

CONGLETON TOWN COUNCIL

COMMITTEE REPORTS AND UPDATES

COMMITTEE:	Council / Finance and Policy		
MEETING DATE AND TIME	29 th September 2022 7.00pm	LOCATION	Congleton Town Hall
REPORT FROM	Serena Van Schepdael – Responsible Financial Officer (RFO)		
AGENDA ITEM REPORT TITLE	9 Budget Update and Budget Setting for 2023-24		
Background	<p>This report is being presented as a request for approval to update budget lines that were approved as part of our Budget Setting on 9th December 2021.</p> <p>In accordance with our Financial Regulations:</p> <p><i>4.2. Expenditure in accordance with 4.1 above which results in a budget being exceeded by no more than 10% may be authorised in arrears by the Finance Committee. No other expenditure may be authorised that will exceed the amount provided in the revenue budget for that class of expenditure other than by prior resolution of the council, or duly delegated committee. During the budget year and with the approval of council having considered fully the implications for public services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate ('virement').</i></p>		
Updates	<p>During the first review of the current financial year there is requirement to request approval to overspend on certain budgets lines due to unforeseen extra/emergency costs.</p> <p>I will continue to provide updates of such overspends caused by unforeseen extra/emergency costs at future Finance and Policy Committee meetings.</p> <p><u>Luncheon Club</u></p> <p>Congleton Town Council support The Luncheon Club at the Old Saw Mill and St Johns. There is a cost centre and agreed budget of £9,000 for this expenditure. To date (month 4) the current spend is £4,487 leaving £4,513 for September through to March 2023. The costs are averaging out at £962 per month, meaning going forward the expected future costs will be £7,698, with the possibility of costs during the winter months being slightly higher this year. Based on average figures there will not be enough budget to cover the Luncheon Club from mid-January.</p> <p><u><i>Should Council wish to support and approve, the request is to utilise funds from the Covid-19 Ear Mark Reserve (EMR) to cover an expected overspend of up to £3,000. There is currently £5,758 in the EMR.</i></u></p> <p><u>Computer/IT Costs and Telephone/Fax/Internet</u></p> <p>The budget set for this service was insufficient, and since the budget setting costs have increased slightly. The year-end estimate on this line will be £17,500.</p> <p><u><i>The request is for Council to approve the expected overspend for budget lines in order to keep continued service. The overspend will come from General Reserves.</i></u></p>		

Allotments

There has been a requirement for emergency tree work at the Allotments, to a total of £4,000. There has also been additional work required for DDI compliance which cost £1,120.

The budget for Allotments General Expenditure is £1,000 per annum.

The request is for Council to approve this overspend and to approve further day to day expenditure of up to £1,000 (the original budget) to cover general items.

Streetscape

Temporary and Casual Staff (Ref: 280-4004)

Annual budget is £6,000. Current spend to month 5 is £13,511, with further costs due. There has been a requirement for 2 staff this year to cover staff sickness which is ongoing.

The request is for Council to seek approve the overspend and for addition expenditure on this line.

Street Cleansing (Ref: 280-4050)

Annual budget is £3,000. General expenditure on this line as at month 4 is £1,458, an overspend has been caused due to fly-tipping removal requirement, which to date has cost £3,335. The Streetscape costs to date, posted within expenditure lines is £4,461

April £ 378.85

May £ 3,290.48 (including three incidents involving asbestos costing £ 3,000 to clear.)

June £ 290.48

July £ 501.10

The request is for Council to approve the current overspend and to also approve continued spend on this line for general expenditure of up to the £3,000 budget and for any future fly-tipping costs required.

Payroll

Documentation with regards to the current pay award negotiations is starting to be circulated. For our current financial year, the budgeted pay award was assumed at 3%, current publications are showing a possibility that it could be higher than this. *This is to note only.*

Budget Setting 2023-24

Taking the above into consideration, with the exception of The Luncheon Club request, any overspends will be offset against our general reserve. This currently stands at £227,033 for 2022-23, but the requirement for 2022-23 is £238,389, (based on 25% of revenue expenditure). At start of the year, the general reserve is under by £11,356, this is something that would need to be considered during the next budget setting. As part of the draft budget setting, considerations are also being taken into account for the current increase in costs for utilities, fuel and general provision of services.

	<p>The timetable for the approval of the 2023-23 budget is:</p> <ul style="list-style-type: none"> • September/October 2022- Preparation by the Responsible Financial Officer (RFO), in conjunction with the Chief Officer, Chair and Vice Chair of the Finance and Policy Committee and the Management Team. • October 2022- DCK Accounting Ltd will visit to prepare the projected year end spend and draft budget documentation. • November 24th 2022: Draft budget will be presented to the Finance and Policy Committee. • November/December 2022: Tax Base expected from Cheshire East Council around this time. • December 8th 2022: Final Draft budget will be presented to Council for approval. • Mid-January 2023: Precept request submission deadline.
Decision Requested	<p>To approve for this current financial year (2022-2023):</p> <ol style="list-style-type: none"> 1. <i>That £3,000 from the Covid-19 EMR is to be used against the Luncheon Club cost centre.</i> 2. <i>The continued expenditure on budget lines ICT/Computer and Telephone/Fax/Internet and the projected end of year overspend.</i> 3. <i>The current overspend on Allotments General Expenditure due to emergency work and continued expenditure for general requirements.</i> 4. <i>The current overspend on Streetscape: Agency/Temporary Staff and continued expenditure.</i> 5. <i>The current overspend on Streetscape: Street Cleansing and continued expenditure for general items of up to the £3,000 budget and for any future fly-tipping costs as required.</i>