

## **BLYTH TOWN COUNCIL**

**Governance Committee**

**Tuesday 10 January 2023**

**Decision Report 1 – Budget**

### **1 BUDGET 2023/2024**

#### **Recommendation**

**Consider and resolve to agree the Governance Committee budget for 2023/24 and the probable outturn for 2022/23.**

**Consider and resolve to agree the Environment, and Community Development Committees budgets for 2023/24 and the probable outturn for 2022/2023.**

**The agreed budget for all Committees for 2023/24, and Precept, is recommended for Council to approve.**

**To constantly review the financial climate and to re-model future years spending for Council to consider the precept and spending by 2029/30, to have a budget to negate the need to use reserves, to balance the budget.**

#### **Ward**

Not ward specific.

#### **Risk Analysis**

A budget and precept must be set for the next financial year to ensure the finance available for services. A review by each Committee and ultimately overall consideration by Governance will ensure Council receive a well thought out mix of services and spending for approval. As a result of the financial climate, we are now in, the expenditure/precept profile has been rolled on for 7 years to allow the Council more confidence moving forward and tackling other issues over a longer period.

#### **Objective**

To promote good governance of the Town Council by adopting transparent practices and promoting public participation.

## Report

The preparation of the budget for 2023/24 has been carried out based on:

- rolling forward the services we are currently providing
- consideration of the Play Area refurbishment programme
- critically looking at budgets to reflect savings where we can, without having a material effect
- in the absence of other information, increased costs by up to 10% for 2023/24

During the compilation of the 2023/24 budget and the uncertain financial climate of the coming years, we have forecasted the expenditure/precept profile for the next 7 years in order to allow the Council more confidence moving forward and tackling other issues over a longer period. The vagrancies of the current financial markets make this a very difficult exercise.

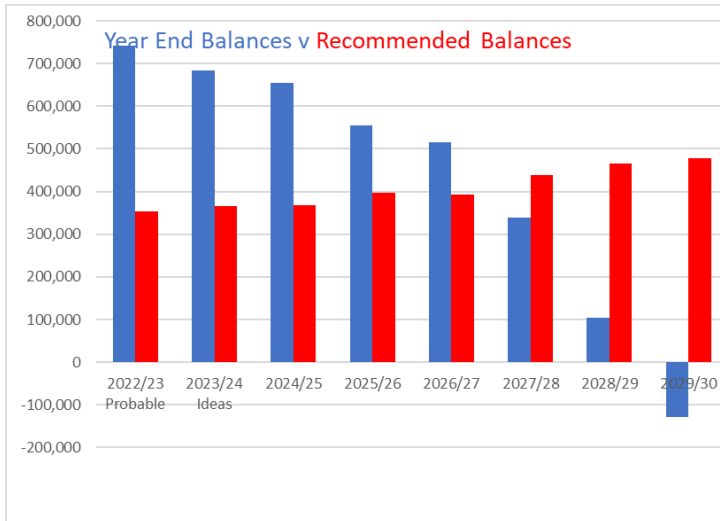
Subsequently an inflation factor of 6% has been used along with a suggested 3% increase on the Council Tax, whilst at the same time assuming no increase in the Council Tax base because of the link with the benefit system.

To date both the Community Development and Environment Committees have looked at their budgets and recommended them to the Governance Committee for consideration and onward recommendation to Council.

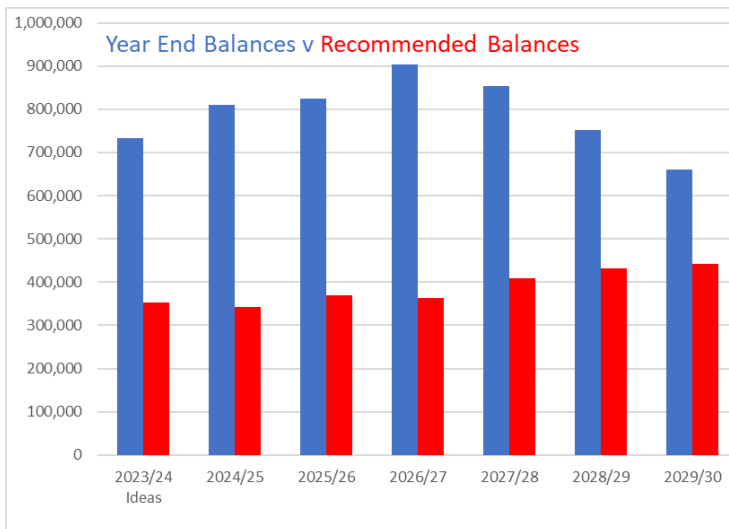
The Committee's proposed budgets are as follows:

<b>Committee</b>	<b>Net Budget 2022/23</b>	<b>Probable 2022/23</b>	<b>Committees Proposed Estimates 2023/24</b>	<b>Officers Proposed Estimates 2023/24</b>
<b>Governance</b>	390,490	380,069	421,860	
<b>Environment</b>	696,650	618,650	600,500	
<b>Community Development</b>	420,700	412820	438,200	
<b>Net Total</b>	<b>1,507,840</b>	<b>1,411,539</b>	<b>1,460,560</b>	<b>1,410,560</b>

Based on the above, the proposed budgets, of £1,460,560, would put the Council in a less than viable financial position by **2027/28**, see Graph 1 below, when looking at the Council’s reserves against recommended reserves.



Officers are suggesting savings of a further £50k next year, to give a budget of £1,410,560, from the largest budgets, and thereafter. This will leave the Council in a much stronger position by 2030, see Graph 2 below, with still the need to address further savings to negate the need for reserves to balance the budget.



The Governance Committee are required to look at these plus their own budget not only for next year but with a brief covering the years ahead because of current inflation levels, the level of precept and the use of balances to mitigate against such council tax increases.

A timetable to compile and consider the budget for 2023/24 has been completed for each Committee. **Appendix 1** contains the Governance Committee's budget sheets for 2023/24 as well as the original budget set for 2022/23 and the expected probable outturn for that year.

The budget summary of all the Committee spending is shown in the report as well as the reserves position. The individual Committee budget sheets agreed other than Governance Committee (**Appendix 1**) are attached in **Appendix 2**. The summary sheet for all Committees is shown below:

Given the year that the Council are considering, as well as the use of reserves, it is suggested that we set the council tax level at 3% higher than last year's level. This with the increase in the Council Tax Base will lead to an increase of nearly £71k in the Precept and for a Band D property from £130.19 to £134.10. This amounts to an increase of less than 8 pence per week and will apply to a significant amount of properties within the Town.

The table below reflects this along with the officers proposed budget for the Council.

<b>Committee</b>	<b>Net Budget 2022/23</b>	<b>Net Probable 2022/23</b>	<b>Net Proposed Budget 2023/24</b>
<b>Net Council Expenditure</b>	1,507,840	1,411,539	1,410,560
<b>Precept Income</b>	1,331,803	1,331,803	1,402,764
<b>Use of Reserves</b>	176,037	79,736	7,796
<b>Total Resources</b>	1,507,840	1,411,539	1,410,560
<b>Tax Base</b>	10,229.67	10,229.67	10,460.92
<b>Precept Band D</b>	130.19	130.19	134.10

In recent years, the Council have within their budget used reserves to meet the difference between the budgeted expenditure and the precept to be levied. If this Officers proposed budget is agreed then the Council will need to use £8k of reserves, to balance the accounts for 2023/24 as shown in the table below:

<b>Position Of Reserves</b>	<b>Net Budget 2022/23</b>	<b>Net Probable 2022/23</b>	<b>Net Proposed Budget 2023/24</b>
<b>1 April b/f</b>	821,541	821,541	741,805
<b>Use of Reserves</b>	176,037	79,736	7,796
<b>31 March c/f</b>	645,504	741,805	734,010
<b>Rec. level</b>	377,000	353,000	353,000

### Appendices

Appendix 1 - Budget Sheets - Governance

Appendix 2 - Budget Sheets –Community Development and Environment Committees

**Joseph Hughes**  
**Town Clerk**

**20 December 2022**