

SOUTH HAMS DISTRICT COUNCIL - BUDGET PROPOSALS 2023/24
(This shows the changes to the existing Base Budget)

APPENDIX A

	BASE 2022/23	Yr1 2023/24	Yr2 2024/25	Yr3 2025/26
	£	£	£	£
BUDGET PRESSURES				
Inflation and increases on goods and services	110,000	400,000	250,000	110,000
Triennial Pension revaluation (increase in Pension Employer primary rate contributions)		100,000	100,000	75,000
Salaries - provision for pay award at 3% (£280,000) from 2023/24 onwards, total pay of £9.5m	185,000	280,000	280,000	280,000
Pay award 2022-23 - £1,925 per Scale Point (£630,000 is the amount over the current budget provision of £185,000 for 2022-23) - This will need to be built into the Base Budget in 2023-24	0	630,000	0	0
Increase in salaries - increments and pay and grading	0	200,000	0	0
Increase the staffing budget for four planning specialists and two legal specialists (shared with West Devon Borough Council), to be financed by extra planning income - Planning Improvement Plan (Executive 14.10.21). In addition, the Planning Improvement Plan, Executive 26.5.22, noted that the cost of the restructure, £98k per annum, will be funded for the first three years from the additional planning income held in the planning earmarked reserve.	164,000	98,000	0	0
Better Lives for All strategy - Council 23 September 2021 - £110,000 cost pressures for 22/23 and 23/24	110,000	0	(110,000)	
Waste collection, recycling and cleansing contract inflation (estimate of around 3%)	130,000			
Additional inflation for the waste service - 12.2% for 2022/23 (extra £360K) plus assume 5% for 2023/24 onwards (£205K)	0	565,000	205,000	205,000
Waste collection, recycling and cleansing service - Council 14 July 2022	0	1,250,000	0	0
National Living Wage and National Insurance (social care levy of 1.25% and NLW increases)	140,000	150,000	150,000	150,000
Dartmouth Lower Ferry - increase the R & M budget	0	80,000	0	0
Increased external audit fees (fees are increasing nationally)		75,000		
Head of Revenues and Benefits Executive 7th April 2022	0	45,000	0	0
Housing Delivery Team Executive 26th May 2022	0	44,700	0	0
IT Support contracts - increased number of users on the network, increase in remote working, Disability Access legislation and above inflationary increases on support contracts	75,000			
Reduce the income budget for treasury management investment income	80,000			
Rough sleeper outreach worker (SHDC share of the cost is 60%), to be funded from Government Homelessness grant	24,000			
Community composting groups	10,000			
Salcombe Harbour recharges to the Council for staff time	16,600			
TOTAL BUDGET PRESSURES	1,044,600	3,917,700	875,000	820,000
Changes to contributions to Earmarked Reserves				
Reduce the contribution from the New Homes Bonus Reserve to fund the Revenue Base Budget (assumes a contribution of £0.5m in 22/23 and 23/24 onwards)	246,000	0	0	0
Dartmouth Ferry - increase annual contribution to reserve		30,000	30,000	0
Contribution from Business Rates Retention reserve to smooth the volatility in business rates income from the baseline reset and the loss of a pooling gain (This would use £0.1m of the Reserve in 22/23, £0.5m in 23/24 and £0.7m in both 24/25 and 25/26)	(100,000)	(400,000)	(200,000)	0
Contribution from the Planning Reserve for the cost of the restructure within the planning service - Executive 26 May 2022 - to be funded for the first three years from the additional planning income held in the planning earmarked reserve		(98,000)		
Reduce contribution to Pension Reserve	0	(99,000)	0	0
Contribution to Joint Local Plan Earmarked Reserve	25,000	0	0	0
Contribution from Homelessness Reserve (to fund rough sleeper outreach worker)	(24,000)	0	0	0
Repairs and Maintenance Reserve - increase annual contribution in 2023-24	0	25,000	0	0
Total changes in contributions to Earmarked Reserves	147,000	(542,000)	(170,000)	

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SAVINGS AND INCOME GENERATION IDENTIFIED

	BASE 2022/23	Yr 1 2023/24	Yr 2 2024/25	Yr 3 2025/26
Management fee income from external contracts such as leisure	0	0	(430,000)	0
IT FIT Project - software savings	(70,000)	(10,000)		
Establishment savings (salary savings) gained from IT and digital communications	(20,000)	(50,000)		
Employment Estates - additional rental income	(80,000)	(150,000)		
Extra recycling income - additional income has already been achieved in 2021-22	(70,000)	(90,000)		
Extra planning income (to fund four planning specialists and two legal specialists) - Planning Improvement plan - Executive 14.10.21	(164,000)			
Car parking income (from extra usage of the car parks particularly in the coastal areas)		(250,000)		
Dartmouth Lower Ferry (from extra usage of the Ferry and a review of charges for 2023)		(250,000)		
Extra treasury management income - to reflect increases in bank base rate		(677,000)		
Charged Garden Waste service		(575,000)		
Savings on Trade Waste tipping fees and extra income on recycling sacks, due to more trade waste being recycled. Extra income from Controlled Waste Regulations (CWR) properties . These savings were already achieved in 2021-22.		(190,000)		
Funding from Homelessness prevention government grant (this funds housing posts - funding to be reflected within the base budget)		(170,000)		
Discretion to charge up to an extra 100% extra council tax on Second Homes (timescale is that legislation maybe introduced for 24-25 but it also could be delayed to 25-26). A Member decision would need to be taken on this as part of the future budget setting process. The figure shown is for modelling purposes only.			(730,000)	
TOTAL SAVINGS AND INCOME GENERATION	(404,000)	(2,412,000)	(1,160,000)	0