

Community Services Committee Meeting - 20 October

Budget Review

1) **Management Accounts 2020/21**

The Management Accounts for September 2020/21 (**Appendix 'B'**) show budget progress for the first half of the financial year, which has been severely impacted by the coronavirus pandemic.

A detailed review will be tabled at the meeting.

2) **Budget Proposal First Draft 2021/22**

The first draft of the Budget Proposal for 2021/22 (**Appendix 'C'**) is very much a 'starting point' for debate, as the figures on which the annual draft budget is usually based have been severely affected by the impact of the coronavirus pandemic.

The continued uncertainty over how much longer the restrictions will continue and the ongoing economic impact of the pandemic also affect the ability to predict many of the income streams and the levels of expenditure which the Council will incur in the rest of the current financial year, let alone the next financial year. Many of the YTD Actuals for 2020/21 have been affected and made many of the YTD Budget figures become unrealistic or unachievable as a result of the unforeseen circumstances when the Final Draft Budget for 2020/21 was approved by Council in January 2020.

Apart from Civic Expenditure as shown on page 4 of the Draft Budget, the Community Services Committee has budget responsibility for many of the other budget items.

As with any budget preparation, there are various assumptions which have had to be made. However, any of the figures can be amended in the next few months.

The Finance & Audit Committee will review the draft budget for 2021/22 for the first time at its meeting in November, which occurs after the other spending committees will have already met in October

to consider their budget requirements. There is then further opportunity to review and submit additional requests for budget amendments before the final draft budget is reviewed by the Finance & Audit Committee in January, to be recommended to Council for approval by the end of January in order to submit the precept request to the District Council.

Note that the increase in the precept of 1.5% is based on an assumption that the same level of increase will be applied as was approved for the budget for 2020/21 but this is not intended to set an expectation. The tax base has also been set at the same level as the current year because the District Council are unable to provide a more accurate figure until later in the year (by December at the latest).

A more detailed review of how the budget was prepared and what assumptions have been made will be presented at the meeting. However, if any Members have specific queries or concerns about the figures shown in the draft budget, they are asked to submit any requests for more information to the Deputy Town Clerk before the meeting, as these are likely to require further detailed analysis and investigation.

3) Designated Reserve requirement for 2021/22

Following Council's decision in September 2020 to approve the new Committee structure and new Terms of Reference, the Community Services Committee is responsible for agreeing its recommended designated reserve requirement for the next financial year and to advise the Finance & Audit Committee accordingly, in addition to agreeing its recommended budget.

This "pot" of additional funds will enable the committee to make decisions on additional expenditure during the next financial year, on matters within its budget responsibility, without having to request approval of budget virements from the Finance & Audit Committee.

Note that any funds allocated to new designated reserves for each committee will need to be taken initially from Council's General

Reserve, so these decisions will potentially have an impact on the Reserves Policy. Note that the Reserves Policy will continue to be reviewed as part of the overall budget process.

4) Review of Town Hall tariffs for 2021/22

The current tariffs are attached as **Appendix 'D'**.

An annual review of the tariffs is undertaken as part of the budget process because these could impact the expected level of income derived from Town Hall hire.

With the continued uncertainty over coronavirus lockdown restrictions and whether or when Town Hall bookings may return to previous levels, it is recommended that tariffs are increased in line with inflation, as per the process for the last few years.

5) Review of Cemetery & Tranquility Garden fees for 2021/22

The current fees are attached as **Appendix 'E'** and **Appendix 'F'**.

As with Town Hall tariffs, an annual review of the fees is undertaken as part of the budget process because these could impact the expected level of income derived from the Cemetery.

Following last year's review and an observation that remaining cemetery space for burials was limited, a restriction was placed on the 'pre purchase' of burial plots as well as an increase in fees to non-residents of the town.

With the continued uncertainty over the impact of the coronavirus pandemic, it is recommended that fees are increased in line with inflation, as per the process for the last few years.

6) Review of Allotment fees for 2021

See the Allotment Officer's Report attached as **Appendix 'G'**.

Deputy Town Clerk
October, 2020