



FINANCE COMMITTEE

29 October 2020

Budget Items to Consider / Note

Here are some issues for consideration before the detailed figures are prepared for the draft budget. It may be that changes will be required once the figures have been prepared but these notes are for initial thoughts and 'aspirations'.

This report is to be considered in line with the attached draft budget (appendix 1) which has been prepared by the Clerk and Facilities Manager. The draft budget does not include a precept figure to allow members to understand the minimum precept required to meet service delivery. The shortfall shown on the last page of the draft budget report shows a figure of £819,699. In addition, to aid members a summary spreadsheet has been prepared (appendix 2), together with a spreadsheet showing potential income from precept depending on the percentage increase (appendix 3).

1. Planned Maintenance Programme

The Finance Committee considered the first draft of the Planned Maintenance Programme at the last meeting. The agreed amendments included provision for the installation of solar panels at the Civic, the removal of the provision of a police car, and reducing the provision of a town council van from two to one for the time being.

Members also asked that the split between Capital and Revenue spend is detailed. The attached revised plan now show this information and members are asked to consider the figures detailed showing the sums required to meet the draft plan for 2021/22. Provision has been made within the draft budget proposals for the revenue expenditure, but it does not include the capital expenditure. Whilst there is currently £588k held within capital reserves, the majority of these funds will be required for the Civic Hall extension. It would

be prudent to budget additional capital funds to strengthen the Town Councils financial position.

2. Corporate Strategic Plan

The Policy Committee considered the action plan within the draft Corporate Strategic Plan which is currently out to consultation. The Policy Committee have made the following recommendations:

- a) The carry-over of ear marked reserves for Nantwich Partnership, which is currently £10,000;
- b) A budget for the appointment of a Town Ranger;
- c) Funding for the repair of the Pillory and Millennium Clock;
- d) Funding of £7,500 for the installation of a CCTV camera at Love Lane;
- e) A budget for the staffing review;
- f) Additional funding for floral displays;
- g) Further information on the provision of public conveniences at Snow Hill.

The draft budget has now incorporated the recommendations of the Policy Committee for the Town Ranger salary, repairs to the Pillory and Millennium Clock, the additional CCTV camera and funding for a staffing review.

The initial estimated costs associated with Snowhill toilets have also been included within the Capital funds identified in section one of this report. Further information is still to be obtained in relation to Snowhill toilets as requested by the Policy Committee.

3. Reserves

Local councils need to hold an amount in general reserves to meet unexpected expenditure, otherwise they could run out of money before the end of the financial year. A council should typically hold between 3 and 12 months expenditure as a general reserve. If the general reserve is too low then it may not be enough to cover unexpected expenditure or emergencies, whilst if the general reserve is too high then local electors have paid a tax which is not being used for the benefit of the local community. In February of this year council approved its Investment Strategy which included a policy on holding a sum approximately equal to 3-6 months of its Net Revenue Expenditure as the General (non-earmarked) Reserve, in accordance with good practice. This

policy will require a year end figure of non-earmarked revenue reserves of between £300,000 and £600,000. Due to the pandemic it is probable that the year end for 31 March 2021 will not meet this policy requirement, with an estimated year end balance of just £58,566 so Council must consider its position for year end 31 March 2022.

Revenue Reserves (existing Nov 2020)

Reserve	£
Elections	10,000
Allotment Tree felling	20,000
Nantwich Partnership	10,000
Total	40,000

In addition to the above existing reserves, the draft budget also includes an allocation of to revenue reserves for fire doors at the Civic Hall of £7,500 and a fence at Wellington Road allotments of £5,000. These sums will be added to in future years until sufficient is held in reserves to carry out the work.

Capital Reserves

There is currently £585,888 held in Capital reserves following the transfer of funds approved by council earlier in the year to address historic capital expenditure. The total transfer from capital to revenue was £283,000 to address historic capital expenditure. Member also need to note the approval of a further £62,356 that is yet to be deducted from the £585,888 for the purchase of a Cherry Picker.

It is recommended that with the capital costs identified within the Planned maintenance programme of £220,500 that council should consider adding to the capita reserves, not yet included within the draft budget.

4. Income

In previous years the Town Council has received approximately 50% of its income through the precept and 50% from the services provided, including the Civic Hall and Market. Due to the situation with the pandemic it is difficult to predict expected income for 2021/22, particularly for Civic Hall shows and licenced drinks income. For this year the Clerk has estimated a very low

income for these areas, so that the Town Council is not totally reliant on income generation. However, the negative impact on this results in the Town Council having to increase the precept further.

Precept – The existing precept (for 2020/21) is £673,005 based on a tax base of 5,486.86 dwellings at £122.66 per average band 'D' dwelling.

The tax base for next year, 2021/22 is not yet known as Cheshire East Council has not yet provided this information. Based on the existing tax base the following table provides indicative precept increases:

Increases in the precept would result in the following:

Percentage Increase	Increase per dwelling per year	Overall Increase in the Precept from 20/21 level
1%	£1.23	£6,743
2%	£2.45	£13,474
3%	£3.68	£20,204
4%	£4.91	£26,934
5%	£6.13	£33,664
10%	£12.27	£67,315
15%	£18.40	£100,966
25%	£30.67	£168,268

The above figures have been produced for comparative purposes only, any other proposed percentage increases can be considered including ½ % points as shown at appendix 3.

What level of increase in the precept is considered to be acceptable this year?