

## **LOUGHBOROUGH AREA COMMITTEE- 7TH DECEMBER 2022**

### **Report of the Head of Finance**

#### **Part A**

#### LOUGHBOROUGH SPECIAL EXPENSES DRAFT BUDGET 2023/24

##### Purpose of Report

To advise Loughborough Area Committee of the draft Loughborough Special Expense budget for 2023/24.

##### Recommendation

That the Loughborough Area Committee note the draft Loughborough Special Expense budget for 2023/24 set out in Appendix 1 to this report.

##### Reason

To enable the views of the Committee to be sought on the draft Loughborough Special Expenses for 2023/24 in accordance with its terms of reference, prior to the final Cabinet budget report on the 9th February 2023 and Council 27th February 2023.

##### Policy Justification and Previous Decisions

At the Budget Scrutiny meeting on 13th December, it will be recommended that the Loughborough Special expenses Budget and Levy 2023/24 be endorsed for the consultation period from 16th December 2022 to 15th January 2023.

The Council's Budgets are fundamental to the delivery of all services. The Draft General Fund, HRA and Loughborough Special Expenses Budgets will be recommended for consultation by the Cabinet on 15th December 2022.

One of this Committee's functions, set out in its terms of reference, is to carry out a consultative role in relation to budgetary and financial issues which either solely or predominantly affect the Loughborough town area.

##### Report Implications

The following implications have been identified for this report.

It is planned that the proposals on the Council's General Fund, HRA and Loughborough Special Expenses Budgets and Council Tax will be submitted to the Cabinet on the 9th February 2023 for recommendation to Council on 27th February 2023.

## *Financial Implications*

There are no specific financial implications associated with this decision but could impact on the financial implications of other policies and decisions.

## *Risk Management*

There are no specific risks associated with this decision.

Appendices: Appendix 1 Draft Loughborough Special Expenses Budget and Levy 2023/24

Background Papers: None

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## **Part B**

### Loughborough Special Levy

1. Appendix 1 shows the Loughborough Special Expense Budget and Levy for 2023/24. There is a proposed increase of 1.99% increase on the Loughborough Special Rate from 79.53 in 2022/23 to 81.11 in 2023/24 per Band D Property.

The local government settlement should be available on Tuesday 20<sup>th</sup> December 2022 and the council tax rate will be confirmed then. It is anticipated that the Council Tax increase will be capped at the higher of 3% or £5 per Band D property (the higher of 2% or £5 2022/23); this is still to be confirmed. The Loughborough special rate will be adjusted in line with the government settlement for the final budget.

The Loughborough Special Levy increase of 1.99%, with the Borough precept is calculated to ensure that the overall increase remains within the £5 limit, this is in line with the MTFs report on 10<sup>th</sup> February 2022. Government indications suggest Council tax can be increased by the higher of £5 per Band D property or 3%, an increase of 1%, although this is not yet confirmed.

There are no service savings or pressures in 2023/24.

2. Detailed explanations of the differences between the 2022/23 and 2023/24 budgets are also provided in Appendix 1.

**LOUGHBOROUGH SPECIAL EXPENSES**
**Appendix 1**

2022/23		2023/24			
Loughborough Special Expenses	Service	Loughborough Special Expenses	2022/23 to 2023/24 Difference	% Variance	Note
£		£	£		
74,300	Loughborough CCTV	96,800	22,500	23.2%	1
	Community Grants - General / Fearon Hall / Gorse				
65,500	Covert	65,500	0	0.0%	2
	Marios Tinenti Centre / Altogether Place / Community				
36,300	Hubs	38,000	1,700	4.5%	3
6,300	Charnwood Water Toilets	6,700	400	6.0%	4
36,600	Voluntary & Community Sector Dev Officer post (75%)	39,700	3,100	7.8%	5
	Contribution towards Lough Open Spaces Grounds				
124,200	Maintenance	126,200	2,000	1.6%	6
(5,800)	November Fair	(9,400)	(3,600)	38.3%	7
	<u>Parks:</u>				
345,100	Loughborough - including Loughborough in Bloom	352,700	7,600	2.2%	8
70,700	Gorse Covert and Booth Wood	72,200	1,500	2.1%	9
	<u>Sports Grounds:</u>				
117,400	Derby Road	117,500	100	0.1%	10
43,100	Lodge Farm	44,800	1,700	3.8%	11
77,100	Nanpantan	96,600	19,500	20.2%	12
18,200	Park Road	18,600	400	2.2%	13
23,000	Shelthorpe Golf Course	24,800	1,800	7.3%	14
36,500	Loughborough Cemetery	36,000	(500)	-1.4%	15
47,800	Allotments - Loughborough	50,400	2,600	5.2%	16
11,600	Carillon Tower	9,200	(2,400)	-26.1%	17
55,100	Festive Decorations and Illuminations	55,300	200	0.4%	18
99,600	Town Centre Management	105,000	5,400	5.1%	19
1,282,600		1,346,600	64,000	4.8%	
	Adjustments from Year 2021/22	45,400			
63,294	Adjustments from Year 2020/21				
1,345,894	AMENDED SUB TOTAL	1,392,000			
Divided by 16,923.10	Council Tax Base	Divided by 17,161.88			
<u>79.53</u>	Special Council Tax	<u>81.11</u>			

**Loughborough Special Expense**
**Notes**

- 29% of the total costs of CCTV have been charged to the Loughborough Special Rate for 2023/24, compared to 24% in 2022/23. The total number of cameras has reduced overall mainly due to the cancellation of the contract with Carillon Court for 36 cameras, however, the number charged to the Loughborough Special Rate has increased by 2. This additional 5% is the main reason for the increased charge. Increased employee costs are also a factor due to estimated pay award, Support services recharges have also increased, following the senior leadership review, a number of support service recharges have been transferred and managed by different Heads of Service.
- No comment required.
- The rent for the two properties has increased by inflation £0.4k. The utility costs have also increased £1.3k based on anticipated increased energy prices.
- £0.4k increased utility costs based on increased energy prices.

5. The increased costs are due to estimated pay award for the Voluntary and Community Sector Development post M298, 75% of which is funded by Loughborough Special Expenses.
6. This increase is due to contract inflation. Future years funding via the Loughborough Special Rate is to be reviewed each subsequent year, as approved by Cabinet 16/02/17 (min 88).
7. Environmental Services contract has increased by inflation £0.7k, security costs has increased by £3.7k to support crowd safety and management. These are offset by additional income £6.2k from site rental, parking and utility usage. Support service recharges have reduced £2k as included above.
8. Both the Environmental Services contract and the Management of Open Spaces contract budgets including variations have increased by inflation £5k and £2.6k respectively.
9. the Management of Open Spaces contract budget has increased by inflation £0.9k. Support service recharges have increased £0.6k as included above.
10. The increased employee costs £1.6K are due to estimated pay award. Increase NNDR £1.1k, due to inflation and a national revaluation is to be carried out on all non-domestic properties in England from 1st April 2023, all properties will get a revised rateable value. Utility costs also increased £1.6k based on increased energy prices. Both the Environmental Services contract and the Management of Open Spaces contract budgets including variations have increased by inflation £0.9k and £1k respectively, offset by additional rent income £1k. Support service recharges have reduced £4.9k as included above.
11. £1k increased electricity cost based on anticipated increased energy prices. Both the Environmental Services contract and the Management of Open Spaces contract budgets including variations have increased by inflation £0.3k and £0.2k respectively.
12. Increased NNDR £0.7k and utility costs £19k as detailed above. Both the Environmental Services contract and the Management of Open Spaces contract budgets including variations have increased by inflation £0.6k and £0.5k respectively. These are part offset by increased income from tennis charges £1k.
13. £0.4k increased utility costs based on previous year usage and anticipated increased energy prices and inflation. Both the Environmental Services contract and the Management of Open Spaces contract budgets including variations have increased by inflation £0.4k and £0.1k respectively. Part offset by additional rental income for the bowling green and pavilion £0.6k.
14. Increase costs for both NNDR £0.3k and electricity £0.9k as detailed above. Both the Environmental Services contract and the Management of Open Spaces contract budgets have increased by inflation £0.6k and £0.6k respectively. These are part offset by increased income £0.8k from Golf Course fees, this is part of the Management of Open Spaces contract whereby CBC receive a guaranteed income amount, pre-set by Idverde and increased by inflation each year.

15. Increased NNDR £0.3k and electricity costs £0.8k as detailed above. The Management of Open Spaces contract budget has increased by inflation £0.7k. The cemetery service budget has increased by £2.6k based on previous year actuals & increased ongoing costs mainly due to additional standby payments. The budget for consultants fees has been reduced by £2k, further major consultancy advice is not anticipated going forward. Support service recharges have reduced £3k as included above.
16. Increased water charges £0.3k and management of open spaces contract £0.2k are due to inflation. Increased equipment budget £2k for enhanced security measures is offset by £2k site rental income. Support service recharges have increased £2.1k as included above.
17. £1k increased electricity costs based on increased energy prices. The income budget for £4.5k has been included for 2023/24, this was classed as a one-off service pressure for 2022/23. Support service recharges have reduced £1.4k as included above. 50% of the total cost of the Carillon is charged to the Loughborough Special Rate.
18. No comment required.
19. The increased employee costs £5.3K are due to estimated pay award. The streets alive and events budget has been reduced by £2k, this is based on previous years spend. The £3k contribution from the BID has been removed for 2023/24, they now cover the cost of the Christmas marketing campaign directly. Support service recharges have reduced £1k as included above.