

REPORT TO FINANCE COMMITTEE

COUNCIL BUDGET 2022/23

Report Reference F-21-11
Meeting Date 29th November 2021
Agenda Item 5
Prepared by Town Clerk



1.0 INTRODUCTION AND OVERVIEW

1.1 INTRODUCTION

This report accompanies the draft 2022/23 council budget and provides a committee level commentary and precept calculation. The attached budget contains the council's projected expenditure and 2023 budget figures agreed by each committee.

The Town Clerk has updated budget projections since draft budgets have been agreed. The projections are correct as of 23rd November.

The draft tax baseⁱ for 2022/23 is 5,832.8, an increase of 39.29. This figure will be confirmed by Cheshire East Council in December and is subject to variation.

1.2 COMMITTEE OVERVIEW

The table below compares the agreed 2021/22 net expenditure for each committee with the proposed 2022/23 net expenditure for each committee.

The agreed 2021/22 total varies to the current total (as per the budget) as the current total includes carry forward amounts (where expenditure was agreed in 2020/21, not undertaken and provision was carried forward into the current year, e.g. two grant awards).

Committee	Agreed Net Expenditure 21/22	Proposed Net Expenditure 22/23	Difference
Finance	88,105	57,283	-32,360
Assets	30,328	33,193	2,865
Environment	28,510	28,610	100
Events	52,635	51,800	-835
Personnel	267,400	281,588	14,188
Planning	8,325	0	8,325
TOTAL	476,841	452,474	-24,367

1.3 PRECEPT CALCULATION

On the budget and reserves as presented to the committee, the precept is calculated as follows:

Projected Bank Balance 31/03/2022	343,642	(a)
2022/23 Reserves	337,834	(b)
Surplus / (Deficit)	5,808	(c) (a-b)
Budget Income 2022/23	199,215	(d)
Budget Expenditure 2022/23	651,689	(e)
Net Budget Expenditure 2022/23	452,474	(f) (e-d)
Precept Required	446,666	(f-c)

This represents a reduction of £8,012 (-1.92%) and results in the annual council tax for a Band D household being £76.58, a reduction of £2.03 (-2.58%).

It should be noted that the Personnel Committee is considering a recommendation to increase the administrative hours which would affect the precept requirement by £6,244, resulting in a revised precept requirement of £452,910 (-£1,768 / -0.55%) and a Band D of £77.65 (-1.22%).

2.0 RESERVES

2.1 RESERVES OVERVIEW

The draft reserve allocations are set in accordance with the council's Reserves Policy and the previous resolved position of restoring the Market Hall EM Reserve following it being used to lower the 2020/21 precept.

The recommended general reserves for the council's net revenue expenditure is £113k, it has been adjusted to this level to meet the minimum requirement.

The current year CIL receipts will be committed to an earmarked reserve and the EM Play Areas reserve has been increased by £1,000. The surplus against budget for the Market Hall will be omitted to the reserve and the Allotments reserve has a reduction due to funds being used in the current year for works. A further £10,000 has been returned to the EM Market Hall reserve; the total amount remaining to restore the funds used is £24,934. An EM Rentals has been created with 10% of the rental income projected in the current year.

2.2 SUGGESTED RESERVE LEVELS

Reserve	Current	Suggested	Difference
General	115,000	113,000	-2,000
EM Rental	-	1,000	+1,000
EM Market Hall	17,248	33,188	+15,940
EM Allotments	5,086	3,799	-1,287
EM Elections	14,000	14,000	-
EM Play Areas	2,000	3,000	+1,000
CIL Receipts	1,639	6,769	+5,130

Capital Receipts	242,607	163,078	-79,529
	397,580	337,834	-59,746

3.0 COMMITTEE BUDGET SUMMARY

3.1 FINANCE COMMITTEE

The committee is projected to have a minor underspend in the current financial year of £1,577. The precise cost of the two by-elections is yet to be confirmed and may affect this figure.

The 2022/23 budget is £32,360 lower than the current year, principally due to now large grants being awarded and the one-off cost of by-elections in the current year.

3.2 ASSETS AND OPERATIONS COMMITTEE

The committee is projected to be £17,185 over budget in the current financial year. This principally corresponds to the costs of 60 King Street where no budget allocation was provided in the current year (due to the expectation it would be tenanted). Provision has been made for the 2022/23 financial year. Shortfall in spending in some areas within the budget has covered overspends/reduced income in others.

The 2022/23 budget is £2,865 higher than the current year. The committee has amended numerous budget lines and included a budget for 60 King Street. Since the committee approved the budget the Town Clerk has added a £1,000 payments recovered line to the Public Toilets cost centre to reflect agreement with Cheshire East Council on recharging for electricity usage for lighting connected to the building.

3.3 ENVIRONMENT AND GENERAL PURPOSES COMMITTEE

The committee budget projects an underspend of £4,400 attributable to an underspend in the Floriculture budget and the expected receipt of a grant towards its tree planting programme.

The 2022/23 budget is £100 higher with little variation to the current year.

3.4 EVENTS AND TOWN CENTRE MANAGEMENT COMMITTEE

The committee is projected to achieve a minor underspend in the region of £900, although this will be more accurately known in December once the accounts for the Christmas Market have been finalised. The committee has various minor over/underspends which it has sought to balance throughout the year.

The 2022/23 budget is £825 lower than the current year. A Food and Drink Festival cost centre has been created for the new event (projected to generate a minor surplus); a reduced budget is provided for the Crib Service on the account of no Lantern Parade being held (it being a biennial event) no budget is provided for the Knutsfordian Exhibition which was a non-annual event. A budget has been provided for ReFresh Knutsford and a small increase made to the Art Trail budget which is now its own cost centre (it being a cost code in the current year). A budget of £2,500 has been provided for celebrations for the Platinum Jubilee.

3.5 PERSONNEL COMMITTEE

The Personnel Committee budget projects a minor underspend of £5,451, attributable to staffing changes during the year and the cancellation of an insurance policy.

The 2022/23 is an increase of £14,188 and reflects planned staffing levels and salary progression (including an estimate of expected national adjustments to staffing salary values). This total reflects changes to the hours of the Cemetery Groundskeeper and includes provision for Community Governance course the Town Clerk is undertaking in the financial year.

4.0 DECISION REQUIRED

The committee should consider the budget submissions from committees, the allocation of reserves and the resultant precept calculation.

The committee should approve a draft budget, reserves and precept requirement and produce a recommendation to Full Council for the January meeting.

The committee may include its decision a recommendation that a committee's budget be amended; the relevant committee would have opportunity to consider challenging this recommendation and make representations to the precept setting council meeting.

ⁱ The town council submits a precept demand to Cheshire East Council for a set amount which is paid in full to the town council in two instalments. Cheshire East Council divides the precept by the tax base to work out the amount to be paid by a Band D property and uses this figure to determine the amount paid by the other bands as a proportion of the Band D.