

ABINGDON-ON-THAMES TOWN COUNCIL

COMMUNITY SERVICES COMMITTEE

TUESDAY 3RD NOVEMBER 2020

Agenda item 8: Report of the Treasurer / RFO

Financial Report for Year to Date and Estimates for 2021-22

1. Introduction

- 1.1 The purpose of this report is to:
- (i) Approve the management accounts for the period 1st April–30th September 2020.
 - (ii) Note the projected year end income and expenditure totals for 31st March 2021.
 - (iii) Consider the estimates for 2021-22.
- 1.2 This is a detailed report and it is suggested that members read the report well ahead of the meeting in order to be able to reflect and fully consider the decisions the committee are requested to make at the meeting. Members are requested to contact the Treasurer/RFO, or the Town Clerk, in advance of the meeting if they require any further information on any of the items included either within the management accounts or the suggested budget for next year.

2. Management Accounts

- 2.1 Please find attached the management accounts for this committee (**APPENDIX A**). Income and expenditure are reported in the 2020-21 Actual YTD column (column 4).
- 2.2 Expenditure as of 30th September 2020 is £22,629¹. This represents 21.5% of the full year budget of £105,164. There are large areas of the budget which have not been spent this year due to the COVID-19 pandemic, namely expenditure on events such as Fun / Music in the Park, and civic events. This is shown in Appendix A under cost centres 215 and 404. The majority of expenditure during the first six months of the year relates to the community grants awarded £9,500, the Market Place £8,279 (business rates, works team recharges for litter picking etc) and the printing and distribution of the two editions of the Town Crier £4,739.
- 2.3 Income received as of 30th September 2020 is £858. Members are reminded that the main income lines relate to ticket sales / contributions for Music in the Park (£22,322 budget) and income in relation to Market tolls and

¹ Appendix A shows £16,629 adjusted for £6,000 relating to previous year (accounting adjustment)

licences for trading on the Market Place (£31,239 budget). As previously resolved, no Market tolls were charged for the period April – July 2020, and then a discount of 50% was awarded for August 2020 onwards.

- 2.4 The overall position as of 30th September 2020 is reported as a net spend of £15,771, which is 31.6% of the net budget £49,912.
- 2.5 ***Members are requested to approve the management accounts for the period 1st April 2020 to 30th September 2020.***

3. Projected year end income and expenditure

- 3.1 As part of the budget setting process each year, work is carried out to project current year spend and income and provide estimates of the full year outturn for each budget line. Usually the actual costs and income levels would be reviewed for the full 12-month period up to 30th September and then adjusted for known / expected changes from one year to the next.
- 3.2 We have assumed that the current situation will continue, and no town or civic events will take place in the current financial year. We have also assumed that the discounts awarded to the businesses on the Market Place will also continue.
- 3.3 The projected outturn for this committee is shown in column 5 in Appendix A. It is estimated that the net outturn will be saving against budget of £9,739. The main elements are:

(i)	Cost savings due to no town events	£39,275	
(ii)	Cost savings due to no civic events	£ 6,625	
(iii)	Savings on works team (Market Place) ²	<u>£ 3,418</u>	<u>£49,318</u>
(iv)	No income from Fun / Music in Park	(£22,322)	
(v)	Reduced income from Market Place	(£15,529)	
(vi)	Cost of new website	<u>(£ 1,745)</u>	<u>(£39,596)</u>

- 3.4 ***Members are requested to note the projected outturn for 2020-21.***

² Works team recharges budget was based on additional staff than currently employed

4. Estimates 2021-22

4.1 **Budget timetable**

The purpose of this section of the report is to consider the budget need for 2021-22 and agree recommendations to Finance and General Purposes Committee. Members are reminded of the timetable for decision making:

3rd November 2020 - Community Services Committee to agree a budget to recommend to the Finance and General Purposes Committee. This recommendation can be subject to change for cross-services budget estimates such as works team recharges which are subject to change later in the budget setting process.

The draft estimates included in Appendix A are calculated on the assumption that current events and activities under the responsibility of this committee will continue in 2021-22.

Before making a budget recommendation, this committee should consider any changes it wishes to propose in relation to future activities.

The committee should also agree proposals regarding fees and charges. These require Full Council resolution.

24th November 2020, 8th December 2020, 13th January 2021 – During these three meetings, the Finance and General Purposes Committee will consider budget recommendations from all spending committees and agree a recommendation to Full Council.

27th January 2021 – Full Council to resolve budget and precept demand.

28th January 2021 – Precept demand is submitted to Vale of White Horse District Council. Once this has been submitted no changes can be made to the precept. Any further changes to the budget after this date would need to be funded from reserves.

4.2 Members should note that the next meeting of this committee is on 12th January 2021. Whilst this is before the final meeting at which the Finance and General Purposes Committee agree the budget recommendation to Full Council, it is not recommended that the committee postpone decisions until then.

4.3 **Existing services and events**

In drafting the estimates various budget parameters are considered. i.e. the amounts by which budgets need to vary the following year to finance the council's services. Many of these items are fixed, that is, the Council cannot reduce its expenditure unless there are some significant changes to services the council provides. These parameters largely apply to business rates, utilities, and staffing. The parameters used for 2021-22 are:

- For any inflationary increases – based on CPI as of September 2020 0.7%
- Salaries and wages – an estimated national pay award of 1%.
- National Non-Domestic Rates – calculations are usually based on the multiplier announced in the Autumn each year. Due to the early timing of this meeting, the multiplier has not been announced. Instead, the same increase as last year has been applied.
- Electricity and gas supplies – fixed price contracts to December 2023
- All other budgets – no increase where possible but allowing for variation according to the results of detailed budget work and applying 0.7% inflation where deemed necessary.

4.4 There are some elements within the budget which can be varied year by year and require members' consideration. A suggested budget has been included within the proposed estimates as a starting point and members are requested to consider the budget need for each element and make a recommendation. The flexible items are:

- (i) Fun and Music in the Park
- (ii) Town Centre initiatives – budget previously used to replace flags
- (iii) Print media – current budget allows for four Town Crier editions
- (iv) Digital media – subject to recommendation at agenda item 6
- (v) Income from market tolls
- (vi) Civic functions
- (vii) Community grants

4.5 The proposed estimates are included in **APPENDIX A**. Based on the current level of services and events, and considering known changes to costs, the draft 2021-22 budget has been calculated as £48,259. If approved, this would mean a reduction against current year budget of £1,653.

4.6 The proposed changes to the budget are:

2020-21 budget	£49,912
Saving on annual website costs	(£ 2,967) ³
Increase in Print Media but to reflect actual costs	£ 404 ⁴
Expected increase in business rates	£ 402
Clubs and Societies Day (every 2 years)	£ 250
Works team recharge increase expected	£ 225
Other	<u>£ 33</u>
Proposed 2021-22 budget	<u>£48,259</u>

³ The Communications Review Working Group have recommended (agenda item 15) that the Council's website is updated. The costs quoted by the preferred supplier would mean an annual cost of £228. The current supplier charges an annual fee in the region of £3,000.

⁴ Actual costs are £101 higher per edition

4.7 **New projects**

Members should also consider any new areas of expenditure, considering the Terms of Reference and scope of this committee. These should be recommended to the Finance and General Purposes Committee in the form of additional budget bids.

5. Decisions

5.1 Members are requested to:

- (i) Approve the management accounts for 1st April to 30th September 2020
- (ii) Agree and make recommendations to Full Council regarding fees and charges for 2021-22 (alternative is to postpone until 12th January 2021 meeting)
- (iii) Agree a budget for this committee for existing services and events for 2021-22 which shall then form a recommendation to Full Council, through the Finance and General Purposes Committee
- (iv) Agree any additional budget bids for new projects or events, for 2021-22. These shall form a recommendation to the Finance and General Purposes Committee for their consideration, who will take into account additional budget bids from all the committees, resourcing needs, and implications on the precept.

Susan Whipp - Treasurer / RFO
28th October 2020