

REPORT TO FULL COUNCIL ON 12 JANUARY 2021

REVISED BUDGET FIGURES 2021-22 (v3)

1 Covid 19 has had a profound effect on budget setting this year and is likely to have a further knock-on effect for the following year's budget, 2022-23.

2 The reason CTC puts surplus funds, when it has them, into the reserves at Year End is to build up the reserves to cover unforeseen events such as Covid and its knock-on effects.

3 The Tax Base has been reduced by six to 5,451 (ie fewer households will be paying Council Tax, even though more houses are being lived in) - which is actually better than we had feared. If the Band D rate is held at £120.90, the reduced Tax Base will produce a Precept of £659,026 as opposed to £659,751 - a reduction of £725 overall. In the current climate it is highly unlikely that CTC would want to raise the Band D rate to plug the gap

4 The Recommendation from the F,B&S Committee is to hold the Band D rate at £120.90, giving a Precept of £659,026. The projected shortfall (deficit) on the revenue budget should be made up by taking money from the reserves.

5 After review, the figures have been amended to budget more realistically. Hall hire fees are projected to reduce by 50% due to the halls not re-opening much before September 2020

6 Other considerations are the potential transfer of play areas and linear parks at Queen's Hills requiring more staff, recruitment costs, more realistic budgeting for rates, & refuse collections. Grounds and Property maintenance are always difficult to predict. The original £2,000 budgeted for investment income was removed. Setting up a new cost centre for Lodge Farm Hall was mooted, but considered more appropriate for the following financial year 2022-23.

7 Changes made:

The biggest change in comparative figures is a result of taking cleaning in house. Previously all aspects of cleaning and security were accounted for under Account codes 4016 *Janitorial*. They are now spread between 4001 *Salaries* and 4050 *Security* with some remaining under 4016 *Janitorial* which has reduced considerably

4001/101 Salaries - Due to TUPE staff member plus extra P/T cleaner and costs moving from 4016 Janitorial to Salaries	increase to £300,000
4007/101 Courses / Conferences	increase to £750
4008/101 Training - New staff need training	increase to £1,750
4009/101 Travel - More staff travelling between sites	increase to £5,000

4025/101 Insurance - although 3-year fixed rate, extra liabilities will need adding – eg if play areas at Queen’s Hills are transferred to CTC	increase to £12,000
4027/101 Computer & IT - more support for new Councillors	increase to £12,000
4030/101 Recruitment Advertising – staff changes	increase to £5,000
4002/102 Youth Work - requested by Management Committee	increase to £6,750
4033/102 Newsletter – outsourced Graphic Designer	increase to £12,750
4042/101 Subscriptions – costs rising	increase to £500
4011/201 B Hall Rates – more realistic calculation	increase to £8,800
4050/201 B Hall Security – transferred from Janitorial	increase to £3,700
4011/202 CC Rates - more realistic calculation	increase £18,750
4050/101 CC Security – transferred from Janitorial	increase to £3,700
4011/205 QH Rates - more realistic calculation	increase to £5,900
4018/205 QH Refuse Disposal - costs rising	increase to £825
4021/205 QH Phone & Fax (New Code)	increase to £575
4050/205 QH Security – transferred from Janitorial	increase to £1,000
4011/221 Cemetery Rates - more realistic calculation	increase to £795
4018/221 Cemetery Refuse Disposal - costs rising	increase to £1,500
4039/221 Cemetery grounds maintenance	increase to £5,000
4050/221 Cemetery Security – transferred from Janitorial	increase to £3,700

8 These changes would produce a deficit of approx. £53,230 at Year End 2021-22

Given that there is a projected surplus at the Year End 2020-21 of approx. £70,000 it is suggested that approx £55,000, (technically from the Reserves) is used to plug the deficit for 2021-22, and a smaller proportion – perhaps £15,000 used the following year 2022-23, depending on how the finances are at the end of March 2021.

9 This budget then shows CTC using its carefully husbanded surplus to lessen the impact on tax-payers in very difficult circumstances.

10 This would be against a potential inflation rate of 2%

Note: Capital Projects are funded from the Rolling Capital Ear Marked Reserve.

Hilary Elias. 7 January 2021