

Agenda item: FC 212/20

WOUGHTON COMMUNITY COUNCIL

Full Council

Monday 16th November 2020

PURPOSE OF REPORT:

To propose a budget for 2021/22, with three-year projected budget included and to propose precept level for 2021/22 for consultation with residents.

RECOMMENDATION:

- 1. That Council notes the report, proposed budget sheet and three-year projections.**
- 2. That Council agrees that this budget will be published and provide the basis for budget consultation.**
- 3. That the Council Manager / RFO publicise the consultation using all available means to gain as fuller participation as is possible.**
- 4. That a further report is provided to Council in January 2021, providing details of the consultation and any updates about projected income.**
- 5. That Council prepares to ratify the final budget in January 2021, based upon feedback and updated projections.**

MAIN ISSUES AND CONSIDERATIONS:

The current situation is that there are considerable unknowns regarding likely income for 2021/22. This includes council tax base and any impact from Covid-19, the Local Council Tax Revenue Support Grant (LCTRS), any future impact of Covid-19 on income levels and the outcome of the current financial year, given the situation with lock down, income from hall hire and other sources.

The LCTRS grant currently provides approximately £156,000 per year to Woughton Community Council. The Council Manager, Council Leader, Chair of Council and RFO / Operations Manager have been working to try and get clarification about the likelihood of this funding continuing into next year, but without any clear outcome. Given this, the budget proposal takes a 'middle ground' approach, where the LCTRS is reduced by 50%. If the grant remains in full or if the grant is removed in full, this will have a significant impact on the budget.

The Council Tax base is another unknown at this point. Last year, we had a slight increase in our tax base, but it is likely that this will be the opposite this year, as a result of increased use of council tax benefit, redundancies and reduced income across the parish.

Additional income is also unclear – during 2020/21, the loss of income from Community Centre hire reduced our overall income by around £80,000. Depending on the ongoing impact of Covid19, this may improve next year, but equally may remain an area where income is below what would usually be expected. Whilst

significant savings have been made in other areas during this financial year, it is likely that we will have a deficit at the end of the current financial year, 2020/21, of around £50,000.

In terms of expenditure, we know that our pension contributions will increase by 1.5% for 2021/22, and by a further 1.5% the following year. Staffing costs increase annually, in line with agreed terms

and conditions – we have not received any information regarding the likely impact of this on next year's budget but have built in any incremental rises. The impact of external factors on other costs remains a risk; both the Covid 19 impact and that of leaving the European Union are risk factors that are unknown but that may have a detrimental effect on the overall budget.

Significant reductions have been made in key areas for both the current year and the proposed budget and further planning has taken place to address any further shortfall if the LCTRS grant is fully lost. This includes reductions in service budgets, events, IT costs and grants already included. If the LCTRS grant is lost fully, Council will need to decide on any further reductions in service provision.

The proposed budget for 2021/22 includes a suggested 7% precept increase. This is based upon the factors that have been identified (unknown income) and may change if further information is forthcoming prior to final ratification in January. The three-year budget includes a similar level of annual increase, but this will undoubtedly change as the fiscal situation becomes clearer. However, to ensure financial viability and protect services, this three-year proposal ensures that the loss of LCTRS is managed sufficiently and provides the option to replace any reserves that may be utilised to mitigate the impact if earlier.

It is proposed that this budget is used for the annual budget consultation, with four options offered regarding the precept: no increase, 5%, 7% or 10%+. The consultation will include information about the services we provide and will state that lower rises will have an impact on services. The consultation will NOT be able to happen face-to-face in the current climate, but we will investigate all other avenues, including The Gazette, online tools, paid for and targeted advertising on social media and through resident associations, notice boards and other visible places. The feedback from residents will be used to compile a further report for Council in January 2021, prior to any final decision being made about the budget.

FINANCIAL IMPLICATIONS:

We are preparing for a significant drop in income, next year and a further reduction in 2022/23 through the loss of the Local Council Tax Revenue Support Grant. We are suggesting a 50% loss next year taking the Grant from circa £156,000 to circa £78,000. We are proposing we will lose the remaining £78,000 by 2022/23. Therefore, efficiency savings have been made, to ensure we are robust enough to recover from this impact. The Council Manager and the RFO have included said efficiencies of just under £42,000 into next years' budget.

With the suggested precept rise, this should allow a surplus of circa £25,000 for the end of Financial year 2021/22. This will be pivotal in assisting us to recover from the further loss of the £78,000 from the Local Council Tax Revenue Support Grant, where we will see a slight deficit at Financial year end 2022/23. We must be realistic with our income targets and understand that we are moving closer to a financial target which will be difficult to exceed. It is important we use the upcoming years to best assist us to continue delivering services to our residents, while remaining in a financially viable position. We are expecting a deficit budget this year of circa £50,000 and our reserves will be utilised to recover from the deficit and the impact Covid-19 has had on our budget.

This budget, and any increase or loss of income is subject to change should our reflections be unobtainable, and the budget will need to be revised and amended to assist with any significant

shortfall – or, on the contrary should be reviewed and revised if we see no loss of LCTRS albeit unlikely.

STAFFING IMPLICATIONS:

With this proposal, there is no loss of staff but equally, no replacement of staff that have been 'on hold' during coronavirus. This does leave some services stretched, but manageable.

OTHER IMPLICATIONS:

As discussed, this paper and the proposed budget has been prepared using information available at this time (November 2020). All information needed will not be in place prior to budget ratification, so this is based upon the best knowledge available at this time. The Council will continue to campaign for fairer funding formulas, promotion on the principle authority supporting the most vulnerable parish within the city and evidencing the value of the work that WCC does within the locale.

It is unfortunate that we are unable to set a budget with full knowledge as this impact upon any precept decision; if LCTRS is maintained, a lower increase would suffice. If all LCTRS is lost, it could be argued that a larger increase would be valid. Using the 'middle ground' approach leaves us vulnerable to either imposing a higher than necessary precept increase OR significant risk to service provision if income is lower.

As always, the decision made this year impacts on future years – the three-year projection assumes a 7% precept increase but doesn't consider any potential increase from residential developments that are planned within the parish. A lower increase this year means any increase in future years is reduced, leaving the council vulnerable. And the Covid-19 pandemic has shown the importance of having sufficient reserves to manage the significant losses from this. Finding the balance is essential.

BACKGROUND PAPERS:

2021/22 Budget Proposal with three-year projection.

AUTHOR

Steve McNay – Council Manager

2021/22 Budget Proposal with 3 year projection

	2021/22 Budget v1	2021/22 Efficiency	2022/23	2023/24
EXPENDITURE				
Affiliations	£ 5,098.00	£ 5,098.00	£ 5,098.00	£ 5,098.00
Professional Services	£ 1,500.00	£ 1,500.00	£ 1,500.00	£ 1,500.00
Audit Fees	£ 3,677.00	£ 3,677.00	£ 3,677.00	£ 3,677.00
Capital Loan Repayment	£ 26,818.00	£ 26,818.00	£ 26,818.00	£ 26,818.00
Community Events (previously Carnival)	£ 10,000.00	£ 5,000.00	£ 7,000.00	£ 7,000.00
Clir Ward Initiatives Fund	£ 3,800.00	£ 3,800.00	£ 3,800.00	£ 3,800.00
Dog & Litter Bin Costs	£ 10,000.00	£ 10,000.00	£ 10,000.00	£ 10,000.00
Events & Hospitality	£ 2,000.00	£ 2,000.00	£ 2,000.00	£ 2,000.00
Communities and Environment Fund	£ 14,000.00	£ 7,000.00	£ 10,000.00	£ 10,000.00
Grant Aid - Res Associations	£ 3,500.00	£ 3,500.00	£ 3,500.00	£ 3,500.00
Insurance Inc Vans	£ 6,960.54	£ 6,960.54	£ 6,960.54	£ 6,960.54
Meeting Places (Costs)	£ 40,000.00	£ 40,000.00	£ 40,000.00	£ 40,000.00
Member Allowances and Expenses	£ 15,500.00	£ 15,500.00	£ 15,500.00	£ 15,500.00
Newsletters, Websites and Communications	£ 10,000.00	£ 6,000.00	£ 7,000.00	£ 7,000.00
HQ - Building Costs (regulars)	£ 12,100.00	£ 12,100.00	£ 12,100.00	£ 12,100.00
Vehicles	£ 9,360.00	£ 9,630.00	£ 9,630.00	£ 9,630.00
Branding (also to include uniforms)	£ 2,000.00	£ 2,000.00	£ 2,000.00	£ 2,000.00
Stationary and Amenities and services - HQ	£ 9,900.00	£ 9,900.00	£ 9,900.00	£ 9,900.00
I.T (previously included broadband and Members IT)	£ 33,092.40	£ 29,000.00	£ 33,000.00	£ 33,000.00
Organisational Costs Total	£ 219,305.94	£ 199,483.54	£ 209,483.54	£ 209,483.54
Staffing Costs - added 2% across the board + increments				
Pension costs (20/21 = 22.1%, 21/22 = 23.6%, 22/23 = 25.1%)	£ 73,781.64	£ 73,781.64	£ 74,888.36	£ 75,995.09
Employers NI Costs	£ 56,318.09	£ 56,318.09	£ 59,484.45	£ 60,674.14
HQ Staffing	£ 121,628.47	£ 121,628.47	£ 124,061.04	£ 126,542.26
Youth Staffing	£ 76,000.00	£ 76,000.00	£ 77,520.00	£ 79,070.40
Community Staffing (previously Incl Advice)	£ 93,315.72	£ 93,315.72	£ 95,182.03	£ 97,085.68
Landscape and Environment Staffing (incl Envrir)	£ 183,664.26	£ 183,664.26	£ 187,337.55	£ 191,084.30
Members Staffing	£ 22,215.31	£ 22,215.31	£ 22,659.62	£ 23,112.81
Meeting Places Staffing	£ 38,646.37	£ 38,646.37	£ 39,419.30	£ 39,419.30
Staffing Total	£ 667,569.87	£ 667,569.86	£ 680,552.35	£ 692,983.97
Landscape - Building costs	£ 6,000.00	£ 6,000.00	£ 6,000.00	£ 6,000.00
Landscape - Services Budget	£ 18,000.00	£ 18,000.00	£ 18,000.00	£ 18,000.00
Youth - Building Costs	£ 5,000.00	£ 5,000.00	£ 5,000.00	£ 5,000.00
Youth - Services Budget	£ 10,000.00	£ 10,000.00	£ 10,000.00	£ 10,000.00
Advice - Services Budget	£ 1,000.00	£ 500.00	£ 500.00	£ 500.00
Environment - Services Budget	£ 1,000.00	£ 500.00	£ 500.00	£ 500.00
Community Development - Services Budget	£ 2,000.00	£ 1,000.00	£ 1,000.00	£ 1,000.00
Service Plan Delivery	£ 25,000.00	£ 10,000.00	£ 10,000.00	£ 10,000.00
Emerging priorities	£ 10,000.00	£ 10,000.00	£ 10,000.00	£ 10,000.00
Training, Development and Conferences	£ 15,000.00	£ 10,000.00	£ 10,000.00	£ 10,000.00
Emergency Contingency	£ -	£ -	£ -	£ -
Services Delivery Total	£ 93,000.00	£ 71,000.00	£ 71,000.00	£ 71,000.00
EXPENDITURE TOTAL	£ 979,875.81	£ 938,053.40	£ 961,035.89	£ 973,467.51
Efficiency savings made	£ 41,822.41			
INCOME				
Bank and Investment Interest	£ 50.00	£ 50.00	£ 50.00	£ 50.00
MIC LTRS Grant	£ 77,805.50	£ 77,805.50	£ -	£ -
Hire of Meeting Places	£ 70,000.00	£ 70,000.00	£ 90,000.00	£ 100,000.00
Landscape Grant (3% RTI increase)	£ 155,846.21	£ 155,846.21	£ 160,521.60	£ 165,837.24
Precept (7% increase annually)	£ 615,141.93	£ 615,141.93	£ 658,201.87	£ 704,276.00
Additional Income Generation	£ 40,000.00	£ 40,000.00	£ 50,000.00	£ 60,000.00
Income Total	£ 958,843.64	£ 958,843.64	£ 958,773.46	£ 1,029,663.24
Transfer to / from reserves				
SURPLUS / DEFICIT	-£ 21,032.17	£ 20,790.24	-£ 2,262.43	£ 56,195.73

Agenda item: FC 213/20

WOUGHTON COMMUNITY COUNCIL

Full Council Committee

Monday 16th November 2020

PURPOSE OF REPORT:

To update the committee on the interim internal auditor's report.

RECOMMENDATION:

That the Committee notes the report.

MAIN ISSUES AND CONSIDERATIONS:

Please see attached the internal auditors report from October 2020. I am pleased to report there are no recommendations other than, the use of rubber stamp on invoices, this had become proper practise since the last audit however due to COVID we have been unable to implement effectively due to working from home restrictions.

FINANCIAL IMPLICATIONS:

None Perceived.

STAFFING IMPLICATIONS:

None Perceived.

OTHER IMPLICATIONS:

None perceived.

BACKGROUND PAPERS:

2020/2021 Internal Auditors Report.

AUTHOR

Samone Winsborough
RFO

Agenda item: FC 214/20

WOUGHTON COMMUNITY COUNCIL

Full Council

Monday 16th November 2020

PURPOSE OF REPORT:

To provide council with first draft of the Service Plan for 2021/22 and to request any additional elements / clarifications / information about this plan.

RECOMMENDATION:

- 1. That Council notes this report and the V1 Service Plan document**
- 2. That Council considers the suitability of the items already within the plan**
- 3. That Council considers any additional elements / items that should be included within the plan**
- 4. That the plan is further expanded and finessed prior to Full Council in January 2021, where a further draft will be provided, with a view to ratification in January or February 2021.**

MAIN ISSUES AND CONSIDERATIONS:

As with previous years, there is a Service Plan that sits alongside our usual provision, focusing on specific goals for the coming year. This years in slightly different, in so far as it is broken into two distinct areas; Covid19 recovery and other things. There are some items that have been passed over from this year, due to non-completion and some new items.

As with previous years, the items are colour coded to the committee that has oversight.

This draft is version 1 and will change as committees and Council add other items, reduce items or have a view on priorities. There will also be an impact from budget setting processes, where we still await clarity of what our income is likely to be.

Council is encouraged to contribute ideas and views around the Service Plan, either in terms of building upon existing items or suggesting new items to be added.

FINANCIAL IMPLICATIONS:

This version of the plan has extremely limited financial impacts – most items have little or no direct financial need (excepting those items which were previously agreed from 2019/20) and only item CV1 has a small amount suggested.

STAFFING IMPLICATIONS:

None noted.

OTHER IMPLICATIONS:

None noted.

BACKGROUND PAPERS:

2020.21 Service Plan v1.

AUTHOR

Steve McNay – Council Manager