



## Policy and Finance Committee

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**Date:** 22 November 2021

**Title:** Budget Setting Process

**Purpose of the Report:** To help inform Members of the work to date in respects of the budget setting process

**Contact Officers:** Mark Saccoccio - Town Clerk  
Clare Cummins – Finance Officer

<b>Corporate Objective/s</b>	.	Aim 1: To consolidate processes and procedures, ensuring operational efficiency and a structure which will underpin future service delivery by the Town Council.
<b>Implications:</b>		
<b>Financial</b>	√	
<b>Human Resources</b>	√	
<b>Operational/Service delivery</b>	√	
<b>Procedural/Legal</b>	√	
<b>Risk/Health &amp; Safety</b>		

### 1.0 RECOMMENDATIONS

**Should the Policy and Finance Committee be minded:-**

**1.1 To note the report**

**1.2 That each standing committee with budgetary responsibility be presented with its own draft budget for consideration and thereafter, for the draft budget to be returned to this committee on 24th January 2022 for its further consideration.**

### 2.0 BACKGROUND

**2.1** In accordance with established practice, the Town Council will be expected to have set a precept and notified the billing authority (Central Bedfordshire Council) of that amount by mid-January (albeit the principal authority will be made aware that this information will not be forthcoming until 1<sup>st</sup> February 2022 at the very earliest).

2.2 The following provides a timeline for those committees with budgetary responsibility:-

- Partnership Committee to be presented with its draft budget on Thursday 2<sup>nd</sup> December 2021.
- Grounds and Environmental Services Committee to be presented with its draft budget on Monday 6<sup>th</sup> December 2021.
- Cultural and Economic Services Committee to be presented with its draft budget on Monday 13<sup>th</sup> December 2021.
- Community Safety Sub-Committee to be presented with its draft budget on Monday 17<sup>th</sup> January 2022.

2.3 Thereafter, the draft budget will be returned to this committee for its consideration on Monday 24<sup>th</sup> January 2022. Subject to committee approval, the budget will then be taken to Full Council for its ratification. Throughout this process, Members are actively encouraged to approach Officers should they seek clarification on any budgetary matters.

Precepting:-

2.4 On 4<sup>th</sup> November 2021, the Town Council received details of the tax base for the forthcoming financial year. The tax base has increased by 1.0% from 14,607 dwellings to 14,759 (a net increase of 152 dwellings). The increase is representative of the housing growth within the parish. In this case, it is likely that the Roman Gate development will have made the most significant contribution in the increase in housing numbers.

Year	15/16	16/17	17/18	18/19	19/20	20/21
Tax Base and % increase in dwellings	13,438	13,826 (+2.8% = 388)	14,141 (+2.3% = 315)	14,270 (+0.9% = 129)	14,456 (+1.29% = 186)	14,572 (+0.8% = 116)
	21/22	22/23				
	14,607 (+0.24% = 35)	14,759 (+1.0% = 152)				

2.5 The average council tax base increase over the period 2016 – 22 is 188 units. Whilst the increase of 152 dwellings is welcomed, it remains below the period average.

The Draft Budget

2.6 The draft budget comprises the operational costs of running the Town Council's services (91% of expenditure budget) and includes within it an annual contribution of £200,000 toward its capital projects programme (9% of expenditure budget). The detail of the projects together with their spend profile can be found within the dedicated 5 Year Plan which is presented to committee separately.

- 2.7 In accordance with the Council resolution declaring a climate emergency (27<sup>th</sup> September 2021), the draft budget includes a revenue contribution of £30,000 towards the creation of an earmarked reserve (301/4373). Presently, there is no appreciation of the true costs of becoming net carbon neutral by 2030. It is the intention to appoint a consultant to audit council operations in due course. The outcomes from the audit will thereafter influence future budgets with greater certainty.
- 2.8 The budgetary shortfall is £129,229 (see below for calculations). Rising costs and inflationary pressures are significant contributory factors to the anticipated shortfall.

#### Council Tax Calculation

- 2.9 The following model assumes a 0% increase in council tax.

Council Tax (Assumes a 0% increase in Council Tax)	Council Tax Base	Precepting Amount £ 155.50 (Council Tax) multiplied by 14,759 (Council Tax Base)	£2,691,916 (Budget Requirement - see page 19 of the First Draft Budget) less £2,295,025 (Precepting Amount)	£396,891(difference) less £267,662(income – see page 19 of the First Draft Budget)
£155.50	14,759	£2,295,025	£396,891(difference)	£129,229 (shortfall)

#### 2.10 Draft Budget Headlines

##### Budgetary Pressures

The draft budget includes the re-introduction of budget lines that were previously omitted because of the pandemic.

- RPI of 4.9% as at September 2021
- A 3% increase in business rates anticipated across all town council operations.
- The creation of budget line 20/4378 – “council meetings audio” for the provision of sound equipment (microphones and speakers) at Astral Park for the total of 5 meetings of Council.
- In accordance with the recommendation made by Personnel Sub-Committee at its meeting held 11<sup>th</sup> October 2021, the creation of a growth item to the value of £15,000 to support town council corporate governance functions.
- A 4.9% increase to budget line 102 to support Citizens Advice, Guaranteed Grants and Music School
- Subject to the 5-year review (10-year lease), the rent payable for the depot increased from £20,000 per annum to £27,500 per annum.

- Creation of budget line 301/4373 – “climate change emergency” for £30,000. Its purpose to create reserves sufficient to meet the recommendations to come from the climate change audit.
- Budget line 101/4003 – “salaries -events” reintroduced this year to the sum of £1,154.
- Budget line 101/4515 – “canal festival” reintroduced this year to the sum of £20,902.
- Budget line 101/4520 – “movies for the more mature” reintroduced this year to the sum of £4,500.
- Budget line 412/4130 – “market security” increased to £11,500 due to the uncertainty around pedestrianisation of the High Street or otherwise.
- Budget line 412/4100 – “repairs and maintenance” to market equipment increased from £2,500 to £5,714.

#### Responding to Budgetary Pressures

- Pavilion rent receivable increased from £17,200 per annum to £45,612 per annum based on room hire take up to date post Covid.
- Rent receivable from the hire of parks for business events such as the circus and amusements increasing from £150 to £600.
- Street market income targets increased to pre-covid levels (2020/21) meaning Tuesday market increased to £35,000 and Saturday market increased to £40,000 per annum.

### 3.0 Conclusions

- 3.1 At this stage, the purpose of the report is to awareness raise. The budget remains fluid and subject to on-going iteration. As set out in the recommendations, each committee with budgetary responsibility will receive its budget for consideration. Thereafter, the draft budget will be returned to this committee in January 2022 for its ratification or otherwise.

**End.**