

## SOUTH HOLLAND DISTRICT COUNCIL

**Report of:** Executive Director Commercialisation (S151)

**To:** Spalding Town Forum – 3rd February 2021

**Author:** Carl Holland, Strategic Finance Manager (PSPSL)

**Subject:** Draft Budget 2021/22 and Quarter 3 2020/21 Outturn for Spalding Special Expenses

**Purpose:** To consider the Spalding Special Expenses Draft Budget 2021/22 and report the Forecast Outturn for Quarter 3 2020/21

### **Recommendation:**

1. That Spalding Town Forum Members review the proposed Spalding Special Expenses Budget for 2021/22 and agree comments/feedback to be included within the final budget report to be considered by Council on 3<sup>rd</sup> March 2021.
2. That Spalding Town Forum Members consider and note the forecast outturn for 2020/21.

### **1.0. INTRODUCTION**

- 1.1. This report is presented to the Spalding Town Forum as part of South Holland District Council's consultation on its 2021/22 budget and 4-year medium term financial plan.
- 1.2. All responses to South Holland District Council's Draft Budget consultation will be considered as part of the budget planning process ahead of consideration by Full Council on 3<sup>rd</sup> March 2021.

### **2.0. APPROACH**

#### **2.1. Background**

As part of the Council's integrated planning and performance framework, our business plans reflect how we will deliver our corporate priorities. The draft budgets are the financial representation of these plans. Service Managers have prepared their budgets to reflect their plans and strategies and in accordance with the principles outlined in the Council's Medium Term Financial Strategy. Budget managers have not incorporated any growth into their service budgets, unless it was in relation to contract inflation, supporting the delivery of corporate priorities, health and safety issues or reflecting demand-led budgets.

- 2.2. The Spalding Council Tax base has increased by 12 band d equivalents 0.13% from 9,372 to 9,384.
- 2.3. The proposed Spalding Special Expenses Council Tax Band D Equivalent for 2021/22 is £24.18 - an increase of 1.51% over 2020/21 £23.82.

### **3.0. SPALDING SPECIAL EXPENSES DRAFT ESTIMATES 2020/21**

**3.1.** The draft Spalding Special Expenses Budget for 2021/22 is presented as Appendix A. The proposed budget for 2021/22 is £226,900, an increase of 1.70% over the 2020/21 Budget £223,100.

#### **3.2. Employees**

The employee related costs for the whole Spalding Special Account increase by £1.3k and takes account of incremental pay progression and a forecast national pay award up to 2%. This category also includes agency staff costs.

#### **3.3. Premises**

This category includes building maintenance and repairs, utilities, insurance and Grounds maintenances. The budget for water charges at Ayscoughfee Gardens has been set at £4,000. Discussions with the supplier identified that it had been understated in 20/21.

#### **3.4. Supplies and Services**

Part of this budget, £6,100, has been re-allocated from Professional fees to Employee costs where it is more appropriate to pay for Agency staff costs to support garden operations.

#### **3.5. Transfer payments**

This budget remains as per previous year as follows:-

- Voluntary Car Scheme £8,500.
- Maintenance of churchyard St Mary and St Nicholas Parish Church £750.
- Chairman's Contingency £750.

#### **3.6. Support Services**

Support Service recharges remain unchanged and are estimate of support provided by Finance, Democratic Services and Asset Management.

### **4.0 FOUR YEAR PLAN (see Appendix B)**

Appendix B sets out the draft 4 year financial plan. The draft plan takes into account any additional costs, efficiencies or charges that may have an impact on the Spalding Special Expenses Account from 2021/22 to 2024/25. Employee costs have been estimated to increase each year. Premises costs are reviewed for grounds maintenance each year to reflect previous year actuals. No provision has been made to increase income over this period.

### **5.0 RESERVES**

The Budget assumes no use of reserves, however it may be necessary to fund unexpected events or emergency expenditure as part of in-year monitoring and reporting.

### **6.0 FORECASTED OUTTURN 2020/21 (Appendix C)**

**6.1** Appendix C attached shows the 2020/21 forecast outturn position against the budget as at the end of period 9 showing a forecast overspend of £2,504. This is predominately due to a reduction in fees and charges income, a result of the current COVID-19 pandemic.

## **7.0 TIMETABLE**

The final Budget Setting and Council Tax report is scheduled to go to Full Council on 3<sup>rd</sup> March 2021.

## **8.0 RISK**

**8.1** The Council must set a budget, which is a realistic statement of its estimated income and expenditure for the coming year based upon information currently available to it. It has a duty to take into account the demand for its services, and the effect upon council tax payers of meeting those demands at varying levels of services.

**8.2** A risk assessment has been undertaken regarding major items of income and expenditure, which may adversely affect the Council's budget position.

## **9.0 OPTIONS**

**9.1** To review the 2021/22 draft estimates and provide consultation feedback to be included in the final report presented to Council on 3<sup>rd</sup> March 2021.

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Background papers:- None

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### **Lead Contact Officer**

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**Key Decision:** No

**Exempt Decision:** No

**This report refers to a Mandatory Service**

### **Appendices attached to this report:**

Appendix A - Spalding Special Expenses Proposed Budget for 2020/21  
Appendix B - Four-Year Forecast Spalding Special Expenses  
Appendix C – Forecasted Outturn 2020/21

## APPENDIX A - Spalding Special Expenses Proposed Budget for 2020/21

Cost Centre Name	Subjective	2020/21 Estimate	2021/22 Estimate	Variance
<b>Allotments</b>	Employees	700	700	0
	Premises	6,000	6,500	500
	Support Services	1,300	1,300	0
	Income	(5,200)	(4,400)	800
<b>Allotments Total</b>		<b>2,800</b>	<b>4,100</b>	<b>1,300</b>
<b>Ayscoughfee Gardens</b>	Employees	32,000	33,500	1,500
	Premises	3,700	7,700	4,000
	Supplies & Services	13,300	7,200	(6,100)
	Support Services	1,400	1,400	0
	Income	(7,000)	(7,000)	0
<b>Ayscoughfee Gardens Total</b>		<b>43,400</b>	<b>42,800</b>	<b>(600)</b>
<b>Cemeteries</b>	Employees	37,800	37,100	(700)
	Premises	25,000	25,900	900
	Supplies & Services	400	300	(100)
	Support Services	2,700	2,700	0
	Income	(25,200)	(25,200)	0
<b>Cemeteries Total</b>		<b>40,700</b>	<b>40,800</b>	<b>100</b>
<b>Christmas Decorations</b>	Premises	300	300	0
	Supplies & Services	7,600	7,600	0
<b>Christmas Decorations Total</b>		<b>7,900</b>	<b>7,900</b>	<b>0</b>
<b>Halley Stewart</b>	Employees	1,000	1,000	0
	Premises	37,400	38,400	1,000
	Supplies & Services	300	300	0
	Support Services	2,300	2,300	0
	Income	(6,900)	(6,900)	0
<b>Halley Stewart Total</b>		<b>34,100</b>	<b>35,100</b>	<b>1,000</b>
<b>Monkshouse Lane</b>	Employees	400	400	0
	Premises	25,600	26,600	1,000
	Supplies & Services	200	200	0
	Support Services	2,300	2,300	0
	Income	(1,500)	(1,500)	0
<b>Monkshouse Lane Total</b>		<b>27,000</b>	<b>28,000</b>	<b>1,000</b>
<b>Spalding Special Contributions</b>	Employees	8,200	8,700	500
	Supplies & Services	7,700	7,700	0
	Transfer Payments	9,300	9,300	0
	Support Services	0	0	0
<b>Spalding Special Contributions Total</b>		<b>25,200</b>	<b>25,700</b>	<b>500</b>
<b>Spalding Special Recreation</b>	Employees	600	600	0
	Premises	40,300	40,800	500
	Supplies & Services	300	300	0
	Transfer Payments	800	800	0
<b>Spalding Special Recreation Total</b>		<b>42,000</b>	<b>42,500</b>	<b>500</b>
<b>Net cost of services</b>		<b>223,100</b>	<b>226,900</b>	<b>3,800</b>

### Financing:

<b>Reserve Contribution</b>	-	-
<b>Charged to residents</b>	<b>223,100</b>	<b>226,900</b>
<b>Tax Base</b>	<b>9,372</b>	<b>9,384</b>
<b>Band D equivalent</b>	<b>£23.82</b>	<b>£24.18</b>

**Reserves:**

<b>Balance b/f</b>	<b>(129,310)</b>	<b>(98,006)</b>
<b>Approved asset works (forecast)</b>	<b>28,800</b>	<b>0</b>
<b>2020/21 Contribution from reserves</b>	<b>2,504</b>	<b>0</b>
<b>Forecast reserve c/f</b>	<b>(98,006)</b>	<b>(98,006)</b>

## Appendix B Four-Year Forecast Spalding Special Expenses

Subjective	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Employees	80,700	82,000	83,600	85,300	87,000
Premises	138,300	146,200	146,200	146,200	146,200
Supplies & Services	29,800	23,600	23,600	23,600	23,600
Transfer Payments	10,100	10,100	10,100	10,100	10,100
Support Services	10,000	10,000	10,000	10,000	10,000
Income	(45,800)	(45,000)	(45,000)	(45,000)	(45,000)
<b>Net cost of services</b>	<b>223,100</b>	<b>226,900</b>	<b>228,500</b>	<b>230,200</b>	<b>231,900</b>
<b>Council Tax Requirement</b>	<b>223,100</b>	<b>226,900</b>	<b>228,500</b>	<b>230,200</b>	<b>231,900</b>
<b>Tax Base</b>	<b>9,372</b>	<b>9,384</b>			
<b>Band D Council Tax</b>	<b>£ 23.82</b>	<b>£ 24.18</b>			
<b>Percentage increase</b>	<b>0.63%</b>	<b>1.51%</b>			

## Appendix C Q3 Forecast Outturn 2020/21

Cost Centre	Original Estimate	Revised Estimate	Forecast 2020/21	Forecast Variance
Cemeteries	40,700	40,700	40,700	-
Allotments	2,800	2,800	3,591	791
Ayscoughfee Gardens	43,400	43,400	42,513	-887
Halley Stewart	34,100	34,100	36,000	1,900
Monkshouse Lane	27,000	27,000	27,700	700
Christmas Decorations	7,900	7,900	7,900	-
Spalding Special Contributions	25,200	25,200	25,200	-
Spalding Special Various Sites	42,000	42,000	42,000	-
<b>Grand Total</b>	<b>223,100</b>	<b>223,100</b>	<b>225,604</b>	<b>2,504</b>

Reserve Contribution	-	-	-2,504	-2,504
Charged to residents	-223,100	-223,100	-223,100	-
<b>Total Funding</b>	<b>-223,100</b>	<b>-223,100</b>	<b>-225,604</b>	<b>-2,504</b>

Reserves Forecast 2020/21	
Balance b/f 1st April 2020	-129,310
Approved asset works	28,800
20/21 Contribution from reserves	2,504
<b>Balance c/f 31st March 2021</b>	<b>-98,006</b>