

**FULL COUNCIL**  
**WEDNESDAY 15<sup>TH</sup> JANUARY 2020**  
**BUDGET & PRECEPT 2020/21**

**1. PURPOSE OF THIS REPORT**

1.1 This report sets out the proposed budget and precept for 2020/21

**2 BACKGROUND**

2.1 Monmouthshire County Council has requested that the Town Council provides details of the precept for 2020/21 by 20 January 2020.

2.2 Policy & Resources, Environment and People & Communities Committee have all discussed draft budget proposals for 2020/21. The recommendations of these Committees have been incorporated into the final budget proposal.

2.3 At the Policy & Resources Committee on 11<sup>th</sup> December, the Town Clerk was directed to re-examine options for reducing the proposed precept by paying for some capital items from reserves.

**3 2019/20 BUDGET**

3.1 The budget for 2019/20 was £374,233 and at this point in the financial year, it is estimated that approximately £329,674 will be spent leaving £44,559 unspent at year end. This figure takes into account current obligations, budget overspends and unrepresented cheques. The balance from 2019/20 will transfer to reserves.

3.2 The table below shows the budget headings with actual and projected figures. The detailed breakdown of the spend for each Committee can be found in the appendices.

Council		2018-19	2019-20		2020-21
			Budget	Projected	
Mayoral Allowance		1500	1500	1500	1500
Deputy Mayoral Allowance		500	500	500	500
Specific Responsibilities Allowance		2000	2000	1500	1500
Members Basic Allowance		2250	2250	2078	2250
Civic Functions		5500	5500	3500	3500
<b>SUB TOTAL</b>					<b>9,250</b>
Policy & Resources Committee		90,009	136,090	126,407	158,225
Environment Committee		138,278	145,911	147,469	168,120

People & Communities Committee		42,100	49,200	46,720	69,250
<b>TOTALS</b>			<b>374,233</b>	<b>329,674</b>	<b>404,845</b>
Minus estimated income from bank interest					850
<b>AMOUNT TO BE PRECEPTED</b>					<b>403,995</b>

#### 4 2020/21 PROPOSED BUDGET

4.1 The following changes have been made since discussion by Policy & Resources Committee on 11<sup>th</sup> December.

##### Policy & Resources Committee

- Salaries – The increase for the employment of a part time Responsible Financial Officer commences from July 2020 due to office accommodation constraints.
- Election Expenses – Any election costs will be paid for from reserves
- Mind Monmouthshire – Policy & Resources Committee agreed financial support of £10,000 in 2020/21 to Mind Monmouthshire
- Abergavenny Food Festival - a provisional figure remains in the budget.

##### People & Communities Committee

- Twinning – There is a recommendation for a formal twinning agreement with Domboshawa in Zimbabwe. This will involve a launch event so the twinning budget has been increased to £4000.
- Summer Playscheme – This includes £12,000 for the summer playscheme and £5,000 for youth activities. MCC is proposing introducing a free healthy breakfast and lunch within the summer playscheme in 2020 with funding to be secured from WG and potentially North Monmouthshire community councils. If the Town Council considers that it should increase its contribution, then the 'implementation of the action plan' budget line could be used.
- Christmas Lights – The last year of the Christmas Lights contract with City Illuminations was Christmas 2019.
- Section 137 There is a limit to the amount of money the council can spend under s137 in a year. Abergavenny Town Council s137 spend is significantly under this limit. Payment for the newspapers in the Library are paid for under this power.

## **Environment Committee**

- Planting – Replanting of key areas in the town will be funded from reserves
- Implementation of action plan – the total amount has been reduced to £30,000. This funding will enable the Environment Committee to implement the relevant current and future actions within the Strategy & Action Plan and includes the plastic free agenda, bunting and installation of a drinking fountain. It also includes £5000 budget for a participatory democracy project which will involve young people selecting an environmental project through the app Vocaleyes.

## **Reserves**

- 4.2 The Council currently has £160,000 of earmarked reserves (appendix 2) leaving £135,000 as general reserves. It is expected that an additional £45,000 (approx.) will remain unspent in 2019/20 and will transfer into reserves. The Town Council has invested £20,000 in the Gateway Credit Union. Therefore, the level of general reserves in 2020/21 will be approximately £160,000 which will be 40% of the precept which is within the acceptable limits of the level of general reserves that can be held.

## **5. THE PRECEPT**

- 5.1 The draft budget totals £403,995 which is an increase of £29,762 (8%) on 2019/20 precept.
- 5.2 Council should be able to evidence the reasons for this increase. It can do this as the Town Council has taken on maintenance of the planters, will be employing a part-time RFO and will be implementing actions from the Strategy & Action Plan.

To calculate how much Council Tax contributes to the Precept, the following calculation is used:

### Precept

£ Band D equivalents = the Band D Council Tax contribution per year

MCC has notified the Town Council of the £ Band D equivalents figure to be used which is £4935.43. This precept would give an annual figure for a Band D property of £81.56 per annum (£1.57 a week) compared to £76.81 in 2019/20, an increase of £4.75 per annum or 9p a week.

It should be noted that this calculation is for comparison purposes only, depending on the property band and discounts, householders will pay differing amounts.

## **6. RECOMMENDATIONS**

- 6.1 To approve the 2020/21 budget
- 6.2 To approve the precept of £403,995

## Appendix 1 – Budget Breakdown by Committee

<b>Policy &amp; Resources Committee</b>					
		<b>2018-19</b>	<b>2019-20</b>		<b>2020-21</b>
			<b>Budget</b>	<b>Projected</b>	
Salaries		50384	56100	56100	68100
Training Courses		500	1500	1000	1500
Office Consumables		700	700	700	700
Travel & Subsistence		700	700	700	700
Office IT		1000	1200	1500	1500
SLCC		225	240	240	250
OVW		1500	1800	1800	1850
Election expenses		2000	2000	0	0
Insurances		1650	1700	1126	1200
Repairs & Renewals		500	400	0	0
Accountancy Fees		2250	2250	1141	925
Redesign of website		0	3000	2600	0
Sponsorship of external events		5000	14500	14500	14500
Small grants scheme		13600	10000	5000	5000
Funding agreements		10000	30000	30000	32000
Abergavenny Food Festival		0	10000	10000	10000
Mind Monmouthshire					10000
Large Grants					10000
<b>TOTALS</b>		<b>90009</b>	<b>136090</b>	<b>126407</b>	<b>158255</b>

<b>Environment Committee</b>					
		<b>2018-19</b>	<b>2019-20</b>		<b>2020-21</b>
			<b>Budget</b>	<b>Projected</b>	
Planting inc Aber in Bloom		11541	15000	15185	23000
Dog Waste Bins		6000	6700	7000	7300
Street Sweeping		38437	39205	40383	42000
Toilets (MCC)		58000	59450	59450	40000
Toilets Sanitary Bins		0	2500	2395	2500
Tourist Information Centre		11500	10000	10000	10000
CCTV		12800	13056	13056	13320
Bailey Park Gates					
Implementation of action plan					30000
<b>TOTALS</b>		<b>138278</b>	<b>145911</b>	<b>147469</b>	<b>168120</b>

<b>People &amp; Communities Committee</b>				
	<b>2018-19</b>	<b>2019-20</b>		<b>2020-21</b>
		<b>Budget</b>	<b>Projected</b>	
Twining	2000	6000	6000	4000
Council events	1200	1200	1320	5000
Other events	1300	250	250	0
Christmas Light Switch On Event	0	750	750	0
Summer Activities (playscheme & MCC Youth)	12000	17000	15000	17000
Christmas Lights	25000	23400	23400	22500
Implementation of action plan				20000
Abergavenny Library (section 137)	600	600	724	750
<b>TOTALS</b>	<b>42100</b>	<b>49200</b>	<b>46720</b>	<b>69250</b>

## **Appendix 2 - Earmarked Reserves**

- Project Reserves £50,000 (£30k Bailey Park Pavilion, 20k Toilet Modernisation)
- Section 151 Reserve £60,000 (approx. 15% of precept, reserve to ensure that the Council is able to pay for services should the MCC precept payment be delayed or other major contingencies are required)
- Service Provision Reserve £50,000 (equates to approximate 50% of the annual amount paid to MCC. This will enable the Council to continue to pay for service provision during any subsequent changes/implementation to service provision)