

FULL COUNCIL

WEDNESDAY 9TH DECEMBER 2020

DRAFT BUDGET 2021-22

1. PURPOSE OF THIS REPORT

1.0 This report sets out the proposed 2021/22 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 the exact deadline.

2.1 As the Environment and People & Communities Committee have not been meeting, there has not been the opportunity for these Committees to consider the budget proposals for 2021/22.

2.2 The pandemic has impacted upon progress and at the October Council meeting, Councillors assessed the underspend and reallocated funding to several projects which resulted in virements of funding from those budgets forecast to underspend. These commitments have been factored into the projected spend.

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
TOTAL			9,250		8,250
Policy & Resources Committee		136,090	158,225	143,919	161,860

Environment Committee		145,911	168,120	164,423	198,020
People & Communities Committee		49,200	69,250	52,435	53,250
TOTALS			404,845	360,777	421,380
Minus estimated income from interest			850		850
AMOUNT TO PRECEPTED			403,995		420,530

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 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 as in 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. The annual funding for Abergavenny Community Trust is provisional in 2021-22 as they have been in receipt of funding for 3 years. A figure of £10,000 has been included in the draft budget however this could be removed or decreased if Councillors wish.

People & Communities Committee

- Twining – There may be some expenses relating to twinning visits in 2021/22 hence the inclusion of a small 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 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.
- 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 spend is from reserves.
- Council events – this will include Christmas Light Switch On 2021 and other events throughout the year.

Environment Committee

- Planting – this figure includes maintenance of 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.
- 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 is at a similar level to the contribution made in the past for the cleaning and maintenance of 4 blocks of toilets. The explanation is that there is increased cleaning being undertaken as a result of the pandemic. More details on the level of increased cleaning has been requested. WG is covering many of the costs incurred by local authorities as a result of the coronavirus pandemic so at this time, it is not clear if the increased cleaning would/should be covered by WG rather than the cost falling at the door of the Town Council. The proposed budget is £41,000 (inc £1000 for Community Toilet Scheme) for toilets not the £60,000 requested. Councillors are requested to take a view on whether to accept the £60,000 request and incorporate this into the budget and increase the precept accordingly or to request that a letter is written to MCC informing them of the Town Council's budget and that the Town Council is not prepared to significantly increase their budget for a reduced service.
- 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 spend is from reserves.

Reserves

- 4.2 The Council currently has £170,000 of earmarked reserves. This could change significantly if the spend on Bailey Park Gates and the Hard Court resurfacing is achieved in 2020/21. It is also 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. This would increase the projected general reserve to £122,000 at the end of the financial year (ie includes the transfer of the underspend from 2020/21). This is in the region of 29% of the precept or 3.5 months which is within the acceptable limits of the level of general reserves considered good practice.

5. THE PRECEPT

- 5.1 The draft budget totals £421,380. The only income expected is bank interest resulting in a precept of £420,530 compared to a precept of £403,995 in 2020/21.
- 5.2 This draft budget includes an additional £52,500 for 9 months funding for the Town Crew achieved through the removal of Committee allocations to take forward the action plan. There is potentially an officer capacity issue in terms of taking forward the actions in the action plan so it is not anticipated that either Committee will be embarking on many new projects in 2021/22. For example, the Environment Committee has a good number of actions to take forward in 2021/22 namely greening the public estates, town crew, town centre action group, outdoor water fountain in addition to the established actions so it is unlikely that there will be many new actions arising in 2021/22. However if this changes, it is proposed that reserves could be used for capital funding.
- 5.3 People & Communities Committee have a number of actions to take forward that could require capital funding eg extension to the skate park but rather than precept for this it is proposed that reserves should be considered for such funding.
- 5.4 It is not advisable to use reserves for ongoing revenue commitments such as salaries, service provision etc so the Town Crew should be funded from the precept not reserves.
- 5.5 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 not yet notified the Town Council of the £ Band D equivalents figure to be used. However, using 2020/21 £4935.23 as a guide, this precept would give an annual figure for a Band D property of £85.20 per annum compared to £81.56 in 2020/21, an increase of £3.64 per annum or 7p 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.

- 5.6 Comments are sought on the proposed draft budget with the final budget to be approved at the January Council meeting.

6. RECOMMENDATIONS

- 6.1 To comment on the draft budget 2021/22
- 6.2 To agree the Council's response to the request from MCC for £60,000 towards the cleaning and maintenance of the toilets in 2021/22 as set out in paragraph 4.1

Appendix 1 – Budget Breakdown by Committee

Policy & Resources Committee					
		2019-20	2020-21		2021-22
		Budget		Projected	
Salaries		56100	68100	65000	69500
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 (new heading)			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
TOTALS		133090	160225	143919	161880

Environment Committee					
		2019-20	2020-21		2021-22
		Budget		Projected	
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
TOTALS		145911	166120	164423	198020

People & Communities Committee				
	2019-20	2020-21		2021-22
	Budget		Projected	
Twining	6000	4000	0	3000
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
TOTALS	48200	65250	52435	53250

Appendix 2

Earmarked Reserves 2020/21

- Project Reserves £60,000 (£30k Bailey Park Hard Court resurfacing, £20k Toilet Modernisation, £10k Bailey Park Gates)
- 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)

Earmarked Reserves 2021/22

- Project Reserves £40K (£30k Bailey Park Hard Court resurfacing, 10K Bailey Park Gates) or £0 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)