

**BRIDGNORTH TOWN COUNCIL
TOWN COUNCIL MEETING
19 OCTOBER 2021**

RCW/2021

DATE: 11 OCTOBER 2021

REPORT TO TOWN COUNCILLORS

AGENDA ITEM 10 – BUDGET PREPARATION

AIM

1. To receive an indicative budget for FY22/23.
2. To begin to identify the anticipated budget priorities for the FY 2022/23

BACKGROUND

3. The Town Council is required to set its budget and confirm the level of precept before the end of January 2022.
4. The setting of the precept is one of the two tasks that Council cannot delegate.
5. The setting of the budget provides the framework for much of the Council activity.

DISCUSSION/ COMMENT

6. Large parts of the Town Council budget are likely to contain elements that cannot be radically changed from one year to another. (e.g. utilities/insurance/building repairs/grounds maintenance/staff costs).
7. Identifying the 'must do' from the 'highly desirable' and the 'would be good to do' is a useful exercise (it helps to set priorities) as is identifying the level of tax burden.
8. A very general rule of thumb would be to have the General Reserves (GR) at a level of between 3 and 9 months precept (159K to £479K) subject to the amount of Earmarked Reserves
9. Earmarked Reserves (EMR) generally exist as long-term savings schemes for works that happen once every few years or things that are known to require significant expenditure at some point (future land purchase for a cemetery, replacement lampposts every 20 years, upgrading of Christmas lights, significant property repairs). As at 31 March 2021 the EMR stood at £174,147. A significant amount of our EMR's are ringfenced for specific purposes circa. £65,818.26.
10. In addition, the Council has a category of cash that it holds from sales of capital called Useable Capital Receipts which at 31 March 2021 stood at £172,633.
11. Officers and relevant members of staff have met to discuss the budget requirements for 2022/2023.
12. The enclosed budget has been completed and shows the expenditure and projected income for the FY 2022/2023 based on these discussions.

13. The income figures do not include any increases that Council may wish to impose. Discussions for this will take place at the Town Council meeting due to be held in November 2021. (Some income figures do include the % increases that are written into certain leases and agreements).

FINANCIALS

14. Members are asked to consider increasing the following Earmarked Reserves:
325 Property/Infrastructure/Projects – Increase by £8,000.
- £2,000 Property repairs
 - £2,000 Lavington Gardens/Castle
 - £2,000 Christmas lights
 - £2,000 DLF training
15. Members are asked to consider transferring £15,000 from nominal code Projects & Improvements/Cemetery Extension (294/4433) to Earmarked Reserve 327 Cemetery Land.

ACCOMPANYING DOCUMENTATION – (Examples attached)

16. Budget - The current year's budget includes: last year actual spend; this year's spend so far; this year's budget; the end of year predicted spend and an initial estimate of next year's budget - Flag 1.
17. Summary Budget – A one page overview of the budget by cost centre which seeks to identify: the likely end of year (FY 21/22) balance for the General Reserve; the anticipated level of the precept; a desired end of FY 22/23 General Reserve and the likely 'Band D equivalent' (This is subject to change depending on the Council Tax Base figure which is provided by Shropshire Council) - Flag 2.
(Members are asked to note the following:
The 31st March (end of FY) General Reserve figure was £248,771. However, it should be noted that it is in effect overstated by £23,600. This is a result of 3 receipts taken on the 31 March 2021 for transactions in the 2021/2022 financial year namely £12,000 donation for the Youth Services and £11,600 for concessions on Severn Park). These will have a material effect on budgeted income for this year.
18. Budget Notes – A commentary on the major components of each Nominal Ledger. It should provide Members with a flavour of the types of expenditure within each line of the budget – Flag 3

SUMMARY

19. Setting a budget has a host of competing and complimentary demands.
20. The largest contributor to the Town Council budget by far is the precept (Bridgnorth residents only).
21. The budget should be refined over a reasonable period of time.
22. There are likely to be a couple of overriding priorities including property repairs, grounds maintenance and purchase of new grounds equipment.

RECOMMENDATION(s)

23. It is recommended that:

i) Council begin to familiarise themselves with the budget for 2022/2023 and begin to identify some general priorities.

ii) Council resolve to:

Increase the following Earmarked Reserve:

325 Property/Infrastructure/Projects – Increase by £8,000.

- £2,000 Property repairs
- £2,000 Lavington Gardens/Castle
- £2,000 Christmas lights
- £2,000 DLF training

iii) Council resolves to:

Transfer £15,000 from nominal code Projects & Improvements/Cemetery Extension (294/4433) to Earmarked Reserve 327 Cemetery Land.

Ros Williams
Deputy Town Clerk/Responsible Financial Officer