

POLICY & RESOURCES COMMITTEE

WEDNESDAY 11TH DECEMBER 2019

DRAFT BUDGET 2020/21

1. PURPOSE OF THIS REPORT

1.0 This report sets out the proposed 2020/21 budget for Abergavenny Town Council

2. BACKGROUND

2.0 In January each year, Monmouthshire County Council request that the Town Council informs them of the precept. We have not yet been informed by MCC of this deadline.

2.1 Both the Environment and People & Communities Committee have considered budget proposals for 2020/21. The recommendations of these Committees have been incorporated into the final budget proposal.

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	
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	
SUB TOTAL				9,250	
Policy & Resources Committee		90,009	136,090	126,407	163,625
Environment Committee		138,278	145,911	147,469	182,120
People & Communities Committee		42,100	49,200	46,720	68,250
TOTALS			374,233	329,674	423,245

Minus estimated income from bank interest					850
AMOUNT TO BE PRECEPTED					422,395

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 an increase for the employment of a part time Responsible Financial Officer from April 2020 and a cost of living salary increase for all staff.
- Allowances - the draft 2020 Independent Remuneration Panel for Wales recommendations retain the level of allowances as in 2019/20
- 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.
- Mind Monmouthshire & Abergavenny Food Festival – Council has not made a decision on support to these organisations in 2020/21, however provisional figures have been included in the budget.

People & Communities Committee

- Twinning – There are no large-scale twinning events expected in 2020/21 hence the decrease from 2019/20
- Summer Playscheme – This includes £12,000 for the summer playscheme and £5,000 for youth activities. MCC is proposing introducing a free meal within the summer playscheme in 2020. This potential increase has not been factored into this budget line as discussions are underway with the North Monmouthshire community councils regarding contributions. 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 is Christmas 2019. The People & Communities Committee propose that the level of funding is slightly decreased to £22,500 for all parts of the Christmas Light display.
- 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.

- Implementation of action plan – this funding will enable the People & Communities Committee to implement the relevant current and future actions within the Strategy & Action Plan. The Committee proposed £30,000 however in this iteration of the budget the amount has been reduced to £20,000 in order to reduce the proposed precept.
- Council events – this includes £2000 for VE Day celebration and £1000 for Christmas Light Switch On.

Environment Committee

- Planting – this figure includes Abergavenny in Bloom (inc support to local Friends groups), maintenance of the planters and an element for the replanting of an area(s) within the town centre (£10,000).
- Dog Bins – Although the Town Council has not been notified of an increase provision for a 2% increase has been budgeted for. Discussions are ongoing regarding future service options however there is no defined timescale for conclusion of these discussions.
- Toilets – The Town Council is awaiting a response from MCC regarding the next steps. However, it is understood that MCC is seeking to close White Horse Lane toilets and therefore MCC has been advised that Abergavenny Town Council will not be contributing towards the maintenance and cleaning of WHL from April 2020.
- Implementation of action plan – 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.

The Environment Committee agreed £30,000 but this has been reduced to £20,000 in this iteration of the budget in order to reduce the proposed precept. The additional £14,000 made up of the bunting, plastic free and participatory democracy project.

- Bailey Park Gates – it is suggested that that £10,000 maximum for this is taken from reserves as it is a one-off payment so does not need to be precepted.

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 also

agreed to invest £20,000 in the Gateway Credit Union. Therefore, the level of general reserves in 2020/21 will be approximately £160,000 which will be in the region of 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 £423,245 which is an increase of £49,012 (13.1%) on 2019/20 budget.
- 5.2 Option B is to reduce the budget and precept by funding the replanting of areas around the town from reserves and funding any election expenses from reserves. This would reduce the budget by £12,000 to £411,245, a lower increase of £37,012 (9.9%).
- 5.3 Should Council agreed to an increase in the precept then 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 not yet notified the Town Council of the £ Band D equivalents figure to be used. However, using 2019/20 £4917.65 as a guide, this precept would give an annual figure for a Band D property of £86.06 per annum compared to £76.81 in 2019/20, an increase of £9.27 per annum or 17p a week.

Option B (as in paragraph 5.2 above) would give an annual figure of £83.63, an increase of £6.82 per annum or 13p 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 discuss the Policy & Resources breakdown
- 6.2 To provide direction to the RFO regarding the draft budget and level of precept

Appendix 1 – Budget Breakdown by Committee

Policy & Resources Committee					
		2018-19	2019-20		2020-21
			Budget	Projected	
Salaries		50384	56100	56100	71500
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	2000
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
TOTALS		90009	136090	126407	163625

Environment Committee					
		2018-19	2019-20		2020-21
			Budget	Projected	
Planting inc Aber in Bloom		11541	15000	15185	33000
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					34000
TOTALS		138278	145911	147469	182120

People & Communities Committee				
	2018-19	2019-20		2020-21
		Budget	Projected	
Twining	2000	6000	6000	3000
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
TOTALS	42100	49200	46720	67500

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)