

STOURPORT-ON-SEVERN TOWN COUNCIL
PARKS COMMITTEE
MEETING ON 22nd JANUARY 2024

REPORT OF THE TREASURER ON THE BUDGET 2024/25

1. INTRODUCTION

The financial background to this report is that the Council's current financial position remains sound. However, the Council's overall financial position has been significantly affected this financial year by reduced income from burial fees. It has to be assumed that this change in demand will affect future years as well as this year. More detail in relation to this matter will, I am sure, be provided and discussed at your meeting.

More detail on the background to the budget will be provided to the meeting of Finance Committee on 30th January 2024.

The purpose of this report is to help the Committee to formulate budget recommendations to the Finance Committee and to the Council. The Parks Committee section of the Council's draft budget is attached to this report. Members will note that it provides details as follows:

- Actual income and expenditure to 31st December 2023
- Revised estimates for 2023/24;
- Draft budget for 2024/25; and
- Projection for 2025/26.

These are considered in the paragraphs below.

2. ACTUAL INCOME AND EXPENDITURE TO 31ST DECEMBER 2023

Accepted good accounting practice requires that budgetary control be carried out during each financial year. An important element of that process is to compare actual income and expenditure for the 9 months ended 31st December 2023 with the approved budget for the current financial year 2023/24 to identify any significant additional costs or savings and take any appropriate action. However, as variances have been included in the full year revised estimate for 2023/24, and are dealt with in the next paragraph, there is nothing else to bring to Members attention.

3. REVISED ESTIMATE 2023/24 AND DRAFT BUDGET 2024/25

The revised estimate for 2023/24 is detailed in the attached paper and is £72,495 above the original budget (£302,763 compared with £230,268). The reasons behind this overspend are shown below:

	£	£
Adverse variations		
Burial fee income less than budgeted	44,000	
Paddling pool resurfacing*	35,000	
Community Centre – 3 new doors	7,200	
Parks equipment*	4,700	
Bandstand safety repairs	3,600	
Other minor variations	<u>4,800</u>	
		99,300
Benign variations		
Community Centre – unbudgeted income less spending	11,600	
Grave-digging – reduced demand	5,000	
Salaries (Parks Committee share only)	5,400	
Insurance claim re vandalism in park	<u>4,800</u>	
		<u>-26,800</u>
Net total variations		<u>72,500</u>

*Costs will be met from funds and reserves.

Most of these variances were apparent earlier in the financial year and were reported to Finance Committee in the half-year budget monitoring report in November. Finance Committee approved the items of additional expenditure at various stages of the year.

4. **DRAFT BUDGET 2024/25**

The draft budget is detailed in the attached annex and shows total net expenditure for 2024/25 as £274,762. The figures attached are based on 6% pay inflation for 2024/25 and on allowances for price inflation where appropriate e.g. electricity. In relation to income it is suggested that:

- **cemetery fees** – following an increase in 2023 from £850 to £900 it is suggested that a further increase in 2024 may not be appropriate for burials as there already seems to be ‘market resistance’ (though that may not be the true explanation) to the current price. However, it is suggested that the fee for burial of cremated remains be increased from £370 to £400 with effect from 1st April 2024.
- **rents for allotments** – these were increased from £46 to £50 (large plots) and from £23 to £25 with effect from 1st April 2023 but it is suggested that they are now increased to £54 (£27 for small plots) takes effect from 1st April 2024.

Members are invited to put forward ‘bids’ for service improvements or savings which the Committee may decide to recommend to Finance Committee, and to the Council, for inclusion in the Council’s final 2024/25 budget.

5. **FUNDS AND RESERVES**

The position for all of the Council’s funds and reserves is attached. Members will be able to see that it is envisaged that the cost of a watering machine for the hanging baskets (£3,000) and of a cylinder mower (£300) are shown as being met from the Vehicles, Plant, Equipment, Computing etc. fund in 2024/25.

Members will also be able to see from the funds and reserves schedule that:

- it is envisaged that the £35,000 estimated cost of resurfacing the paddling pool will be met partly (£9,000) from the Elections fund and partly (£26,000) from the Civic Centre fund; and
- a new ‘localism renewals fund’ will be created to build up funds to, in due course, be able to meet significant replacement/renewal costs at the paddling pool, the riverside toilets and the Community Centre.

6. **RECOMMENDATIONS**

It is RECOMMENDED that:

- 1 *Actual income and expenditure for the 9 months ended 31st December 2023 be noted; and*
- 2 *The Committee approve, for referral to the Finance Committee and to the Council:*
 - *the Parks Committee section of the revised estimate for 2023/24 and the draft budget for 2024/25;*
 - *its decisions in relation to cemetery fees and allotment rents from 1st April 2024;*
 - *its recommendations in relation to service options.*

This Report has been prepared by Graham Shaw, Treasurer who will be pleased to respond to any questions arising.