



**Hinckley & Bosworth
Borough Council**

Forward timetable of consultation and decision making

Hinckley Area Committee 2 March 2023

Wards affected: Hinckley Wards

HINCKLEY AREA COMMITTEE BUDGET 2023/24

Report of Section 151 Officer

1. Purpose of report

- 1.1 To present the proposed draft revenue budget and council tax for 2023/24 for the Special Expenses Area of Hinckley

2. Recommendation

Members approve:

- 2.1 That the Committee endorse the revenue and capital budgets and council tax for 2023/24.
- 2.2 That the Committee endorse the Fees and Charges for 2023/24.
- 2.3 Members decide on which growths they wish to support based on the earmarked reserves position as set out in 3.11.

3. Background to the report

- 3.1 This report presents the budget relating to the Special Expenses Area of Hinckley for the Committee to consider and make recommendations to Council for approval. The 2023/24 General Fund revenue budget (including the Special Expenses) was presented to Council for approval in February 2023
- 3.2 The budget for 2023/24 together with the latest estimate for 2022/23 is shown in Appendix 1. The proposed budget has been drawn up in accordance with the principles set out in the 2023/24 Budget Strategy. The key assumptions approved in this Strategy include:

- Reversal of one-off growths from previous years
- 5% for the 2023/24 pay award has been included.
- Application of no growth on non-contract supplies and services
- No increase in Council Tax for the Special Expenses element.

Revised budget 2022/23

3.3 The net budget as detailed in **Appendix 1** has been revised and has increased by £31,000. This is primarily due to a £11,000 contribution towards proms in the parks, and MVAS expenditure £10,000.

Proposed budget 2023/24

3.4 The proposed expenditure budget for 2023/24 has been detailed in **Appendix 1** and has been prepared using the assumptions identified in 3.2. Compared to the Original estimate for 2022/23, service expenditure for the Special Expense Area has increased by £63,919. The main variances are summarised below: -

	£000
Pay Award	16
Ground contract increase	12
Utility inflation	29
Other minor variations	7
Total	64

Council Tax

3.5 The Tax Base (number of chargeable properties) in the Special Expenses Area has increased by 1.01% in 2023/24 when compared to 2022/23. This is compares against the forecast of 2.0% assumed in the Medium-Term Financial Strategy in July 2019.

3.6 Although the financial settlement allows for a potential £5 increase on Council Tax the current recommendation is for no increase in the Special Expenses element of Council Tax. **It is therefore recommended that the Council Tax for the Special Expenses Area remain at £19.37 for 2023/24 for an average Band D property, on a Borough wide calculation, which equates to a £68.70 charge to Council Tax payers in the Special Expenses Area.**

Fees and Charges

3.8 Fees and Charges that relate to this committee are attached in **Appendix 2**. Members are requested to review the charges and endorse the officer recommendations in the Appendix.

Balances and Reserves

- 3.9 Based on the proposed budget, balances in the Special Expense Area at 31st March 2023 and 2024 are estimated as follows:

	£
Estimated Balance at 31st March 2023	(290,331)
Transfer (to)/from Balances 2023/2024	70,628
Estimated Balance at 31 March 2024	(219,703)

- 3.10 Earmarked reserves have been set aside for the Special Expense Area to meet the cost of Green Space projects within Hinckley. This reserve at 31 March 2024 is projected to be £262,369 based on the following movements: -

	£
Balance at 1st April 2022	(286,285)
Transfer to Reserves	(110,000)
Transfer from Reserves (revenue)	52,500
Transfer from Reserves (capital)	114,166
Estimated Balance at 31st March 2023	(229,619)
Transfer to Reserves	(110,000)
Transfer from Reserves (revenue)	31,500
Transfer from Reserves (capital)	45,750
Estimated Balance at 31st March 2024	(262,369)

Members should also not that £350,000 that was previously earmarked from the general fund to for potential Hinckley Area Development schemes has been put back into the general fund.

Earmarked Reserves

- 3.11 The estimated reserve balances based on the Green Space Deliver Plan and additional parks growth summarised below:

Figures in £	2023/24	2024/25	2025/26	2026/27
Opening Balance	(229,619)	(262,369)	(280,179)	(211,655)
Contributions (to)/from reserves	(78,500)	(58,500)	(51,000)	(43,000)
Contributions capital expenditure	45,750	40,690	104,524	27,000
Parks Capital growth			15,000	15,000
Closing Balance	(262,369)	(280,179)	(211,655)	(212,655)

Potential additional growths to be discussed at Committee are set out below

Figures in £	2023/24	2024/25	2025/26	2026/27
Proms in the Park	11,000	11,000	11,000	11,000
Way Finding	49,000	0	0	0
39 Castle Street HAZ	39,000	0	0	0
Total Cost	99,000	11,000	11,000	11,000

The estimated earmarked reserve balance as at 31/3/27 is expected to reduce to £80,655 if all growths are approved. Members will have to decide which schemes to support and whether they which to earmark funds for additional green space schemes.

Figures in £	2023/24	2024/25	2025/26	2026/27
Closing Balance	(163,369)	(170,179)	(90,655)	(80,655)

Capital Programme Per Council February 2023

3.12 The capital programme for the HAC is summarised below:

Hinckley Community Initiatives Fund	2022/23 £	2023/24 £	2024/25 £	2025/26 £
Total Annual Expenditure	27,250	12,000	12,000	12,000
HAC Element	27,250	12,000	12,000	(2,000)

Memorial Safety Programme	2022/23	2023/24	2024/25	2025/26
Total Annual Expenditure	6,110	6,270	6,440	6,610
HAC Element	(6,110)	6,270	6,440	6,610

Existing Green Spaces Delivery Plan	2022/23	2023/24	2024/25	2025/26
Total Cost	73,294	262,140	0	0
Less: Section 106 contributions	(73,294)	(204,142)	0	0
Less other private contributions	0	(57,988)	0	0
HAC Element	0	0	0	0

New Green Spaces Delivery Plan *	2022/23	2023/24	2024/25	2025/26
Total Cost	0	24,250	127,712	187,782
Less: Section 106 contributions	0	(14,970)	(105,462)	(101,868)
Less other private contributions	0	0	0	0
HAC Element	0	9,280	22,250	85,914

**Schemes set out in Appendix 3. If the actual funding is materially different to those anticipated a further report will be presented to the committee to discuss the financial implications*

Hinckley Action Zone	2022/23	2023/24	2024/25	2025/26
Total Cost	1,030,681	306,500	0	0
Less: Historic England grant	(797,275)	(237,630)	0	0
Less: HBBC Element	(152,600)	(50,670)	0	0
HAC Element	80,806	18,200	0	0

Members are requested to note the programme.

4. Exemptions in accordance with the Access to Information procedure rules

4.1 Report taken in open session.

5. Financial implications [IB]

5.1 Balances and reserves in this report have not been adjusted for other reports that will be presented to the Committee on the day.

Other implications are contained within the body of the report.

6. Legal implications [MR]

6.1 None

7. Corporate Plan implications

7.1 Expenditure incurred to achieve an attractive 'green' borough that minimises its impact on the environment

8. Consultation

8.1 None

9. Risk implications

9.1 It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

The following significant risks associated with these report / decisions were identified from this assessment:

Management of significant (Net Red) Risks

Risk Description	Mitigating actions	Owner
None	None	None

10. Knowing your community – equality and rural implications

10.1 All expenditure and income relate to the urban area of Hinckley...

11. Climate implications

11.1 There are no direct implications arising from this report. However budget decisions made by members in relation to issues such as rents, fees and charges, and in the longer-term asset investment directly affect the council's abilities to invest in climate change priorities. The financial pressure on the council will mean it become increasingly difficult to meet its carbon emergency targets by 2030.

12. Corporate implications

12.1 By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Human Resources implications

Background papers: Capital Programme 2022/23 to 2025/26
Revenue Budget 2023/24

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