

# **Budget Book 2023/24**

**General Fund and Housing Revenue Account  
Revenue Budgets & Capital Programmes**



# NUNEATON AND BEDWORTH BOROUGH COUNCIL

## GENERAL FUND and HOUSING REVENUE ACCOUNT (HRA) 2023/24

### REVENUE BUDGETS CAPITAL PROGRAMMES FEES & CHARGES

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# Foreword

## 1 Introduction

The Council approved the 2023/24 budget on 13<sup>th</sup> February 2023. In addition to approving the General Fund and Housing Revenue Account budgets for 2023/24, the Council determined the Council Tax for the Council and also approved the Capital Programme for the General Fund and HRA and the Treasury Strategy for the year.

This budget book sets out the background information and details behind the budgets as follows:

- ❑ Council Tax Setting 2023/24
- ❑ Nuneaton and Bedworth Council Tax Requirement 2023/24
- ❑ Housing Revenue Account
- ❑ General Fund Budgets (Appendices A & B)
- ❑ Support Services Summaries (Appendix C)
- ❑ HRA Budget (Appendix D)
- ❑ General Fund and HRA Capital Programmes (Appendices E & F)

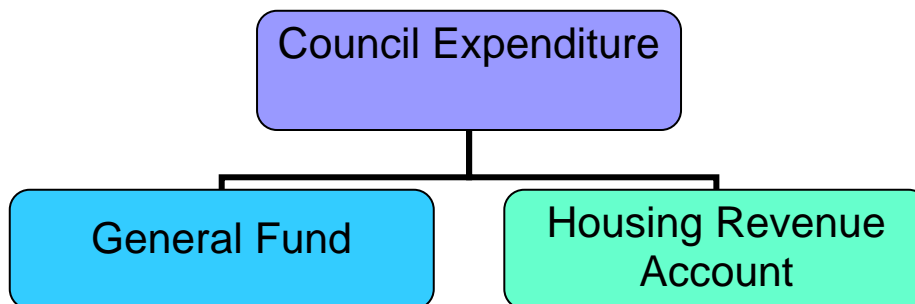
Additional information in relation to Coding is provided as follows as a reference point for internal staff:

- ❑ Payroll Coding when employing new starters (Appendix G)
- ❑ Mentec Codes for use when paying money in over the counter (Appendix H)

## 2. Local Government Finance and Budget setting 2023/24

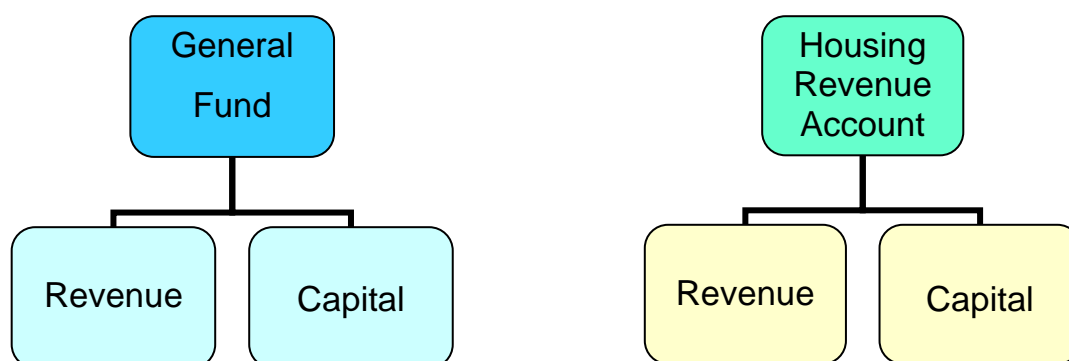
### Background

The Council's spending can be categorised as either:



- ❑ The Housing Revenue Account (HRA) is the council acting as a Landlord for the management, maintenance and letting of our own housing stock. The HRA is a separate ring-fenced fund from the General Fund and is primarily funded by rental income.
- ❑ All other spend and income is classed as General Fund.

These can then be further divided into either revenue or capital:-



- Revenue Spending is on day-to-day costs like employees, premises and transport.
- Capital Spending is for buying assets that will be of use to the authority for more than one year, such as vehicles and buildings.

### 3. General Fund

Local Authority spending is financed through Business rates, Central Government Grants and Council Tax. We also have other sources of income, which relate directly to the provision of a service. These are raised through fees and charges and include charges for the use of car parks and planning applications for example. We may also receive some specific government grants for providing some services.

A summary of the total core funding for NBBC for 2023/24 compared to 2022/23 is shown below. The Government provided Covid support during the pandemic in the way of NDR relief to businesses, refunded to NBBC through additional Government grant. This created a large NDR deficit (£4.96m) at the start of 2021/22, which was matched by the Government grant brought forward in reserves. The residual effect continued in 2022/23.

	<b>2022/23</b> £	<b>2023/24</b> £
Business Rates after Levy Payment and Prior to Surplus / Deficit Adjustment	(13,491,800)	(14,539,233)
NNDR Tariff payable to CLG	9,414,500	9,414,500
Collection Fund NDR (Surplus) / Deficit	1,723,300	(159,299)
<b>Net Retained Business Rates</b>	<b>(2,354,000)</b>	<b>(5,284,032)</b>
New Homes Bonus	(644,430)	(1,361,266)
Unconditional Government Grants	(420,100)	(143,405)
Collection Fund Council Tax Surplus	(18,010)	(81,864)
<b>Total Funding before Council Tax</b>	<b>(3,436,540)</b>	<b>(6,870,567)</b>

The council's budget is significantly influenced by the level of grant received from central Government. This has reduced significantly over recent years and as such the council's net budget has also had to decrease.

The fair funding review recalculating government grants from Central Government to local authorities and provision of a three-year settlement was expected to come into effect from April 2021. The review has been delayed and so the government's provisional one-year financial settlement was used for 2023/24. Though providing for 2023/24, without a set three-year agreement uncertainty remains, making medium term planning more difficult.

The local government finance settlement for 2023/24 was agreed and includes:

### **Revenue Support Grant (RSG)**

The core RSG settlement remained the same as 2022/23.

### **Baseline Funding Levels (BFLs)**

Freezing Baseline Funding Levels (BFLs) at 2021/22 levels, to match the freeze in the business rates multiplier. An increase in grant for the under-indexation of the multiplier, to compensate for the freeze in the business rates multiplier compared to growth in line with RPI.

### **Services grant**

In 2023/24 an unringfenced one-off "Services grant" of £143,405 has been allocated. This is considered to be to support the increases in National Insurance contributions.

### **New Homes Bonus**

Allocations of NHB will be paid for by top-slicing RSG. £1,361,266 has been allocated for 2023/24.

With one off grants it is anticipated that central funding will continue to fall in the future and as such we are becoming more reliant on business rates, council tax and creating additional revenue streams to support the services we provide. As such the trading arm NABCEL, providing a portfolio of lease income and gas installations, is being used to support income generation to the general fund.

The difference between what we spend and the income we raise from fees and charges, business rates and central Government grant(s) is known as the **council tax requirement**, and this is what we will need to be raised through council tax to support service provision for the coming year.

Council Tax is a charge on all homes within the Borough. All properties are placed into one of eight bands (A-H) plus a band for disability discount, based on valuation in April 1991.

Prior to 2013/14 business rates were pooled nationally and each local authority received a fixed proportion back as part of their Revenue Support Grant. As part of Business Rates Retention (BRR) changes introduced in April 2013, authorities now keep a proportion of the business rates they collect in their area, but to ensure some equalisation of resources there is a system of tariffs and top-ups in place where an authority's income is compared to their spending need. There is also a safety net in place if an authority's income falls below a certain amount, and a levy of 50% will be payable on any growth above RPI.

The government takes a 'central share' of 50% of all business rates income before baselines are set and this will be used to fund Revenue Support Grant allocations and other government grants. The remaining 50% will be the 'local share' with 40% being retained by the district and 10% being apportioned to the county council in two tier areas, like Warwickshire.

Each authority has been set a Business Rates Baseline and a Spending Needs Baseline in the finance settlement. If the business rates baseline is greater than the needs baseline, the difference will be paid to the government as a tariff, which is the position for NBBC. The Business Rates Baseline will be increased by RPI each year until the next reset and the tariff payment will also be up-rated each year by RPI. The actual business rates collected each year will be compared to the baseline to identify if any growth has been achieved or if a safety net payment is due.

Nuneaton and Bedworth are part of the Coventry and Warwickshire business rates pool. This has meant that any tariff payable is made through the pool to central Government, along with the other Warwickshire Districts, the County Council and Coventry City Council. The operation of the Coventry and Warwickshire pool has meant that the tariff payments made by the council are reduced and more business rates income can be kept locally.

Local Council Tax Support - Council tax benefit was abolished in April 2013 and replaced by a Local Council tax support scheme. The scheme now operates as a discount rather than a benefit, and therefore reduces the amount of council tax that we collect. This used to be adjusted within revenue support grant payable but this grant has now been phased out.

The tax base (the amount of properties that pay council tax) for 2022/23 has been set at 39,224.9, after the impact of Local Council Tax Support (LCTS).

### **Council tax referendum limits**

The council tax referendum principles limit District Councils to an increase in council tax of 3%, or £5, whichever is the highest. At the council meeting on 13<sup>th</sup> February 2023, it was agreed that the Nuneaton and Bedworth Borough Council element of the council tax should be increased by 2.99%.

#### 4 Council Tax Setting 2023/24

The overall Council Tax position in Nuneaton and Bedworth is summarised below: -

Council Tax 2023/24	Levies	Band D Equivalent	Percentage of Total
	£	£ . p	%
Nuneaton & Bedworth Borough Council	10,039,221	255.94	11.71%
Warwickshire County Council including Adult Social Care	64,861,118	1,653.57	75.64%
Warwickshire Police & Crime Commissioner	10,853,913	276.71	12.65%
<b>Total Requirements</b>	<b>85,754,252</b>	<b>2,102.15</b>	<b>100.00%</b>

The amounts of Council Tax applying to each property band are:

Band	Council Tax by Band £
AR	1,214.57
A	1,457.48
B	1,700.39
C	1,943.30
<b>D</b>	<b>2,186.22</b>
E	2,672.05
F	3,157.87
G	3,643.70
H	4,372.44

Approximately 80% of the chargeable properties in the Borough fall within Bands AR, A, B or C so most properties in NBBC will pay less than the Band D charge.

In 2023/24 council tax increased by:-

- 5.30% Police and Crime Commissioner,
- 3.94% Warwickshire County Council, and
- 2.99% NBBC

The total average council tax bill increase in NBBC will therefore be 4.08%.



## 5 Nuneaton and Bedworth General Fund 2023/24

Sources of available funding and the council tax base are shown below:

<b>Funding Summary</b>	<b>2023/24 £</b>
<b>Central Government Funding</b>	
New Homes Bonus	(1,361,266)
Unconditional Government Grants	(143,405)
<b>Total Government Support</b>	<b>(1,504,671)</b>
<b>Local Funding</b>	
Net retained business rates	(5,124,733)
Collection Fund Net Retained Business Rates Surplus	(159,299)
Council Tax Precept	(10,039,237)
Collection Fund Council Tax Surplus	(81,864)
	<b>(15,405,133)</b>
<b>Total Funding</b>	<b>(16,909,804)</b>
<b>Council Tax base (no. Band D equivalent properties)</b>	<b>39,224.9</b>

\* New Homes Bonus is time limited funding given to Nuneaton and Bedworth Borough Council from central Government, based on the number of new homes built or empty properties brought back into use in the year.

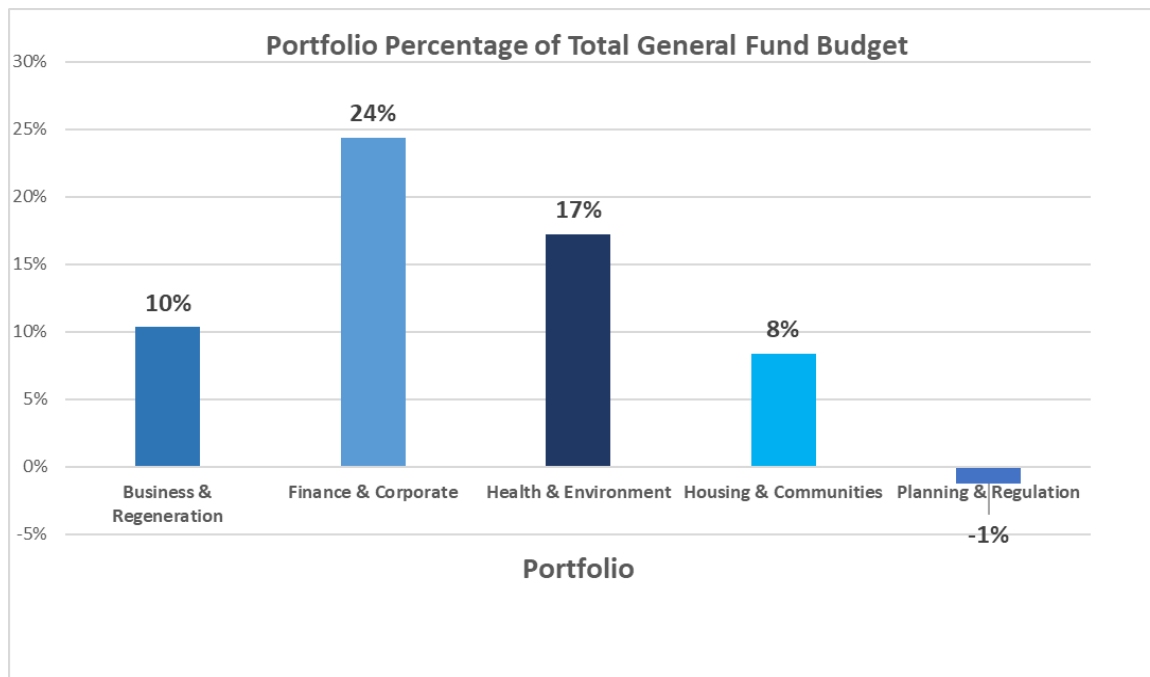
A summary of the General Fund Budget is given over leaf and more detailed information is included on pages 15 onwards.

**General Fund Budget Summary**

	<b>Original Budget 2023/24</b>	<b>Original Budget 2022/23</b>
	<b>£</b>	<b>£</b>
Business & Regeneration	1,920,660	1,426,800
Finance & Corporate	4,527,564	4,058,860
Health & Environment	3,206,894	3,015,560
Housing & Communities	1,555,978	1,177,030
Planning & Regulation	(224,929)	(391,180)
Public Services	7,594,458	8,103,230
<b>Portfolio Total</b>	<b>18,580,625</b>	<b>17,390,300</b>
Central Provisions	1,235,500	334,500
Depreciation & Impairment	(3,096,530)	(3,096,530)
Transfers To/(From) Reserves	(936,251)	(3,243,630)
Financing of Capital Expenditure	470,000	1,258,700
PWLB Premiums & Discounts	21,120	21,120
Interest & Investment Income	(460,000)	(460,000)
Minimum Revenue Provision	653,601	536,000
External Interest Paid (GF Only)	438,000	438,000
<b>Total Council Net Expenditure</b>	<b>16,906,065</b>	<b>13,178,460</b>
Net Retained Business Rates	(5,284,032)	(2,354,000)
Government Grants including New Homes Bonus	(1,504,672)	(1,064,530)
Collection Fund deficit (Surplus)	(81,864)	(18,010)
	<hr/> 10,035,497	<hr/> 9,741,920
To/(From) General Fund Working Balances	3,740	1,784
<b>COUNCIL TAX REQUIREMENT</b>	<hr/> <b>10,039,237</b>	<hr/> <b>9,743,704</b>

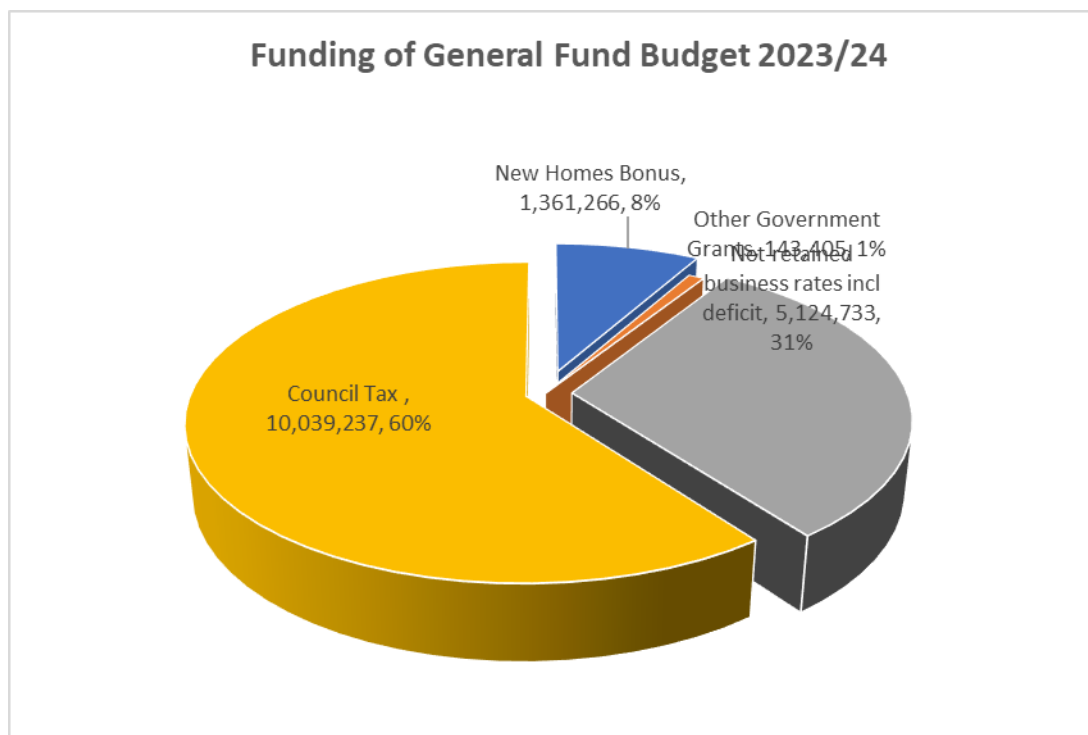
## Where the money is spent

The chart below shows how the money is spent across portfolios for 2023/24:



## Where the money comes from

The chart below shows the major sources of revenue funding for the Council:



Note :The collection fund NDR and council tax deficits have not been included in table above.

## **Fees & Charges**

The main changes to general fund fees and charges for 2023/24 include :-

Cemetery charges increases to offset the cost of the service and bring us into line with other councils.

Mobile home charges increasing to bring closer to market levels and reflect the improvements being made to both sites.

Homeless Hostel rents increasing in line with the general dwellings rent increase.

All fees and charges are subject to review and may be subject to change.

Full details on fees and charges can be found separately on the NBBC website under Fees and Charges 2023/24.

## **6 Housing Revenue Account (HRA)**

The HRA is a self-financing account to manage its council houses and sheltered accommodation. This means it is not subsidised by the general fund or vice versa. The HRA is required to fund its own expenditure on the housing stock from its rental and other income streams.

Rental income remains the major source of financing for revenue costs including the management and maintenance of the stock, whilst significant revenue contributions are also used to finance the high levels of improvement and capital investment needs of the service.

The HRA is allowed to have surpluses and deficits in single years to allow for funding of capital projects etc., however the council is required to monitor and update its 30-year business plan for the HRA detailing its future strategy regarding a number of areas including investment needs in its stock and rent setting to ensure it remains sustainable.

A summary of the Housing Revenue Account budget is shown on page 55 and shows an estimated deficit of £254,232 for 2023/24.

## **HRA Fees & Charges**

For 2023/24, HRA dwelling rents have been increased by 6.5% in line with Government policy (cap of CPI +1%). As such the average weekly rent is estimated to be £96.04 based on a 52 weeks per annum rent.

Homeless Hostel and garage rents along with all other HRA fees and charges to increase by 32%.

Details on fees and charges can be found on the NBBC website under Fees and Charges 2023/24.

## 7 General Fund Capital Programme

7.1 The capital programme for 2023/24 is £82.209m for approved schemes. The General Fund Capital Programme is shown on page 55.

7.2 The capital programme can be funded from capital receipts, borrowing, revenue contributions or grants. The 2023/24 programme has been funded as follows:

Type of Funding	£'000
Earmarked Reserves	1,115
Grants and External Contributions	34,879
Prudential Borrowing	46,215
<b>Total</b>	<b>82,209</b>

## 8 HRA Capital Programme

8.1 The 2023/24 programme for HRA Capital is £24.419. The detail is shown in Appendix F on page 56. The funding for this is shown in the table below:

Source	£'000
Major Repairs Reserve	8,895
Earmarked Reserves/HRA Revenue	2,600
Capital Receipts	1,435
Capital Grants Funding	2,489
Borrowing	9,000
<b>Total Resources</b>	<b>24,419</b>

**BUSINESS & REGENERATION PORTFOLIO SUMMARY**

	<b>Original Budget 2023/24 £</b>	<b>Original Budget 2022/23 £</b>
MARKETS & STREET TRADING	181,399	178,770
TOWN CENTRE MANAGEMENT	245,296	212,610
CHRISTMAS DECORATIONS	98,050	87,540
WEST MIDLANDS COMBINED AUTHORITY	25,000	25,000
CAR PARKS	340,083	(216,210)
PUBLIC PASSENGER TRANSPORT	25,652	29,410
PUBLIC CONVENIENCES	143,588	180,400
MARKETING, PROMOTIONS AND PUBLICITY	291,912	290,790
ECONOMIC DEVELOPMENT	569,680	638,490
<b>Total</b>	<b>1,920,660</b>	<b>1,426,800</b>

## FINANCE & CORPORATE PORTFOLIO SUMMARY

	<b>Original Budget 2023/24 £</b>	<b>Original Budget 2022/23 £</b>
RENT ALLOWANCES	357,142	145,320
RENT REBATES	1,053,427	1,127,560
ELECTORAL REGISTRATION	181,820	183,520
ELECTION EXPENSES	299,720	299,670
EQUAL OPPORTUNITIES	34,050	34,050
EMERGENCY PLANNING	26,120	27,760
DEMOCRATIC REPRESENTATION AND MANAGEMENT	691,889	668,820
REVENUES	612,666	697,960
COUNCIL TAX BENEFITS	161,435	296,700
CORPORATE MANAGEMENT	1,070,875	539,080
MAYORALTY	38,420	38,420
<b>Total</b>	<b>4,527,564</b>	<b>4,058,860</b>



## HEALTH & ENVIRONMENT PORTFOLIO SUMMARY

	<b>Original Budget 2023/24 £</b>	<b>Original Budget 2022/23 £</b>
ENVIRONMENTAL PROTECTION	388,928	390,830
FOOD & OCCUPATIONAL SAFETY	352,544	344,220
HEALTH PROMOTION & INEQUALITIES	7,220	7,220
FOOTPATH LIGHTING	12,570	12,520
ENVIRONMENTAL PROJECTS	94,200	91,750
CEMETERIES	(39,276)	(58,750)
ALLOTMENTS	464	640
PARKS	2,319,194	2,156,080
ENVIRONMENTAL SUSTAINABILITY	71,050	71,050
<b>Total</b>	<b>3,206,894</b>	<b>3,015,560</b>

## **HOUSING & COMMUNITIES PORTFOLIO SUMMARY**

	<b>Original Budget 2023/24 £</b>	<b>Original Budget 2022/23 £</b>
HOUSING ADVICE CENTRE	158,217	256,670
PRIVATE SECTOR GRANTS	393,270	318,270
HOUSING STRATEGY	360,651	43,900
PRIVATE SECTOR HOUSING STANDARDS	241,711	231,400
MOBILE HOME SITES	(92,726)	(87,110)
COMMUNITY DEVELOPMENT	46,450	24,370
VOLUNTARY BODIES	157,130	157,090
COMMUNITY SAFETY	291,275	232,440
<b>Total</b>	<b>1,555,978</b>	<b>1,177,030</b>

## PLANNING & REGULATION PORTFOLIO SUMMARY

	<b>Original Budget 2023/24 £</b>	<b>Original Budget 2022/23 £</b>
LAND DRAINAGE WRKS	7,070	7,070
STREET NAMEPLATES	19,050	18,880
BUILDING CONTROL	49,060	49,060
DEVELOPMENT CONTROL	355,080	349,960
PLANNING POLICY & APPLICATIONS	542,948	390,700
COMMERCIAL PROPERTY	(1,025,324)	(1,042,260)
INDUSTRIAL ESTATES	(162,803)	(154,580)
LAND CHARGES	(10,010)	(10,010)
<b>Total</b>	<b>(224,929)</b>	<b>(391,180)</b>

## PUBLIC SERVICES PORTFOLIO SUMMARY

	<b>Original Budget 2023/24 £</b>	<b>Original Budget 2022/23 £</b>
REFUSE & CLEANSING	4,040,886	3,831,900
RECYCLING	1,268,101	1,515,920
COMMUNITY RECREATION	1,333,040	1,315,550
SPORTS DEVELOPMENT	182,076	237,310
CIVIC HALL	304,435	527,300
MUSEUM	307,463	441,890
ARTS DEVELOPMENT	51,030	13,030
LICENCES	41,728	34,210
COMMUNITY CENTRES	65,699	186,120
<b>Total</b>	<b>7,594,458</b>	<b>8,103,230</b>

**HOUSING REVENUE ACCOUNT (HRA) BUDGET**

	<b>Original Budget 2023/24 £'000</b>	<b>Original Budget 2022/23 £'000</b>
<b>Balance Brought Forward</b>	<b>(2,922,521)</b>	<b>(4,209,421)</b>
<b><u>Expenditure</u></b>		
General Management	6,343,869	6,567,860
Special Expenses	4,199,682	3,396,980
Repairs & Maintenance	5,994,405	5,580,760
Depreciation	8,724,000	8,724,000
Capital expenditure funded by HRA	2,492,620	2,296,620
Interest payable (Debt Costs)	1,791,050	1,945,200
Support Services	229,526	-
<b>Total Expenditure</b>	<b>29,775,152</b>	<b>28,511,420</b>
<b><u>Income:</u></b>		
General Rental Income	(26,822,090)	(24,243,690)
Non-dwelling rents	(572,510)	(583,510)
Other income – services & facilities	(2,089,520)	(2,085,520)
Interest receivable	(36,800)	(36,800)
<b>Total Income</b>	<b>(29,520,920)</b>	<b>(26,949,520)</b>
<b><u>Adjustments</u></b>		
Debt repayment	-	-
Earmarked reserve	-	(275,000)
<b>(SURPLUS)/DEFICIT</b>	<b>254,232</b>	<b>1,286,900</b>
<b>Balance Carried Forward</b>	<b>(2,668,289)</b>	<b>(2,922,521)</b>

**GENERAL FUND CAPITAL PROGRAMME**

	<b>Original Budget 2023/24</b>
<b>Business &amp; Regeneration</b>	
Abbey Street Regeneration Phase 1 & 2	34,000,000
Bridge to Living	7,887,500
Flood Alleviation	999,998
Towns Fund	9,287,000
<b>Finance &amp; Corporate</b>	
ICT Capital Programme	140,000
Changing Places	125,000
<b>Housing &amp; Communities</b>	
Empty Homes - Works in Default	40,000
HEART	5,125,000
Empty Property Loans	100,000
Homeless Hostel Conversion	200,000
HUG2	733,000
Safer Streets - Stubbs Pool/The Dingle	38,000
UKSPF Projects	
<b>Public Services</b>	
Major Repairs	250,000
Vehicle & Plant Replacement	270,000
Sub-Regional Materials Recycling Facility	439,854
Bedworth Physical Activity Hub	21,898,000
Cemetery Extension	100,000
Community Centre Grants	55,000
Buttermere Recreation Ground Redevelopment	421,000
<b>General</b>	
MISC projects	100,000
<b>Totals</b>	<b>82,209,352</b>

**HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME**

	<b>Original Budget 2023/24</b>
	<b>£</b>
Decent Homes	1,900,000
Roof Coverings/Modifications	750,000
Windows & Doors	700,000
Sheltered Alarm Call System	18,000
Door Entry Scheme	140,000
New Properties (Construction)	4,539,000
Byford Court - Rebuild	3,011,000
New Properties (Acquisition)	512,500
Independent Unit Living - Remodelling	150,000
Conversion of Homeless Hostel	50,000
District Heating Works	310,000
Fire Works (General Purpose)	2,200,000
Level Access Showers	600,000
Aids & Adaptations	850,000
Central Heating	1,000,000
Slabs to Tarmac	60,000
Lift Renewal Works	30,000
PIR Electrical Works	400,000
Voids	760,000
Structural; Concrete Repairs/ Cladding	3,696,000
Environmental Works	70,000
Housing Management System	10,000
CCTV Renewal - GP Flats	10,000
Garages	30,000
Replacement Vehicles	1,750,000
Stock Condition Survey	200,000
Contingency	200,000
Capital Salaries/ Fees	472,000
<b>Total Capital Programme</b>	<b>24,418,500</b>