



## TODMORDEN TOWN COUNCIL

<b>REPORT AUTHOR</b>	<b>Colin Hill Town Clerk and Responsible Financial Officer</b>
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<b>Date</b>	<b>4<sup>th</sup> November 2020</b>
<b>SUBJECT</b>	<b>Budget 2021/22 ,Reserves and Estimated outturn 2020/21</b>

### PURPOSE:

1. To provide Members with a first draft budget for consideration for 2021/22, 2022/23 and 2023/24 – Appendices 1 and 2 based on a nil increase in Precept for 2021/22
2. To provide Members with an estimated outturn for 2020/21, a proposed set of virements to enable budget changes and movement to Reserves- Appendices 3,4 and 5
3. To Provide Members with a Background Paper providing more detail to the 2021/22 budget- Appendix 6

### ESTIMATED OUTTURN 2020/21

4. Covid 19 has had an impact on number of budgets in terms of delivery, most notable being that of Grant Awards.
5. In estimating the year- end outturn, it is proposed that a set of virements totalling £61,992 as per Appendix 4, are made in order for the budget to more accurately reflect outturn and to take then the opportunity to move increase existing reserves and create new ones in light of future financial uncertainty – Appendix 5.

### RESERVES CONSIDERATIONS:

6. There are a number of issues to consider as follows: -
  - In seeking to deliver a no increase in precept charge, the three-year budget indicates a shortfall of £7,268 in year one.
  - The three - year budget relies on the continued provision by CMBC of both Council Tax Support Grant £23,800 and Parish Grant £11,691
    - CMBC are under extreme financial pressure and therefore this opportunity should be taken to provide some buffer in case these are withdrawn.

- There is some uncertainty regarding continuance of the Remembrance Parade by British Legion.
- The current Covid 19 discretionary fund is gradually being extinguished and given new lockdown measures, Members may wish to provide for further assistance to voluntary groups looking to assist.
- The revenue budget to move funds into the Community Development Reserve has been reduced from £50,000 to £19,750 and therefore the opportunity to increase this now is appropriate.

7. Considering the above issues it is proposed that out of the £61,912 estimated underspend a total of £50,013 is allocated to Reserves movements as proposed below, noting that the £5,000 reduction in Reserves is through a Reserves adjustment, not a revenue budget.
8. The residual element of £11,899 (£61,912 less £ 50,013) will be left in General Reserves and dealt with at year end in terms of any future underspend.

<b>Description</b>	<b>Balance as of 4<sup>th</sup> November 2020</b>	<b>Reserve movement proposals as of 4<sup>th</sup> Nov</b>	<b>Proposed New balances as of 31<sup>st</sup> March 2021</b>	<b>Forecast Reserves as of 31<sup>st</sup> March 2022</b>
Emergency Flood Repair	£20,000	Nil	£20,000	£20,000
Skate Park *	£10,000	-£5000	£5,000	£5,000
Full Elections	£5,000	Nil	£5,000	£10,000
Station Access	£25,000	Nil	£25,000	£25,000
IT Upgrade	£4,900	Nil	£4,900	£4,900
Community Development	£50,000	£10,000	£60,000	£79,750
Festive Lights Replacement	Nil	£7,500	£7,500	£15,000
Remembrance Parade	Nil	£2,500	£2,500	£2,500
Non precept Grant Reserve	Nil	£17,745	£17,745	Nil
Budget Phasing	Nil	£7,268	£7,268	Nil
Covid 19 Assistance	Nil	£5,000	£5,000	Nil
<b>Total</b>	<b>£114,900</b>	<b>£45,013</b>	<b>£159,913</b>	<b>£162,150</b>

#### **RECOMMENDATION:**

9. That Members consider the budget proposals before them and at this stage indicate their broad agreement, noting that other Committee recommendations have yet to be considered.
10. That Members agree the proposed set of Virements and Reserves Movement pending a final budget version being brought to the next meeting of Resources Committee, to then make recommendations to Full Council.

## **REASONS FOR RECOMMENDATION**

11. The Resources Committee has responsibility for making recommendation to Full Council with regard to the setting of the precept, authorisation of virements above the delegated powers of the Responsible Financial Officer and to make recommendations regarding movement/creation of Earmarked Reserves.

## **POLICY IMPLICATIONS:**

12. Financial Regulations require a three- year budget to be considered when setting the budget and level of Precept required.

## **SUPPORTING PAPERS:**

13. Appendix 1 - 3 year summary  
Appendix 2 - 3 year detail  
Appendix 3 - 2020/21 Estimated year end outturn  
Appendix 4 - Virements  
Appendix 5 - Reserves Movement  
Appendix 6 - Background paper to Budget Proposals

FURTHER INFORMATION, PLEASE CONTACT: Colin Hill