



TODMORDEN TOWN COUNCIL

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REPORT TO RESOURCES COMMITTEE

REPORT AUTHOR	Colin Hill Town Clerk and Responsible Financial Officer
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Date	3rd November 2021
SUBJECT	Budget 2022-23

PURPOSE OF REPORT

1. To present to Members a first draft of the proposed revenue budget for 2022-23 and projections for 2023/24 and 2024/25 – see Appendix 1, 3-year summary and Appendix 2, 3-year detail.
2. To advise Members that 2023 figures onward have assumed an increase of 3% where likely to increase, and or cannot be fixed or directly controlled.
3. To inform Members that should Precept, Council Tax Support and Parish Grant all remain as in 2021/22 the estimated net increase in expenditure to income is forecast to be:-

➤ 2023/23	£9,482
➤ 2023/24	£13,339
➤ 2024/25	£17,134

Three-year shortfall £39,955

4. To inform Members that Council Tax Support and Parish Grant receipts are at the discretion of Calderdale MBC, and that a reasonable Earmarked Reserve (EMR) Provision for 2022/23 has already been prudently made, in order to fund any reasonable shortfall that could arise should CMBC reduce their levels of support.
5. To advise Members that in order to deliver a balanced budget, either a reduction in budget provision or an increase in Precept is required to meet this shortfall.

CONSIDERATIONS

Expenditure

6. The forecast budget is detailed in Appendix 2.
7. The budget is made of a number of known operational costs that without which, the core function of the town council cannot be delivered e.g. staffing and operational costs.

8. There are however very significant areas of discretionary cost, that in simple terms, could be reduced or removed altogether should Members wish to deliver a no precept increase budget.

Town Centre /Security/PCSCO's	£37,600
Donations and Grants	£20,000
TH Hire Refund Grants	£8,000
Education non L/a	£2,000
Events grants	£11,000
Tourism	£18,000*
Entertainment Arts & Recs	£11,000
Total	£107,600

- 2021/22 provision was £23, 536 – one off increase to reflect Covid impact on income generated.

9. Whilst these represent some 35% of projected expenditure and 42% of Precept received, these provisions go to the core of the Town Council's ethos as an enabling and facilitating council seeking to strongly support its community.

10. Included in the budget are other discretionary items regarding provision into Earmarked Reserves.

- Festive lights replacement £7,500 (to build up funds to replace in year 8)
- Community Development £5,000 (to help lever in matched funds)
- Elections £3,500 (to provide for 4 yearly election costs and limited casual vacancies).

Income

11. Any reasonable shortfall in Council Tax Support and Parish Grant is covered by EMR provision, whilst a reduction in council tax base covered by EMR phased budget provision
12. These provisions could however be used up in their entirety next year and therefore not available for the future.
13. Any decisions to add to that burden by not increasing Precept to meet budget shortfall, is likely to create budget challenges in future years, unless Members agree to reducing discretionary spend items as detailed in paragraph 8 above.
14. Should Members support the budget placed before them, the impact on Precept would be as follows: -

		Budget 2022/23	Budget 2023/2024	Budget 2024/2025	3 year totals
INCOME		-£304,531	-£304,531	-£304,531	-£1,218,124
EXPENDITURE		£314,013	£317,870	£321,665	£953,548
Shortfall		£9,482	£13,339	£17,134	£39,955
Financed by precept increase					
3% increase		-£7,756	-£7,756	-£7,756	-£23,268
Shortfall		£1,726	£5,582	£9,378	£16,687
4% increase		-£10,341	-£10,341	-£10,341	-£31,024
Shortfall		-£859	£2,997	£6,793	£8,931
5% increase		-£12,927	-£12,927	-£12,927	-£38,781
Shortfall		-£3,445	£412	£4,207	£1,174
6% increase		-£15,512	-£15,512	-£15,512	-£46,537
Surplus		-£6,030	-£2,174	£1,622	-£6,582

15. The impact on the Precept payer, assumig the tax base is unaltered is as follows:-

2022/23		Council Tax Band ANNUAL Charges For Todmorden Town Council Precept								
Precept	Increase	% increase	A	B	C	D	E	F	G	H
£258,537	£0	0.00%	£36.45	£42.53	£48.60	£54.68	£66.83	£78.98	£91.13	£109.36
£261,122	£2,585	1.00%	£36.82	£42.95	£49.09	£55.23	£67.50	£79.77	£92.04	£110.45
£263,708	£5,171	2.00%	£37.18	£43.38	£49.58	£55.77	£68.17	£80.56	£92.96	£111.55
£266,293	£7,756	3.00%	£37.55	£43.80	£50.06	£56.32	£68.84	£81.35	£93.87	£112.64
£268,878	£10,341	4.00%	£37.91	£44.23	£50.55	£56.87	£69.50	£82.14	£94.78	£113.73
£271,464	£12,927	5.00%	£38.28	£44.66	£51.03	£57.41	£70.17	£82.93	£95.69	£114.83
£274,049	£15,512	6.00%	£38.64	£45.08	£51.52	£57.96	£70.84	£83.72	£96.60	£115.92
			Council Tax Band ANNUAL increase For Todmorden Town Council Precept							
	Increase		A	B	C	D	E	F	G	H
	0%		£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
	1%		£0.36	£0.43	£0.49	£0.55	£0.67	£0.79	£0.91	£1.09
	2%		£0.73	£0.85	£0.97	£1.09	£1.34	£1.58	£1.82	£2.19
	3%		£1.09	£1.28	£1.46	£1.64	£2.00	£2.37	£2.73	£3.28
	4%		£1.46	£1.70	£1.94	£2.19	£2.67	£3.16	£3.65	£4.37
	5%		£1.82	£2.13	£2.43	£2.73	£3.34	£3.95	£4.56	£5.47
	6%		£2.19	£2.55	£2.92	£3.28	£4.01	£4.74	£5.47	£6.56
			Council Tax Band WEEKLY increase For Todmorden Town Council Precept							
	Increase		A	B	C	D	E	F	G	H
	0%		£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
	1%		£0.01	£0.01	£0.01	£0.01	£0.01	£0.02	£0.02	£0.02
	2%		£0.01	£0.02	£0.02	£0.02	£0.03	£0.03	£0.04	£0.04
	3%		£0.02	£0.02	£0.03	£0.03	£0.04	£0.05	£0.05	£0.06
	4%		£0.03	£0.03	£0.04	£0.04	£0.05	£0.06	£0.07	£0.08
	5%		£0.04	£0.04	£0.05	£0.05	£0.06	£0.08	£0.09	£0.11
	6%		£0.04	£0.05	£0.06	£0.06	£0.08	£0.09	£0.11	£0.13

16. To ensure the budget is fully covered, and to provide some leeway for future years, Members may be of a mind to agree a precept increase of 6%, noting that in 2021/22 the decision to not increase precept at all, was not a standard decision amongst other councils

FINANCIAL CONSIDERATIONS

17. The forecast budget for 2022/23 is based on what is known at the time, but going forward also includes an element of inflationary increases, set at 3% for budget modelling purposes.
18. Bearing in mind, staffing costs equate to 37% of overall expenditure, should wage settlements be above 3% this will have a significant impact on future costs, not only our direct staffing costs, but also third party providers whose costs are also likely to have increased.
19. The Town Councils finances are however robust. Between strong General Reserve levels, high levels of Earmarked Reserves and a large extent of discretionary spend, it could sustain an immediate non precept increase, but in the knowledge that at some time in the future, this will catch up and reduction in discretionary spend may then be necessary.

RECOMMENDATION

20. That Members consider the budget proposals and implications as set out before them.
21. That Members advise whether further consultation is required between the opposing political groups, and or whether further budget proposals need to be brought forward before the Resources Committee makes its recommendation to Full Council for the Precept Demand for 2022/23 to be issued.

REASONS FOR RECOMMENDATION

22. The Resources Committee is delegated to consider the annual budget ahead of making a recommendation to Full Council in order to determine the Precept for the ensuing financial year.

POLICY IMPLICATIONS:

23. None directly arising from this report

DETAILS OF CONSULTATION:

24. None from this report.

CLIMATE CHANGE:

25. Budget provision of £9,000 in total has been made in this report relating to Climate Emergency activity

IMPACT EQUALITY ASSESSMENT

26. None arising from this report.

SUPPORTING PAPERS:

21. Appendix 1 - 3-year summary
Appendix 2 - 3-year detail

FURTHER INFORMATION, PLEASE CONTACT: Colin Hill