



TODMORDEN TOWN COUNCIL

**Item 13 – Resources Committee
16th Feb 2022**

TODMORDEN TOWN COUNCIL

REPORT TO RESOURCES COMMITTEE

REPORT AUTHOR	Colin Hill Town Clerk and Responsible Financial Officer
TEL NO	07923257879
EMAIL	townclerk@todmorden-tc.gov.
Date	16th February 2022
SUBJECT	Start of Year 2022-23 budget and 5 year forecast – impact of removal of CMBC grant support.

PURPOSE OF REPORT

1. To seek the agreement of Members to establish start of year budgets for 2022-23 considering commitments going forward and the use of specific Earmarked Reserves- See Appendix 1.
2. To inform Members that forecasts are prepared based on retaining existing activity levels and after allowing for inflation on specific costs.
3. To remind Members that Calderdale MBC is proposing to remove both Council Tax Reduction Grant and Parish Grant in 2023 - £44,151. See Appendix 2 letter to CMBC
4. To remind Members that subject to Members agreeing proposed Year End Earmarked Reserves, an Earmarked Reserve of £44,151 has been established to reduce the impact for 2023/24.
5. To inform Members that should they wish to simply increase precept to replace this loss of income, with inflationary costs a 20% increase in precept will be required in 2023/24.
6. To inform Members that given 2023/24 this is an election year, if Members sought to use the Earmarked Reserve in 2023/24 there will be need to increase precept in 2024/25 by 21%.
7. To provide a range of strategic options for Members to consider at this early stage should they not wish to increase Precept at these levels to include:-
 - Use of Earmarked Reserve on a phased basis
 - Not continuing with the Climate Officer post – fixed contract until May 2023
 - Withdraw support for PCSO's altogether or reduce to one if allowed.
 - Phase out support for Tourism over a four- year period from 2023.

8. To inform Members that there is also the option to reduce the level of other grant assistance but that given the strong likelihood that Members would not wish to support this approach, this option has not been considered.
9. To inform Members that given the constraints that the removal of CMBC support will place on the Town Councils finances, unless offset by substantial Precept increase, the strategic decision to increase the Community Development Reserve is not included in the forecasts.
10. To advise that should Town Deal Grant funds or any other grants be received they will be matched by expenditure and have no net impact on these core budget forecasts.
11. To advise Members that increases in Precept as proposed are not currently subject to limitations other than justified use or need for a referendum to be held. This could change

STRATEGIC OPTIONS

12. A summary of options are detailed below to enable Members to start to give consideration as to how to plan forward and if appropriate forewarn grant recipients to future intentions to reduce grant assistance.

SUMMARY OF PRECEPT AND USE OF COUNCIL TAX REDUCTION EMR OPTIONS					
	Start of year	Election Year			
Options	2022/23	2023/24	2024/25	2025/26	2026/27
Base as is without use of EMR re Grant removal or precept increase					
Expenditure	£394,170	£349,951	£349,255	£360,213	£368,056
Income	-£340,117	-£276,466	-£276,466	-£276,466	-£276,466
Use of EMR	-£54,053	-£17,500	£0	£0	£0
Deficit	£0	£55,985	£72,789	£83,747	£91,590
Band D per annum	£57.41				
Per Week	£1.10				
Option 1 Raise year Precept 1 to cover CMBC shortfall and phase EMR £7k per annum from 2024/25					
Expenditure	£394,170	£349,951	£349,255	£360,213	£368,056
Income	-£340,117	-£331,525	-£343,088	-£353,345	-£360,389
Use of EMR	-£54,053	-£17,500	-£7,000	-£7,000	-£7,000
Deficit	£54,053	£926	-£833	-£132	£667
Precept increase		20.00%	3.50%	3.00%	2.00%
Band D per annum	£57.41	£68.89	£71.30	£73.44	£74.91
Per Week	£1.10	£1.32	£1.37	£1.41	£1.44
Option 2 - Raise precept to cover shortfalls - use EMR					
Expenditure	£394,170	£349,951	£349,255	£360,213	£368,056
Income	-£340,117	-£290,231	-£350,934	-£361,426	-£368,632
Use of EMR	-£54,053	-£61,651	£0	£0	£0
Deficit	£0	-£1,931	-£1,679	-£1,213	-£576
Precept increase		5%	21%	3%	3%
Band D per annum	£57.41	£60.28	£72.94	£75.13	£77.38
Per Week	£1.10	£1.16	£1.40	£1.44	£1.49

Option 3 - Raise precept to cover shortfalls - use EMR over 4 yrs

Expenditure	£394,170	£349,951	£349,255	£360,213	£368,056
Income	-£340,117	-£321,890	-£337,926	-£349,712	-£356,683
Use of EMR	-£54,053	-£28,537	-£11,037	-£11,037	-£11,037
Deficit	£0	-£476	£292	-£536	£336
Precept increase		16.50%	5.00%	3.50%	2.00%
Band D per annum	£57.41	£66.88	£70.23	£72.68	£74.14
Per Week	£1.10	£1.29	£1.35	£1.40	£1.43

Option 4 - No Climate officer - use EMR over 4 yrs

Expenditure	£394,170	£332,933	£324,706	£340,290	£347,535
Income	-£340,117	-£303,996	-£314,594	-£330,266	-£336,848
Use of EMR	-£54,053	-£28,537	-£11,037	-£11,037	-£11,037
Deficit	£0	£400	-£925	-£1,013	-£350
Precept increase		10.00%	3.50%	5.00%	2.00%
Band per annum	£57.41	£63.15	£65.36	£68.63	£70.00
Per Week	£1.10	£1.21	£1.26	£1.32	£1.35

Option 5- No PCSO - use EMR over 4 yrs

Expenditure	£394,170	£311,874	£309,274	£318,233	£323,977
Income	-£340,117	-£284,725	-£297,485	-£307,856	-£312,456
Use of EMR	-£54,053	-£28,537	-£11,037	-£11,037	-£11,037
Deficit	£0	-£1,388	£752	-£660	£484
Precept increase		3.00%	4.50%	3.50%	1.50%
Band D per annum	£57.41	£59.13	£61.79	£63.96	£64.92
Per Week	£1.10	£1.14	£1.19	£1.23	£1.25

Option 6 - just 1 No PCSO(if agreed) - use EMR over 4 yrs

Expenditure	£394,170	£330,912	£329,264	£339,222	£346,016
Income	-£340,117	-£303,996	-£317,263	-£328,699	-£335,249
Use of EMR	-£54,053	-£28,537	-£11,037	-£11,037	-£11,037
Deficit	£0	-£1,621	£964	-£514	-£270
Precept increase		10.00%	4.50%	3.50%	2.00%
Band D per annum	£57.41	£63.15	£65.99	£68.30	£69.67
Per Week	£1.10	£1.21	£1.27	£1.31	£1.34

Option 6 - Tourism Grant Phase down over 4 years - use EMR over 4 yrs

Expenditure	£394,170	£345,451	£340,255	£346,713	£350,056
Income	-£340,117	-£317,760	-£328,841	-£337,033	-£340,391
Use of EMR	-£54,053	-£28,537	-£11,037	-£11,037	-£11,037
Deficit	£0	-£846	£377	-£1,357	-£1,372
Precept increase		15.00%	3.50%	2.50%	1.00%
Band D per annum	£57.41	£66.02	£68.33	£70.04	£70.74
Per Week	£1.10	£1.27	£1.31	£1.35	£1.36

FINANCIAL IMPLICATIONS

13. The proposed reduction by CMBC of £44,151 in one amount in 2023/24 has significant impact.
14. Members will need to consider how to manage this process of income reduction and select which strategic option they will need to implement earlier in the 2023/24 budget process, in order also to forewarn if necessary, existing regular major grant beneficiaries.
15. Should Members agree to the proposed start of year budgets, it will be necessary to submit this to Full Council for approval including start of year Earmarked Reserve movements.

RECOMMENDATION

16. That the Resources Committee consider the the proposed 2022/23 start of year budgets and if in agreement, submit a recommendation to Full Council to establish these for 2022/23 and to recommend the proposed movements from Earmarked Reserves

REASONS FOR RECOMMENDATION

16. Full Council approval is required to establish start of year budgets and agree movement from Earmarked Reserves.

POLICY IMPLICATIONS:

17. None arising from this report.

DETAILS OF CONSULTATION:

18. None from this report.

CLIMATE CHANGE:

19. Budget provision of £13,000 is included within these proposals.

IMPACT EQUALITY ASSESSMENT

20. None arising from this report.

SUPPORTING PAPERS:

21. Appendix 1 - Start of Year Budget 2022-23
Appendix 2 - Response to CMBC proposed removal of Grant support.

FURTHER INFORMATION, PLEASE CONTACT: Colin Hill