

LEDBURY TOWN COUNCIL

FULL COUNCIL	6 FEBRUARY 2020	AGENDA ITEM: 11(I)
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Report prepared by Angie Price – Town Clerk

RECOMMENDATIONS FROM OTHER COMMITTEES

FINANCE, POLICY & GENERAL PURPOSES COMMITTEE – DRAFT BUDGET 2020/21

Purpose of Report

The purpose of this report is to ask Council to consider the Draft Budget for 2020/21 and approve the recommendations submitted from a meeting of the Finance, Policy & General Purposes Committee held on 3 February 2020.

Detailed Information

At a meeting of the Finance, Policy & General Purposes Committee Members were requested to review the Draft Budget proposals for the 2020/21 financial year.

It was noted that the projected outturn was predicting an underspend in the 2019/20 budgets and that a portion of this should be used to fund the special projects being proposed for the 2020/21 financial year, with the remainder being placed in the General Reserve in order to build this up to a recognised level; it is good practice to have 50% of your annual precept amount in reserves or 6-months operating costs.

Members also noted the historical actions taken by council at each year end when preparing their draft budget in order to calculate the annual precept figure for the coming year. It had been custom and practice to deduct the end of year balance from the precept figure, thus reducing the amount being requested for the forthcoming years expenditure. Underspends are generally used to build up reserves as explained above and therefore Members agreed that this practice should cease to ensure funds are transferred to the Reserves each year, however they agreed there was a requirement to make an adjustment of £41,693 as a one-off occurrence within the overspends from the 2019/20 income/expenditure to rectify this practice.

Recommendation

1. That Council approve the funding of the "Special Projects" in the sum of £57,500 planned for the 2020/21 financial year to be funded from the 2019/20 underspend.
2. That Council recognise the need for a one-off adjustment of £41,693 from the 2019/20 overspend to rectify the historical deductions from the Council's previous precept requests, noting that the proposed increase of income/expenditure for the 2020/21 financial year would be 2.8%.

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3. That Council note that due to the one-off adjustment of £41,693 being made and the Special Projects being funded from the 2019/20 underspend, the council's precept requirement for 2020/21 is £531,978 which equates to an 11.5% increase, a total increase of £1.33 per month per Band D equivalent property.
4. That subject to Council agreeing to 1-3 above the Draft Budget as presented be approved and that the Clerk be authorised to provide Hereford Council details of this Council's precept requirements for the 2020/21 financial year of in the sum of £531,978.

Draft Budget 2020/21 Summary

	Projected	Draft	
	Budget	Out-turn	Budget
	2019/20	2019/20	2020/21
	2019/20	2020/21	2021/22
Expenditure	156,827	162,550	191,579
1. Operating Costs	34,350	4,750	49,788
2. Economic Development & Planning	47,645	27,204	30,197
3. Recreation Ground	88,722	49,977	76,549
4. Cemetery	14,830	6,785	11,377
5. Closed Churchyard	26,795	19,534	25,320
6. Amenity Areas	8,159	7,217	10,011
7. Market House	12,500	5,628	7,520
8. Painted Room	7,500	750	1,010
9. Services	72,153	55,202	101,517
10. Services and community grants	5,910	2,879	8,619
11. Civic	39,821	39,319	44,022
12. Council Properties	10,000	9,407	57,500
13. Special Projects	40,500		34,000
14. Reserves	565,712	391,202	649,009
Total Expenditure	565,712	391,202	649,009
Income			
1. Operating Costs	(800)	(997)	(816)
2. Economic Development & Planning	(14,116)	(8,000)	(14,500)
3. Recreation Ground	0	0	0
4. Cemetery	(13,000)	(10,545)	(13,610)
5. Closed Churchyard	0	0	0
6. Amenity Areas		(500)	(2,000)
7. Market House	(1,000)	(1,335)	(1,500)
8. Painted Room	(5,500)	(2,514)	(4,500)
9. Services	(4,200)	(1,354)	(4,284)
10. Services & Community Grants	(3,050)	(2,362)	(3,000)
11. Civic	0	0	0
12. Council Properties	(5,200)	(19,922)	(15,321)
13. Special Projects	0	0	0
14. Reserves	0	0	0
Total Income	(46,866)	(47,529)	(59,531)
Precept	(477,153)	(477,153)	(589,478)
Net Operating Deficit/(Profit) for the	(524,019)	(524,682)	(649,009)
Year (Expenditure less Income)	41,693	(133,480)	0

22% 45% -37% -14% -23% -6% 23% -40% -87% 41% 46% 11% 475% -16% 15%

Inc

General Reserves to CC 102 (NC 4203)	1,500		
Grounds Maintenance Extras			
General Reserves to CC 235 (NC 4481)	1,000		
Telephones			
Listed Buildings	(20,000)		
Elections	(10,000)		
Devolved Services	(10,500)		
TOTAL	(38,000)		

Movement of Council Reserves to offset the Net Operating Deficit for the 2019/20 year

Calculations

Expenditure
2020/21
2019/20

Draft proposed expenditure	591,509
Total anticipated expenditure	<u>565,712</u>
Difference	<u>25,797</u> Equates to a 4.6% increase

Income
2020/21
2019/20

Draft anticipated Income	59,531
Total anticipated income	<u>46,866</u>
Difference	<u>12,665</u> Equates to a 27% increase

Net spending increase in 2020/2 £113,132 (2.8% net increase om expenditure/income)

2020/21

Draft proposed expenditure	591,509
Draft anticipated Income	<u>59,531</u>
Proposed draft Precept figure	<u>531,978</u>

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2019/20

Precept received 477,153 ÷ 3,422 Band D equivalent properties = £139.44

2020/21

Draft Precept 531978 ÷ 3,423 Band D equivalent properties = £155.41

Increase of £15.97 increase of 11.5%

(£1.33 per month increase)

Historically council has deducted the end of year balance from the precept - end of year balance should be used to increase council reserves to required levels

Part of 2019/20 end of year balance will be used to fund proposed special projects in 2020/21

Operating Costs

EXPENDITURE				
Item No.	Description	2019/20	2019/20	2021/22
		Budget	Projected	Draft
		2019/20	Out-turn	Budget
		£	£	£
1	Salaries	121,590	120,331	127,670
2	Salary contingencies	0	4283	12,767
3	Subscriptions	2415	2415	2,463
4	Staff Training	3150	1500	4,000
5	Councillor Training	1500	753	2,000
6	Officers Travel/Conference/Subsistenc	0	0	1,000
7	Telephone & Broadband services	3,300	7,845	3,366
8	Postage and Franking machine lease	750	1009	1,000
9	Stationery	2,000	3,000	2,500
10	Photocopier Running costs	750	2,184	2,500
11	Photocopier Lease	732	732	747
12	Equipment	500	663	2,000
13	Equipment Maintenance	0	0	1,000
14	Bank Charges	550	550	561
15	Audit Fees (Internal)	2,100	1,345	2,150
16	Audit Fees (External)	5,250	2,000	5,355
17	GDPR	40	0	1,000
18	PAT Testing	200	0	500
19	Website	0	0	4,000
20	ICT services & Software Lease	0	0	5,000
21	ICT - Computer Hardware	4,000	5,240	2,000
22	Legal Costs	0	7,005	0
23	Health & Safety	5,250	500	5,000
24	Miscellaneous expenses	750	0	0
25	Annual & Other Meetings	2,000	0	2,000
26	Office furniture	0	1,195	1,000
TOTAL EXPENDITURE		156,827	162,550	191,579
INCOME				195,484
1	Bank Interest	(800)	(997)	(816)
TOTAL INCOME		(800)	(997)	(832)
NET EXPENDITURE/(INCOME)		156,027	161,553	190,763
				194,652

NOTES:

1. salaries - 4 current office roles plus potential additional office role
6. Currently accounted for in training
7. Includes costs for new phone and broadband installation
8. Increase due to purchase of franking machine
18. PAT Testing not required every year -recommmend every two years
20. No budget provision for ICT Services & Software in 2019/20 - required due to change in ICT Provider

Economic Development & Planning				
Item No.	Description	2019/20	2019/20	2021/22
		Budget	Projected	Draft Budget
			Out-turn	
1	Salaries (Town Cleaner)	15,750	0	16,000
2	Traffic Management	8,200	490	10,000
3	Charter Market Improvei	1,050	0	1,000
4	Tourism	1,050	0	1,071
5	Definitive Footpaths	100	0	500
6	Lengthsman Scheme	5,000	3,000	3,000
7	P3 Scheme	2,500	560	2,500
8	Street Cleaning materials	700	700	717
9	Neighbourhood Dev. Plai	0	0	10,000
10	Town Centre Facilities	0	0	5,000
TOTAL EXPENDITURE				
		34,350	4,750	49,788
INCOME				
1	Charter Market Fees	(12,350)	(8,000)	(11,500)
2	Town Centre Facilities	0	0	(3,000)
3	P3 Scheme Income	(1,766)	0	0
TOTAL INCOME				
		(14,116)	(8,000)	(14,500)
NET EXPENDITURE/(INCOME)				
		20,234	(3,250)	35,288
NOTES:				
				25,733

Recreation Ground					
EXPENDITURE					
Item	No.	Description	2019/20 Budget	2019/20 Projected	2020/21 Draft
			£	£	£
1		Grounds maintenance contract	7,700	7,700	7,854
2		Grounds Maintenance	0	5,672	5,000
3		ROSPA reports	50	49	51
4		New Play Equipment	10,500	0	5,000
5		Play Equipment Maintenance	0	0	2,000
6		Skate Park Maintenance	15,750	0	5,000
7		Youth Shelter	7,875	7,875	0
8		Shelter Maintenance	0	0	1,000
9		Litter Bins	300	0	306
10		CCTV maintenance	720	826	750
11		CCTV Insurance	1,500	1,500	150
12		Insurance	1,500	1,500	836
13		New CCTV	1,050	0	1,050
14		Refuse Collection	700	0	700
15		Street Light Maintenance	0	2,082	500
TOTAL EXPENDITURE			47,645	27,204	30,197
TOTAL INCOME			0	0	0
NET EXPENDITURE/(INCOME)			47,645	27,204	30,197
					29,203

NOTES:

1. Play Equipment Maintenance - No budget line included previously for repairs/replacement parts

6. Shelter Maintenance - Shelter budget 2019/20 was to purchase the shelter - need to make provision for maintenance

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Cemetery				
EXPENDITURE				
Item No.	Description	Budget	Projected	Out-turn
		2019/20	2019/20	2019/20
		Draft	Draft	Budget
		2021/22	2020/21	2021/22
1	Salaries	63,750	33818	46,000
2	Cleaning	450	0	0
3	Rates	2,500	2500	2550
4	Water	0	0	200
5	Electricity	1,460	(48)	1,290
6	PPE/Health & Safety	0	106	500
7	Chapel & Mortuary Maintenance	0	0	2,000
8	Grounds Maintenance	1,405	2704	2,000
9	Equipment Maintenance	1,055	1458	1,500
10	New Equipment	1,575	1255	2,000
11	Equipment Hire	0	0	2,000
12	Vehicle Maintenance	1850	61	816
13	Vehicle Tax, Insurance & MOT	1,050	1050	1,071
14	Skip Hire	1,200	1215	1,500
15	Tree works	1,575	132	2,000
16	Fuel	1,500	1500	1,580
17	Perimeter Repairs	8,000	1130	5,000
18	Insurance	792	792	2482
19	Window cleaning	60	0	60
20	New area	500	0	0
21	Memorial Testing	0	2304	2000
TOTAL EXPENDITURE		88,722	49977	76,549
INCOME				
1	Burials	(10,000)	(7,000)	(10,000)
2	Memorial Fees	(1,000)	(1,245)	(1,000)
3	Mortuary Rent	(2,000)	(2,000)	(2,040)
4	Chapel Hire	0	0	(255)
5	Transfer of Exclusive Right of Burial	0	(300)	(367)
TOTAL INCOME		(13,000)	(10,545)	(13,882)
NET EXPENDITURE/(INCOME)		75,722	39,432	62,939
				63,176

NOTES:

1.Salaries includes 2 members of staff

4 & 5 previously calculated together

8. Grounds Maintenance - (Amalgamated Maintenance & Grounds Maintenance (Extras) -

both budgets over spent in 2019/20 by 50%

Closed Churchyard						
EXPENDITURE						
	2019/20	2019/20	2020/21	2021/22		
	Budget	Projected	Draft Budget	Draft Budget		
Item No.	Description	£	£			
1	Grounds Maintenance	10,000	4888	5,000	5000	
2	Property Maintenance	2,500	0	2,500	2040	
3	Refuse Collections	330	330	337	344	
4	Tree Works	2,000	0	2,040	2081	
5	Grounds Maintenance (contract)	0	1567	1,500	1500	
TOTAL EXPENDITURE						
		14,830	6,785	11377	10965	
INCOME						
		0	0	0	0	
TOTAL INCOME						
		0	0	0	0	
NET EXPENDITURE/(INCOME)						
		14830	6785	11377	10965	

NOTES:
2. Property Maintenance includes wall repairs

Amenity Areas

EXPENDITURE				
	2019/20	2019/20	2020/21	2021/22
	Budget	Projected	Draft	Draft
Item	Description	Out-turn	Budget	Budget
No.		£	£	£
1	Dog Hill Wood Management Plan	1,050	0	1,071
2	Dog Hill Wood Maintenance	4,241	4,030	4,040
3	Dog Hill Wood Maintenance (additional expenses)	500	116	500
4	Dog Hill Wood Coppicing	1,155	0	1,178
5	General Tree Works	1,500	280	1,530
6	General Park Maintenance	4,840	2,136	4,097
7	Gloucester Road Grass Cutting & Seats	0	50	50
8	CCTV	0	0	1000
9	Devolved Services (Grass Cutting)	2,500	2,500	2,500
10	CCTV Hereford	8,419	8419	8154
11	Dog Bags	700	700	700
12	Street furniture	1,050	1050	0
13	General Park Verges	840	253	500
TOTAL EXPENDITURE				
		26,795	19,534	25,320
INCOME				
1	Dog Poop Bags	0	(500)	(2,000)
TOTAL INCOME				
		0	(500)	(2,040)
NET EXPENDITURE/(INCOME)				
		26,795	19,034	23,360
				23,602

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Council properties - Market House				
EXPENDITURE				
Item No.	Description	Budget	Projected	Out-turn
		2019/20	2019/20	2020/21
				Draft
				Budget
				£
1	Rates	1,670	1,670	1,703
2	Electricity	1,500	1,500	1,500
3	Cleaning	120	0	122
4	Insurance	2769	2769	1,486
5	Maintenance	2100	1278	5,200
TOTAL EXPENDITURE		8,159	7,217	10,011
INCOME				
1	Market House Income	(1,000)	(1,335)	(1,500)
TOTAL INCOME		(1,000)	(1,335)	(1,500)
NET EXPENDITURE/(INCOME)		7,159	5,882	8,511
NOTES				8,681

Council Buildings - Painted Room

EXPENDITURE		2019/20	2019/2020	2020/21	2021/22
Item No.	Description	Budget	Projected	Draft	Draft
		Out-turn	Budget	Budget	Budget
1	Salaries	11,550	5263	6,550	6550
2	Advertising	450	250	460	469
3	Stock purchased	500	115	510	520
TOTAL EXPENDITURE		12,500	5628	7,520	7539
INCOME					
1	Sales	(3,000)	(985)	(2,000)	(2,000)
2	Donations	(2,500)	(1,529)	(2,500)	(2,500)
TOTAL INCOME		(5,500)	(2,514)	(4,500)	(4,500)
NET EXPENDITURE/INCOME		7,000	3,114	3,020	3,039

NOTES:

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Services				
EXPENDITURE				
Item No.	Description	2019/20 Budget	2019/20 Projected Out-turn	2020/21 Budget
1	Salaries	6,500	300	0
2	Licence Fee	500	0	500
3	Advertising	500	450	510
TOTAL EXPENDITURE		7,500	750	1,010
INCOME				
1	Ceremony Room	(4,200)	(1,354)	(4,284)
TOTAL INCOME		(4,200)	(1,354)	(4,284)
NET EXPENDITURE/(INCOME)		(3,450)	(344)	(3,764)
NOTES:				
2. Due every three years				
TOTAL EXPENDITURE		520		520
INCOME				
1	Ceremony Room	(4,200)	(1,354)	(4,284)
TOTAL INCOME		(4,200)	(1,354)	(4,284)
NET EXPENDITURE/(INCOME)		(3,450)	(344)	(3,764)
NOTES:				
2. Due every three years				

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Services - Community Grants				
EXPENDITURE				
Item No.	Description	2019/20 Budget	2019/20 Projected	2020/21 Draft
			Out-turn	Budget
				£
1	Barrett Browning Clock	150	150	150
2	Community Grants & Services	34,000	25,709	34,000
3	Youth Drop-in support	2,500	7850	5,000
4	Awards	250	69	250
5	Unspecified Grants	500	950	500
6	Promotional material	4,000	0	4,000
7	Signage	4,000	643	4,000
8	External Power Supply High Stree	100	100	102
9	Events Barriers	750	478	765
10	Events	9,052	2193	30,000
11	Christmas Lights rental and instal	7,350	12850	13,000
12	Advertising	500	3	1,000
13	Newsletter	1,000	1000	1,000
15	Town Plan Projects	4,000	0	4,000
16	Ledbury in Bloom	3,450	2656	3,500
17	Event Insurance	551	551	250
TOTAL EXPENDITURE		72,153	55,202	101,517
INCOME				
1	October Fair Rights	(2,000)	(2,250)	(2,000)
2	Christmas Lights Event	(1,050)	(112)	(1,000)
TOTAL INCOME		(3,050)	(2,362)	(3,000)
NET EXPENDITURE/(INCOME)		69,103	52,840	98,517
NOTES:				98,882

Civic				
EXPENDITURE				
	2019/20	2019/20	2020/21	2021/22
Budget	Projected	Budget	Draft	Budget
No.	Description	£	£	£
1	Civic Hospitality	1,500	1,530	1,561
2	Mayor's Hospitality	0	1,500	1,530
3	Civic Insignia	200	204	209
4	Civic Insignia repairs	100	200	204
5	Mayor's/Deputy Mayor's Expenses	1,500	1,530	1,561
6	Councillors Expenses	500	500	500
7	Mayor's Advertising	0	500	510
8	Roll of Honour	30	46	50
9	Flag Pole	150	150	157
10	Insurance	40	40	42
11	Mayor's Portrait/Caricature	0	500	510
12	Town Crier Fees and Subscriptions	800	800	800
13	Town Crier Regalia	1,050	1,071	1,092
14	Insurance	40	40	40
TOTAL EXPENDITURE		5910	2,879	8,619
INCOME		0	0	0
TOTAL INCOME		0	0	0
NET EXPENDITURE/(INCOME)		5910	2879	8619
NOTES:		8766		

EXPENDITURE

	2019/2020	2019/2020	2020/2021	2021/2022
	Budget	Projected	Budget	Budget
		Out-turn		
No.	Description			
1	Property Maintenance (Council Offices)	1575	170	2000
2	Property Maintenance (Painted Room)	700	0	715
3	Non Domestic Rates	5,775	5775	5,891
4	Insurance	3,086	3086	4,785
5	Health & Safety	2,915	2915	2,500
6	Alarms	3,990	3990	4,070
7	Quinquennial Works	0	0	2,000
8	War memorial Refurbishment	15,000	15321	15,321
9	War memorial Cleaning	500	450	500
10	War memorial Insurance	330	330	180
11	Litter Bins	0	1238	0
12	PAT Testing	200	0	200
13	New heaters	0	124	0
14	Window Cleaning	250	420	250
15	Utilities	5,500	5,500	5,610
TOTAL EXPENDITURE				
		39821	39319	44022
				30124
INCOME				
1	War Memorial Refurbishment	0	(15,321)	(15,321)
2	Office Rental Income	(5,200)	(4,595)	0
3	Miscellaneous	0	(6)	0
TOTAL INCOME				
		(5,200)	(19,922)	(15,321)
				0
NET EXPENDITURE/(INCOME)				
		34,621	19397	28701
				30124

NOTES:

5 formerly cleaning and housekeeping

8 War memorial being paid by donation from member of public

Special Projects					
EXPENDITURE					
	2019/20	2019/20	2020/21	2021/22	
	Budget	Projected	Budget	Budget	
Item No. Description		Out-Turn			
		£	£	£	
1 Paths, Bins and Benches	0	0	5,000	5,000	5000
2 Sit and ride mower	0	0	4,500	0	0
3 Scatter Garden & Memorial Tree	0	0	0	0	2000
4 Market House Renovations	0	0	10,000	10,000	10000
5 Phone Box Renovations & Fittings	0	0	6,000	0	0
6 Professional Fees	10000	9,407	15,000	15,300	15,300
7 Heritage Projects	0	0	5,000	5,000	5,000
8 Smart Water	0	0	10,000	10,000	10,000
9 Climate Change	0	0	2,000	2,000	2,000
TOTAL EXPENDITURE	10000	9407	57,500	49300	
INCOME	0	0	0	0	
TOTAL INCOME	0	0	0	0	
NET EXPENDITURE/(INCOME)	10000	9407	57,500	49300	
NOTES:					

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Reserves				
Expenditure				
Item No.	Description	£	£	£
2019/20	Budget	Out-turn	Draft	Draft
2019/20	2019/20	2019/20	2020/21	2021/22
1	General Reserve			
2	Listed Buildings	20,000	20,000	20400
3	Elections	10,000	4,000	4080
4	Devolved services	10,500	10,000	10200
TOTAL EXPENDITURE		40500	34000	34680
INCOME		0	0	0
TOTAL INCOME		0	0	0
NET EXPENDITURE/(INCOME)		40500	34000	34680
NOTES:				