

## **ABINGDON TOWN COUNCIL**

<b>Report to</b>	<b>Finance, Governance and Asset Management Committee</b>
<b>Meeting date</b>	<b>9 January 2024</b>
<b>Report author</b>	<b>Responsible Finance Officer</b>
<b>Agenda item</b>	<b>6</b>

## **2024-25 ESTIMATES / BUDGET REPORT**

### **1. Purpose of the Report**

- (i) To present the projected outturn against the current year budget
- (ii) To consider fees and charges for council services for 2024-25
- (iii) To consider member allowances for 2024-25
- (iv) To consider the budget requirement for 2024-25 and funding options.

### **2. Summary**

#### **2.1 Projected outturn 2023-24**

When the current year budget was set last year, the council resolved that this would be funded by way of a precept (council tax) of £1,823,515. Subsequently, progress on some projects has been slower than anticipated, and others (for example the play equipment upgrade) has been funded from CIL rather than the revenue budget. The net impact is that not all the revenue budget will be required, and a surplus of £244,484 will go back into General Reserves or into ringfenced EMR's for next year. Further details are provided in section 6.1 of this report.

#### **2.2 Fees and charges for 2024-25**

It is a legal requirement for fees and charges to be reviewed annually by the council. This committee is required to make a recommendation to be considered at the next council meeting held on 17 January 2024. See section 6.3 of this report.

#### **2.3 Members' allowances for 2024-25**

This committee is required to make a recommendation to council regarding the basic member allowance, travel and subsistence, and the mayoral allowance. See section 6.4 of this report.

#### **2.4 2024-25 budget requirement**

This committee is required to make a recommendation to council regarding the net expenditure estimate / proposed budget for 2024-25. See section 6.7 of this report.

#### **2.5 Funding of 2024-25 budget**

This committee is required to make a recommendation on how the 2024-25 net expenditure budget shall be funded, e.g. precept, use of earmarked reserves, use of general fund. See section 6.10 of this report

3. **Action required**

The committee is requested to

- (i) note the year end projections for 2023-24
- (ii) recommend to council any changes to fees and charges
- (iii) recommend to council any changes to members' allowances for 2024-25
- (iv) recommend to council a net expenditure budget for 2024-25, together with proposed funding arrangements.
- (v) agree to reworked Ear Marked Reserves.

**This will require a proposer and seconder.**

4. **Link to strategic plan and objectives**

Key Objective: To manage the Council's assets efficiently and effectively to meet for the needs of the community now and in the future.

5. **Background**

The Council considers its net expenditure requirement and precept demand annually in January. Committee meetings which took place in Autumn 2023 informed members of the process. Spending committees were asked for budget bids and have received draft estimates and have made a recommendation, through this committee to the council.

6. **Key information and options**

6.1 **Projected outturn 2023-24**

I have reviewed expected spend for the remaining period of the financial year and have estimated the following outturn compared to budget:

	<b>Budget 2023-24</b>	<b>Projected Outturn 2023-24</b>	<b>Variance</b>
Expenditure	£2,136,966	£1,924,388	£212,578 u/spend
Income (Ex Precept)	(£313,451)	(345,357)	(31,906) surplus
<b>Net Expenditure</b>	<b>£1,823,515</b>	<b>£1,579,031</b>	<b>£244,484 u/spend</b>
Funded By:			
Precept Income	£1,823,515	£1,823,515	
Use of General Res	£0	£0	£0
<b>Total Funding</b>	<b>£1,823,515</b>	<b>£1,823,515</b>	
<b>Difference to drop into General or EMR reserve @ YE</b>	<b>£0</b>	<b>£244,484</b>	<b>£244,484</b>

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6.2 **APPENDIX A** provides a full breakdown by committee and cost centre of all projections against budget. The report is annotated highlighting the main areas of variances.

6.3 Fees and charges 2024-25

Members are reminded that fees and charges were marginally increased last year. To reflect the current financial pressures on market stall holder and residents, I propose that all Fees and Charges remain the same. The charge for the Guildhall Hirings has been added. This is shown in **APPENDIX B** together with the current fees and charges.

6.4 Member's allowances

The council's current policy is for members to be awarded an allowance equal to 20% of the basic allowance of the district council. In the current year's budget, the town council allowance is £1,117 (20% of £585). Based on 19 councillors, this equates to an expenditure budget of £21,233, although it should be noted that not all councillors claim this allowance.

**The 2024/25 allowances for Vale Councillors are yet to be approved and published, therefore I have increased the current year to match the national pay award from NALC and NJC. Based on 19 councillors, this equates to an expenditure budget of £22,708.**

6.5 Travel and subsistence

As in previous years, members can claim travel expenses for any travel incurred outside the parish for council business. Any such claims should be made to the Town Clerk. It is recommended that rates should continue to reflect the national HMRC rates.

6.6 Mayoral allowance

The current mayoral allowance is £3,500 with a local arrangement for £500 to be given to the deputy mayor. I recommend this is increased to £4,000.

6.7 Budget estimates / Proposed Budget for 2024-25

**APPENDIX C** provides the proposed budget for members to consider. The budget is based on existing services continuing in their current capacity, together with any new or increased initiatives agreed in the council's Forward Plan and requests from other Committee's. This report is annotated with variances and amendments.

Two reports requesting budget bids were sent to the Committee's in September/October for first round bids. In November a Final Budget Call was made to both committees and officers. The following requests from Committee's have been included in the proposed budget.

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<b>Committee</b>	<b>Project</b>	<b>Cost</b>	<b>Funding source</b>
<b>Environment &amp; Amenities</b>	Green Projects – increase of £5,000 (currently £15,000)	20,000 per annum	Increased cost in revenue budget
<b>Environment &amp; Amenities</b>	Biodiversity Strategy – increase of £2,000 (currently £4,000)	6,000 per annum	Increased cost in revenue budget
<b>Environment &amp; Amenities</b>	Footpaths (currently £11,897 in EMR fund 341, will be used this year)	10,000	Capital to start to build up funds in an EMR
<b>Community</b>	Twinning Budget	2,500	Revenue Cost
<b>FGAM</b>	Storage Costs (Open Spaces)	24,000	Revenue Cost
<b>FGAM</b>	Community & Business Engagement Officer	40,000 (inc. ER's & LGPS)	Revenue Cost
<b>Town Infrastructure</b>	Speed indicator signs	20,000	CIL
<b>Town Infrastructure</b>	Bicycle racks in the market place	6,000	CIL
<b>Town Infrastructure</b>	Bus Shelters (this will be an ongoing revenue/maintenance cost)	10,000 per annum	Increase revenue budget from £6,667 to £10,000
<b>Town Infrastructure</b>	Roundabout Maintenance Contract (this will be an ongoing revenue/maintenance cost)	20,000 per annum	Include in revenue budget
<b>Town Infrastructure</b>	Community Toilet Scheme	1,000 per annum	Include in revenue budget

- 6.8 The budget has been calculated using the following parameters:
- any inflationary increases limited to 5%
  - anticipated national pay award of 4.4% across all grades
  - The current Establishment List for positions has been used for this budget

6.9 **APPENDIX D** provides a summary breakdown of the budget lines which fall directly within the responsibility of this committee. Along with an overview of the other Committee's

- 6.10 Based on the recommendations and suggested amendments shown in **APPENDIX C**, the proposed budget would mean a net expenditure requirement of £1,951,496 see table below:

	<b>AGREED Budget 2024-25</b>	<b>PROPOSED Budget 2024-25</b>	<b>Variance</b>
<b>Expenditure</b>	£2,136,966	£2,261,313	£124,347 increase
<b>Income (Ex Precept)</b>	(£313,451)	(309,817)	(£3,634) decrease
<b>Net Expenditure</b>	<b>£1,823,515</b>	<b>£1,951,496</b>	<b>£127,981 increase</b>
<b>Funded By:</b>			
<b>Precept Income</b>	£1,823,515	£1,951,496	Inc in band D houses
<b>Use of General Res</b>	£0	£0	
<b>Total Funding</b>	<b>£1,823,515</b>	<b>£1,951,496</b>	

6.11 Earmarked and General reserves

The council holds £2,361,803 in earmarked reserves and a current GR of £693,500. A list is provided at **APPENDIX E**. Members are requested to review the list and consider whether any proposed projects or areas of spending could be funded from these reserves. Members should also consider whether the earmarked reserves identified as no longer required, could be released back to the general fund. This will increase the GR by £71,047 plus the projected underspend. The GR reserves are currently too low and need to be sitting at 5-6 months of gross expenditure = £1.1 million.

6.12 CIL monies

The council currently has £194,020 of CIL monies. This can be used to fund specific improvements to infrastructure, including play areas, road speed initiatives and footpaths.

6.13 Funding and Precept recommendation

The Vale have issued our Band D Tax Base for the 24-25 year, with a gain of 179, this equates to a gain of £26,133 in monetary terms.

Based on the proposed budget **APPENDIX C** the effect on the precept is as follows.

	2023/24	2024/25	Gain	2024/25 Proposed
<b>Precept</b>	<b>£ 1,823,515</b>	<b>£ 1,849,648</b>	<b>£26,133</b>	<b>£1,951,496</b>
<b>Tax Base (Band D)</b>	<b>12,467.9</b>	<b>12,646.3</b>	<b>179</b>	<b>12,646.3</b>
<b>Charge p/h p/a</b>	<b>£ 146.26</b>	<b>£ 146.26</b>		<b>£ 154.31</b>
<b>£ Inc p/h p/annum</b>				<b>£ 8.05</b>
<b>% Increase</b>	<b>3.2%</b>			<b>5.5%</b>
<b>To Be Taken from CIL or reserves</b>	<b>£ 0</b>	<b>£ 0</b>		<b>£ 0</b>

7. **Climate change/green implications**

Budgets included within the Environment and Amenities Committee draft estimates cover the council's climate emergency projects. No other implications.

8. **Financial/budget implications**

As per the full report and appendices

9. **HR implications**

The costings included in the proposed budget are based on the existing staffing structure.

10. **Consultation implications**

I consider that there are no matters within the report on which we should consult.

11. **Supporting papers and appendices**

APPENDIX A: Projected outturn for 2023-24  
 APPENDIX B: Proposed Fees and Charges 2024-25  
 APPENDIX C: Proposed Estimates/Budget 2024-25  
 APPENDIX D: Summary Estimates/Budget 2024-25  
 APPENDIX E: Reserves and Ear Marked Reserves balances

Cherie Carruthers RFO  
 20 December 2023