

CABINET – 15TH DECEMBER 2022

Report of the Head of Finance Lead Member: Councillor Tom Barkley

Part A

DRAFT 2023/24 GENERAL FUND AND HRA BUDGETS

Purposes of the Report

To advise members of the projected base budget position for 2023/24 including service pressures and savings put forward for the year and provide the basis for the budget consultation.

Recommendations

1. That the Cabinet endorses for consultation the draft General Fund and HRA Revenue Budgets for 2023/24 as set out in Tables 1 and 2 in the report.
2. That the Cabinet endorses for consultation including Loughborough Special Expense Budget and Levy for 2023/24 as set out in Appendix 2.

Reasons

1.&2. To provide the opportunity for consultation on the General Fund and HRA budgets for the 2023/24 financial year.

Policy Justification

The Council's Budgets are fundamental to the delivery of all services and underpins all Corporate Plan objectives.

Implementation Timetable including Future Decisions and Scrutiny

Cabinet is asked to endorse the Budget proposals contained in and appended to this report as a basis for consultation. These proposals will be subject to consultation over the period from 16th December 2022 to 15th January 2023. Both the Scrutiny Commission and the Budget Scrutiny Panel will have the opportunity to scrutinise this report before it is presented to Cabinet.

As set out in Part B, the nature of the 'Provisional Settlement' -which will determine the level of Government funding that the Council will receive – Updates will be provided to Scrutiny on the Settlement as and when it is published by Government.

It may be noted that the Scrutiny Commission will also have the opportunity to scrutinise the final report to Cabinet on 9th February 2023. In addition, consultation will be undertaken with:

- Trade Unions;
- Local Businesses and Commercial Ratepayers;
- Key partners, including town and parish councils;
- Loughborough Area Committee, re the Loughborough special expenses budget

Proposals on the General Fund and HRA Budgets and Council Tax will return to Cabinet on 9th February 2023 for recommendation to Council on 27th February 2023.

Report Implications

The following implications have been identified for this report.

Financial Implications

There are no direct financial implications from approving this report for consultation. However, if the final report is approved then there will be financial implications for the Council, and these are set out in Part B of this report.

Risk Management

Risks identified in respect of the Draft Original Budget are tabulated below:

<i>Risk Identified</i>	<i>Likelihood</i>	<i>Impact</i>	<i>Overall Risk</i>	<i>Risk Management actions planned</i>
Failure to take account of the spending plans of the Council.	Unlikely (2)	Minor (1)	Very Low (2)	Robust budget planning and Budget Monitoring process are in place.
Further exceptional spending being required during the financial year.	Likely (3)	Major (3)	Moderate (9)	It is considered that the Working Balance reserve (and other revenue reserves) remain sufficient to manage normal and one-off events for 2023/24

Equality and Diversity

There are no specific Equalities and Diversity issues affecting the recommendation in this report, although any such issues affecting particular service pressures and savings will be considered prior to proposals being implemented.

Key Decision: No

Background Papers: None

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Part B

Background and context

1. This draft budget has been prepared in accordance with the Council's standard reporting timetable, which allows the cabinet report to be published prior to the Cabinet meeting of 15th December 2022. However, at the time of drafting, key information around the 'Provisional Settlement' – which provides the detail of the government funding that the Council will receive – is not available. The earliest this information will be available is Tuesday 20th December 2022.
2. At the point of drafting this report (November 2022) the Cost-of-Living crisis has had a significant financial impact on the Councils budget for 2023/24. The Political and Global financial climate remains uncertain, and it is likely that the country will fall into a recession in the short term, however the Bank of England have put up the base rate to stabilise and lower inflation.
3. The longer term effects of COVID-19 impacts on the Council are affecting some Council's income streams, particularly in areas such as markets and car parking. In some cases income remains below pre-pandemic levels, and this is being monitored.
4. The Medium-Term Financial Strategy 2021-2024 (MTFS) set out the risk to the Council's funding, principally related to the phasing out of New Homes Bonus, due to reduce from £3m to zero in 2023/24, and the MTFS assumes future years funding will be reinstated or replaced by a general government grant equivalent to that received for 2022/23 or slightly lower. The draft budget assumes £300k lower grant funding.
5. Government indications have the following features and possible implications for the Council:
 - Council tax: it is likely that this 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 but it is assumed that the maximum increase allowed will be applied.
 - The core Settlement Funding Assessment (SFA): SFA flows through to the Council via business rate retention (mainly) and Revenue Support Grant (potentially) – is likely to be similar to previous years but a key aspect of this funding is the complex rules surrounding calculation of levy payments; this is unlikely to be finalized until into 2023.
 - New Homes Bonus: there was no information on this stream of funding, although it is anticipated that this continue in some format or will be replaced by general government grant.
 - Lower Tier Services Grant (LTSG): although described as a one-off grant for 2021/22 informed speculation suggests that this will continue in some form to ensure that no authority suffers a reduction in 'core spending power' (a calculation that encompasses both grant funding and assumed maximisation of council tax finding)

- Business rates reset and Fair Funding review: no formal announcements, but suggestions that this may be 2025/26; subsequently statements by the Secretary of State indicate that the mooted 75% business rate retention scheme – a probable centre-piece of the previously envisaged Fair Funding review – is unlikely to happen as it does not fit with the ‘Levelling Up’ agenda
- Potential multi-year settlement: covers two years which will enable at least some financial planning.

Overarching budgetary approach

6. This draft budget may fairly be regarded as ‘Part One’ of the budget setting process given that government funding, in particular, remains a major unknown. In compiling this draft budget, the heavily caveated funding assumptions from the latest version of the MTFS have been used but as reflected in previous paragraphs, it is difficult to create a precise draft budget for 2023/24 without the Provisional Settlement information.

General Fund budget overview

6. This draft budget is informed by the updated MTFS – principally in respect of government funding assumptions which are carried forward into the draft budget – and the ongoing monitoring of financial performance in the current financial year (2022/23).
7. Inflation is an emerging issue with both RPI and CPI increasing rapidly in the early autumn. This creates issues with major contract costs, utility costs and other ongoing contracts such as software, insurance, other costs. Inflation on Major contracts is £1m and other inflation costs £0.8m, in addition to pay award for 2022/23 & an estimate for 2023/24 is £1.5m, these are significant costs to the Council for 2023/24, details of these are included in service pressures table in Appendix 1
8. Other factors, such as commercial property income, have offered positive variances against the MTFS projections. Additional income, savings are £417k details are included in Appendix1.
9. In respect of the above:
 - £1.9m use of reserves is considered reasonable in the context of the existing pressures, the General Fund Working Balance (projected to be £3.819m at 1 April 2024)
 - The actions required will also need to take into account whether a multi-year settlement has been announced as this will influence the urgency of actions required; generally, increased certainty over future years funding would permit an increased use of reserves in the short term
10. Adjustments arising from the Provisional Settlement and the financial impact of additional savings or income generation will be reflected in the final version of this budget in due course.

Detailed approach to developing the 2023/24 Budgets

11. The initial step was to establish a base budget which reflects the current year budget for 2022/23, adjusted for salary costs and pay award in 2022/23, plus a 4.75% estimated pay award and associated payroll costs in 2023/24, major contract inflation and other inflation. All one-off items that were included in the 2022/23 budget have been removed.

12. Service pressures have been categorised as ongoing - £1,984k - and one-offs - £595k, ongoing savings/additional income £417k, are detailed in Appendix 1.

13. The Council's commercialism gross income generates £1.5m to the General Fund, after allowing for MRP/Interest charge and a contribution to the Commercialisation Reserve of £680k. A contribution of £324k has been earmarked in 2023/24 and the Commercialisation Reserve balance is £1.5m 31st March 2024.

14. The summary draft General Fund budget for 2023/24 is set out in Table 1, below.

Table 1.

Actual 2021/22 £000	General Fund Budget Summary	Original Budget 2022/23 £000	Final Budget 2023/24 £000	Variance Original vs Draft £000
16,108	Net General Fund Service Expenditure	19,141	19,088	53
0	Less MRP & Interest & Commercial Reserve	(929)	(929)	0
0	Service (Ongoing Savings)	(1,010)	(417)	(593)
0	Service (One Off Saving)	(81)	0	(81)
0	Savings to be determined	(250)	0	(250)
0	Service Pressures Ongoing	184	1,984	(1,800)
0	Service Pressures One Off	127	595	(468)
16,108	Net Service Expenditure	17,182	20,320	(3,138)
645	Revenue Contributions to Capital	0	0	0
583	MRP Charge	729	604	125
230	Interest Paid	240	230	10
(281)	Less: Interest on Balances	(300)	(2,000)	1,700
17,285	Total Borough Expenditure	17,851	19,154	(1,303)
(96)	Contribution (from)/to Reinvestment Reserve	0	500	(500)
749	Contribution(from)/to Working Balance	(311)	(1,892)	1,581
2	Contribution (from)/to Collection Fund	122	0	122
(524)	Contribution(from)/ to Capital Plan Reserve	0	0	0
543	Contribution(from)/to Commercialisation Reserve	200	324	(124)
242	Contribution (from)/to Other Reserves	0	0	0
18,202	Precept Requirement	17,862	18,086	(224)
4,547	NNDR	5,200	5,400	(200)
0	RSG	174	0	174
7,640	Council Tax Receipts	7,981	8,381	(400)
1,311	Loughborough Special Levy	1,346	1,392	(46)
3,000	New Homes Bonus	1,631	0	1,631
1,418	Lower Tier Services Grant/Tranche 5 one off	1,112	0	1,112
283	General Government Grants	296	2,913	(2,617)
2	Collection Fund Surplus/(Deficit)	122	0	122
18,202	Precept Income	17,862	18,086	(224)
£000	<u>REVENUE BALANCES</u>	£000	£000	£000
Actual		Original	Draft	Variance
2022/22		Budget	Budget	Original vs
		2022/23	2023/24	Draft
5,816	<u>Working Balance at 1 April</u>	4,969	6,211	(1,242)
751	Transfer from/(to) General Fund	(189)	(1,892)	1,703
0	Transfer from/(to) Reinvestment Reserve	(167)	(500)	333
6,567	Balance at 31 March	4,613	3,819	794
591	<u>Reinvestment Reserve Balance at 1 April</u>	333	328	5
0	Allocated balance	0	(328)	328
(96)	Transfers from/(to) General Fund	167	500	(333)
495	Balance at 31 March	500	500	0
2,433	<u>Capital Plan Reserve Balance at 1 April</u>	2,233	1,695	538
(524)	Transfer from/(to) General Fund	0	0	0
1,909	Balance at 31 March	2,233	1,695	538
7,346	NDR Deficit COVID Reserve	7,346	3,052	4,294
(4,294)	Funding of NDR COVID Deficit	(7,346)	(3,052)	(4,294)
3,052	Balance at 31 March	0	0	0
2,015	<u>Other Revenue Reserve Balances at 1 April</u>	2,015	3,343	(1,328)
1,328	Transfers from/(to) General Fund	200	324	(124)
3,343	Balance at 31 March	2,215	3,667	(1,452)
15,366	TOTAL BALANCES	9,561	9,681	(120)

19. The level of uncertainty in the above figures should be noted as the NNDR (business rates) £5.4m is the estimate used in the MTFs and New Homes Bonus is anticipated to be replaced within general government grants of £2.9m, slightly lower than last year. This funding currently has both downside risk and upside opportunities, and it will not be possible to obtain any clarity in this area until after local government funding allocations are announced in mid-December.
20. Charnwood Borough Council still has one of the lowest council tax rates of all districts in the country. The draft budget assumes a council tax increase of £5 per B and D equivalent property being the assumed maximum increase that will be allowed by Government without a local referendum. The Loughborough Special Levy will increase by 1.99%, with the Borough precept calculated to ensure that the overall increase remains within the £5 limit, this is in line with the MTFs report on 10th 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.
21. As set out in Table1 above, the funding assumption in this draft version of the budget assumes £1.9m funding to cover the shortfall between service costs and precept income. (Council Tax/NDR/Grant Funding).
22. The General Fund Net Service Expenditure for 2023/24 is £3,138k higher than that budgeted for in 2022/23, the major items being salary inflation for two years, major contract inflation running 10-12%, other contractual inflation increases and utility inflation, plus Covid 19 post pandemics costs, being the loss Car Park Income, Bed & Breakfast Costs increases.
23. The base position includes provision for inflation at rates deemed appropriate to the major contracts this is based on CPI 12%, Utility budgets Gas/Electricity 200% & 100%, and general inflation 10% has been included as service pressure on other contract lines. 4.75% provision for salaries has been included in the budget to cover the 2023/24 pay award.
24. The budget for investment income in 2023/24 has been set at £2m (£300k 2022/23). This reflects the high Treasury Management investment cash levels held an average £55m and the interest rate forecast being approx 4% in 2023/24.
25. The budget has been balanced by using a contribution from working balance to fund the shortfall of £1,892k, and a contribution to Reinvestment Reserve £500k. This results in a working balance of £3.819m at the end of March 2024, which is above the minimum target of £2m for this reserve.

Loughborough Special Expenses (Appendix 2)

26. The budget position for Loughborough Special Expense and Levy for 2023/24. The proposed increase to the Loughborough Special Levy is 1.99% to a rate of £81.11 per B and D property (2022/23: £79.53). This is based on the MTFs Report 10th February 2022.

27. It should be noted that costs within Loughborough Special Expenses sit within the overall General Fund Working Balance. Detailed explanations of the variances between the 2022/23 & 2023/24 budgets are provided in the notes at Appendix 2.

General Fund reserves and balances

Working balance

28. It is a requirement to ensure that the level of balances is appropriate for the Council's commitments and current level of expenditure. The recommended minimum working balance set by the Section 151 Officer is £2m, representing six weeks net expenditure, in line with good practice. The draft original budget balance on this fund at the end of March 2024 is projected at £3.819m, above this limit.

Reinvestment Reserve

29. This is used for three purposes, these being:
- For items that produce a payback to the Council;
 - To fund costs that lead to appreciable service improvements;
 - To fund one-off costs.
30. The Reinvestment reserve has a balance of £500k to be used for the above purpose. This may be topped up should this be operationally justified and financially feasible.

Capital Plan Reserve

31. This revenue reserve is earmarked to finance General Fund capital expenditure, although there are no restrictions on this reserve, and it can be used for revenue purposes. This reserve is forecast at £1.7m at 31 March 2024.

Other Earmarked Revenue Reserves

32. There are fifteen other Earmarked Reserves which may be used in line with the purpose of the reserve fund or for general purposes.

Table 2 - Revenue Reserves (assuming the draft budget in Table 1 is adopted).

Reserve Balances	Balance at 1st April 2022	Used or Transferred to Other Reserves in 2023/24	Balance at 31 March 2024
	£'000	£'000	£'000
Working Balance	6,211	(2,392)	3,819
Reinvestment Reserve	0	500	500
Capital Plan Reserve	1,695	0	1,695
NDR Reserves	3,052	(3,052)	0
Earmarked Reserves	3,343	324	3,667
Total Revenue Reserves	14,301	(4,620)	9,681

Housing Revenue Account (HRA)

33. The draft original budget position for 2023/24 is a surplus of £616k after transferring £3.3m Revenue Contribution to finance the HRA Capital Programme. The net increase for service pressures and savings total £12.9k.
34. The council is still waiting for government guidance on setting Rents and Service Charges, following recent public consultation. These draft figures have been prepared using an estimate of a 7% increase and a void of 4.82%. The rent increase will be covered by Housing benefit and Universal Credit, subject to benefit eligibility. There are around 2,000 tenants thought not to be in receipt of these benefits.
35. Between 2022/23 and 2023/24, employee costs have increased by £744k, based on pay awards (both 2022/23 actual and 2023/24). Utilities costs have been increased by £365k. There is a significant increase in Investment income interest, from £15k in 2022/23 to £720k in 2023/24 which is based on predicted interest rate returns on the HRA cash balances. This will be kept under regular review.

HRA Service Pressures and Saving

36. Service Pressures total £22.9k and comprise £15k increase in Housing Ombudsman Fees and £7.9k contract inflation, offset by service savings of (£10k) relating to car allowances. The net increase is £12.9k.

HRA balances (reserves) *Principal HRA reserve*

37. The Section 151 Officer recommends a minimum level of working balances for the HRA of £110 per property. There are 5,447 properties anticipated at 31st March 2024 (anticipating 40 right to buy sales); working balances have been adjusted to reflect this projection at £599k.

HRA Financing Fund

38. The HRA Financing Fund was set up in order to set aside monies to cover future HRA expenditure. This includes the repayment of external debt principal of the £79m incurred when the self-financing regime came about in 2012. This costs the HRA approximately £2.7m in interest payments each year. The first of these loans is due for settlement during 2024/25. The anticipated balance of the HRA Financing Fund at 31 March 2024 is £13.2m.

Major Repairs Reserve

39. The Major Repairs Reserve is a statutory fund and can only be used to finance capital expenditure and debt repayment. The anticipated balance at 31 March 2024 is £4.2m.
40. The HRA draft Capital Programme for 2023/24 is £7.7m. This is fully funded from Depreciation £3.9m, HRA Revenue contribution to Capital (RCCO) £3.3m, and £0.5m from 1-for-1 capital receipts (HRA Right to buy sales)
41. Total HRA balances as at 31 March 2024 are anticipated to be £18.09m.

Draft HRA 2023/24 Budget

Table 2.

2021/22 Actual	Housing Revenue Account	2022/23 Original Budget	2023/24 Original Budget
£000		£000	£000
	Expenditure		
5,762	Supervision and Management	5,438	6,410
7,088	Repairs and Maintenance	6,803	7,129
277	Rents, Rates and other charges	291	291
97	Provision for Bad and Other Charges	318	118
3,680	Depreciation	3,641	3,942
(5,488)	Net Revaluation increase of non-current assets	0	0
10	Debt Management Expenses	10	16
11,426	Expenditure Sub-total	16,501	17,906
	Income		
(20,637)	Dwelling Rent Income	(21,368)	(22,781)
(348)	Shops, Land and Garages Rent	(390)	(388)
(49)	Warden Service Charges	(51)	(47)
(312)	Central Heating and Communal Charges	(310)	(320)
(196)	Leasehold Flat and Shop Service Charges	(143)	(160)
(27)	Hostel Service Charges	(25)	(23)
(8)	Council Tax recharged	(9)	(8)
(21,577)	Income Sub-total	(22,296)	(23,727)
(10,151)	Net (income)/Cost of service	(5,795)	(5,821)
(91)	Transfer from General Fund - Grounds Maintenance	(85)	(90)
2,700	Interest Payable	2,698	2,751
(45)	Investment Income and Mortgage Interest	(15)	(720)
(7,587)	Net Operating Expenditure/(Income)	(3,197)	(3,880)
0	Revenue Contribution to Capital	3,197	3,264
(859)	Pension Adjustment	0	0
16	Accumulated Absence Adjustment	0	0
5,488	Reversal of Gain on Revaluation	0	0
4,645	Appropriations	3,197	3,264
(2,942)	(Surplus)/Deficit for the year	0	(616)
(609)	HRA Balance at beginning of year	(606)	(602)
(2,942)	(Surplus)/Deficit for the year	0	(616)
2,945	Transfer to/from Reserves	(362)	619
0	Adjustments to 2022/23 Budget	366	0
(606)	HRA Balance at end of year	(602)	(599)
(11,631)	HRA Financing Fund at beginning of year	(14,576)	(12,627)
(2,945)	Transfer to/from Reserves	362	(619)
0	Revenue Contribution to Capital	1,587	0
(14,576)	HRA Financing Fund at end of year	(12,627)	(13,246)
(4,248)	Major Repairs Reserve at end of year	(4,248)	(4,248)
(19,430)	Overall HRA balances at end of the year	(17,477)	(18,093)

Appendices

- Appendix 1 – Draft General Fund Service Pressures and Savings 2023/24
- Appendix 2 – Draft Loughborough Special Expense Budget and Levy 2023/24

General Fund Service Pressures 2023/24

Appendix 1

Major Contract Inflation			
Major Contracts Idverde	Contract Inflation	18,300	Contract inflation capped 2%
Major Contract Leisure centre	Contract Inflation	(42,300)	reduction in contract costs
Major Contract Capita	Contract Inflation	288,800	CPI 12% September
Major Contract ES Contracts	Contract Inflation	742,600	CPI 12% September Contract Date
Sub total		1,007,400	
Other Contract Inflation and Pressures			
External ICS	Software Annual Charges	34,000	10%-12% Inflation increases on Software charges
External ICS	Hardware Maintenance Charges	6,000	10%-12% Inflation increases on Hardware charges
HR	LCC	14,500	HR Services outsourced from LCC increase in line with salaries
Register of Electors	Software Annual Charges	3,200	RPI increases on Election Software 'Express'
Finance	Software Annual Charges	5,000	Unit4 Support and Maintenance costs increase for 2023-24 - plus increases to PTX bank and sort code checker
Insurance	Insurance Premiums	72,900	Contract cost increases CBI 12%-20%
Insurance	Insurance	13,000	Other insurance costs
Bed & Breakfast	B&B Accommodation	458,000	Base budget is £192.4k increase to £650k based on current levels 2022/23
Civic Expenses	Mayoral Allowance	1,300	Paid as part of NJC, increase in line with salaries.
Land Charges Services Unit	County Fees (Land Charges)	3,000	Realignment of Land Charges budgets (Ave on last 5yrs) - increase in exp budget
Emergency Planning	Emergency Planning	2,200	Local Resilience Forum (salary time) increase in line with salaries
Dog Control services	Stray Dogs & Bye Law	11,000	CPI currently 10% inflation - additional fuel & energy costs £59.2k budget needed
Refuse collection	Leicester County Council	25,900	Trade waste disposal costs c£23K per quarter including inflation c£92k
Refuse collection	Env Services Contract - Commercial Waste Variation	54,000	Trade waste collection costs c£8K per month including inflation c£96k
Town Hall shows	Artists Fee Costs	20,000	55% artist settlements based on increased income figure of £467.6K
External Financial Overheads	Bank Charges	31,700	Current budget of £88.3k, spend currently £120k, increase due to credit Card/internet/telephone banking) charge per transaction
External Financial Overheads	External Audit Fees	35,000	Public Sector Audit Appointments (PSAA) reset of total fees. Increase of c.150% from 2022/23 fees
Southfield Offices	Security Services & Charges	12,600	Increased security service cost for unlocking/locking Southfields
Sub total		803,300	
Other Pressures			
Rent Allowances	Supported Living	19,000	Supported Living Budget £665k, Estimated new forecast £684k
Land Charges Services Unit	Land Charges - search fee	36,300	Realignment of Land Charges budgets (analysis on last 5yrs) - reduction in income budget
Waste Recycling	Garden Bins	118,000	Higher cancellations (480 customers did not renew in September 2022 c£24K) & fewer new customer so far this year, this is a consequence of the price increase along with the dry summer.
Sub total		173,300	
One off Pressures			

Pressures ONE OFF - Car park Income		188,500	Review of Car Park Income
Pressures ONE OFF - Vaccination Centre Income		125,000	Reduction in Southfields Office Accommodation Income Budget
Pressures ONE OFF - Cost Elections		231,500	Borough Election costs 2023/24
Pressures ONE OFF - Procurement Contract		50,000	Review of Procurement Contract
Sub total		595,000	
Total Service Pressures		<u>2,579,000</u>	

General Fund Additional Income 2023/24			
Outwood's	<i>Car Parking Charges</i>	(6,000)	<i>Income above budget target - £6k</i>
Crematorium	Turnover Commission	(10,000)	<i>Contractor year end income c£160K - £10k above budget</i>
Refuse collection	Trade Waste Collection Charges	(80,000)	<i>Trade Waste additional income based on 2022/23 actuals & internal charge to Property services & Town Hall</i>
Town Hall shows	Sales - General	(71,500)	<i>£47.6k Town Hall Sales, Town Hall Room Hire £13.2k, town Hall Booking Fees £10.7k All Income lines reset to Pre Covid-Levels.</i>
Planning Applications	Planning Charges	(82,000)	Review of fee income based on 2018/19 to 2022/23 average increase
Building Control - Chargeable Activities	Building Control Fees	(45,100)	Review of fee income based on 2018/19 to 2022/23 average increase
Environmental Services	KPI Income	(30,000)	Serco contract - key performance target income has been made over a number of years
Cupola Way, Scunthorpe - Commercial Property	Rent - General	(50,000)	Increase in rent from £550k to £600k per annum
Misc Land & Property	Rent - General	(4,100)	To reflect increase in rent for Aspire
Street Management	LCC reimbursement	(10,900)	Amendment to base based on 2022/23 actual amount agreed £292K
Limehurst Depot		(35,100)	Reduction running costs due to the Sale depot
Central Purchasing Team		(1,300)	Reduction in costs
Car Allowance realigned saving		20,000	Car allowance Savings amended
Town Deal Grant Funds	Towns Fund Deal	(11,400)	Town Deal to fund Expenditure
Total Additional Income		(417,400)	

Loughborough Special Expenses 2023/24

Appendix 2

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
65,500	Community Grants - General / Fearon Hall / Gorse Covert	65,500	0	0.0%	2
36,300	Marios Tinenti Centre / Altogether Place / Community 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% LSX)	39,700	3,100	7.8%	5
124,200	Contribution towards Lough Open Spaces Grounds 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%	
0	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

1. 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.
2. no comment required
3. 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.
4. £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.