

SOUTH HOLLAND DISTRICT COUNCIL

Report of: Deputy Chief Executive (Corporate Development) and S151
To: Spalding Town Forum – 25th January 2022
Author: Leo Singh, Strategic Finance Manager (PSPSL)
Subject: Draft Budget 2022/23
Purpose: To consider the Spalding Special Expenses Draft Budget 2022/23

Recommendation:

1. That Spalding Town Forum Members review the proposed Spalding Special Expenses Budget for 2022/23 and agree comments/feedback to be included within the final budget report to be considered by Council on 3rd March 2022.

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 2022/23 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 3rd March 2022.

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 1.13% from 9,384 to 9,490.
- 2.3. The proposed Spalding Special Expenses Council Tax Band D Equivalent for 2022/23 is £24.57 - an increase of 1.61% over 2021/22 £24.18.

3.0. SPALDING SPECIAL EXPENSES DRAFT ESTIMATES 2022/23

3.1. The draft Spalding Special Expenses Budget for 2022/23 is presented as Appendix A. The proposed budget for 2022/23 is £233,130, an increase of 2.75% over the 2021/22 Budget £226,900.

3.2. Employees

The employee related costs for the whole Spalding Special Account increase by £4.25k 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 gas and electricity have been increased by 30% for 2022/23 In line with increases applied across the council.

3.4. Supplies and Services

Part of this budget, £6,350, 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.

3.7. Spalding Cemetery

The Budget for income has not been increased and remains unchanged, Employee cost recharged to the service have increased by £1,520 to £38,620 to reflect pay increases and Utilities have been increased by 30%, which is in line with other council budgets.

	2021/22 Estimate	2022/23 Estimate	Variance
Employees	37,100	38,620	1,520
Premises	25,900	26,170	270
Supplies & Services	300	300	0
Support Services	2,700	2,700	0
Income	(25,200)	(25,200)	0
	40,800	42,590	1,790

3.8. Spalding Allotments

The Budget for income has not been increased and remains unchanged, Employee cost recharged to the service have increased by £200 to £900 to reflect pay increases.

	2021/22 Estimate	2022/23 Estimate	Variance
Employees	700	900	200
Premises	6,500	6,500	0
Support Services	1,300	1,300	0
Income	(4,400)	(4,400)	0
	4,100	4,300	200

3.9. Ayscoughfee Gardens

The Budget for income has not been increased and remains unchanged, Employee cost recharged to the service have increased by £1,350 to £34,850 to reflect pay increases and Premises Costs increased by £240, Utilities have been increased by 30%, which is in line with other council budgets.

	2021/22 Estimate	2022/23 Estimate	Variance
Employees	33,500	34,850	1,350
Premises	7,700	7,940	240
Supplies & Services	7,200	7,200	0
Support Services	1,400	1,400	0
Income	(7,000)	(7,000)	0
	42,800	44,390	1,590

3.10. Haley Stewart Playing

The Budget for income has not been increased and remains unchanged, Employee cost recharged to the service have increased by £100 to £1,100 to reflect pay increases and Premises Costs increased by £1,050, Utilities have been increased by 30%, which is in line with other council budgets.

	2021/22 Estimate	2022/23 Estimate	Variance
Employees	1,000	1,100	100
Premises	38,400	39,450	1,050
Supplies & Services	300	300	0
Support Services	2,300	2,300	0
Income	(6,900)	(6,900)	0
	35,100	36,250	1,150

3.11. Monkshouse Playing Fields

The Budget for income has not been increased and remains unchanged, Employee cost recharged to the service have increased by £60 to £460 to reflect pay increases and Premises Costs increased by £330, Utilities have been increased by 30%, which is in line with other council budgets.

	2021/22 Estimate	2022/23 Estimate	Variance
Employees	400	460	60
Premises	26,600	26,930	330
Supplies & Services	200	200	0
Support Services	2,300	2,300	0
Income	(1,500)	(1,500)	0
	28,000	28,390	390

3.12. Christmas Decorations

The Premises Costs increased by £90, Utilities have been increased by 30%, which is in line with other council budgets

	2021/22 Estimate	2022/23 Estimate	Variance
Premises	300	390	90
Supplies & Services	7,600	7,600	0
	7,900	7,990	90

3.13. Spalding Special Recreation

The Employee cost recharged to the service have increased by £270 to £870 to reflect pay increases.

	2021/22 Estimate	2022/23 Estimate	Variance
Employees	600	870	270
Premises	40,800	40,800	0
Supplies & Services	300	300	0
Transfer Payments	800	800	0
	42,500	42,770	270

3.14. Contributions

The Employee cost recharged to the service have increased by £750 to £9,450 to reflect pay increases.

	2021/22 Estimate	2022/23 Estimate	Variance
Employees	8,700	9,450	750
Supplies & Services	7,700	7,700	0
Transfer Payments	9,300	9,300	0
	25,700	26,450	750

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 2022/23 to 2025/26. 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. In 2021/22 a contribution from reserves of £26,000 was approved by Council in July 2021 to fund phase 1 & 2 of works at Spalding Cemetery, Phase 3 will be funded from capital programme.

7.0 TIMETABLE

The final Budget Setting and Council Tax report is scheduled to go to Full Council on 3rd March 2022.

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 2022/23 draft estimates and provide consultation feedback to be included in the final report presented to Council on 3rd March 2022.

Background papers: - None

Lead Contact Officer

Name and Post: Leo Singh – Strategic Finance Manager – PSPSL
Telephone Number 01775 764681
Email: leo.singh@pspsl.co.uk

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 2022/23
Appendix B - Four-Year Forecast Spalding Special Expenses

APPENDIX A - Spalding Special Expenses Proposed Budget for 2022/23

Cost Centre Name	Subjective	2021/22 Estimate	2022/23 Estimate	Variance
Allotments	Employees	700	900	200
	Premises	6,500	6,500	0
	Support Services	1,300	1,300	0
	Income	(4,400)	(4,400)	0
Allotments Total		4,100	4,300	200
Ayscoughfee Gardens	Employees	33,500	34,850	1,520
	Premises	7,700	7,940	240
	Supplies & Services	7,200	7,200	0
	Support Services	1,400	1,400	0
	Income	(7,000)	(7,000)	0
Ayscoughfee Gardens Total		42,800	44,390	1,590
Cemeteries	Employees	37,100	38,620	1,520
	Premises	25,900	26,170	270
	Supplies & Services	300	300	0
	Support Services	2,700	2,700	0
	Income	(25,200)	(25,200)	0
Cemeteries Total		40,800	42,590	1,790
Christmas Decorations	Premises	300	390	90
	Supplies & Services	7,600	7,600	0
Christmas Decorations Total		7,900	7,990	90
Halley Stewart	Employees	1,000	1,100	100
	Premises	38,400	39,450	1,050
	Supplies & Services	300	300	0
	Support Services	2,300	2,300	0
	Income	(6,900)	(6,900)	0
Halley Stewart Total		35,100	36,250	1,150
Monkshouse Lane	Employees	400	460	60
	Premises	26,600	26,930	330
	Supplies & Services	200	200	0
	Support Services	2,300	2,300	0
	Income	(1,500)	(1,500)	0
Monkshouse Lane Total		28,000	28,390	390
Spalding Special Contributions	Employees	8,700	9,450	0
	Supplies & Services	7,700	7,700	0
	Transfer Payments	9,300	9,300	0
Spalding Special Contributions Total		25,700	26,450	70
Spalding Special Recreation	Employees	600	670	270
	Premises	40,800	40,800	0
	Supplies & Services	300	300	0
	Transfer Payments	800	800	0
Spalding Special Recreation Total		43,500	42,770	270
Net cost of services		226,900	233,100	6,230

Financing:

	2021/22	2022/23
Reserve Contribution	-	-
Charged to residents	226,900	233,130
Tax Base	9,384	9,490
Band D equivalent	£24.18	£24.57

Reserves:

Balance b/f	(129,976)	(103,976)
Approved asset works (forecast)	26,000	0
2021/22 Contribution from reserves	0	0
Forecast reserve c/f	(103,976)	(103,976)

Appendix B Four-Year Forecast Spalding Special Expenses

Subjective	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Employees	82,000	86,250	87,975	89,735	91,529
Premises	146,200	148,180	148,180	148,180	148,180
Supplies & Services	23,600	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	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)
Net cost of services	226,900	233,130	234,855	236,615	238,409
Council Tax Requirement	226,900	233,130	234,855	236,615	238,409
Tax Base	9,384	9,490			
Band D Council Tax	£ 24.18	£ 24.57			
Percentage increase	1.51%	1.60%			