

**BRIDGNORTH TOWN COUNCIL  
TOWN COUNCIL MEETING  
15<sup>TH</sup> NOVEMBER 2022**

**Agenda item 8.8.1****Report from the Chair of the Finance Committee****Budget 2023/2024****Aim**

To inform members of the current position

**Background**

Since my last report (Agenda item 12, 27 September 2022 meeting) the Finance Committee has met twice to review the base budget for next year. In broad terms the base budget states what it is expected to cost to deliver the same services next year that we are currently supplying. In drawing up the base budget Officers have included cost changes that arise from changing the way we work rather than the services we deliver.

The Committee has also looked at what this means for the precept and General Reserves both for next year and illustratively for the following 2 years.

The Officers have looked at the potential savings that might be made through service changes. This is presented as Agenda item 8.8.2

**Discussion**

Appendix 1 sets out the base budget as prepared by Officers.

Key assumptions made include

- Pay awards for 2023/24 are projected at 6%. The 2022/23 pay award was settled earlier this month. It awards a flat increase of £1,925 for all staff and is included in the base salary figures.
- There are no changes in manpower and all posts are filled.
- Non pay inflation is generally 10% (the September CPI was 10.1%)
- Gas prices are fixed until December 2024, Electricity contracts expire in next April. Current indications are that prices will triple.
- Cemetery income continues to fall as burials are less popular
- Car park income matches this year's expected levels

- There are significant interest receipts because of the active management of our cash balances. It assumes an average of £800k is invested throughout the year at 5% interest. Whilst base rate is currently 3% the financial markets are predicting further substantial increases in 2023.

No budget is perfect. Appendix 2 (the colourful one) summarises the budget by type of expenditure/income and tries to classify items according to the potential risk/uncertainty in the estimates for next year. This is an important consideration in looking both at our potential precept and the level of General Reserves we should hold.

We may need to change our estimates after the Chancellor makes his Autumn Statement on 17<sup>th</sup> November

Appendix B also shows **preliminary** expenditure estimates for 2024/25 and 2025/26. There is significant uncertainty in the numbers. However, the estimates are useful in understanding the consequences of decisions we might make for next year on future years.

**All things being equal we will need a precept of £748k to meet our base expenditure. This means a band D tax of £163.60. This is £13.93 more than this year, a 9.4% increase (before changes to the tax base are factored in).**

Nicky Cooper  
10<sup>th</sup> November 2022