

CABINET – 9TH FEBRUARY 2023**Report of the Head of Finance****Lead Member: Councillor Tom Barkley****Part A****GENERAL FUND AND HRA REVENUE BUDGETS 2023/24****Purpose of the Report**

This report sets out the proposed General Fund and Housing Revenue Account (HRA) Revenue Budgets for 2023/24. It is a legal requirement to set a balanced budget each financial year. The report also incorporates the proposed Council Tax levy which must be set by Council at its meeting on 27th February 2023. The indicated Council Tax for Charnwood Borough Council as a whole is based on the budget to be recommended to Council and it is proposed that there is equivalent to an overall increase of £5.00 (3.52%) per band D property per annum in 2023/24 including Loughborough Special Levy. This is the allowable increase for the Council based upon the Council's current band D charge being in the lowest quartile across England.

The report also presents the 2023/24 proposals to increase rent and service charges within the ring fenced Housing Revenue Account.

Recommendations

That Council are recommended:

1. To approve the Original General Fund Revenue Budget for 2023/24 at £19,245,129 as set out in Appendix 1.
2. To set a base Council Tax at £140.47 at Band D, an increase of £4.78 on the 2022/23 rate as set out in Appendix 2.
3. To set the Loughborough Special Levy at £81.11, a 1.99% increase on 2022/23 rate, as set out in Appendix 3.
4. To approve the Original HRA Budget for 2023/24 as set out in Appendix 5.
5. To amend the HRA weekly rents in line with the Ministry of Housing, Communities and Local Government (MHCLG) guidance.
6. To amend the non-HRA dwelling properties in line with the Ministry of Housing, Communities and Local Government (MHCLG) guidance.
7. To approve the HRA service charges in accordance with the MHCLG Guidance.
8. To approve that the shop rents retain their current rents in accordance with an assessment by the Valuation Office.

9. To approve that garage rents, retain their current rents in accordance with an assessment by the Valuation Office.
10. To approve that the Leasehold Management and Administration charge increases to £160.46 per annum for Leasehold flats, and £115.29 for Leasehold shops.
11. That the Lifeline weekly charge is retained at the current rate.
12. To determine that the basic amount of Council Tax for 2023/24 is not excessive according to the principles set out by the Secretary of State.

Reasons

1. That the necessary finance is approved to carry out services in 2023/24.
2. That the Council Tax can be set in accordance with legal and statutory requirements.
3. That a Loughborough Special Levy can be set in accordance with legal and statutory requirements.
4. To ensure sufficient funding for the Housing Revenue Account in 2023/24.
5. To comply with social housing rents guidance.
6. To be consistent with the other council house stock.
7. To ensure the correct alignment of costs and service charges for tenants in accordance with best practice.
8. That shop rents follow the assessment and guidance provided by the Valuation Office.
9. To increase the rent generated for garages in line with the guidance from the Valuation Office.
10. That there is sufficient recovery of the costs associated with operating the leasehold flat and shop services.
11. That there is sufficient recovery of the costs associated with operating the Lifeline service.
12. To comply with the requirements of the Local Government Finance Act 1992.

Policy Justification and Previous Decisions

The budget is essential to all policies of the Council and the setting of a Council Tax levy is a legal requirement of the Council. The rents are set in accordance with MHCLG Guidelines.

Implementation Timetable including Future Decisions and Scrutiny

This report will be available for consideration by the Scrutiny Commission on 6th February 2023 and, if approved by Cabinet, will be tabled for agreement by

Full Council on 27th February 2023. The actual budget will then come into effect on 1st April 2023.

The draft budget was also considered by the Budget Scrutiny Panel on 4th January 2023 and their comments are due to be considered separately by Cabinet at the 9th February meeting and are also referred to later in this report.

Report Implications

Financial Implications

The effects of the adoption of these budgets are explained in Part B of the report.

Risk Management

Risks identified in respect of the 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 arising from particular service pressures and savings will be considered and subject to an equalities impact assessment prior to proposals being implemented.

Key Decision: Yes

Background Papers: None

Officer to Contact: Lesley Tansey
 Head of Finance
 01509 634828
 lesley.tansey@charnwood.gov.uk

Simon Jackson
Director of Finance, Governance & Contracts
01509 634699
simon.jackson@charnwood.gov.uk

Part B

General Fund Revenue Budget 2023/24

1. Appendix 1 shows the General Fund summary position and includes a variance column comparing the Original budget being recommended to Council with the draft one reported to Cabinet on 15th December 2022. The changes are set out below.
2. The working balance has reduced by £596k since the draft report, primarily being a reduction in the investment income £500k due to a change in the interest rate projections and an increase in NDR Income budget £1m.
3. The precept Income has Increased by £1.1m compared to the draft, this being £1m relating to NDR Budget (National Non-Domestic Rates) arising from the 2023 revaluation of all NDR properties and indexation effects.
4. The council is currently part of the Leicestershire business rate pool which means that they do not have to pay levy payments over to Central Government and payments instead are directed to the Local Enterprise Partnership (LLEP) via the business rates pool.
5. Due to timing differences between years in finalising amounts due to other parties, e.g. the County, Police and Fire in respect of Council Tax and the County, Fire and central government in respect of NNDR, the authority operates a Collection Fund. This acts like a trust account where amounts are paid in/out during the year and surpluses/deficits are retained at the year end and then paid out/recovered in following years once final figures are known. The final report to Council on 27th February 2023 will include the final figures, the figures for County, Fire and Police in this report are provisional.
6. The amount due to the Council from Council Tax receipts has decreased by £67k compared with the draft report, this reflects the Council Tax by charging permitted £5 per band D property, which is the seventh year in a row. (Loughborough Special Levy will increase by 1.99%, with the Borough precept calculated to ensure that the overall increase remains within the £5 limit), the Council tax base and the Loughborough Special base was lower than that shown in the draft due to an increase student and other exemptions.
7. The New Homes Bonus (NHB) Grant figure is £373k for 2023/24 (£1,631k 2022/23). For 2023/24 an assumed one off funding guarantee grant has been given as compensation for this loss in funding.
8. The working balance shows a net use of General Fund reserves of £1,296k to balance the budget.
9. Service Pressures, Savings and additional income generation are detailed at Appendix 6, these include unavoidable ongoing Service Pressures of £1,931k, One Off Pressures of £578.5k and ongoing service savings/Income £417.4k for 2023/24.

Consultation on the Budget

10. A programme of consultation commenced following the consideration of the draft budget by Cabinet 15th December 2022. This has involved members of the public, partner organisations, scrutiny (especially the Budget Scrutiny Panel), unions and businesses.

An online consultation was held between 5th December 2022 and 18th December 2022 . The consultation was highlighted in the local media and across other channels include the Council's website, social media, and email alerts. There were no responses submitted to the online consultation.

Budget Scrutiny Panel

11. A Budget Scrutiny Panel has undertaken scrutiny of the draft budget for 2023/24. The recommendations of the Panel are set out in a separate report to this Cabinet meeting (item 6 on the agenda).

Comments of the Industrial and Commercial Ratepayers Meeting

12. A consultation meeting with representatives of Industrial and Commercial Ratepayers was held on 11th January 2023. In summary:

The Council's proposed budget and capital plan were discussed, and there were no specific commenting on the budget arising. Other matters were:-

Consultees highlighted the significant work undertaken by the Lead Member and the officers of the Council in producing a stable draft budget in difficult times. Overall, Consultees felt positive about the draft budget.

The minimum working balance target of £2m was self-imposed by the Council. This was set by the S151 officer as a safe amount, representing six weeks of expenditure. According to the CIPFA Financial Resilience Index, the level of reserves maintained by the Council was in the lower quartile when compared with other District Councils. In comparison to County and Unitary Councils, Charnwood Borough Council's level of reserves was more positive.

The commercialisation portfolio of the Council was secure and finances associated with this, including the Commercialisation Reserve, were being maintained as expected.

The Council's Medium Term Financial Strategy covered a three-year period (2023/24, 2024/25 and 2025/26); the first period of which was concerned with finalising the numbers within the draft budget. It was expected that the 2024/25 settlement offered from government would be similar to the draft settlement recently received, although this was not guaranteed. Projections indicate that income may increase slightly over this period, but inflationary costs would increase significantly.

Proposals were currently in development with regards to the Council's office accommodation. There was a requirement to ensure that the Council considered options for most value for money.

The Council was aware that Carillon Court shopping centre's previous owner has sold the site to new owners. The new owners had not confirmed to the Council what its plans for the site were. In response to a question about business rates generation, it was highlighted that the shopping centre was not one of the largest providers of Business Rates income in the borough but that all business rates contributors were nevertheless valued and important.

It was highlighted that in addition to retailing activity there would be benefit in introducing other commercial activities into Loughborough town centre, such as leisure experiences like bowling, to encourage more visitors.

The increase in Bed and Breakfast accommodation costs was due to an increase in demand. Previously, the Council had used Bed and Breakfast accommodation for people presenting as homeless, although some of this accommodation was now being used for alternative purposes. In addition, the Council had received funding for temporary accommodation for people presenting as homeless during the Covid-19 pandemic, and this funding was no longer available, which had an impact on Council finances.

The Council had previously entered into a 75% Business Rates Retention Scheme pilot, although the pilot had not been rolled out further. Currently the Council operated under a 50% Business Rates Retention Scheme, which resulted in the receipt of 9% of rates collected, following the appropriate dispersal of the funds collected. A higher retention percentage would not have a substantial impact on the final sum received by the Council, as the majority of the Business Rates funds were sent government and other authorities (Leicestershire County Council, Leicestershire Fire Authority, Leicestershire Police, etc).

Comments of the Loughborough Area Committee

13. This Committee met on 7th December 2022 where the agenda included an opportunity to provide feedback on the draft budget. Although the meeting was inquorate it proceeded on an informal basis, and the principal matter raised was the increase in CCTV costs charged to the Loughborough Special Rate was due to a number of factors, including an increase in the percentage of CCTV costs charged to the Loughborough Special Rate, due to a reduction in income loss from Carillon Court monitoring work of the CCTV cameras. The Council was looking for opportunities to increase the income generated by CCTV services.
14. There had been significant increases in costs to run the Nanpantan Sports Ground. This was primarily due to the increase in energy costs (100% increase in electricity and 200% increase in gas). Nanpantan Sports Ground used more energy than the other sports grounds due to the nature of the services provided.
15. The budget for the Carillon Tower had been reduced from the previous year. This was due to an increased budget previously, due to income from central government during the Covid-19 Pandemic. 50% of the total cost of the Carillon Tower was charged to the Loughborough Special Rate. This was because it was anticipated that 50% of the visitors to Carillon Tower were from outside Loughborough.

We would like to take this opportunity to thank all those who responded to the consultation. Further of the consultation discussions and responses referred to above are available as background documents to this report (public consultation results) or as meeting minutes, published on the Council's website.

Loughborough Special Expenses Appendix 3

16. The budget position for Loughborough Special Expense and Levy for 2023/24. The increase to the Loughborough Special Levy is 1.99% to a rate of £81.11 per Band D property (2022/23: £79.53), details of this budget and year to year comparisons are included in Appendix 3.

Council Tax Base

17. The tax base, as approved by a decision delegated to the s151 Officer, has been used in the relevant calculations.

Precept Amount

18. The Precept amount in Appendix 2 shows an equivalent overall increase of £4.78 (3.52%) on the Base Band D Council Tax plus the Loughborough Special Levy. The band D rate for 2023/24 is set at £140.47 for the base precept.

Parish and Town Councils and Other Precepts

19. All Parish and Town Council precepts have been received and are detailed in Appendix 4. Approved precept information is still to be received from the County Council, the Police and Fire Authorities and the figures therefore shown in Appendix 2 are provisional. These will be updated in time for the main Council meeting on 27th February 2023.

General Fund Revenue Balances and Reserve

20. The General Fund Balances are included in Appendix 1. The budget shows a net £1.296k use of Working Balance is required to balance this year's budget, with a Working Balance estimated to be £4.415m as at March 2024.

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 £2.5m, representing eight weeks net expenditure (revised from £2m for 2023/24), in line with good practice. The original budget balance on this fund at the end of March 2024 is projected is above this limit.

The Reinvestment Reserve 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.

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.

The Capital Plan Reserve is estimated to be £1.695m at the end of March 2024. This revenue reserve is used to finance General Fund capital expenditure, also the reserve can be used for revenue expenditure and there is no minimum balance for this reserve.

There are fifteen specific earmarked reserves which may be used in line with the purpose of the reserve fund or for general fund purposes totaling £3.66m including the Commercialisation reserve.

The Commercialisation Reserve was set up in 2021/22, to cover any future losses on the Commercial Property Income; a contribution of £324k has been set aside in the 2023/24 budget and by the end of 2023/24, the balance on this reserve will be £1.5m.

The overall total General Fund Reserve balances estimated as at 31st March 2024 is £10.2m.

Housing Revenue Account Appendix 5

21. The HRA budget position for 2023/24 is breakeven. The HRA Balances have been budgeted at £110 per property at approximately £597k. At 31 March 2024, the HRA Financing Fund balance is forecast as being £12,598k. The Major Repairs Reserve was £4,248k in the draft budget, an additional £2m will be used to finance the redevelopment of St Michaels Court.
22. The HRA balances are predicted to be £15,443k at 31/3/2024. Overall, there is an adverse variance of £2,650k between the draft and final budget. The £2,650k variance is primarily due to an additional £2m contribution to the capital programme in order to finance the redevelopment of the St Michaels Court Sheltered scheme.
23. There is a reduction in rent income totaling £70k which is mainly stripping the St Michaels court scheme Income from the budget in 2023/24. This is offset by increases of £14k for Shop income based on updated current demand, and £10k in other service charges following a detailed cost analysis.
24. The increase in Supervision and Management costs include the £89.4k ongoing service pressure for the Housing Needs and £13k reduction in demand for the Lifeline service, including the removal of St Michaels court service charges. The increase of £300k in repairs and maintenance costs represents a reduction in the recharge to HRA capital relating to several posts.
25. Since the December 2022 draft HRA budget, the interest rate used to calculate interest payable and interest receivable has been reduced from 4% to 3% in line with current forecast rates. This has led to a £13k reduction in internal borrowing and £214k reduction in anticipated interest receivable. The interest receivable income has also been reduced because of the reduction in anticipated HRA balances. The rent charges for garages and shops have been reviewed by the Valuations Office, and their recommendation is to retain them at the current levels.

Report of the Chief Finance (Section 151) Officer under Section 25 of the Local Government Finance Act, 2003

26. Section 25 of the Local Government Act 2003 requires the Chief Finance Officer (Section 151 Officer) of a local authority to report on the robustness of the estimates included in the budget and the adequacy of the reserves for which the budget provides. This report must be considered by Cabinet and full Council as part of the budget approval and council tax setting process.
27. The proposed budget is set against the context of continued reductions in core Government funding and significant uncertainty as to future funding levels. The budget

is appropriately prudent and, if delivered, will leave the Council's Working Balance at £4.4m at 31st March 2024, above the £2.5m minimum set by the s151 Officer.

28. The Council's S151 Officer is required to report to Cabinet and full Council the key risks facing the Council in relation to current and future budget provision. In subsequent years the lack of certainty around Government funding combined with inflationary pressures and the medium and longer term are the key budgetary risks. Further detail is set out in the Medium Term Financial Strategy 2023 – 2026, which will be presented for adoption to the full Council meeting of 27th February 2023.

Robustness of Estimates

29. The Local Government Finance Act 1992 also requires an authority to take due consideration before setting the budget as there is no recourse to setting a further levy during the year, and any unexpected financial event would have to be met from reserves, or by cutting expenditure on services.
30. This budget has been drawn up using the best estimates of the cost of service delivery by those officers delivering the services, under the overall management of the Chief Financial Officer and with professional advice and guidance from the Financial Services team. The basis of estimation has been to take account of all known costs in delivering a set level of service together with any new or amended services that have been approved by Members.
31. It is recognised that during the eighteen months period, from the start of the budget process until the end of that financial year, there are likely to be budgets that have pressures on spending; equally there are budgets that will under spend. The key is to ensure that the position is under control at all times and that timely, effective action is taken where budget issues are identified in year. Financial procedures are in place to ensure that all decisions that affect spending are fully considered before committing the authority, and that effective monitoring is in place.
32. All spending plans are based on the service planning process and the proposed use of reserves and balances conforms to the approach set out in the Financial Strategy.

Adequacy of Reserves

33. The Chief Financial Officer can confirm that the levels of reserves for both the General Fund and HRA are considered to be adequate to fund the planned expenditure identified by the Council as presented in this report. However, they will need to be monitored and reviewed in the future to ensure that they can be maintained at an adequate level.

Assurance Statement of the Council's Section 151 Officer

34. The Chief Financial Officer confirms that this budget, as set out above and in the attached appendices, is robust and meets the requirements of the Council for its current spending plans and conforms with the procedures agreed for the use of balances.

Appendices

- 1 - General Fund Budget Summary 2023/24
- 2 - Council Tax Analysis 2023/24
- 3 - Loughborough Special Expenses 2023/24
- 4 - Council Tax Town and Parish Council Precepts 2023/24
- 5 - HRA Revenue Budget Summary 2023/24
- 6 - General Fund Service Pressures and Savings 2023/24

Appendix 1

Actual 2021/22 £000	General Fund Budget Summary	Original Budget 2022/23 £000	Draft Budget 2023/24 £000	Final Budget 2023/24 £000	Variance Draft vs Final £000
16,108	Net General Fund Service Expenditure	19,141	19,088	19,221	(133)
0	Less MRP & Interest & Commercial Reserve	(929)	(929)	(929)	0
0	Service (Ongoing Savings)	(1,010)	(417)	(417)	0
0	Service (One Off Saving)	(81)	0	0	0
0	Savings to be determined	(250)	0	0	0
0	Service Pressures Ongoing	184	1,984	1,931	53
0	Service Pressures One Off	127	595	579	17
16,108	Net Service Expenditure	17,182	20,320	20,384	(64)
645	Revenue Contributions to Capital	0	0	0	0
583	MRP Charge	729	604	604	0
230	Interest Paid	240	230	230	0
(281)	Less: Interest on Balances	(300)	(2,000)	(1,500)	(500)
17,285	Total Borough Expenditure	17,851	19,154	19,718	(564)
(96)	Contribution (from)/to Reinvestment Reserve	0	500	500	0
749	Contribution(from)/to Working Balance	(311)	(1,892)	(1,297)	(595)
2	Contribution (from)/to Collection Fund	122	0	0	0
(524)	Contribution(from)/ to Capital Plan Reserve	0	0	0	0
543	Contribution(from)/to Commericalisation Reserve	200	324	324	0
242	Contribution (from)/to Other Reserves	0	0	0	0
18,202	Precept Requirement	17,862	18,086	19,245	(1,159)
4,547	NNDR	5,200	5,400	6,400	(1,000)
0	RSG	174	0	329	(329)
7,640	Council Tax Receipts	7,981	8,381	8,314	67
1,311	Loughborough Special Levy	1,346	1,392	1,367	25
3,000	New Homes Bonus	1,631	0	373	(373)
1,418	Lower Tier Services Grant/Tranche 5 one off	1,112	0	0	0
283	General Government Grants	296	2,913	2,462	451
2	Collection Fund Surplus/(Deficit)	122	0	0	0
18,202	Precept Income	17,862	18,086	19,245	(1,159)
£000	<u>REVENUE BALANCES</u>	£000	£000	£000	£000
Actual 2021/22		Original Budget 2022/23	Draft Budget 2023/24	Final Budget 2023/24	Variance Original vs Draft
5,816	<u>Working Balance at 1 April</u>	4,969	6,211	6,211	0
751	Transfer from/(to) General Fund	(189)	(1,892)	(1,297)	(595)
0	Transfer from/(to) Reinvestment Reserve	(167)	(500)	(500)	0
6,567	Balance at 31 March	4,613	3,819	4,414	(595)
591	<u>Reinvestment Reserve Balance at 1 April</u>	333	328	328	0
0	Allocated balance	0	(328)	(328)	0
(96)	Transfers from/(to) General Fund	167	500	500	0
495	Balance at 31 March	500	500	500	0
2,433	<u>Capital Plan Reserve Balance at 1 April</u>	2,233	1,695	1,695	0
(524)	Transfer from/(to) General Fund	0	0	0	0
1,909	Balance at 31 March	2,233	1,695	1,695	0
7,346	NDR Deficit COVID Reserve	7,346	3,052	3,052	0
(4,294)	Funding of NDR COVID Deficit	(7,346)	(3,052)	(3,052)	0
3,052	Balance at 31 March	0	0	0	0
2,015	<u>Other Revenue Reserve Balances at 1 April</u>	2,015	3,343	3,343	0
1,328	Transfers from/(to) General Fund	200	324	324	0
3,343	Balance at 31 March	2,215	3,667	3,667	0
15,366	TOTAL BALANCES	9,561	9,681	10,276	(595)

COUNCIL TAX ANALYSIS 2023/24					
2022/23			2023/24		%
58,819.0		TAX BASE (at CBC collection rate)	59,186.3		Change
					Per Band D
16,923.1		LOUGHBOROUGH TAX BASE	16,855.2		0.62
£	£ p		£	£ p	%
17,862,933	303.69	TOTAL BUDGET REQUIREMENT	19,245,129	325.16	7.07
(1,345,894)	(22.88)	Less: Loughborough Special Levy	(1,367,125)	(23.10)	0.95
16,517,039	280.81		17,878,004	302.06	7.57
		Less:			
(1,631,447)	(27.74)	New Homes Bonus	(373,187)	(6.31)	(77.25)
(5,200,000)	(88.41)	NNDR	(6,400,000)	(108.13)	22.31
0	0.00	Funding Guarantee	(2,295,397)	(38.78)	0.00
(1,111,902)	(18.90)	Lower Tier Services Grant	0	0.00	(100.00)
(295,932)	(5.03)	Services Grant	(166,753)	(2.82)	(43.95)
(174,268)	(2.96)	Revenue Support Grant	(328,767)	(5.55)	87.32
8,103,490	137.77		8,313,900	140.47	1.96
(122,340)	(2.08)	Collection Fund (Surplus)/Deficit	0	0.00	(100.00)
7,981,150	135.69	BASIC BOROUGH PRECEPT	8,313,900	140.47	3.52
		Other Precepts			
4,250,109	72.26	Parishes	4,565,965	77.15	6.77
85,461,673	1,452.96	Leicestershire County Council	85,461,673	1,443.94	(0.62)
4,369,664	74.29	Combined Fire Authority	4,369,664	73.83	(0.62)
15,188,842	258.23	Police & Crime Commissioner for Leics	15,188,842	256.63	(0.62)
109,270,288	1,857.74		109,586,144	1,851.55	(0.33)
1,345,894	79.53	SPECIAL LEVY (LOUGHBOROUGH)	1,367,125	81.11	1.99
118,597,332	2,016.31	TOTAL REQUIREMENT	119,267,169	2,015.11	(0.06)
117,251,438	1,993.43	AVERAGE PARISH PRECEPT	117,900,044	1,992.02	(0.07)
114,347,223	2,000.70	LOUGHBOROUGH PRECEPT	114,701,204	1,995.98	(0.24)

Final figures subject to approval

LOUGHBOROUGH SPECIAL EXPENSES

Appendix 3

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	56,800	20,300	35.7%	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		1,367,400	84,800	6.2%	
0	Adjustments from Year 2021/22	(275)			
63,294	Adjustments from Year 2020/21				
1,345,894	AMENDED SUB TOTAL	1,367,125			
Divided by 16,923.10	Council Tax Base	Divided by 16,855.20			
<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. An ongoing service pressure of £20.8k has been included in the final budget report for grounds maintenance costs for the new cemetery at Nanpantan.
- 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.

2023/2024 Council Tax - Parish Precepts

Appendix 4

Parish/ Meeting/ Town Council	Precept Requirement £	Council Tax Base	Parish/ Special Requirements at Band B £
Anstey	337,548.14	2,676.50	126.12
Barkby / Barkby Thorpe	13,742.00	157.90	87.03
Barrow-Upon-Soar	245,345.00	2,552.70	96.11
Beeby	0.00	44.50	0.00
Birstall	481,859.00	4,592.80	104.92
Burton-on-the-Wolds, Cotes, & Prestwold	32,500.00	560.90	57.94
Cossington	16,400.00	219.50	74.72
East Goscote	66,900.00	931.70	71.80
Hamilton Lee	0.00	282.20	0.00
Hathern	48,500.00	892.60	54.34
Hoton	13,340.00	145.20	91.87
Mountsorrel	554,926.74	3,047.70	182.08
Newtown Linford	59,618.00	537.10	111.00
Queniborough	66,262.00	1,225.50	54.07
Quorndon	323,595.30	2,532.70	127.77
Ratcliffe-on-the-Wreake	3,000.00	86.90	34.52
Rearsby	24,736.00	489.80	50.50
Rothley	204,925.00	2,346.80	87.32
Seagrave	20,882.00	282.60	73.89
Shepshed	411,435.00	5,130.20	80.20
Sileby	273,348.00	2,956.40	92.46
South Croxton	11,751.00	135.70	86.60
Stonebow Village	0.00	5.30	0.00
Swithland	5,200.00	157.10	33.10
Syston	614,275.00	4,383.50	140.13
Thrussington	13,500.00	252.90	53.38
Thurcaston & Cropston	51,823.90	944.90	54.85
Thurmaston	521,272.00	2,865.40	181.92
Ulverscroft	0.00	62.10	0.00
Walton-on-the-Wolds	5,000.00	130.00	38.46
Wanlip	4,000.00	88.80	45.05
Woodhouse	93,154.00	989.90	94.10
Wymeswold	47,127.32	623.30	75.61
Loughborough (Special Expenses)	4,565,965.40	42,331.10	
	1,367,125.00	16,855.20	81.11
Total Average	5,933,090.40	59,186.30	100.24

Appendix 5

2021/22 Actual	Housing Revenue Account	2022/23 Original Budget	2023/24 Draft Original Budget	2023/24 Final Original Budget	Variance
£000		£000	£000	£000	£000
	Expenditure				
5,762	Supervision and Management	5,483	6,410	6,512	(102)
7,088	Repairs and Maintenance	6,803	7,129	7,429	(300)
277	Rents, Rates and Other Charges	291	291	291	0
97	Provision for Bad Debts & Other Charges	318	118	118	0
3,680	Depreciation	3,641	3,942	3,942	0
(5,488)	Net Revaluation non-current assets increase	0	0	0	0
10	Debt Management Expenses	10	16	16	0
11,426	Expenditure Sub-total	16,501	17,906	18,308	(402)
	Income				
(20,637)	Dwelling Rent Income	(21,368)	(22,781)	(22,711)	(70)
(348)	Shops, Land and Garages Rent	(390)	(388)	(402)	14
(49)	Warden Service Charges	(51)	(47)	(49)	2
(312)	Central Heating, Cleaning and Communal Charges	(310)	(320)	(328)	8
(196)	Leasehold Flat and Shop Service Charges	(143)	(160)	(160)	0
(27)	Hostel Service Charges	(25)	(23)	(23)	0
(8)	Council Tax Recharged	(9)	(8)	(8)	0
(21,557)	Income Sub-Total	(22,296)	(23,727)	(23,681)	(46)
(19,838)	Net (income)/Cost of service	(5,822)	(5,821)	(5,373)	(448)
(82)	Transfer from General Fund – Grounds Maintenance	(85)	(90)	(90)	0
2,701	Interest Payable	2,709	2,751	2,738	13
(45)	Investment Income and Mortgage Interest	(27)	(720)	(506)	(214)
(17,264)	Net Operating Expenditure/(Income)	(3,225)	(3,880)	(3,231)	(649)
0	Revenue Contribution to Capital	3,225	3,264	3,231	33
(96)	Pension Adjustment	0	0	0	0
(112)	Accumulated Absence Adjustment	0	0	0	0
14,077	Reversal of Gain on Revaluation	0	0	0	0
13,869	Appropriations	3,225	3,264	3,231	33
(3,395)	(Surplus)/Deficit for the year	0	(616)	0	(616)

2021/22 Actual	Housing Revenue Account	2022/23 Original Budget	2023/24 Draft Original Budget	2023/24 Original Budget	Variance
£000		£000	£000	£000	£000
(609)	HRA Balance at beginning of year	(606)	(602)	(602)	0
(2,942)	(Surplus)/Deficit for the year	0	(616)	0	(616)
2,945	Transfer to/from Reserves	(362)	619	5	614
0	Adjustments to 2022/23 Budget	366	0	0	0
(606)	HRA Balance at end of year	(602)	(599)	(597)	(2)
(11,631)	HRA Financing Fund at beginning of year	(14,576)	(12,627)	(12,627)	0
(2,945)	Transfer to/from Reserves	362	(619)	(5)	(614)
0	Revenue Contribution to Capital	1,587	0	34	(34)
(14,576)	HRA Financing Fund at end of year	(12,627)	(13,246)	(12,598)	(648)
(4,248)	Major Repairs Reserve at end of year	(4,248)	(4,248)	(2,248)	(2,000)
(19,430)	Overall HRA balances at end of the year	(17,477)	(18,093)	(15,443)	2,650

General Fund Service Pressures 2023/24

Appendix 6

Major Contract Inflation			
Major Contracts Idverde	Contract Inflation/New site	50,100	Contract Capped 2%
Major Contract Leisure centre	Contract Inflation	(42,300)	Increased contract Management Income
Major Contract Capita	Contract Inflation	288,800	CPI 12% estimate September Contract Date January
Major Contract ES Contracts	Contract Inflation	742,600	CPI 12% September Contract Date
Sub total		1,039,200	
Other Contract Inflation/Pressures			
External ICS	Software Annual Charges	34,000	10%-12% Inflation increase on Software charges
External ICS	Hardware Maint Charges	6,000	10%-12% Inflation increase 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'
Itrent Payroll Contract	Software Annual Charges	16,000	New Fixed rate contract 3 years
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 Accomodation	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 Serv 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		819,300	819300
Other Pressures			
Land Charges Services Unit	Land Charges - search fee Income	24,200	Realignment of Land Charges budgets (analysis on last 5yrs) - reduction in income budget
Land Charges Services Unit	Land Charges -Income	12,100	Realignment of Land Charges budgets (analysis on last 5yrs) - reduction in income budget

Waste Recycling	Garden Bins Income	36,400	Fewer new customer and higher cancellations as a consequence of the price increase along with the dry weather. This budget is in line with forecast outturn position £1.7m.
Sub total		72,700	
One off Pressures			
Pressures ONE OFF - Car park Income	Car Park Income	188,500	Review of Car Park Income
Pressures ONE OFF - Vaccination Centre Income	Vaccination Income	125,000	Reduction in Southfields Office Accommodation Income Budget
Pressures ONE OFF - Cost Elections	Election Costs	200,000	Borough Election costs 2023/24
Pressures ONE OFF - Coffee/Tea Provisions	Coffee/Tea Provision	15,000	Corporate Coffee/Tea Provision
Pressures ONE OFF - Procurement Contract	Procurement Contract	50,000	Review of Procurement Contract
Sub total		578,500	
Overall Total Pressures		2,509,700	

Additional Income			
Outwoods	<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	Reduction in cost	(35,100)	Limehurst Depot sold Sep-22 -Reduction running costs
Central Purchasing Team		(1,300)	Reduction in costs
Car Allowance realigned saving	Car Allowance amendment	20,000	Car allowance amendment to savings
Town Deal Grant Funds	Towns Fund Deal	(11,400)	Town Deal to fund Expenditure
		(417,400)	