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KETTERING TOWN COUNCIL

REPORT FOR DECISION

Item No:- 2023/049

Committee:-	Council
Date:-	25 th October 2023
Author:-	Martin Hammond, Town Clerk
Report Title:-	Budget for 2024-5
Wards Affected:-	All

1. Purpose of Report

To seek approval for the draft budget for 2024-5 year and to start public consultation.

2. Recommendations

Council is recommended to

- a) Note the likely out-turn for 2023/24
- 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) Approve changes in the terms of conditions for the Deputy Clerk and the administrative officer, as set out in para 6 below
- e) endorse the consultation plan set out Appendix A below

3. Information

3.1. The 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 Ctte has also agreed the broad shape of the consultation process, which will run until December 2023, and an overall financial envelope for the coming year's budget.

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



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- note the likely 2023/24 budget outturn
- consider a draft budget for 24/25 for consultation
- agree some staffing changes
- 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 due to delivered within its parameters, with a likely surplus of £12,000 at year end.
- 4.2. The gross expected income for 23-24 will be £444,500 and is made up of
- | | |
|---|----------|
| Precept | £400,000 |
| Income | £ 18,900 |
| Cash in hand as at 1 st April 23 | £ 25,617 |
- 4.3. There was £25,617 unspent at the end of 22/23 financial year and F&G Committee agreed to allocate some of this to reserves and some to supplement the budgets for office accommodation and allotments.
- 4.4. The likely out-turn for the year is expected to be broadly in line with the budget, and to be in the range £417,00- £420,000, but a delay in the toilet programme would generate further monthly savings of about £3000.
- 4.5. Bank interest payments have been greater than planned; these have been used to supplement reserves; the net gain in the year will be about £3000.
- 4.6. The pay award for 23-24 has yet to be agreed; a 2% increase was built into the budget but the projected increase is probably more likely to be equivalent to 5.6%, (assuming the employers' offer of a £1925 pro rata increase in everyone's pay is agreed) which will put an extra (net) £1700 strain on the overall budget.
- 4.7. The cost of office moves and a more expensive new office has increased those costs by about £6000 in this financial year. Stripping out the one off costs will mean next year's costs will rise by £5000 compared to the original estimate for 23-24.
- 4.8. The cost of insurance was greater than originally provided because of the need to improve cover on allotment fencing.
- 4.9. The net cost of markets in 23-24 has reduced because of the payment of rate relief, which will not apply in 2024/5.



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DRAFT BUDGET 2023-2024			
Heading	Sub heading	Budget 23/24	Projected Outturn 23/14
Employees	Payroll	72250	73500
	Employers National insurance	6500	6600
	Pension costs	8750	9500
	Payroll administration	250	230
	Staff training	400	650
	Recruitment	50	50
	sub total	88200	90530
Administrative costs	Office and meetings Accommodation	14250	15045
	ITC, office, banking and other admin costs	5140	5500
	Insurances	1660	2796
	Society of Local Council Clerks	300	300
	Audit	1600	1600
	sub total	22950	25241
Civic and Democratic	Mayoral allowances and costs	2250	2250
	Member expenses and training	500	500
	Branding/coat of arms	1100	1100
	Town meetings/consultation/engagement	750	750
	sub total	4600	4600
Environmental and Public Services	Market management	14000	10000
	Community infrastructure	20000	20000
	Allotments	8000	10000
	Bio-diversity and tree planting	3000	3000
	Public toilets installation	25000	25000
	Public Toilets management	18000	12000
	Traffic speed devices	3500	3500
	Town centre planting	0	0
	Neighbourhood Plan	0	0
	sub total	91500	83500
Community services	Small grants and ward initiatives	30000	30000
	Play area contribution Ise Valley	0	0
	Community resilience fund	7500	7500
	Kettering Town Lottery	-300	-300
	Kettering Charities	-800	-800
	sub total	36400	36400
Events	Bands in the Park	5000	4662
	Christmas events	30000	25000
	Christmas lights	33000	38500
	Kettering by the Sea	30000	26500
	Skateboard coaching	1500	1550
	Summer Saturdays	5500	5293
	Town centre events	10000	8000
	Coronation grants	2000	1250
	Kettfest	1000	968
	Running event	0	0
	Promotional and general	2000	2000
	sub total	120000	113723
	TOTAL	363650	353994
Contribution to reserves		30000	40250
Contribution to election reserves		16000	18100
Earmarked reserve for public toilets		0	5000
	sub total	46000	63350
	TOTAL NET SPEND IN YEAR	409650	417344
Funded by			
	Precept	400,000	400,000
	Bank interest and misc income	600	3,500
	cash in hand at start of year	9050	25,617

- 4.10. The Council will have reserves of £128,500 by 1st April 2024, including interest earned on those reserves. This excludes the £75,000 held in an earmarked fund for the public toilets. (See also under inflation below)

5. Draft budget for 23/24

- 5.1. Looking forward to the budget for 2024/5, Finance and Governance Committee asked the clerk to produce an outline budget to raise a precept of approximately £500,000. The budget set out below is for a precept of £490,000 which would roughly translate into an average band D Council tax of approx. £28.88, compared to £23.72 for 23/24. (an increase of 22% or 10p per week). This calculation takes into account an assumed increase in the tax base as a result of housing growth, as well as interest rate growth and an assumed underspend of about £10,000 in this financial year.
- 5.2. Potential new service pressures, considered by both F&F Committee and Markets and Events Committee include:-

Events

- A new running event to be held annually – possible net cost of £25000- although it is possible the event may fall outside the 24/25 financial year.
- Revitalisation of the Kettering Cultural Consortium and the replacement of cultural monies, which will cease to flow into the town from March 2024 - £10,000 proposed which would cover some costs for Kettfest as well as other activities currently funded by grant via NNC.
- An increase in the provision for skateboard events from £1500 to £3000.

Environment and public services

- Delivery of town centre planting schemes currently provided by NNC - net cost £25000-£30,000. This was potentially due to transfer in 2023, and may be back in prospect as NNC prepare their own budget. The scope and exact cost of that which is in play still need to be established.
- Full year cost of managing the new toilets – this is assumed to be £3000 per month, including supplies, water and power, cleaning and management, CCTV maintenance



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- Continuation of the market superintendent role at the market – 3 hours per week -£3000/year
- The ending of rate relief on the market – entailing an extra cost of £2000 per year
- A small increase in the bio-diversity budget of £1000.
- Preparatory work on a Neighbourhood Plan – although this is still some way from being tested and costed, and some grants may be available, a neighbourhood plan which covered the town centre would be an extensive undertaking requiring some specialist support, so a figure of £10,000 has been included at this point.

Employees and inflation

- Additional staff hours to allow us to cope with extra events and functions in the most economic way possible – see para 6 below
- General inflation on supplies and services
- Increased likely election costs in 2025, meaning an increase in the amount added to reserves in 2024 and 2025 of £2000 per annum.
- An assumed 3% pay award in 2024/5

Play areas

- A request from NNC to contribute to the costs of a new play area on the Ise in the sum of £7000.(already dealt with on this agenda – item 47) .

- 5.3. This report does not envisage any other general transfer of assets or services from NNC although the possibility of being approached to pick up services or assets which NNC can no longer afford remains a possibility. Clearly any such “offer” would add additional costs to the Town Council’s budget.
- 5.4. The resulting outline budget amounts to £500,000 and is set out in Appendix B below. Some of the items above will be the subject of more detailed reports to Council or committees as they are developed. The proposed precept is slightly less than this as the budget will benefit from extra interest received and some underspending in the 23-4 year.

6. Staffing Changes

- 6.1. The report to F&G Cttee in September set out the case for increasing the Council's overall staffing resource to meet the requirements of the budget, in particular the growing events calendar but also some of the other changes within the draft budget for 2024/5. The events calendar has been challenging to deliver this year given the number and breadth of new events taken on.
- 6.2. It is proposed that the administrative officer's hours be increased from 10 to 15 per week; this will enable more of the deputy clerk's routine work to be delegated to the admin officer and free up more of her time. Nevertheless, an increase in the deputy clerk's time from 28 to 30 hours will put us in a better position to cover the demands of the work programme in the coming year.
- 6.3. The total additional cost in a full year of these increases is £6227. If the increased hours were to have effect from 1st December (to help us over Christmas), then the additional cost in 2023-4 is £2075, which can be accommodated within the overall budget, as described in the out-turn section above.

7. Changes to the corporate plan

- 7.1. The existing corporate plan is here [kettering-town-council-corporate-plan-2023-28-6.pdf \(ketteringtowncouncil.gov.uk\)](https://ketteringtowncouncil.gov.uk/kettering-town-council-corporate-plan-2023-28-6.pdf) and was approved in February 2023. It is suggested that the overall shape and style of it need not change much but it will need to be updated to reflect the new budget proposals, changes in policy and objectives since April 2023 and emerging priorities. Members' views on the extent of changes are requested.

8. Consultation and Engagement

- 8.1. Finance and Governance Committee agreed to reproduce the broad shape of the consultation with key stakeholders that had taken place in 2022, but with a simpler questionnaire and with some changes to the consultation drop in at the Newlands centre to make it more prominent. The drop in will take place on 17th and 18th November and there is a Town meeting on the 21st November.

9. Finance, Legal and Resource Implications

- 9.1. 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.
- 9.2. 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.
- 9.3. 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 now quite limited and there could be significant financial and managerial consequences from picking up services and assets that NNC stop funding. The Christmas lights costs incurred by KTC in 2023 are an indication of the quantum of funding required for even modest service transfers. NNC are likely to be addressing their relationship with Town Councils as part of their own transformation programme during 2024.
- 9.4. The budget set out in Appendix One and in the bulk of the report above is a net budget, in that trading or other income has been taken into account in the figures for each activity area. Income comes largely from market stall hirings, from allotment rents and from bank interest payments.

10. Climate change implications

- 10.1. None specifically, although the Council's policy is to take account of climate changes implications in everything it does.

11. Policy Implications

- 11.1. 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

Reports to F&G Cttee July 2023 and September 2023

Reports to and minutes of Markets and Events Cttee October 2023

Financial systems



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APPENDIX A BUDGET CONSULTATION AND PREPARATION TIMETABLE

Event	Date	Purpose
Finance and Governance Committee	20 th September 2023	Agree principles to inform budget preparation Provisionally identify new or changed areas of expenditure.
Budget preparation period	27 th September to 17 th October 2023	Period for members to make proposals for items to be included within budget
Council	25 th October 2023	Council to a) consider likely 2023/4 budget out-turn b) consider a draft budget for 24/25 for consultation c) consider any changes to the corporate plan d) agree consultation process for both budget and corporate plan
Consultation period	27 th October to 4 th December 2023	Consultation period over 6 weeks – nature to be agreed but to include:- Drop in consultation event, Newlands centre, Friday 17 th and Saturday 18 th November
Town Meeting	21 st November 2023	Consultation meeting to gather views from stakeholders as part of the consultation
Council	13 th December 2023	Consider consultation responses and agreed broad shape of budget; agree revisions to the corporate plan.
Council	17 th January 2023	Agree final budget and precept
NNC deadline	19 th January 2023	Deadline for submitting precept request to NNC



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APPENDIX B - DRAFT 2024-25 BUDGET FOR CONSULTATION

DRAFT BUDGET 2023-2024						
Heading	Sub heading	Budget 23/24	Projected Outturn 23/14	Projected into 24/25	Commentary	
Employees	Payroll	72250	73500	82222	Assumes increase in hours of Admin officer to 15 from 10 to deal with extra work below.	
	Employers National insurance	6500	6600	6900		
	Pension costs	8750	9500	11396		
		Payroll administration	250	230	240	To reflect additional work and demands on staff time
		Staff training	400	650	750	
		Recruitment	50	50	50	
		sub total	88200	90530	101558	
Administrative costs	Office and meetings Accommodation	14250	15045	13890		
	ITC, office, banking and other admin costs	5140	5500	5750	to meet inflationary costs	
	Insurances	1660	2796	2900	to meet inflationary costs	
	Society of Local Council Clerks	300	300	310		
	Audit	1600	1600	1750	Audit fees will increase as the budget does.	
		sub total	22950	25241	24600	
Civic and Democratic	Mayoral allowances and costs	2250	2250	2300		
	Member expenses and training	500	500	500		
	Branding/coat of arms	1100	1100	750		
	Town meetings/consultation/engagement	750	750	750		
		sub total	4600	4600	4300	
Environmental and Public Services	Market management	14000	10000	16000	Re-introduction of rates £2000; plus full year cost of market superintendent role	
	Community infrastructure	20000	20000	20000		
	Allotments	8000	10000	10000	To fund a realistic programme of improvements	
	Bio-diversity and tree planting	3000	3000	4000	Proposed increase in spending to widen impact	
	Public toilets installation	25000	25000	0		
	Public Toilets management	18000	12000	36000	full year running costs	
	Traffic speed devices	3500	3500	3500	funds a further device	
	Town centre planting	0	0	25000	new service	
	Neighbourhood Plan	0	0	10000	new undertaking	
		sub total	91500	83500	124500	
	Community services	Small grants and ward initiatives	30000	30000	30000	
Play area contribution Ise Valley		0	0	7000		
Community resilience fund		7500	7500	7500		
Kettering Town Lottery		-300	-300	0		
Kettering Charities		-800	-800	-800		
		sub total	36400	36400	43700	
Events	Bands in the Park	5000	4662	5000		
	Christmas events	30000	25000	25000		
	Christmas lights	33000	38500	40000		
	Kettering by the Sea	30000	26500	27500		
	Skateboard coaching	1500	1550	3000	additional provision	
	Summer Saturdays	5500	5293	5750		
	Town centre events	10000	8000	10000		
	Coronation grants	2000	1250	0		
	Kettfest	1000	968	1000		
	Running event	0	0	25000	new event	
	Promotional and general	2000	2000	12500	Includes £10k support for Kettering Cultural Consort	
		sub total	120000	113723	154750	
		TOTAL	363650	353994	453408	
	Contribution to reserves		30000	40250	30000	
Contribution to election reserves		16000	18100	18000		
Earmarked reserve for public toilets		0	5000	0		
	sub total	46000	63350	48000		
	TOTAL NET SPEND IN YEAR	409650	417344	501408		
Funded by						
	Precept	400,000	400,000	490,000		
	Bank interest and misc income	600	3,500	3,500		
	cash in hand at start of year	9050	25,617	10,000		
		409,650	429,117	503500		