

SHEPTON MALLET TOWN COUNCIL

Meeting	Policy and Resources Committee, Item 7.6
Date	5 th January 2021
Author	Charlotte Starkie, Town Clerk Liz Evans, Responsible Financial Officer
Subject	Budget consideration for 2021/22

1.0 PURPOSE OF REPORT

- 1.1 For Councillors to consider and agree the budget and precept requirements for 2021/22. A budget proposal chart is attached at Appendix A.
- 1.2 For Councillors to make a recommendation to Full Council of what the budget and precept needs to be for 2021/22.

2.0 BACKGROUND INFORMATION

- 2.1 A draft budget was presented to the committee at a meeting in November and was discussed and rejected, as being too high an increase against the current year. The Town Clerk and RFO have discussed the budget with Chairs of each committee to consider the overall budget and individual committee budgets and has made amendments which are presented in this report.
- 2.2 The tax base (number of properties that pay council tax) has also been confirmed as 3413, and increase of 19. The RFO must submit the council's demand to MDC by mid January and therefore the council will consider the budget at a meeting on 12th January 2021.
- 2.3 The council's anticipated expenditure for 2021/22 is £635,689 and therefore the net expenditure and budget required for next year is £615,970. This is an increase against the current year of £35,718. A summary is below:

Cost Centre	Previous Year 2019/20	Current Year 2020/21	Proposed Budget 2021/22	Variance
Staff Costs				
Salary Costs	£138,887	£182,019	£247,939	
Total Budget	£141,387	£184,919	£250,339	£65,420
Admin and Office Costs				
Total Budget	£63,543	£60,050	£63,900	£3,850
Elections	£20,000	£0	£0	£0
Placemaking & Protection				
Total Budget	£77,625	£153,100	£88,900	-£64,200
People & Promotion				
Total Budget	£0	£0	£35,000	£35,000
Collett Park				
Total Budget	£93,926	£120,033	£125,250	£5,217
Policy and Resources				
Total Budget	£61,500	£82,150	£72,300	-£9,850
Total	£457,981	£600,252	£635,689	
Income				
Total Income	£2,939	£20,000	£19,719	
Net Expenditure	£455,042	£580,252	£615,970	£35,718
Precept	£452,765	£580,252	?	

BUDGET PROPOSAL FOR 2021/22

3.1 Human Resources Committee/Staff Costs Budget: £250,339

a. The Human Resources Committee met on 29th September 2020 and considered its budget requirements for next year. Amendments have been made to this proposal, as it is unlikely that there will be a national pay award of 3% next year. The budget has been amended accordingly. The proposal includes the result of an organisational review that recommends an increase to the staff base, to take forward the projects as identified in the Town Plan.

b. Three new proposed posts have been agreed by the Human Resources Committee and if the council agrees to include them in the overall budget, then authority will be delegated to the Town Clerk to prepare job descriptions and a recruitment campaign, ready for employment after 1st April 2021.

c. The identified posts are: Full time Communications Officer, a casual Environmental Officer and a part time Grants Officer.

3.2 Admin and Office Budget: £63,900

a. This is the operational and overheads budget which does not belong to any committee and is managed by the Town Clerk and RFO who report on it to this committee.

3.3 Place-making & Protection Committee: £88,900

a. Somerset Wildlife Fund have confirmed that they have been unsuccessful in securing grant funding to lead the pollinator project. This council had agreed to award them £6,000 in year one if they had been successful. Therefore, this £6,000 has been removed from the budget.

3.4 People & Promotion Committee: £35,000

a. This is a new committee and it has been given 2 budget lines which previously sat with the old Open Spaces Committee. The committee has also recently secured grant funds from Mendip Tourism Limited to lead on tourist initiatives.

3.5 Collett Park Management Committee: £125,250

a. This budget ensures that funds are set aside for future repairs and replacement as well as capital investment into improvements into the park

b. Funds are included for the annual Collett Festival, despite the uncertainty of the pandemic, and if the festival cannot go ahead then these funds could be used for some other community benefit in the park

3.6 Policy and Resources Committee: £72,300

a. Several of these budget lines are subject to formal agreement with other bodies (information previously shared).

b. At the last meeting councillors requested that a contingency remain in the overall budget to fund additional requests in line with the council's grant policy. This contingency has been identified as £11,000 and will fund the applications that are in receipt and up for consideration at this meeting (see separate report) for payment post 1st April 2021.

4.0 GENERAL RESERVES AND EARMARKED FUNDS

4.1 The Council in addition to the revenue income and expenditure budget has general reserves and earmarked funds.

General Reserves

4.2 General Reserves are to meet unexpected, unavoidable and emergency payments. The opening balance of its general reserves on 1st April 2020 was **£215,126** and this will increase if there is any underspends in the current year that has not been agreed to transfer to a specific earmarked fund. This is in line with regulations that state that a council must hold between one quarter and one third of its precept in reserves at any one time.

Earmarked Funds

4.3 The current position of the Earmarked Funds (after in year adjustments) are as follows and total £481,576.

Title	Balance	Projected Expenditure
Local Projects Capital	£203,627	£115,500 (Market resurface)
Town Improvements	£87,658	Committed to Signage & market resurface additional infrastructure
Skatepark	£7,370	Committed for repairs
Neighbourhood Plan	£13,546	Ongoing and being spent
Strawberry Line	£37,000	Committed
Professional fees & Elections	£17,000	Committed to by elections 2021
Collett Park Feasibility Study	£10,175	For action in 2021
Town Signage	£37,200	Committed/ongoing and shared with Town Improvements
Collett Park Capital Replacement	£39,000	For play, improvements etc
Library Support	£29,000	2 years' grant allocation
Total	£481,576	

5.0 THE PRECEPT

5.1 The current year's budget is **£580,252**. The staff have predicted a small underspend this year, however it is very difficult to state exactly what that will be, but any underspend is either accrued into the new year or placed in a

relevant ear marked fund or put in the general reserves. Officers will recommend at the next meeting where any underspends should be allocated.

5.2 The precept for the current year is also **£580,252**. This can be different to the budget of the council. This is the charge that is placed on tax payers to cover or contribute towards the council's budget.

5.3 The budget could be funded by the precept in its entirety, or the committee could choose to take some funds from General Reserves to fund the budget so that there is less of an increase, or no increase, on the precept.

6.0 IMPACT ON COUNCIL TAX

6.1 The precept is paid by the council tax payers. The average number of properties that pay the council tax is known as the tax base and is confirmed as 3413. MDC provide this figure after considerable adjustments to the various bands and those on income support. This figure is used to calculate our precept and identify the increase between the different years. This figure has increase by 19 for next year.

6.2 If this committee accepts the budget proposal and agrees that it should be funded by the precept the summary below shows the increase on the tax payer: an increase from £170.96 for the average Band D property to £180.48, an increase of £9.52 a year to fund the additional £35,718.

	Based on actuals for last year and this year			
	Agreed in 2018/19	Agreed in 2019/20	Actual for this year	Proposal
Precept /Proposed Precept	£438,301	£452,765	£580,252	£615,970
Increase in £	£47,751	£14,464	£127,487	£35,718
Increase in %	12.20%	3.30%	28.10%	5.50%
Tax Base	3360	3366	3394	3413
Band D tax £ p/a	£130.43	£134.50	£170.96	180.48
Increase in £ p/a		£4.07	£36.46	£9.52
Increase in £ p/m		£0.34	£3.04	£0.79

7.0 CONCLUSION

7.1 The Committee must now agree the budget, agree the precept and take into account the impact this has on the tax payers who fund the precept.

8.0 RECOMMENDATIONS

8.1 For Councillors to consider the information contained in this report and make a recommendation to full council on the following:

- a. That the budget for 2021/22 is £615,970.
- b. That the precept for 2021/22 is also £615,970.