



**Committee Name: Mousehold Heath Conservators**

**Committee Date: 20/01/2023**

**Report Title: Mousehold Heath Conservators Budget and Precept 2023/24**

**Portfolio:** Councillor Giles, Cabinet member for community wellbeing

**Report from:** Interim head of finance, audit and risk

**Wards:** Crome / Catton Grove

**OPEN PUBLIC ITEM**

**Purpose**

To set the budget and approve the precept for the Mousehold Heath Conservators budget 2023/24.

**Recommendation:**

That the Conservators:

- (1) Review the forecast balances position set out in paragraphs 3-4;
- (2) Consider the risk management arrangements and prudent minimum reserve levels set out in paragraphs 4-9;
- (3) Review the budget proposals set out in paragraph 10 and approve or amend the budgets in Appendix A accordingly;
- (4) Resolve to place a precept on Norwich City Council for the relevant amount for the financial year 2023/24 as per paragraph 12.

**Policy Framework**

**The Council has five corporate priorities, which are:**

- People live independently and well in a diverse and safe city.
- Norwich is a sustainable and healthy city.
- Norwich has the infrastructure and housing it needs to be a successful city.
- The city has an inclusive economy in which residents have equal opportunity to flourish.
- Norwich City Council is in good shape to serve the city.

## **Mousehold Heath management plan objectives**

- The report helps to meet the Mousehold Heath management plan objective C
  - To ensure that Mousehold Heath is clean and well maintained.

## Report

1. Each year the Conservators are required to determine and approve the budget for Mousehold Heath, and to make a levy on Norwich City Council.
2. This report also sets out details of the budget and forecast outturn for the current financial year, 2022/23, which informs the precept and budget proposals within this report.

## Balances

3. The current forecast for 2022/23 is an underspend of (£4,562). This comprises an underspend on the budget of (£7,370) and a planned contribution to the pension deficit of £2,808.

The balances position for 31 March is therefore estimated at:

**Table 1**

Balance brought forward at 1 April 2022	(33,843)
Impact of forecast outturn 2022/23	(7,370)
Use of reserves - pension deficit charge 2022/23*	2,808
<b>Forecast Balance at 31 March 2023</b>	<b>(38,405)</b>

\*The pension deficit charge is a repayment to the council relating to pension deficit costs charged to Mousehold Heath. At their meeting of 21 June 2013, the Conservators opted to take up the council's offer to spread the £28,077 pension deficit charge, incurred as a result of a contractor's failure, over 10 years. The Conservators' balance will therefore be reduced by the amount of £2,808 each year (2022/23 will be the last of ten instalments).

4. This level of balances represents 14.5% of the proposed budgeted expenditure (including accounting adjustments). As agreed at the Conservator's meeting on 17 September 2021, the prudent level of reserves was set at £9,800, based on 2021/22 budgets. Using the same methodology against proposed 2023/24 budgets, shows a required minimum prudent reserves balance of £10,000. Based on the figures within this report, the reserve level is expected to continue to exceed the prudent minimum balance.

## Risk Management

5. The Conservators have previously expressed their wishes to consider, in conjunction with the budget and precept, risks to the financial position. These risks to the Conservators as the statutory decision-making body for the Heath, and to the council in implementing conservators' decisions, are incorporated within the council's own Risk Management Strategy (RMS).
6. The RMS requires that risks are considered at operational, tactical, and strategic levels, and escalated to an appropriate level for mitigation to be agreed and implemented.

7. Risks are managed and mitigation provided through, among other measures:
  - (a) Ensuring that appropriate systems and procedures are in place to safeguard the health & safety of staff, residents, and visitors;
  - (b) Taking steps to reduce the likelihood of adverse events occurring, through planning and risk assessment;
  - (c) Mitigating against the financial impact through insurance against adverse events;
  - (d) Holding sufficient reserves, both in the revenue Contingency and through the maintenance of a prudent minimum level of balances, to meet unexpectedly arising costs. The adequacy of these reserves is itself risk-assessed annually.
8. Financial risks, such as overspends resulting from adverse events, are therefore considered and provided for by the council at a corporate level.
9. The Conservators' reserves are expected to amount to £38,405 (see paragraphs 3-4) which represents 14.5% of the proposed budgeted expenditure (including accounting adjustments). This provides an initial level of internal risk management resource, mitigating any need to call on the council for further support.

## Budgets

10. The following table summarises the proposed movements in the budget between the base budget carried forward from 2022/23, and the proposed budget for the 2023/24 financial year.

**Table 2:**

<b>Base Budget 2022/23 (£)</b>	<b>246,082</b>
A: Employee costs	7,303
B: Contractual increases	8,586
C: Utility price increase	2,345
D: Fire insurance inflation	13
E: Changes in overhead recharges	242
<b>Proposed Budget 2023/24</b>	<b>264,571</b>

Reasons for these changes can be summarised as follows:

- A. Increase in employee costs.
- B. Increase in inflation costs for contractual cleaning and maintenance work.
- C. Increase in utility prices.
- D. Fire insurance inflation.
- E. Corporate recharge increase

These changes can be seen in the detailed proposed budget for 2023/24 set out in Appendix 1.

11. Corporate recharge budgets are no longer shown against individual cost centres within the General Fund, for accounting presentation purposes. All corporate recharges are still calculated in line with agreed principles. The Conservator's element of the recharges has been included within the figures in this report, for consistency between accounting periods.

### **Precept**

12. The precept required to fund this expenditure would be **£264,571** (2022/23 £246,082). This would be an increase of £18,489 against the 2022/23 precept.
13. Should the Conservators wish to increase or decrease the level of balances, in light of the risk environment as discussed above, the proposed precept would need to be amended accordingly.

### **Implications**

#### **Financial and resources**

14. This report presents the proposed 2023/24 precept and budgets. The financial implications are given throughout the report.

### **Statutory considerations**

<b>Consideration</b>	<b>Details of any implications and proposed measures to address:</b>
Equality and Diversity	None
Health, Social and Economic Impact	None
Crime and Disorder	None
Children and Adults Safeguarding	None
Environmental Impact	None

## Risk Management

Risk	Consequence	Controls Required
Financial performance	Failure to adequately plan and monitor finances could result in insufficient resources being available to deliver the aims and objectives of the Management Plan and Annual Work Programme.	Ensure that sufficient financial and management information is available to continue management and maintenance programme.

## Reasons for the decision/recommendation

15. Setting of the 2023/24 precept will ensure that there are adequate resources to implement Mousehold Heath Management Plan and Annual Work Programme.

## Background documents

None

**Appendices:** Appendix 1

## Contact officers

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## Appendix 1

		Base budget (£)	Draft 2023/24 Budget (£)	Change (£)	Category as per Table 2
2000	Salaries	76,270	83,038	6,768	A
2011	Employers Pension Contributions	10,028	10,900	872	A
2015	Annual Added Years Payments	3,581	3,332	(249)	A
2018	Pension Deficit Recovery	15,809	15,546	(263)	A
2090	Employee/Public Liability Insurance	474	649	175	A
2285	Water Charges Metered	81	90	9	C
2103	General Repairs & Maintenance	15,000	15,000	0	
2207	Contract Cleaning	10,131	11,154	1,023	B
2216	Electricity	1,554	3,890	2,336	C
2231	Grounds General Maintenance	2,204	2,204	0	
2239	Recharge from GMO main contract	66,151	72,832	6,681	B
2240	Tree works	8,731	9,613	882	B
2255	Fire Insurance Buildings	35	48	13	D
2400	Car and Cycle Allowances	800	800	0	
2600	Clothing and Uniforms General	500	500	0	
2658	Equipment - Purchase	450	450	0	
2659	Equip-Repairs/Maintenance	650	650	0	
2663	Other Equipment and Tools	550	550	0	
2682	Refreshments	745	745	0	
2684	Staff Conference & Course Fees	500	500	0	
2710	Specialist Supplies	445	445	0	
2832	Projects	4,046	4,046	0	
2849	Other Contractual Services	7,110	7,110	0	
4015	Recharge from AHOs	5,000	5,000	0	
1061	Football	(1,404)	(1,404)	0	
1146	Other Rents	(15,000)	(15,000)	0	
1148	Catering Concessions Pitch & Putt	(1,800)	(1,800)	0	
1412	Government Grants - Specific	(2,204)	(2,204)	0	
	Corporate Recharges	35,645	35,887	242	E
		<b>246,082</b>	<b>264,571</b>	<b>18,489</b>	