



ABINGDON-ON-THAMES TOWN COUNCIL

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8th December 2016

To: All Members of the Finance and General Purposes Committee

Cllr Michael Badcock
Cllr Dennis Garrett
Cllr Samantha Bowring
Cllr Jeanette Halliday

Chairman
Vice-Chairman & Chairman of Guildhall Committee
Chairman of Planning, Highways & Consultations
Committee
Chairman of CH Museum Management Committee
Chairman of Amenities & Recreation Committee

Cllr Monica Lovatt
Cllr Sandy Lovatt
Cllr Jan Morter
Cllr Helen Pighills
Cllr David Pope
Cllr Andrew Todd
Cllr Alice Badcock

Chairman of Community Services Committee
Mayor of Abingdon-on-Thames (Ex-officio)

Dear Member,

Your attendance is requested at a meeting of the Finance and General Purposes Committee to be held on Tuesday 13th December 2016 on the rising of the Guildhall Committee or at 7.15 pm, whichever is later, in the Royse Room at the Guildhall, Abbey Close, Abingdon-on-Thames.

Should you have any queries regarding any matters relating to the agenda, please contact Nigel Warner on 01235 522642.

Yours sincerely

N E Warner
Town Clerk

AGENDA

SECTION I (Open to the Public Including the Press)

1 **Apologies**

To receive any apologies for absence.

2 **Declarations of interest**

To receive any declarations of interest from Members in relation to any items to be considered at the meeting in accordance with the Local Code of Conduct.

3 **Minutes**

As this is a special meeting specifically to consider the budget estimates, the minutes of the previous meeting will be brought for approval to the ordinary meeting due to take place on 10th January 2017.

4 **Statements and Questions from the Public**

To receive any statements and questions; these should be submitted in writing to the Town Clerk no later than 5pm on Monday 12th December 2016. This may either be by letter to the address above or by e-mail to enquiries@abingdon.gov.uk, with a copy to nigel.warner@abingdon.gov.uk.

5 **Matters referred**

The budget estimates have been considered by the other spending committees and are referred as recommendations via the report of the Treasurer/ Responsible Finance Officer (item 6).

6 **Financial Report and Estimates 2017/18**

To receive and consider the reports of the Treasurer/ Responsible Finance Officer in relation to the above (attached).

7 **Personnel Sub-Committee**

Under this Committee's Terms of Reference it may appoint a Personnel Sub-Committee of five Members. The Committee is now requested to consider appointing that Sub-Committee.

8 **Publicity**

The Committee is requested to consider any items for which it wishes press releases etc. to be issued.

9 **Dates of next meetings 2016/17**

Members to note the dates of meetings of the Finance and General Purposes Committee for the remainder of 2016/17:

- Tuesday 10th January 2017;
- Tuesday 14th March 2017.

There are no items of confidential business on the agenda. However should, during discussion, any items involve matters which should be treated as confidential (for example in relation to staffing), then the Chairman may propose and the meeting may resolve to move in to confidential session.

ABINGDON-ON-THAMES TOWN COUNCIL
FINANCE AND GENERAL PURPOSES COMMITTEE
MEETING HELD ON 13TH DECEMBER 2016
REPORT OF THE TREASURER / RESPONSIBLE FINANCIAL OFFICER

Agenda item 6: Financial Report and Estimates 2017/18

1. Purpose of Report

- 1.1 The purpose of this report is to approve the management accounts for the year to date, review the predicted revenue budget outturn for the full year and then consider the draft base revenue estimates for 2017/18.

2. Management Accounts

- 2.1 Please find attached the draft revenue management accounts for the cost centres this committee is responsible for (**Appendix A**). The report shows the actual income and expenditure for the period 1st April to 31st October 2016 (Actual YTD). The full year budget for 2016/17 is also shown. For comparison purposes the actuals for the full year 2015/16 are also included.
- 2.2 Actual expenditure for this committee so far is £404,533. This represents 56.9% of the full year budget (£710,933). Income received so far is £1,439,812 (98.4% of the budget £1,462,626).
- 2.3 The draft revenue management accounts for the Full Council are also attached (**Appendix B**). Total expenditure so far is 50.9% of the full year budget (£855,871 actual.v. £1,682,974 budget). It is worth noting that this is skewed slightly as it does not take into account the largely year end transfers to earmarked reserves.
- 2.4 Income received across the Council to date is £1,603,116 (95.3% of £1,682,974 budget).
- 2.5 Members are requested to approve the management accounts for the period up to 31st October 2016.

3. Predicted revenue budget outturn 2016/17

- 3.1 Members may also wish to review the predicted outturn against this year's revenue budget. **Appendix B** shows we are predicting an underspend of £49,767. This is mainly due to savings on the Guildhall and some staff cost savings within Central Services.

4. Estimates 2017/18

- 4.1 The purpose of this section of the report is to consider the Council's estimates for 2017/18 and in particular to:
- Note the budgetary process and parameters;
 - Note the timetable for decision-making;
 - Consider the proposed the 2016/17 revenue budget for this Committee;
 - Review the recommendations of the other spending committees with regard to the 2017/18 estimates;
 - Consider fees and charges for 2017/18;
 - Consider the precept for 2017/18 and budget options.

5. Budgetary process

- 5.1 The Council's Treasurer / RFO, together with the Town Clerk, monitors income and expenditure throughout the financial year and reports are presented at each committee meeting.
- 5.2 In drafting the estimates appropriate budget parameters are considered, i.e. the amounts by which budgets need to vary the following year in order to finance the Council's services. Increases in expenditure have been limited by setting initial budget parameters as listed below. However, for the majority of budgets a 'zero based' budgeting technique has been used. This assumes no increase but takes into account trends during the last few years, known changes and achieving the Council's objectives.
- 5.3 The budget parameters used for 2017/18 are:
- For any inflationary increases – based on RPI figure as at September 2016 2.0%.
 - Salaries and wages – agreed national pay award of 1%.
 - National Non-Domestic Rates – Small Business multiplier of 0.467 applied and changes to the rateable value of the Council's hereditaments in line with the national revaluation programme. 1.75% BID levy.
 - Water rates – increase by inflation.
 - Electricity and gas supplies – based on fixed price contracts in place for the Council's buildings.
 - All other budgets – no increase where possible but allowing for variations according to the results of detailed budget work.
- 5.4 The Council's net expenditure will need to be met from either precept or balances.

6. Timetable for estimates

- 6.1 At this meeting Members are requested to review the budgetary position in relation to the draft estimates, ready to agree a recommendation at the next Finance and General Purposes Committee meeting to be held on 10th January 2017.
- 6.2 This Committee is then required to make a budget recommendation to the meeting of the Town Council on 25th January 2017.
- 6.3 Following adoption of the budget at the Town Council meeting the Treasurer/RFO will sign and serve a precept on the Vale of White Horse District Council, to pay the Town Council the sum, as agreed, in respect of the Council Tax for 2017/18.

7. Proposed 2017/18 estimates for this Committee

- 7.1 The proposed revenue budget for the cost centres this Committee is responsible for is included in **Appendix B** (page 21 – 30 of the ledger report).
- 7.2 The proposal is summarised below:

	2016/17 budget	2017/18 proposal	£ change	% change
Expenditure	£710,933	£708,230	-£2,703	-0.38%
Income (ignoring precept)	£ 89,787	£ 73,966	-£15,821	-17.62%
Net expenditure	£621,146	£634,264	£13,118	2.11%

- 7.3 The main elements to note are:

- Reduced CTRS grant	+£20,262
- Storage costs of relocated archives	+£ 8,000
- Higher insurance premium	+£ 1,222
- Higher share of works team recharges	+£ 1,697
- Other	+£ 16
- Net savings on pay costs	(£15,679)
- Savings on electricity and gas	<u>(£ 2,400)</u>
	<u>+£13,118</u>

8. Recommendations from other spending committees – matters referred

- 8.1 Recommendations from other spending committees are included within **Appendix B**. The County Hall Museum Management Committee have recommended a net expenditure budget of £178,000 but at the time of writing no breakdown of this figure is available. The budget proposal considered by the

County Hall Museum Committee was a net expenditure of £203,105. This would be an increase of £38,744 (23.6%) compared to the current year budget. The current year predicted outturn is £24,547 over budget. The committee recognised that this is unaffordable and a revised budget of £178,000 was agreed to be recommended to Finance and General Purposes Committee. A working group has been set up to consider efficiency savings at the Museum, with the view to producing a Forward Plan for the service. The Guildhall Committee has not yet formally agreed a budget to recommend and so the same budget as this year has been included.

9. Fees and charges

9.1 As part of the budget setting exercise, the Council needs to consider its fees and charges for 2017/18. The following recommendations from the spending committees have been included in the proposed estimates:

Cemetery: 5% increase to charges for interments, grants of rights, memorial fees and hire of chapel for funerals. No increase recommended for sanctum 2000 ashes vaults. 2% increase to charge for long term chapel hire.

Allotments: 2% increase to charges

Market tolls: 10% increase to charge to Farmers Market. 2% increase to regular Monday Market

9.2 Members are requested to approve these charge increases, to be included in the 2017/18 proposed estimates.

10. Reserve balances

10.1 The reserve balances are shown in **Appendix C**.

10.2 During the year there are minimal transfers either into or out of the reserves. At the end of the year any transfers can be made out of a particular earmarked reserve to cover capital costs which have arisen during 2016/17. Likewise, any underspends can be transferred into a particular reserve, this carrying the revenue over to next year. The main cost centres affected are 299 Amenities Capital Projects and 499 FGP Capital Projects.

10.3 The Council's auditors advise that general reserves should be maintained at the level of at least three months of net expenditure. Three months' net revenue expenditure based on proposed 2017/18 revenue budget is £351,782. **Appendix C** shows the general reserve as £276,503. However, total fund balances amount to £1,092,132 and as this includes several earmarked reserves which the Council would be able to change the use of, your officers believe that current balances are adequate.

- 10.4 Member are requested to review the level of reserves, consider any drawdown from particular ear marked reserves for 2016-17 and determine any revenue requirement to feed in 2017-18 revenue budget.

11. Summary draft budget and the precept for 2017-18

- 11.1 The precept for the current year is £1,372,839, based on a council tax base of 11913.9 and a band D tax of £115.23.
- 11.2 The proposed base revenue estimates for 2017-18 would mean a precept of £1,407,271, determined by a council tax base of 12023.2 and a band D tax of £117.05.
- 11.3 This would mean an increase in band D tax for the parish of £1.82 for the year (1.58%).
- 11.4 Members are reminded that we are awaiting confirmation whether the referendum principles and capping of council tax is to be extended to cover large parish and town councils. If this was extended this would mean any increases of more than either 2% or £5 on band D tax (whichever is higher) would trigger a referendum. A £5 increase in band D tax, based on the council tax base of 12023.2 would mean a precept of £1,445,549. This would result in £38,278 more income than the proposed budget contained within this report.
- 11.5 There are some potential other amendments to the proposed budget which will be considered by your officers. The National Revaluation programme for Business Rates has resulted in draft increased costs of £10,500 for this Council. Your officers will investigate the opportunity to appeal against these changes in the rateable values of the Council's hereditaments. Also, we are currently awaiting confirmation from the actuaries of the Local Government Pension Scheme the results of its recent revaluation. This could result in increased employer pension contributions. This is currently set at 16.6% for this Council and current year employer pension costs are approximately £100,000 per year. Even a relatively small increase in the employer contribution rate would result in a significant additional cost (a 1% increase would mean approximately £6,000 additional costs).

12. Areas of new spend

- 12.1 The proposed estimates for this committee have been based on the assumption that current services and level of spend continue for both revenue and capital. For the other spending committees (with the exception of the Guildhall) they are based on the recommendations of those committees. Any new items of spending should be identified for inclusion now.

13. Further work

- 13.1 Please note there may be subsequent amendments to the proposed estimates, as the result of further checking of the figures by officers.
- 13.2 Officers request that members provide instructions at this meeting of any alternative options / changes to the budget so these can be fully calculated in time for the next meeting in January 2017.

Susan Whipp

Treasurer/RFO

8th December 2016

Please email or telephone the Treasurer/RFO should you have any specific queries prior to the meeting, as this will provide sufficient time to research the matter in question.