



Meeting	Full Council
Date	11 January 2023
Report Title	Budget 2023/24
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1.0 PURPOSE OF REPORT

- 1.1 To present Councillors with draft Income and Expenditure (I&E) and Capital / Ear Marked Funds (C/EMF) budgets for 2023/24 and the recommendation from the Strategy & Resources (S&R) Committee that these budgets are approved by Full Council.

2.0 INTRODUCTION AND BACKGROUND INFORMATION

- 2.1 Draft budgets for I&E and C/EMF have been considered by the S&R Committee on 2 occasions and by the Finance Sub Committee on 3 occasions. All Council Committees and Sub Committees have considered their budgets and their recommendations are included in the draft budgets presented here.
- 2.2 At the Extraordinary S&R meeting on 20 December 2022 to consider the budget implications of the Job Evaluation review for staff below ECMT level, the S&R Committee recommended that Full Council, at its meeting on 11 January 2023, approve the draft Income & Expenditure for 2023/24 and associated Precept of £3,968,965 and approve the draft Capital Ear Marked Fund expenditure budget for 2023/24 of £828k, with the use of £728k of CIL Income to fund it.
- 2.3 A draft I&E budget is attached to this report by Cost Centre [APPENDIX A] and by Income/Expenditure line [APPENDIX B] and a draft C/EMF expenditure budget is attached [APPENDIX C].

3.0 DRAFT INCOME & EXPENDITURE BUDGET 2023/24

- 3.1 The impact of the draft I&E budget on the Precept for 2023/24 is shown in the table below:

	Precept Income	No. of Band D Properties Paying Precept	Cost per Band D Household
Draft Proposal 2023/24	£3,968,965	13,290.16	£298.63 p/annum £24.89 p/month
This Year 2022/23	£3,606,289	12,855.35	£280.53 p/annum £23.38 p/month
Percentage Increase	10.0%	3.4%	6.4%
£ increase to Band D Household v 2022/23			£18.10 p/annum £1.51 p/month

3.2 The main assumptions included in the draft I&E budget are that a breakeven outturn budget be set as follows:

Income

- Precept
 - A Precept increase of £363k, 10.0% (2023/24 £3,969k, 2022/23 £3,606k) would be required to set a breakeven budget, largely to meet the additional payroll cost of the national pay agreement and the job evaluation review.
 - The Tax Base for Band D properties (the number of households paying the precept) has been confirmed by Wiltshire Council as 13,290.16, an increase of 3.4% on this year. This means that the typical Band D Council Tax payer would pay an additional £1.51 per month (a 6.4% increase, well within current inflation levels).
- Non-Precept income assumptions are that:
 - Non-Precept income (the income that the Council generates directly from its services and activities) to increase by 25k.
 - There will be a loss of £12k in rental income if the Museum expands into the ground floor office, as recommended by the ACL Committee on 2 November 2022.
 - Before the reduction in rental income, non-precept income would have increased by £37k (5.6%), including an increase in Fees & Charges and taking into account a new pitch hire agreement with a local football club.

Expenditure

- Staff Costs - budget assumed to increase by £327k, an increase of 14.3%
 - The Local Government Services Pay Agreement 2022/23 (for the current financial year) is £1,925 per member of staff (on a pro rata basis for part time staff) with effect from 1st April 2022. This year's budget assumed a

- 1.75% pay increase and this settlement is estimated to cost £112k more than budgeted this year.
 - The Job Evaluation review for staff below ECMT level will cost £55,850.
 - The draft budget includes the cost of increments, NI, Pensions etc.
 - An increase in the Council's contribution to Wiltshire Pension of 1% to 19.7% will cost £19,864.
 - Provision for next year's pay settlement is included as a 4% increase.
 - No additional posts are included.
- Non-Payroll Costs - budget projected to increase by £60k (3%), with the following expenditure lines increasing:
 - Health & Safety by £10k for legionella testing.
 - Gas costs budget at the Town Hall & Neeld increasing from £6k to £37.4k (the current gas price was fixed in February 2020 prior to significant volatility in the wholesale energy markets and the further impact of the Ukraine war).
 - Insurance costs, based on the actual costs incurred this year on the renewal of the 3-year contract in April, an increase of £22k.
 - Petrol/Diesel costs increasing on this year's budget by £16k.
 - Events at the Town Hall are, more realistically, assumed to breakeven, a net cost of £5k on this year's budget .
 - Climate donations fund by £8k to £18k and Community Donations by £4.5k to £30k.
 - External Event costs to increase by £5k - there is provision for a Christmas Lights Switch-on Event £40k, John Coles Park Centenary celebration event £10k, King's Coronation event £15k, other events £5k and tourism £5k.
 - The LHFIG budget (formerly CATG) by £7k;

Other cost assumptions are:

- IT costs - the Council's IT support contract is currently being re-tendered and is expected to be contained within this year's budget.
- There are savings on Museum rates and from contract cleaning costs now in-house.
- Heads of Service have looked carefully at each budget line to identify any other budget savings.

3.3 The main assumptions included in the draft C/EMF budget are for total C/EMF expenditure of £828k, funded by the use of £728k of CIL income, as follows:

Routine Capital Expenditure

- Climate Change & Biodiversity and Active Travel Cycling & Walking Enhancements budgets increase as part of the Council's commitment to tackling climate change.
- Tree Planting, Tree Maintenance and Open Space Enhancement at Monkton Park consistent with previously agreed plans.
- A Vehicles replacement programme of £150k as recommended by the ACL Committee.
- A recent Maintenance Survey of all CTC Buildings highlighted the need to increase Planned Maintenance expenditure. The recommendation is to increase the total Planned Maintenance expenditure from £35k to £100k next

year. Whilst budgets have been broken down between CTC sites for illustrative purposes, it is recommended that there is a single CTC Planned Maintenance budget line of £100k. In this way, the priorities for planned maintenance across the estate can be best achieved.

- Capital expenditure for the CCTV system next year will focus on automatic vehicle number plate recognition.
- Play area enhancement continues to be an important area of capital expenditure for the Council, particularly following the increased number of play areas that CTC is responsible for post Devolution.
- A Stanley Park pitch condition survey recommended increased expenditure to tackle problems with drainage. Pitch Improvements budget increased to £25k.
- Part of Museum building currently rented out to Acorn is refurbished once their tenancy ceases to allow for additional Museum exhibition space, £25k.
- Upgrade to the Wayfinding Signage across Chippenham, £10k.
- Continued budget provision for potential By-Elections, Neighbourhood Plan and Future IT Projects.

Large Projects

- Environmental Improvements to the Council's Estate Phase 1 will be at Stanley Park. This was budgeted in 2022/23 at £200k, but will not be completed until 2023/24. It will not be possible to complete a second phase next year, however provision to be made in preparation for Phase 2 of Environmental Improvements, to include the identification and implementation of quick wins, recommended £50k.
- The Stanley Park Working Party, ACL and S&R Committees have all recommended that a new 3G pitch be installed, part funded by the FA. The FA will contribute £650k and CTC will need to make provision for £250k in next year's capital budget.

3.4 Use of CIL Income and CIL closing balance

It is recommended that £728k of CIL income be used in the 2023/24 budget towards the C/EMF capital expenditure budget for 2023/24, see [APPENDIX C]. Each C/EMF expenditure project has been checked with Wiltshire Council's CIL and S106 Department for advice on the use of CIL income.

The closing balance of CIL income at the end of the 2023/24 financial year would be £10k (compared to £343k in the original MTFP for C/EMFs) - see table below. This isn't necessarily a bad thing, as by definition it has to be spent or returned to Wiltshire Council.

CIL Balance

	MTFP	Draft Budget 2023/24
	£'000s	£'000s
Closing CIL Balance 31 March 2022	820	820
Financial Year 2022/23:		
2022/23 Budget CIL Income	375	375
2022/23 Budget CIL Expenditure	-757	-757
Addit. Cost of Neeld Project 2022/23		-200
Closing CIL Balance 31 March 2023	438	238
Financial Year 2023/24		
2023/24 Budget CIL Income	625	500
2023/24 Budget CIL Expenditure	-720	-728
Closing CIL Balance 31 March 2024	343	10

Impact on C/EMFs Reserves

The Council's financial regulations require that 25% of Precept is maintained in a General Reserve. Therefore, an increase in Precept of £363k next year would require an increase of £91k in General Reserves. A breakeven outturn budget would not add to General Reserves, however funds could be transferred from C/EMF reserves.

In addition, the unbudgeted pay settlement increase to payroll costs this year of £112k may cause an I&E deficit this year and therefore a reduction in General Reserves. This again could be replenished by a transfer from C/EMF reserves.

Together with the C/EMF expenditure budget assumptions above, the closing balance of C/EMFs at the end of 2023/24 could be £807k in comparison with the £1,393k balance in the original MTFP approved by Full Council in June 2022 i.e. :

	£'000s
Closing Balance 2023/24 MTFP Full Council 22 06 22	1,393
Additional cost of Neeld Project	-200
Lower CIL income due to delay in Neighbourhood Plan publication	-125
Greater routine capital expenditure	-58
Potential transfer to General Reserves to maintain at 25% of Precept:	
Re Draft Budget 2023/24 being breakeven outturn	-91
Re unbudgeted impact of 2022/23 pay settlement	-112
Closing Balance Draft Budget 2023/24	807

4.0 CONTRIBUTION TO CORPORATE PLAN PRIORITIES

4.1 Corporate Priority - Maintain effective and efficient governance and management of resources.

5.0 STAFFING IMPLICATIONS

5.1 There are no staffing implications.

6.0 FINANCIAL IMPLICATIONS

6.1 For Councillors to note the I&E and C/EMF expenditure budget assumptions and the financial implications of a break-even I&E budget on the Precept and reserves as contained within this report.

7.0 LEGAL IMPLICATIONS

7.1 There are no legal implications.

8.0 CLIMATE AND ECOLOGICAL IMPLICATIONS

8.1 This report is administrative and does not have any known direct Climate and Ecological impact.

9.0 RECOMMENDATIONS

9.1 It is recommended that Councillors approve:

a) The draft Income & Expenditure for 2023/24 and associated Precept of £3,968,965.

and

b) The draft Capital Ear Marked Fund expenditure budget for 2023/24 of £828k, with the use of £728k of CIL Income to fund it.