

ABINGDON-ON-THAMES TOWN COUNCIL
FINANCE & GENERAL PURPOSES COMMITTEE
WEDNESDAY 13th JANUARY 2021

Agenda item 9: Report of the Deputy Town Clerk / RFO

Estimates 2021-22

1. Introduction

- 1.1 The purpose of this report is to:
- (i) Consider the budget requirement for 2021-22.
 - (ii) Consider the funding options for the 2021-22 budget.
 - (iii) Agree a recommendation to Full Council.

2. Background

- 2.1 Draft estimates for 2021-22 were considered by each spending committee during the November / December cycle of meetings. The recommendations from these committees, and officer recommendations regarding the budget areas for Finance and General Purposes Committee, were first considered at the meeting of 24th November 2020. Further work was requested to explain the staffing costs included within the estimates and a confidential report was emailed to members on 2nd December 2020.
- 2.2 The draft estimates were considered again at the meeting of 8th December 2020. The estimates had been updated by officers to reflect additional efficiency savings identified¹, and national pay freeze announcements. The committee discussed the impact on the council tax and considered various funding options available. Further information was requested on the Council's earmarked reserves and levels of spending over recent years on specific budget lines. This information was emailed to members on 23rd December 2020.
- 2.3 The table below provides a summary of the draft budgets. The table shows the revised draft estimates for the current services provided by the Council (column 4) and the budget bids put forward for providing additional services. These budget bids are:

Youth Strategy	£30,000
Platinum Jubilee project	£ 5,000

¹ Full details are available on SharePoint

Additional play equipment £20,000

Committee	2020-21 budget	Recommendations to FGP Cttee meeting 24 Nov 2020	Revised recommendations to FGP Cttee meeting 8 Dec 2020	Additional budget bids	Final suggested budget
Community Services	£49,912	£48,259	£47,959	£35,000	£82,959
Guildhall	£258,480	£244,789	£241,219		£241,219
Amenities & Recreation	£389,563	£363,159	£358,672	£20,000	£378,672
CHMMC	£219,847	£238,454	£231,821		£231,821
FGP	£760,654	£836,798	£825,204		£825,204
TOTAL	£1,678,456	£1,731,459	£1,704,875		£1,759,875
Funded from reserves	£45,296				
Funded from precept	£1,633,160		£1,704,875		£1,759,875
Council tax base	12311.8	12359.2	12359.2		12359.2
Band D council tax	£132.65		£137.94		£142.39
if all funded from council tax					

3. Impact on council tax

- 3.1 The table shows that if the budget as stated above was approved, and if the budget was fully funded from precept, this would increase the annual band D council tax charge by £9.74 (£132.65 → £142.39), an increase of 7.3%. At the meeting of 8th December 2020, it was agreed unanimously that any increase to council tax would be limited to 6%.
- 3.2 A maximum increase of 6% would result in a band D council tax annual charge of £140.60, which would mean a precept paid to the Council of £1,737,703. If the budget stated in the table was approved, this would mean that **£22,172 would need to be funded by other means**. An alternative approach would be to reduce the budget by the same amount, or a mixture of the two.

4. Options on additional budget savings

- 4.1 At the December 2020 meeting, your officers [reported](#) some options for reducing the budget requirement. These related to budgets within the responsibility of the Amenities and Recreation Committee and the suggestions were primarily made to reflect the earmarked reserves which have amassed to fund these services. The Chair of the Amenities and

Recreation Committee, Cllr Jim Halliday, has provided some explanations of these budget lines and reserves, and these comments are provided below in *italics*, together with the options suggested by your officers.

New Cemetery Fund 299/4866

Reduce annual contribution to the EMR from £75,000 to £50,000

⇒ Budget saving of £25,000

Footpaths 299/4155

Reduce the annual budget of £6,500 and rely on the earmarked reserve instead (current balance £21,062 plus expected transfer from 2020-21 unspent budget £6,500).

⇒ Potential budget saving of £0 - £6,500

EMR 341 - Footpaths – Typically £6,500 is budgeted each year with unspent monies being moved to the Reserve. £6,338 was spent in 2018/19 on the Boxhill footpath plus another £7,850 for the repair to the Chilton Close entrance to the Chilton Close play area. In 2021/22 The A&R Committee have asked for Chilton Close play area paths to be hard surfaced. The cost of this depends on what spec is for the job, for instance does the Council want concrete edging to the path (or wooden which is cheaper but less durable), whether a layer of hardcore required, and whether the re-surfacing extends to include the entrances. The cost will certainly exceed the annual budgeted sum and it is likely that much of the reserve (expected to be £27,562 as of 31 March 2021) will be required.

Allotments 299/4161

Reduce the annual budget of £6,000 in line with average spend over the six years. Further work since the December meeting has calculated an average spend of approximately £5,000 per year. The earmarked reserve has a current balance of £7,154.

⇒ Potential budget saving of £1,000

EMR 331 - Allotments – Typically £6,000 (notionally £2,000 per Allotment site) is budgeted each year with unspent monies being moved to the Reserve. The funds can be accessed by the Allotment Associations to help with the upkeep of the sites (i.e., fencing, drainage etc). Payments are made on production of receipts. The award of up to £2,000 for each of the three sites helps to keep calls on the Town Council staff to a bare minimum as the Allotment Associations, with voluntary help and the use of the grant usually undertake the necessary maintenance jobs. If this budget was not available, then calls on the Works Team and the purchasing of materials would be greater – with consequent increased spend. It is recommended that the Reserve is maintained for calls upon the Council from the Landlords to deal with fencing and other issues. Many years ago, the Council had an expensive job of clearing up after travellers invaded one of our sites and left a lot of material including gas canisters to dispose of. In 2019/20 £3,980 was spent clearing a historic deposit of asbestos from the West End site.

The recommendation is to keep the Reserve and maintain the budget at £6,000.

Street Furniture 299/4845

Reduce the annual budget of £20,000 by 50% and rely on earmarked reserve instead (current balance is £17,895 plus expected transfer from 2020-21 unspent budget of £4,000)

⇒ Potential budget saving of £10,000

EMR 348 - Street Furniture – Typically £20,000 is budgeted each year with unspent monies being moved to the Reserve. The funds are used to buy a wide variety of objects – for example : noticeboards, seats, dog waste bins, litter bins, flower planters, and entry signs to the Town. In 2019/20 the spend was £42,105 (part funded from the Reserve) and in 2020/21 the spend is expected to be £15,218. As of 31 March 2021, the Reserve is expected to be £22,677. On order, but not yet arrived so the cost may fall into 2021/22 are the new cycle racks outside the Guildhall (£1,198). The A&R Committee has asked the officers to consider replacing the bollards in the Market Place and around the County Hall with plastic versions, which would in the long term both reduce expenditure (as repairing the cast iron ones is costly) and ensure quicker replacement when damage does occur. The officers are obtaining quotes, but the biggest expenditure will be the digging out of the old bollards, fixing new fittings with resulting works to the York stone and, reinstating setts with resin and in total will be an expensive job. Until the Council has been out to tender on this project the cost is unknown, but it would be prudent to assume that the majority of this reserve will be used if not more. The Committee has also suggested installing some larger notice boards for the bus terminus in Stratton Way and a new notice board for the Market Place. The last A&R Committee meeting was also advised about malicious damage to bus shelters around the Town – as yet repairs have not been made so the costs will fall into 2021/22. It is recommended that Reserve be maintained, and the budget kept at £20,000.

New Christmas lights 304/4167

Reduce the annual budget to £0 and rely on earmarked reserve instead (current balance is £9,640 plus expected transfer from 2020-21 unspent budget of £4,407).

⇒ Potential budget saving of £8,000

EMR 356 - Christmas Lights – Typically £8,000 is budgeted each year to purchase new/replacement lights with unspent monies being moved to the Reserve. In some years we have borrowed from the Reserve so that we could take advantage of the January / February sales for the Christmas Lights. Many (15+) years ago there was some sponsorship of the Lights and often the Market Traders have contributed to the cost of the Christmas Tree. In recent years, the lights have been converted to be LED but displays have a life span of 5 years on average (despite careful professional storage). In

Feb 2019 we spent £8,095 and in 2020/21 £1,792.80 was spent on new lights and baubles for the tree, which itself cost about £1,800. Cllrs Halliday and Clifton have recently surveyed the current display and their report is being taken to the A&R Committee meeting in January with a view to purchases being made in the February 2021 sale. It is recommended that Reserve be maintained so that the February sale can be accessed.

Fairs 305/1004

Renegotiate fair agreement to make net cost of the Council £0.

⇒ potential budget saving of £7,842

5. Covid-19 pandemic

- 5.1 As reported at agenda item 8, the Council has incurred some additional costs during the year due to the Covid-19 pandemic. It is estimated that the cost for the full year 2020-21 may be in the region of £85,000.
- 5.2 It is difficult to predict the impact Covid-19 may have on the Council's services in 2021-22 but it is suggested that a sum of £85,000 be added to the 2021-22 budget requirement, and this be fully funded from the general reserve.

6. Funding options

- 6.1 The [report](#) presented to the meeting of 24th November 2020 outlined the funding options. Members are requested to revisit this report.
- 6.2 Members may also consider the release of savings from some of the earmarked reserves into the general reserve. Any such release would increase the general reserve with the view that part of the 2021-22 budget be funded from there. Members have previously been provided with information² regarding the use of earmarked reserves in recent years, along with projected balances at the end of 2020-21.
- 6.3 Most of the earmarked reserves relate to services within the responsibility of the Amenities and Recreation Committee. In addition to the comments from the Chair, Cllr Halliday, already provided earlier in this report, Cllr Halliday has provided the following comments in relation to the Play equipment reserve (current balance £66,445):

EMR 345 - Play Equipment – Typically £30,000 was budgeted each year to purchase new equipment with unspent monies being moved to the Reserve. However, in 2020/21 the budget was cut to £0 since the EMR

² Emailed to all members 23rd December 2020 and available to view on Teams / Share Point

stood at £66,445. We last purchased play equipment in March 2019 for Boxhill and Masefield play areas at £20,411.98. This equipment was purchased at the suggestion of officers as Members had previously been asked for their opinions, but none were received. Member suggestions would be welcome – it is pleasing that the last A&R committee decided to set up ward-by-ward visits to each of the Play Areas so that needs could be identified and brought back to the A&R committee. It is likely that a good proportion of the Reserve might be spent on new equipment, but it is also prudent to maintain a good sum in the Reserve for repairs, as the play equipment is not insured and should any become vandalised or damaged, we need to replace items, and play equipment is not cheap. Also, if we experience damage to the safety surfaces by fire or being ripped up, this is very expensive to have repaired, but must be done quickly for obvious reasons. The Recommendation is therefore to spend part of the Reserve on new equipment but also keep a good amount for emergencies and repairs of damage/vandalism.

- 6.4 When the current year's budget was set, it was resolved that £45,296 would be funded from the general reserve rather than precept, and members could take a similar decision this year. However, your officers recommend that any use of the general reserve is limited to funding the Covid-19 costs rather than the provision of planned services.
- 6.5 In relation to earmarked reserves and as part of its forward planning process Members may now wish to consider the position regarding the Community Infrastructure Levy monies and how these are to be allocated in accordance with policy and the council's key strategic objectives.

7. Fees and Charges

- 7.1 As part of the budget setting exercise, the Council needs to consider its fees and charges for 2021/22. Changes to fees and charges are not reflected in the budgets.
- 7.2 Cemetery These will be considered by the Amenities and Recreation Committee meeting on 20th January 2020 and a verbal report and the recommendations will be reported directly to Full Council.
- 7.3 Fishing charges It was **RECOMMENDED** by Amenities and Recreation Committee that there be no increases to the charges for 2021-22.

7.4 Market tolls and related charges These will be considered by the Community Services Committee meeting on 12th January 2020 and a verbal report be presented to this committee.

7.5 The fees and charges this committee is required to consider are listed below:

	2019/20	2020/21
Certifications for Abingdon parishioners	£5 (inc VAT)	£5 (inc VAT)
Certifications for those outside the parish	£10 (inc VAT)	£10 (inc VAT)

8. Members Allowances

8.1 Members are requested to consider members' allowances for 2021/22 and agree a recommendation to full Council. Under the Code of Conduct it is acceptable that members consider this item.

8.2 Currently, the basic allowance for Town Council members is set at 20% of the District Council allowance. For 2020/21 this is £1,016.80 (20% of £5,084). The basis of 20% was in line with a previous recommendation of the independent Remuneration Panel commissioned by Vale of White Horse District Council.

8.3 The guidance from the District Council says that the District Council allowance will increase each year by the same rate as the national employee pay increase. The draft budget for Members allowances (line 401/4170) allows for a 1% increase.

8.4 With regards to travel and subsistence, allowances may be paid for approved duties which involve travel outside the parish. Members are requested to consider which duties should be applicable for such reimbursement. It is recommended that any further ad hoc meetings could be approved by the Town Clerk in consultation with the Chair of the Finance and General Purposes Committee if they arise. The previously approved mileage rates are:

Cars	45p per mile
Motorcycle	24p per mile
Bicycle	20p per mile

8.5 Members are requested to agree a recommendation to Council.

9. Mayor's Allowance

- 9.1 Members are also requested to consider the Mayor's allowance for 2021/22. The allowance for 2020/21 is £3,500 per annum (2019/20 £3,270). No increase has been included in the proposed 2021/22 revenue budget.
- 9.2 The Town Council does not have the power to pay an allowance to the Deputy Mayor but by local arrangement the Mayor allocates a sum of £250 per year from their allowance as a contribution towards the expenses of the Deputy Mayor in deputising for them. Members may wish to consider this arrangement and whether the amount remains appropriate.
- 9.3 Members are requested to agree a recommendation to Council, in accordance with the Local Government Act 1972 Sections 15 (5) and 34 (5).

10. Decisions

- 10.1 Members are requested to make **recommendations to Full Council**:
 - (i) Net expenditure requirement for 2021-22 (budget)
 - (ii) How the budget should be funded
 - (iii) Fees and charges for 2021-22
 - (iv) Members' allowances for 2021-22
 - (v) The Mayor's allowance for 2021-22

Susan Whipp – Deputy Town Clerk / RFO
8th January 2021