operation. For now, a prudent approach has been taken and the original estimates have been retained as the revised estimates for 2023-24.

Budget parameters

The RFO examines each individual budget line, looking at the historic trends and known future developments so a flat percentage is not applied uniformly across the estimates.

However, where appropriate an inflationary increase for 2024-25 is assumed at a 6.7% increase. Note that public sector wage inflation is currently 6.8% (August 2023), CPI is 6.3% and RPI is 8.9% (the latter two as at September 2023).

Format of the Base Revenue Budget

Regarding the Stronger Communities budget, the Committee's services are divided into two base revenue cost centres, responsibilities as follows:

<u>Cost Centre</u>	<u>Area</u>	<u>Description</u>
402	Community Infrastructure	This cost centre relates to the infrastructure found in the town including bus shelters, bins, benches, Christmas lights, cycle racks, defibrillators, church clock and floral displays.
408	Community Activities	This relates to community events like the advent fayre, Remembrance Day parade, anniversaries, as well as supporting the Youth Council.

Revenue Budget Summary

The reports give the detail and Members will be able to ask questions either ahead or at the meeting.

Members may wish to note the following matters:

1. Code 1052/402 – expenses recovered. This income line relating to recharges for memorial benches has been introduced for 2024-25 with a budget of £1,336. The expenditure will be part of 4200/402.
2. Code 1171/402. Budget line of £1,334 for 2024-25 relates to Christmas lights sponsorship.
3. Recharges. The following recharges have been processed for the period 1 April to 31 August and are reflected in the year to date:
 - (i) 4894 – grounds staff;
 - (ii) 4895 – grounds staff overhead;
 - (iii) 4896 – Maintenance staff;
 - (iv) 4897 – Maintenance staff overhead;
 - (v) 4892 – Central support staff;
 - (vi) 4893 – Central support overhead.
4. All other year to date figures represent receipts and payments for the six month period April to September 2023.
5. The estimates reflect energy costs being lower than budgeted for this time last year, this having a significant impact on the bottom line.

6. On several nominal codes where expenditure is likely to be under-budget the revised budget is retained at the original. A proposal will come forward at final accounts stage for the difference between spend and budget to then be transferred to the earmarked reserve at year end. The affected codes are cost centre 402 nominal ledger codes 4035, 4036, 4037, 4039, 4040, 4066, 4067, 4166, 4200, 4210, 4215; and cost centre 408 nominal ledger codes 4103, 4111, 4112, 4141, 4160, 4161, 4169 and 4170.
7. Conversely over-spends on nominal budgets will, where appropriate, be met from earmarked reserves. This adjustment will be made as part of the next stage of budget-making and will then reduce revenue expenditure for the year. For example, for budget 4200/402 the revised budget projection for 2023-24 is £4,600 and the additional £3,600 will be taken from the earmarked reserve.

Revenue Growth Items, Special Revenue Projects, and Capital Projects for consideration for 2024-25

The following projects/expenditure have been raised in meetings or by Officers and should be considered as part of the budget setting process. The expenditure will in turn be scrutinised by the Policy, Governance & Finance Committee later in the cycle, taking into account the Council's overall financial position.

1. Code 4035/402, Bus shelters. Increase 2024-25 budget to from £2,000 to £3,000 (minute SC.495).
2. Code 4200/402, Street furniture. Increase 2024.-25 budget from £1,000 to £5,000.
3. Code 4990/402, Contribution to CCTV scheme. It has been usual (since c.2003) that the Council budgets £10k towards the CCTV Town Centre Scheme. Members are referred to the confidential appendix as an update on the scheme to consider whether to continue with this support and commitment.
4. Code 4141/402, Events include civic events which will always be held – such as Remembrance Day. However, there are other events – such as Heritage Open Day, Car Free Day, Mental Health awareness – which are more optional. Members are requested to consider whether they wish to continue to organize these optional events. If so, it is suggested that the budget increases from £9,000 to £10,000 for cost of living and some allowance for new events.
5. Code 4147/408, D-Day 80th Anniversary Commemoration. £1,000 budget (minute SC.488/6)

Summary

Overall, the budget estimates, as they stand, show:

Original 2023-24 budget: £528,635.

Revised 2023-24 budget: £523,257 (reduction of 1%).

Proposed 2024-25 budget: £550,629 (increase of 4.2%).

Note the above figures will change when the works/ central budgets and earmarked reserve movements considered by the Policy, Governance and Finance Committee.

Environmental impact

Having declared a Climate Change Emergency at its Council meeting on 26 June 2019 – with this in mind Councillors should have due regard to the environmental impact of any decisions they make regarding its facilities and services it operates.

Risk

In decision making Councillors should consider any risks to the Council and any action it can take to limit or negate its liability.

All the Council's Committees receive financial reports to carry out its checks and balances. The RFO has approached the budget with prudence so as accurate budget as possible can be set at this early stage, although there may be some opportunities to make savings if required to balance the budget.

Financial implications

This report forms part of the Council's mechanisms for budgetary control, as it enables income and expenditure incurred to be reviewed and to be compared with the Council's budgets.

Recommendations

Members are invited to:

- (a) Note the report and consider the revised base revenue budget for 2023/24 and the initial estimated base revenue budgets for 2024/25, as detailed in the draft estimates.
- (b) Consider approval or otherwise of the bids for Revenue Growth Items, Special Revenue Projects and Capital Projects for 2024-25.
- (c) Note that work in relation to the estimates is ongoing and therefore it is likely that the estimates for the various cost centres will change. The estimates must be considered accordingly.