

## FULL COUNCIL

WEDNESDAY 13<sup>th</sup> JANUARY 2021

### BUDGET & PRECEPT 2021-22

#### 1. PURPOSE OF THIS REPORT

1.1 This report is to approve the budget and precept for 2021/22

#### 2 BACKGROUND

2.1 In January each year, Monmouthshire County Council request that the Town Council informs them of the precept. The deadline for informing MCC is 22<sup>nd</sup> January.

2.2 At the Council meeting on Wednesday 9<sup>th</sup> December, Councillors considered the draft budget. At this meeting a number of decisions were made that would have the effect of reducing the overall budget figure. The Town Clerk was tasked with revising the figures for consideration and approval at the January meeting.

2.3 As requested, Abergavenny Community Trust were invited to provide details on the importance of Town Council funding to the running of the Community Centre. This information has been provided and is included in the appendices. An assumption has been made that the Town Council would wish to support ACT in 2021/22 so £10,000 has been included in the budget proposals. Should Councillors decide not to continue the support in 2021/22 then the proposed budget will decrease to £403,050 which is £445 less than the current year so in effect a stand-still budget.

#### 3 2020/21 BUDGET

3.1 The precept for 2020/21 was £403,995 and at this point in the financial year, it is estimated that approximately £360,000 will be spent leaving £44,000 unspent at year end. This figure takes into account current commitments, budget overspends and virements. The balance from 2020/21 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					
		2019-20	2020-21		2021-22
		Budget	Budget	Projected	
Mayoral Allowance		1500	1500	1500	1500
Deputy Mayoral Allowance		500	500	500	500
Specific Responsibilities Allowance		2000	1500	1500	1500
Members Basic Allowance		2250	2250	1950	2250
Civic Functions		5500	3500	1000	2500
<b>TOTAL</b>			<b>9,250</b>		<b>8,250</b>

Policy & Resources Committee		136,090	158,225	143,919	155,380
Environment Committee		145,911	168,120	164,423	198,020
People & Communities Committee		49,200	69,250	52,435	52,250
<b>TOTALS</b>			<b>404,845</b>	<b>360,777</b>	<b>413,900</b>
Minus estimated income from interest			850		850
<b>AMOUNT TO PRECEPTED</b>			<b>403,995</b>		<b>413,050</b>

#### 4 2021/21 PROPOSED BUDGET

4.1 The following bullet points provide greater detail on the budget headings.

##### **Policy & Resources Committee**

- Salaries – This budget heading includes the part time Responsible Financial Officer who will be recruited in early 2021 on 8 hours a week and a cost of living salary increase for all staff.
- Allowances - the draft 2021 Independent Remuneration Panel for Wales recommendations retain the level of allowances at the same level as 2020/21
- Funding Agreements – the Town Council has ongoing commitments with a number of organisations supporting both festivals and organisations, these are identified in the budget as sponsorship and funding agreements. At present, there is no certainty that there will be a full calendar of festivals but budget provision has been made. The annual funding for Abergavenny Community Trust has been factored as stated in paragraph 2.3.

##### **People & Communities Committee**

- Twinning – There may be some expenses relating to twinning visits in 2021/22 hence the inclusion of a small budget. This is reduced by £1000 from the draft budget.
- Summer Playscheme – This includes £12,000 for the summer playscheme and £5,000 for youth activities.
- Christmas Lights – The budget remains the same as in 2020/21 at £22,500. This will allow an additional lighting feature to be introduced as the contract price drops in

2021/22 as the festoon lighting and tree wraps remain in situ. Adding an additional feature maintains interest in the lighting scheme.

- Section 137 budget headings cover those activities carried out under Section 137 of the Local Government Act which allows councils to spend money on anything that benefits its inhabitants provided there is no other specific power for that activity. 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.
- Council events – this will include Christmas Light Switch On 2021 and other events throughout the year, although at the current time it is not clear if there will be a full calendar of events however budget provision has been made.
- Implementation of action plan – this budget heading has been removed as the many of the actions are already identified under separate headings and it is proposed that any significant additional spend is from an earmarked reserve.

### **Environment Committee**

- Planting – this figure includes maintenance of all the planters and an element for replacing the old blue plastic planters. Phase 2 of the greening the public estate would be funded through reserves &/or grant.
- Dog Bins – Although the Town Council has not been notified of an increase, provision for a 2% increase has been budgeted for.
- Town Crew – this has been included under 2 separate headings, street cleaning which is the amount paid in past years and a new heading of Town Crew which is the additional amount. Only 9 months is included as there will be a lead in time for recruitment etc
- Funding to Environmental Groups – £7000 has been included for multi-year funding arrangements with local environmental groups.
- Toilets – The Town Council has been advised that MCC is seeking £60,000 in 2021/22 for cleaning and maintenance of 3 blocks of toilets. This matter was discussed at the Council meeting on 9<sup>th</sup> December and as a result, discussions are still ongoing with MCC. MCC has stated that any coronavirus support from WG for the additional level of cleaning will be passed on to the Town Council but at this time WG has not confirmed whether this support will continue into 2021/22. Given the ongoing uncertainty around the annual contribution to be made by the Town Council, £40,000 has been included in the budget and should any additional contribution be necessary then this would be paid from Reserves. As a rule, ongoing service provision should not be paid from reserves but in this situation this seems the best way forward given the current lack of clarity. £1000 is included for the Community Toilet Scheme.

- Implementation of action plan – this budget heading has been removed as the many of the actions are already identified under separate headings and it is proposed that any significant additional spend is from an earmarked reserve

## **Reserves**

4.2 The Council currently has £170,000 of earmarked reserves as follows:

### **Earmarked Reserves 2020/21**

- *Project Reserves £60,000 (£30k Bailey Park Hard Court resurfacing, 10K Bailey Park Gates, £20k Toilet Modernisation) or £20K if Bailey Park spend is achieved in 2020/21*
- *Section 151 Reserve £60,000 (approx. 14% 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 34% 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)*

This could change significantly if the spend on Bailey Park Gates and the Hard Court resurfacing is achieved in 2020/21. It is proposed that the £20,000 earmarked reserve for toilet modernisation is transferred back into general reserves given that the Town Council is not likely to take on the asset and embark on a programme of modernisation. A new earmarked reserve of £20,000 for implementation of the action plan is proposed. This will enable those approved actions that do not have budget provision to be progressed in 2021/22. Therefore, the earmarked reserves would remain at £170,000 comprising the following:

### **Earmarked Reserves 2021/22**

- *Project Reserves £60,000 (£30k Bailey Park Hard Court resurfacing, 10K Bailey Park Gates, £20k Implementation of the Action Plan) or £20K if Bailey Park spend is achieved in 2020/21*
- *Section 151 Reserve £60,000 (approx. 14% 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 34% 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)*

These changes would result in a projected general reserve at £102,000 at the end of the financial year (ie includes the transfer of the underspend from 2020/21). This is within the acceptable limits of the level of general reserves considered good practice.

## **5. THE PRECEPT**

- 5.1 The draft budget totals £413,900. The only income expected is bank interest resulting in a precept of £413,050 compared to a precept of £403,995 in 2020/21, an increase of 2.2%
- 5.2 To calculate how much an average Band D Council Tax would contribute 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 £4964. This would give an annual figure for a Band D property of £83.21 per annum compared to £81.56 in 2020/21, an increase of £1.65 per annum or 3p a week.

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

**6. RECOMMENDATIONS**

- 6.1 To agree the budget of £413,900 and annual precept of £413,050
- 6.2 To agree the level of general and earmarked reserves as set out in paragraph 4.2

## Appendix 1 – Budget Breakdown by Committee

<b>Policy &amp; Resources Committee</b>					
		<b>2019-20</b>	<b>2020-21</b>		<b>2021-22</b>
		<b>Budget</b>		<b>Projected</b>	
Salaries		56100	68100	65000	63000
Training Courses		1500	1500	250	1500
Office Consumables		700	700	500	500
Travel & Subsistence		700	700	0	500
Office IT		1200	1500	2000	2000
SLCC		240	250	262	280
OVW		1800	1850	1850	1900
Election expenses		2000	0	0	0
Insurances		1700	1200	1132	1200
Repairs & Renewals		400	0		0
Printing and Stationary			2000	2000	2000
Accountancy Fees		2250	925	925	1000
Sponsorship of external events		14500	14500	3000	14500
Small grants scheme		10000	5000	5000	5000
Funding agreements		30000	32000	32000	32000
Abergavenny Food Festival		10000	10000	10000	10000
Mind Monmouthshire			10000	10000	10000
Large Grants			10000	10000	10000
<b>TOTALS</b>		<b>133090</b>	<b>160225</b>	<b>143919</b>	<b>155,380</b>

<b>Environment Committee</b>					
		<b>2019-20</b>	<b>2020-21</b>		<b>2021-22</b>
		<b>Budget</b>		<b>Projected</b>	
Planting inc Aber in Bloom		15000	23000	24338	23000
Dog Waste Bins		6700	7300	7300	7500
Street Cleaning		39205	42000	40800	42000
Toilets		59450	40000	40000	41000
Toilets Sanitary Bins		2500	2500	1680	1700
Tourist Information Centre		10000	8000	9485	10000
CCTV		13056	13320	13320	13320
Implementation of action plan			30000	27500	0
Town Crew (additional to street cleaning)					52500
Environmental groups funding					7000
<b>TOTALS</b>		<b>145911</b>	<b>166120</b>	<b>164423</b>	<b>198020</b>

<b>People &amp; Communities Committee</b>					

	<b>2019-20</b>	<b>2020-21</b>		<b>2021-22</b>
	<b>Budget</b>		<b>Projected</b>	
Twining	6000	4000	0	2000
Council events	1200	1000	200	5000
Summer Activities (playscheme & MCC Youth)	17000	17000	17000	17000
Christmas Lights	23400	22500	23543	22500
Implementation of action plan		20000	11392	0
Abergavenny Library (section 137)	600	750	300	750
SHIFT				5000
<b>TOTALS</b>	<b>48200</b>	<b>65250</b>	<b>52435</b>	<b>52250</b>

## **Appendix 2 – Abergavenny Community Trust Case for Continuation of Funding.**

Paper for Abergavenny Town Council re. Grant for 2021-22

### Importance of the grant

The funding partnership with the Town Council has been very important for the Trust both for its financial stability and for the message it sends to the community as an organisation that merits support.

The Council's willingness for the annual grant of £10,000 to be spent on core costs has been particularly helpful in a context where many funders prefer to fund capital spending or particular projects.

Knowing that this sum of money can be relied upon has given us security with our budgeting and assisted financial planning considerably. As we set out below, the grant has been a crucial element of the Trust's funding both up until now and for our future planning.

In our first full year as a Charity, which for us is financial year ending 31 October 2019, we were able to include the first £5,000 instalment of the grant. This was a vital component in contributing to our core costs and ensuring our continued viability.

Unsurprisingly, the year ending 31 October 2020 has been characterised by uncertainty given the Centre's closure from March until September with the result that trading income from room hire and food related activities dropped dramatically. Again it looked as though the Council's £10,000 grant would be a vital factor in keeping the Trust solvent and consequently securing the continuation of the Community Centre. In the event, it most certainly was, and in addition, the Trust has benefitted unexpectedly from Welsh Government support for the hospitality sector. Your grant, this assistance, together with successful applications to other funders has meant that we should end our financial year at a break even position or even a small surplus, something that we never thought would be possible during the Centre's closure period.

We began our new financial year on 1<sup>st</sup> November 2020 with a forecast budgeted loss of £24,000. Fortunately, we had received a Welsh Government Covid hospitality grant of £25,000 which we were able to carry forward to offset this loss and therefore forecast a small budget surplus of £1,000. Our budget does currently include £10,000 grant from the Town Council. This reflects the November 2020 instalment and a further instalment we hoped to receive in May 2021. We will need to review the approved budget position in our January/February committee cycle, as the position is likely to have worsened. The continued Covid-19 restrictions are already and likely to continue to be, more adversely impacting on our budget than we assumed back in September when the budget was set by Trustees.

The current core costs of running the Community Centre are c£65k per year including c£30k of core salary costs. These costs are normally covered by income from room hire, food,



refreshments and catering, your core grant and donations. With the Centre's closure the income from room hire and catering has dropped significantly. Details below:

Income	<b>2020/21 Budget</b>	<b>2019/20 Forecast</b>	<b>2018/19 Accounts</b>
Room Hire	£12.8k	£17.0k	£32.6k
Food/Drinks/Catering	£6.6k	£8.4k	£18.9k
<b>Subtotal Trading Income</b>	<b>£19.4k</b>	<b>£25.4k</b>	<b>£51.5k</b>
Donations and Fundraising	£11.6k	£13.5k	£13.5k
Unrestricted Grants	£10.0k	£10.0k	£5.0k
Other Income	£0.0k	£1.5k	£2.2k
<b>Subtotal Other Income</b>	<b>£21.6k</b>	<b>£25.0k</b>	<b>£20.7k</b>
<b>Subtotal Charitable Income</b>	<b>£41.0k</b>	<b>£50.4k</b>	<b>£72.2k</b>

We ask the Council to include the full amount of £10,000 in its budget for 2021-22 to continue to give us that security as a basis for seeking more funding from elsewhere so that we remain viable through the challenging times ahead and can ensure that we are still here for the future when the community asset can be used to its full potential and generate more of the income needed.

As well as being such an important part of our income, we believe that the Town Council's willingness to enter into a funding partnership with the Trust sends a significant message to the community demonstrating that we merit support. This message was reinforced powerfully by Mayor Konieczny's fundraising event at the Community Centre where he encouraged his guests to support the Trust through regular giving. We are delighted with the subsequent increase in the number of regular donors and that in the past year community members have donated in excess of £8,000 which will attract Gift Aid in turn.

#### Here for the future

We should emphasise that throughout lockdown we have been actively seeking funding for a mix of core costs, projects and capital investment, and where possible have sought to meet our charitable objectives. Above all we have ensured that the Centre is still here for the future.

Whilst the Centre had to remain closed for six months, we continued to provide support for people in need in different ways. Work was undertaken both inside the building and in the grounds enhancing the environment, such as completing the installation of LED lighting throughout funded by the Rural Development Programme and a Sustainable Drainage Scheme funded by Keep Wales Tidy. A grant from GAVO's Integrated Care Fund provided new kitchen equipment to enhance our capacity to turn supermarket surplus food into nutritious meals, and an EVAC chair for the safe evacuation of people with restricted mobility down the stairs to the rear entrance.

Adapting to the changed circumstances, we explored new ways of meeting our charitable purposes through using the grounds. Thanks to a grant from GAVO and donations including a bequest, we were able to run a series of Outdoor Learning sessions through the summer

for young children and their parents (in small, socially distanced groups). A grant from Abergavenny Rotary Club has enabled us to purchase a marquee to support outdoor activities in future. Our parent and toddler group, Community Kids, continued to meet outside up to Christmas.

Our garden volunteers have continued to work throughout lockdown maintaining our gardens, harvesting crops for community members to take and enhancing their own wellbeing. More recently they have laid wildflower turf and planted saplings (with the help of Community Kids) provided as part of the Keep Wales Tidy project along with new raised beds and fruit trees.

Despite the challenges of the pandemic we have managed to continue to contribute towards the goals of the Wellbeing of Future Generations Act.

Our manager has continued to work throughout but our other part-time staff have been furloughed, initially for all their hours. As some activities could re-start they both returned to work on reduced hours. Trustees took the decision at the outset to top up their pay to the normal level.

#### Our ambitions

Our immediate ambition is to remain viable through the next two years which we anticipate to continue to be challenging whilst the pandemic is gradually brought under control and we are able to safely rebuild the activities for which the Centre has developed a reputation and continue to explore new ways of working to fulfil our purposes.

We have identified community fundraising as an immediate way of both raising our profile and increasing income to contribute to running costs. An immediate priority is to have an online fundraising platform.

The loss of trading income has stimulated a change of direction as regards income generation. We recognise the importance of seeking project funding in order to develop new work. A decision is expected soon on an application to the Rural Development Programme for a £25,000 grant for a Community Larder project to run during 2021. If this is successful it will make a contribution towards overheads and safeguard one staff member's job. By March we will know the outcome of an application to the Police & Crime Commissioner for a three year project with young people from KHS at risk of exclusion from school. This project would build on previous experience as a partner in a food related project. This will involve both growing food and cookery and aims to develop self-confidence and key skills such as team working, as well as lead to a re-engagement with learning.

We wish to build on the successful Outdoor Learning activities as part of our work with children and families. A small grant has already been received from the Davies Trusts towards creative activities and we have plans for further fundraising.

We wish to continue with a programme of work to improve the fabric of the building and to make it more energy efficient. Once the lease with MCC is finalised, we will apply for Lottery

funding to replace the remaining single glazed windows. Another ambition is to install PV solar panels on two elevations, subject to approval of the landlord and planners. We are also exploring how to support community members wishing to change to electric vehicles but lack off-road parking and therefore have no means for charging a vehicle. MCC have given approval in principle to this idea.

As part of their three year strategic plan, trustees are assessing the true costs of managing the community asset with a view to raising more funds to increase the staffing levels and provide more support for the many volunteers who are so vital to the success of the initiative.

### Conclusion

The Trust is most appreciative of the Council's grant which has been a vital source of income and remains a key element of our budget for the year ending 31<sup>st</sup> October 2021 and our future financial planning. We ask the Council to include the full £10,000 in its budget for 2021/2 to help the Trust continue to meet its charitable purposes and fulfil its ambitions for the future.