

ABINGDON TOWN COUNCIL

Report to	FINANCE, GOVERNANCE AND ASSET MANAGEMENT
Meeting date	17 January 2023
Report author	Responsible Finance Officer
Agenda item	6

2023-2024 ESTIMATES

1. **Purpose of the Report**

- (i) To present the projected outturn against the current year budget
- (ii) To consider fees and charges for council services for 2023-24
- (iii) To consider member allowances for 2023-24
- (iv) To consider the budget requirement for 2023-24 and funding options.

2. **Summary**

2.1 **Projected outturn 2022-23**

When the current year budget was set last year, the council resolved that this would be funded by way of a precept (council tax) of £1,755,659 and use of £145,000 from the council's general reserve. The budget allowed for some expected expenditure relating to project costs which have not been fulfilled. The net impact is that the planned use of £145,000 from the general reserve will not be required, and a surplus of £314,134 will go back into reserves. However please note, some of these are ringfenced EMR's for next year. Further details are provided in section 6.1 of this report.

2.2 **Fees and charges for 2023-24**

It is a legal requirement for fees and charges to be reviewed annually by the council. This committee is required to make a recommendation to be considered at the next council meeting held on 25 January 2023. See section 6.3 of this report.

2.3 **Members' allowances for 2023-24**

This committee is required to make a recommendation to council regarding the basic member allowance, travel and subsistence, and the mayoral allowance. See section 6.4 of this report.

2.4 **2022-23 budget requirement**

This committee is required to make a recommendation to council regarding the net expenditure estimate / proposed budget for 2023-24. See section 6.7 of this report.

2.5 **Funding of 2023-24 budget**

This committee is required to make a recommendation on how the 2023-24 net expenditure budget shall be funded, e.g., precept, use of earmarked reserves, use of general fund. See section 6.10 of this report

3. **Action required**

The committee is requested to

- (i) note the year end projections for 2021-22
- (ii) recommend to council any changes to fees and charges
- (iii) recommend to council any changes to members' allowances for 2022-23
- (iv) recommend to council a net expenditure budget for 2022-23, together with proposed funding arrangements.

4. **Link to strategic plan and objectives**

Key Objective: To manage the Council's assets efficiently and effectively to meet for the needs of the community now and in the future.

5. **Background**

The Council considers its net expenditure requirement and precept demand annually in January. Committee meetings which took place in Autumn 2022 informed members of the process. Spending committees were asked for budget bids and have received draft estimates and have made a recommendation, through this committee to the council.

6. **Key information and options**

6.1 **Projected outturn 2021-22**

I have reviewed expected spend for the remaining period of the financial year and have estimated the following outturn compared to budget:

	Budget 2022-23	Projected Outturn 2022-23	Variance
Expenditure	£2,201,958	£1,823,866	£378,092 u/spend
Income (Ex Precept)	(£301,299)	(382,341)	(81,042) surplus
Net Expenditure	£1,900,659	£1,441,525	£459,134 u/spend
Funded By:			
Precept Income	£1,755,659	£1,755,659	
Use of General Res	£145,000		(£145,000) less
Total Funding	£1,900,659	£1,755,659	
Difference to drop into General or EMR reserve @ YE	£0	£314,134	£314,134

6.2 **APPENDIX A** provides a full breakdown by cost centre of all projections against budget. The report is annotated highlighting the main areas of variances.

6.3 **Fees and charges 2023-24**

Members are reminded that fees and charges were increased last year. To reflect the current financial pressures on market stall holder and residents, I propose that all Fees and Charges EXCEPT Fishing Permits remain the same. The cost of staffing the issue of the Fishing Permits is lengthy and costly, therefore I have proposed and recommended a small increase to help cover this cost. This is shown in **APPENDIX B** together with the current fees and charges.

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6.4 Member's allowances

The council's current policy is for members to be awarded an allowance equal to 20% of the basic allowance of the district council. In the current year's budget, the town council allowance is £1,027.20 (20% of £5,186). Based on 19 councillors, this equates to an expenditure budget of £19,707.1, although it should be noted that not all councillors claim this allowance.

The current years allowance at the Vale is £5,585. 20% of £5,585 = £1,117 x 19 members = £21,223 (entered in the proposed budget for 2023/24).

6.5 Travel and subsistence

As in previous years, members can claim travel expenses for any travel incurred outside the parish for council business. Any such claims should be made to the Town Clerk. It is recommended that rates should continue to reflect the national HMRC rates.

6.6 Mayoral allowance

The current mayoral allowance is £3,500 with a local arrangement for £500 to be given to the deputy mayor. I recommend this remain at this level for 2023/24.

6.7 Budget estimates / Proposed Budget for 2023/24

APPENDIX C provides the proposed budget for members to consider. The budget is based on existing services continuing in their current capacity, together with any new or increased initiatives agreed in the council's Forward Plan and requests from other Committee's. This report is annotated with variances and amendments.

Two reports requesting budget bids were sent to the Committee's in September/October for first round bids. In December a Final Budget Call was made. The following requests have been included in the proposed budget.

E&A:

Playground Equipment	£60,000 plus underspend from current year & EMR
Green Forum Fund	£15,000
Community Woodland	£22,000 sent to EMR for ringfencing for future use
Footpaths	£10,000 to be used from EMR.
Cemetery Improvements	£20,000

Town Infrastructure

Bus Shelters	£10,000 – not required as £6,667 being carried forward to next year plus a budget of £6,667 = £13,334 available.
CCTV	Increase to accommodate new agreement (Community Cttee)

Community:

Community Grants	£10,000 increase in current fund
Town Crier	£2,000 increase

6.8 The budget has been calculated using the following parameters:

- any inflationary increases limited to 9.3%
- anticipated national pay award of 4.4% across all grades
- The current Establishment List for positions has been used for this budget

6.9 **APPENDIX D** provides a summary breakdown of the budget lines which fall directly within the responsibility of this committee. Along with an overview of the other Committee's

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- 6.10 Based on the recommendations and suggested amendments shown in **APPENDIX C**, the proposed budget would mean a net expenditure requirement of £1,823,515 see table below:

	AGREED Budget 2022-23	PRPOSED Budget 2023-24	Variance
Expenditure	£2,201,958	£2,136,965	£64,993 increase
Income (Ex Precept)	(£301,299)	(313,450)	£12,151 increase
Net Expenditure	£1,900,659	£1,823,515	(£77,144 decrease)
Funded By:			
Precept Income	£1,755,659	£1,767,450	Inc in band D houses
Use of General Res	£145,000	£56,065	
Total Funding	£1,900,659	£1,823,515	

6.11 Earmarked and General reserves

The council holds £2,233,337 in earmarked reserves and a current GR of £607,481. A list is provided at **APPENDIX E**. Members are requested to review the list and consider whether any proposed projects or areas of spending could be funded from these reserves. Members should also consider whether any earmarked reserves are no longer required, meaning the funds could be released back to the general fund.

6.12 CIL monies

The council currently has £274,870 of CIL monies. This can be used to fund specific improvements to infrastructure, including play areas, road speed initiatives and footpaths.

6.13 Funding and Precept recommendation

The Vale have issued our Band D Tax Base for the 23-24 year, with a small gain of 0.67, this equates to a gain of £11,791 in monetary terms.

Based on the proposed budget **APPENDIX C** the effect on the precept is as follows.

	2022-2023	2023-24 option 1 (proposed)	2023-24 option 2 (balanced budget)
Precept	£ 1,755,659	£ 1,767,450	£ 1,823,515
Tax Base (Band D)	12,384.5	12,467.9	12,467.9
Charge p/h p/a	£ 141.76	£ 141.76	£ 146.26
£ Inc p/h p/annum		£ 0	£ 4.50
% Increase	3% inc from 21-22	0%	3.2%
To Be Taken from CIL or reserves		£ 56,065	£ 0

As RFO I would recommend option 1, a NIL increase, based on the amount of reserves the Council is carrying along with the large amount of CIL, and the current Cost of Living Crisis.

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7. **Climate change/green implications**

Budgets included within the Environment and Amenities Committee draft estimates cover the council's climate emergency projects. No other implications.

8. **Financial/budget implications**

As per the full report and appendices

9. **HR implications**

The costings included in the proposed budget are based on the existing staffing structure.

10. **Consultation implications**

I consider that there are no matters within the report on which we should consult

11. **Supporting papers and appendices**

APPENDIX A: Projected outturn for 2022-23

APPENDIX B: Proposed Fees and Charges 2023-24

APPENDIX C: Proposed Estimates/Budget 2023-24

APPENDIX D: Summary Estimates/Budget 2023-24

APPENDIX E: Reserves and Ear Marked Reserves balances

Cherie Carruthers RFO
12 January 2023