

KETTERING TOWN COUNCIL

REPORT FOR DECISION

Item No:- 22/47

Committee:-	Council
Date:-	19 th October 2022
Author:-	Martin Hammond, Clerk
Report Title:-	Budget and Corporate Plan for 2023-4 onwards
Wards Affected:-	All

1. Purpose of Report

To -

- a) seek approval for an outline budget for next year against which consultation can commence
- b) to seek approval for revisions to the corporate plan to be drafted

2. Recommendations

Council is recommended to

- a) Note the likely out-turn for 2022/23
- b) approve a draft outline budget for consultation
- c) authorise the clerk to revise the corporate plan to reflect new and current pressures and the shape of the budget.
- d) endorse the consultation plan set out in section 7 below

3. Information

3.1. Finance and Governance Committee have agreed an overall budget timetable for the coming financial year and this is set out in Appendix A at the end of this report. F&G Cttee has also agreed the broad shape of the consultation process which will run until early January and an overall financial envelope for the coming year's budget.

3.2. At this meeting Council is being asked to :-

- consider the likely 2022/23 budget outturn-

- consider a draft budget for 23/24 for consultation
- consider any changes to the corporate plan and
- agree consultation process for both budget and corporate plan

4. Likely out-turn for 2022/23

4.1. The current year's budget, as set out below, is set to delivered comfortably within its parameters.

Heading	Sub heading	Budget 22/23	Outturn 22/23	Out-turn notes
Employees	Employees including all oncosts, training, payroll, pension and NI	57000	66718	Pay award for 22/23 + proposed staffing changes
Administrative costs	Office Accommodation	12000	12550	inclusion of removal costs offsets savings in year
	ITC, office, banking and other admin costs	5120	4600	
	Insurances	1500	1486	
	Society of Local Council Clerks	280	280	
	Audit	1150	1120	
Civic and Democratic	Mayoral allowances and costs	2250	2000	
	Member expenses and training	1000	250	
	Branding/coat of arms	2500	2500	
	Town meetings/consultation/engagement	0	250	
	Election fund contribution	16000	16000	
Environmental and Public Services	Market management	10000	17000	Lower income; higher costs
	Community infrastructure	20000	18900	Virement from this fund to traffic speed devices of £1000
	Neighbourhood Plan	1000	750	
	Allotments	4000	4000	

	Bio-diversity and tree planting	3000	3000	
	Public toilets installation	40000	0	Monies to be put into a fund for future spending
	Public Toilets management	35000	0	Monies to be put into a fund for future spending
	Traffic speed devices	2400	3500	Virement from above
Community services and events	Small grants and ward initiatives	25000	25000	
	Events	47500	46000	
	Community resilience fund	7400	7400	
	Kettering Town Lottery	1300	340	
	Kettering Charities	-400	-600	
	Contingency and contribution to reserves	30000	30000	Contribution to reserves
TOTAL		325000	263044	

4.2. The main variances are

- a) **Public toilets** – a total of £75000 was included but no progress has been made with NNC about allocating land for a facility and therefore it is unlikely that any spend will take place this year. At the same time, the indicative costs suggested a cost more in the region of £90,000 to deliver a facility of sufficient quality that it is attractive to use and easy to maintain. It is therefore proposed that the allocated sums be placed in an earmarked account at the end of the year and re-used on the design and build costs during 2023/24, having been supplemented by a provision in the coming year's budget for any additional build cost and part year operating costs.
- b) **Market costs** – a provision of £10,000 loss on the market was included in the budget, which assumed that charges would be introduced during the year. Charges were introduced in June but traders responded by reducing the number of pitches or stalls that they used and in the meantime, labour costs to erect stalls increased. The number of traders has stabilised and slightly grown over the summer, and income has been supplemented by specialist markets during the year. It is nevertheless likely that a loss of nearer £17000 will be experienced this year. The situation should improve a little in 23/24.
- c) **Employment costs** – the pay award for local government staff is still being negotiated for 23/24 but the employers' offer of approximately 5% increase will – if that is where it

ends up – still means that the Council’s staffing budget will be exceeded by about £3000. Additionally, there is a report on this agenda proposing further increases in staffing resources to meet the workload already being undertaken and likely to apply in 23/24. The in-year consequences of both these elements mean that the staffing budget will overspend against the original estimate by £2250 because of the pay award and a total of £9700 as a result of the proposed staffing changes.

- d) **All other changes** – a net underspend of about £3750 is expected in total across all other budget headings.

4.3. Taken together this means an underspend of £62,000 against the total budget, but an overspend of £13000 if the public toilets provision is factored back in in full.

4.4. The Council will have reserves of £68,000 by 1st April 2023, including some interest earned on those reserves.

5. Draft budget for 23/24

5.1. Looking forward to the budget for 2023/4, Finance and Governance Committee asked the clerk to produce an outline budget to raise a precept of approximately £400,000. This would roughly translate into an average band D Council tax of £23-50- £24, compared to £19.56 for 22/23. (an increase of 22%) This calculation takes into account an assumed increase in the tax base as a result of housing growth.

5.2. Additionally, all members were asked to make any specific proposals for inclusion in the budget, by email on 15th September. One response was received advocating the inclusion of Kettering by the Sea in the events budget and questioning the need for a provision for branding/coat of arms in next year’s budget.

5.3. A proposed budget, as the basis for consultation, is set out at Appendix Two. The salient parts of this are:-

- A) **Employee Costs** The budget line reflects the full year costs of the staffing proposals set out in the report of the Staffing Committee, including assumptions about the pay awards in 2022 and 2023
- B) **Market costs** a reduced loss of £14,000 is projected.
- C) **Public toilets** – a provision of £26,000 to add to that not spent in 2022/23, to ensure that design and build costs can be fully met, plus a part year provision of £25,000 for management costs.
- D) **Grants** – an increase in the total budget to £30,000
- E) **Events** – an increase in the budget to £112,000 (from £46,000). This reflects a desire to retain all the events provided in this year, and to add in Kettering by the Sea (approximately £25,000) and also recognises that it may be necessary to take on the full costs of Christmas lights and the light switch on event, which NNC is likely to withdraw from administering in 2023. Full costings for Christmas lights and the switch on event are

to be established, but it is understood that they cost £40,000 a year currently. At this stage, a worse case scenario is being planned for.

5.4. This budget amounts to a shade under £400,000 and a possible precept of £23.50 (an increase of 20% or 7.6p per week).

6. Changes to the corporate plan

6.1. The existing corporate plan is here [kettering-town-council-corporate-plan-4.pdf](#) (ketteringtowncouncil.gov.uk) and was approved in February 2022. It is suggested that the overall shape and style of it need not change and that it should be updated to reflect the new budget proposals, changes in policy and objectives since April 2022 and emerging priorities. Members' views on the extent of changes are requested.

7. Consultation and Engagement

7.1. Finance and Governance Committee agreed to reproduce the "qualitative" consultation with key stakeholders that had taken place in 2021, and to supplement it with a public consultation event (s) during the consultation period.

7.2. The qualitative consultation can take the shape of a summary document and consultation questionnaire sent to local organisations and individuals in the voluntary, community and business sectors as well as NNC members and senior managers.

7.3. For a wider public consultation, people can be alerted to the consultation via social media and the website and through the print media, but also by creating a drop in venue in the town centre. The Newlands Centre has agreed in principle to provide a shop unit for our use on two Fridays during November. It is proposed that we have such a unit on the 18th and 25th November for several hours in the morning and early afternoon (eg 10-2pm). It would be beneficial if members could participate in these sessions and a rota giving members an hour or two in store over those two dates could be created, with perhaps three members at any one time, plus officers. There are some costs involved in producing material for this mini-exhibition

8. Finance, Legal and Resource Implications

8.1. The average cost of a parish precept in Northamptonshire is about £65 per band D household. The more comparable parishes – Corby and Wellingborough – currently charge a similar precept to this Council at just under £20.

8.2. There are no capping rules in place for parish council budgets and precepts, but the idea has been mooted in the past and cannot be ruled out in the future.

8.3. It is possible that NNC will wish to engage in a dialogue with parish councils about functions and assets that they wish to devolve or that they will cease to pay for. The space for such a dialogue before budgets are fixed at both unitary and parish level is quite limited and there

could be significant financial and managerial consequences from picking up services and assets that NNC stop funding. The Christmas lights is an indication of the quantum of funding required for even modest service reductions. The imposition of any capping would render such a dialogue somewhat pointless unless there are funds devolved as well as assets/services.

9. Policy Implications

The Council's corporate plan sets out the policy framework for the Council and will reflect changes within it and to the budget.

Background Papers

Budget Working papers

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APPENDIX ONE - CONSULTATION AND BUDGET MAKING PROCESS

Event	Date	Purpose
Finance and Governance Committee	28 th September 2022	Agree principles to inform budget preparation Provisionally identify new or changed areas of expenditure.
Budget preparation period	15 th September to 12 th October 2022	Period for members to make proposals for items to be included within budget
Council	19 th October 2022	Council to <ul style="list-style-type: none"> a) consider likely 2022/23 budget out-turn b) consider a draft budget for 23/24 for consultation c) consider any changes to the corporate plan d) agree consultation process for both budget and corporate plan
Finance and Governance Committee	26 th October 2022	Consider any recommendations from Council which have budgetary implications.
Consultation period	27 th October to 6 th December 2022	Consultation period over 6 weeks –
Town Meeting	16 th November 2022	Consultation meeting to gather views from stakeholders as part of the consultation
Council	14 th December 2023	Consider consultation responses and agreed broad shape of budget; agree revisions to the corporate plan.
Council	18 th January 2023	Agree final budget and precept
NNC deadline	20 th January 2023	Deadline for submitting precept request to NNC

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APPENDIX TWO DRAFT BUDGET FOR 2023-24

DRAFT BUDGET 2023-2024				
Heading	Sub heading	Budget 22/23	Outturn 22/23	Estimate 23/24
Employees	Employees including all oncosts	57000	66718	87425
Administrative costs	Office Accommodation	12000	12550	8100
	ITC, office, banking and other admin costs	5120	4600	4980
	Insurances	1500	1486	1600
	Society of Local Council Clerks	280	280	290
	Audit	1150	1120	1600
Civic and Democratic	Mayoral allowances and costs	2250	2000	2000
	Member expenses and training	1000	250	500
	Branding/coat of arms	2500	2500	1000
	Town meetings/consultation/engagement	0	250	750
	Election fund contribution	16000	16000	16000
Environmental and Public Services	Market management	10000	17000	14000
	Community infrastructure	20000	18900	20000
	Neighbourhood Plan	1000	750	0
	Allotments	4000	4000	5000
	Bio-diversity and tree planting	3000	3000	3000
	Public toilets installation	40000	0	26000
	Public Toilets management	35000	0	25000
	Traffic speed devices	2400	3500	3500
Community services and events	Small grants and ward initiatives	25000	25000	30000
	Events	47500	46000	112250
	Community resilience fund	7400	7400	7500
	Kettering Town Lottery	1300	340	0
	Kettering Charities	-400	-600	-750
Contingency and contribution to reserves		30000	30000	30000
TOTAL		325000	263044	399745
Tax base		16636		17000
PRECEPT		£19.54		£23.51