

Budget and Financial Plan 2020/21 and future years

1. Introduction

The Town Council is going through a period of high turnover at present, culminating in the departure of the Town Clerk next month. At the same time, Members are clearly keen to ensure that plans are implemented and projects delivered that will generate significant benefits to the local community. It could be seen that these two factors are at odds with each other. It is important that this isn't the case and that the situation is regarded as an opportunity, albeit a challenging one. The objective of the budget for next year is to make sure that the financial framework is in place to enable the Council to achieve its objectives whilst ensuring that standards of financial control are maintained in potentially difficult circumstances.

2. Financial processes

Preparing the budget is normally a one off annual exercise. Whilst this has to be the case for setting the precept, it needn't be so for other aspects. The concept of responsible budget holders is common in many local authorities, (though not necessarily in local councils where the clerk often has sole responsibility). The idea is a simple one, whereby officers tasked with delivering a service are closely involved with drafting the budget for that service and then for authorising spending from the approved amount to provide the service. Budget monitoring and control thus becomes an important part of their duties. Given the situation here, it would seem to make practical sense to begin to introduce the arrangement for the next financial year. As part of the process, it may well become apparent that some of the detailed analysis within the overall budget figures might need to change. It is therefore suggested that, in setting the budget for 2020/21, Members agree to consider changes within service budgets during the year as officers and Committees work through this process.

3. Budget 2020/21

The draft budget for next year is attached as appendix A to this report. In summary the position is forecast to be as follows:

	Budget 2019-20 £	Outturn 2019-20 £	Budget 2020-21 £
Resources Committee	295,380	231,750	367,910
Open Spaces Committee	<u>65,360</u>	<u>76,240</u>	<u>74,220</u>
Total Net Expenditure.	360,740	307,990	442,130

The outturn for the current year is estimated to be some £50,000 less than the budget. This is primarily due to it being unlikely that much of the £60,000 contingency will be used. There will also be a saving in the staffing budget due to posts not being filled during the year. These reductions are partly offset though with additional costs elsewhere in the budget, for example plant and machinery repair costs.

The figures for next year show quite a dramatic change as the Council starts to implement its capital plans. Details of this are shown in appendix B, the capital programme. The budget as drafted provides for a significant proportion of next year's capital programme to be financed from revenue, which is, effectively from reserves. However the saving in the current year means that a not insignificant sum will still remain in hand at the end of 2020-21. The amount will depend upon decisions made by Members on the draft budget and on the level of next year's precept.

4. **Council precept 2020-21**

The tax base for next year is, unusually, less than the current year. This means that there will be slight increase in the band D equivalent figure even if the amount of the precept were kept the same.

The draft budget assumes a precept of £342,000 This would be an increase of 5% resulting in a band D figure of £167.64, an increase of 5.84%. At this level the general reserves at March 2021 are estimated to be £210,000. The figures are illustrative only. Alternative scenarios are set out below.

% Inc in precept	Band D charge	%Inc in Band D	Reserve Mar 21
1%	£161.27	1.82%	£197,000
2.5%	£163.67	3.33%	£202,000
7%	£170.83	7.85%	£216,500

In reaching a decision may want to bear in mind that the Council may want to start to replenish the Renewal and Repairs fund in 2021-22

5. **Capital programme 2020-21 and future years.**

As stated above spending on capital projects is shown in appendix B, together with recommended sources of funding. The amount remaining in the earmarked reserves at 31st March 2021 based on this funding plan would be £240,000. Predicting cashflows on projects is difficult and it may be that spending will fall in different financial years than shown. This would mean that movements in reserves would change accordingly. Approval of the programme does not necessarily mean that projects within it will proceed without further Member decisions. It does, however, mean that a financial plan is in place to accommodate them if or when detailed approval is given.

Rod Latham
Financial Consultant

Appendix A

	Budget 2019-20 £	Outturn 2019-20 £	Budget 2020-21 £
Resources Committee	295,380	231,750	367,910
Open Spaces Committee	65,360	76,240	74,220
Total	<u>360,740</u>	<u>307,990</u>	<u>442,130</u>

Budget	Outturn	Budget
2019-20	2019-20	2020-21
£	£	£

Employees

Expenditure

Salaries, N.I. And superannuation	165,500	156,500	191,500
Training	2,500	2,000	3,000
Health and safety	500	0	100
Employer's liability insurance	4,500	4,400	4,500
Total	<u>173,000</u>	<u>162,900</u>	<u>199,100</u>

	Budget 2019-20 £	Outturn 2019-20 £	Budget 2020-21 £
Civic expenses			
Expenditure			
Election costs	5,000	-	1,000
Members' expenses			
Training	1,000	1,000	1,000
Mayor	500	300	500
Civic evening	3,000	3,000	3,000
Total	<u>9,500</u>	<u>4,300</u>	<u>5,500</u>
Income			
Donations	30	-	30
Civic evening	3,000	3,000	3,000
Total	<u>3,030</u>	<u>3,000</u>	<u>3,030</u>
Net expenditure	<u>6,470</u>	<u>1,300</u>	<u>2,470</u>

Budget 2019-20 £	Outturn 2019-20 £	Budget 2020-21 £
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Markets

Expenditure			
Insurance	500	500	520
Utilities	330	350	370
Miscellaneous	300	300	300
Contribution to renewals fund	970	970	970
Total expenditure	<u>2,100</u>	<u>2,120</u>	<u>2,160</u>
Income			
Rents	4,500	4,000	4,200
Total	<u>4,500</u>	<u>4,000</u>	<u>4,200</u>
Net income	<u>- 2,400</u>	<u>- 1,880</u>	<u>- 2,040</u>

	Budget 2019-20 £	Outturn 2019-20 £	Budget 2020-21 £
Miscellaneous			
Expenditure			
Christmas lights	6,700	9,300	9,350
Advertising	500	6,000	2,700
Community resilience	700	800	800
Community engagement	2,000	2,000	2,000
Contribution to renewals fund			
Projects	20,000	20,000	114,500
Contingency	60,000	10,000	15,000
Miscellaneous	500	500	500
Total	<u>90,400</u>	<u>48,600</u>	<u>144,850</u>
Income			
Christmas lights	4,000	6,600	6,650
Miscellaneous		1,350	500
Grants			
Total	<u>4,000</u>	<u>7,950</u>	<u>7,150</u>
Net expenditure	<u>86,400</u>	<u>40,650</u>	<u>137,700</u>

	Budget 2019-20 £	Outturn 2019-20 £	Budget 2020-21 £
Cemetery Lodge			
Expenditure			
Maintenance	300	300	300
Letting fees	600	650	650
Miscellaneous	100	100	100
Contribution to renewals fund	3,300	3,300	3,300
Total	<u>4,300</u>	<u>4,350</u>	<u>4,350</u>
Income			
Rents	6,240	6,240	6,240
Total	<u>6,240</u>	<u>6,240</u>	<u>6,240</u>
Net income	- 1,940	- 1,890	- 1,890

Budget 2019-20 £	Outturn 2019-20 £	Budget 2020-21 £
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Resources Committee Summary

Employees	173,000	162,900	199,100
Administration	33,850	30,670	32,570
Civic costs	6,470	1,300	2,470
Market	- 2,400	- 1,880	- 2,040
Miscellaneous	86,400	40,650	137,700
Cemetery Lodge	- 1,940	- 1,890	- 1,890
Total	295,380	231,750	367,910

	Budget 2019-20 £	Outturn 2019-20 £	Budget 2020-21 £
Open spaces			
Expenditure			
Protective Clothing	900	1,200	1,000
Other health and safety costs	500	300	400
Rents	2,300	2,300	2,300
Water	3,500	3,600	3,700
Electricity	450	400	450
Telephones	700	1,000	1,200
Machinery			
Tools	500	650	600
Play equipment			
Herne Hill			
Trees and hedges	100	50	100
Plants	1,650	1,600	1,650
Skate park			
Wardens' workshop			
Materials	1,250	2,000	2,500
Other supplies	150	500	350
Vehicle maintenance	2,500	5,500	2,500
Machinery maintenance	3,000	5,000	4,000
Play equipment maintenance	300	300	300
Tennis courts maintenance	350	100	200
Seats maintenance	250	250	250
Bins	100	600	300
Herne Hill maintenance	750	750	750
Trees and hedges maintenance	1,000	500	800
Weed control		250	250
Fencing and gates maintenance	250	250	250
Town signs	100	-	-
Buidings maintenance	200	220	250
Burma Star maintenance	50	-	50
Contingency store	100	-	50
Play equipment inspection	500	1,600	1,000
Fuel	3,750	4,000	4,300
Vehicle insurance	600	600	650
Contractors			
Other	500	2,000	2,000
Grants to outside bodies	5,000	5,000	5,000
Contribution to renewals fund	28,650	28,650	29,650
Total	<u>59,950</u>	<u>69,170</u>	<u>66,800</u>
Income			
Rents	2,800	1,970	1,970
Miscellaneous			

Total	<u>2,800</u>	<u>1,970</u>	<u>1,970</u>
Net Total	<u>57,150</u>	<u>67,200</u>	<u>64,830</u>

	Budget 2019-20 £	Outturn 2019-20 £	Budget 2020-21 £
Toilets			
Expenditure			
Cleaning	3,300	4,000	4,200
Electricity	470	500	500
Water	450	350	400
Maintenance	500	1,500	1,000
Miscellaneous	200	200	200
Contribution to renewals fund	1,090	1,090	1,090
Total	<u>6,010</u>	<u>7,640</u>	<u>7,390</u>
Net expenditure	<u>6,010</u>	<u>7,640</u>	<u>7,390</u>

Budget	Outturn	Budget
2019-20	2019-20	2020-21
£	£	£

Cemetery

Expenditure			
Water	400	400	400
Supplies	600	500	600
Maintenance	10,500	10,500	10,500
Insurance	700	500	500
Total	<u>12,200</u>	<u>11,900</u>	<u>12,000</u>
Income			
Burial fees	10,000	10,500	10,000
Total	<u>10,000</u>	<u>10,500</u>	<u>10,000</u>
Net expenditure	<u>2,200</u>	<u>1,400</u>	<u>2,000</u>

Budget 2019-20 £	Outturn 2019-20 £	Budget 2020-21 £
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Open Spaces Summary

Open spaces	57,150	67,200	64,830
Toilets	6,010	7,640	7,390
Cemetery	2,200	1,400	2,000
Total	<u>65,360</u>	<u>76,240</u>	<u>74,220</u>

Appendix B
Ilminster Town Council Capital Programme 2020-21

Funding	Total Cost	Project	Expdt to date	2019-20 Budget	2019-20 Outturn	2020-21 Budget	2021-22	2022-23	Future years	Comments	
	£		£	£	£	£	£	£	£		
		Resources Committee									
R & R	0	Computer update		5000	0					Planned renewal not required	
R & R	4000	Photo copier				4000					
		Community hub/council office									
		- Building acquisition									
		- Adaptations									
		Affordable housing									
		Council offices									
		- Purchase of current office building									
		- Conversion to house/flats									
		- Sale receipt									
		Self build land acquisition									
		Open Spaces									
		Plant and equipt									
R & R	700	Leaf blower				700					
R & R	13500	Replacement ATV				13500				Planned replacement	
R & R	5500	Stiga Mower			5500						
R & R	2890	Shelter store	2890		2890						
R & R	3990	Agility trail	3990		3990						
		Recreation Ground Improvements									
Grant, Rev		- Phase 2				52500				Sec 106 £40000	
Rev		- Phase 3				21000					
Rev		- Phase 4				56000					
R & R		- Phase 5				162000					
Rev	306500	- Fees				15000	15000				
Rev	2500	- Planting					2500				
Rev	30000	- Contingency					30000				

Cemetery

10000 Columbaria

R & R

Circular memorial vault

0

10000

379580 Total

6880 21000

324700

0

0

