

SHEPTON MALLET TOWN COUNCIL

Meeting	Full Council, Item 10.8
Date	13 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 To receive a recommendation from the Policy & Resources Committee, which met on 5th January 2021, to agree the budget and precept requirements for 2021/22. A budget proposal chart is attached at Appendix A.

2.0 BACKGROUND INFORMATION

2.1 The tax base (number of properties that pay council tax) has 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 must agree its budget and precept.

2.2 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:

	Previous Year	Current Year	Proposed Budget	Variance
Cost Centre	2019/20	2020/21	2021/22	
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	£615,970	£35,718

3.0 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 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 the Policy and Resources 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. A sum of £11,000 has been agreed to support new grant applications for the new year in line with the Grants Policy. The committee has considered

which new initiatives it would like to support in 2021/22 with other organisations and this is contained in a separate report.

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 Policy and Resources Committee recommend that the budget for next year should be funded by the council tax payers and not from any movements from General Reserves.

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 This budget proposal is as follows: 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 RECOMMENDATIONS

7.1 For Councillors to agree the information contained in this report:

- a. That the budget for 2021/22 is £615,970.
- b. That the precept for 2021/22 is also £615,970.
- c. That delegated authority is given to the RFO to inform Mendip District Council of the required precept for 2021/22.