



TODMORDEN TOWN COUNCIL

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REPORT TO RESOURCES COMMITTEE

REPORT AUTHOR	Colin Hill - Town Clerk & Responsible Financial Officer
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Date	2nd December 2020
SUBJECT	Precept and Budget for 2021/22

PURPOSE OF REPORT

1. To request that Members consider a Nil % increase for 2021/22 equivalent to Band D annual charge of £54.68 based on a continuation of current budgets and expected future operational requirements, some of which are a one-off nature for 2021/22.
2. To advise Members that a summary of budgets is provided by way of Appendix 1 and detailed budget headings as per Appendix 2, both based on a three-year forecast.
3. To inform Members that because of some one-off costs for 2021/22 there is an overspend projected of £7,081 for 2021/22, with then reduced budgets for 2022/23 and 2023/24 thereby delivering a nil increase budget over the three-year period.
4. To advise Members that an Earmarked reserve of £7,268 has already been created to smooth out year one of the three-year cycle
5. To inform Members that because of reliance on CMBC continuing to provide additional financial support by way of Council Tax Support Grant and Parish Grant, an Earmarked reserve of £17,745 has already been created to provide for any unexpected reduction in these grants.
6. To inform Members that in the event that the tax base and or council tax recovery collection rate impacts adversely on the gross amount of Precept received, it is proposed that the band d rate equivalent of £54.58 is called for with any shortfall met from General Reserves
7. To inform Members that a detailed background paper to the budget presented is included as Appendix 3 which should aid Members understanding of the issues being considered in this three - year forecast.
8. To provide a table of Precept increases of £2500, based on property bands A to H – should Members wish to consider any increase in Precept - Appendix 4.

RECOMMENDATION:

9. That the Resources Committee consider the budget proposals presented before them and consider whether any changes are necessary to these proposals.
10. To agree at this meeting, the final budget to be recommended to Full Council for the meeting to be held 16th December 2020, and the level of band D equivalent to be charged, following which the Precept demand will be issued as soon as the impact of tax base and or collection rate is known.

REASONS FOR RECOMMENDATION

11. To Set the Precept for 2021/22

SUMMARY OF KEY POINTS:

12. The Council's forward financial planning has identified that subject to unknown demands of a substantial nature there is not a specific need to increase the current level of Precept, nor the level of Earmarked and General Reserves currently available.
13. Whilst the opportunity remains open for Town Councils to increase Precept without limit, there need to be reasons as to why it would exceed the capped rate applicable to higher level authorities – currently 2.90% plus social care addition.
14. Given the impact of Covid 19 across all sectors of society and particularly those disadvantaged economically, it is felt reasonable to not increase the financial burden to Precept payers, whilst at the same time ensuring that by sustaining at the current level of Precept, the Town Council can meet its current and likely future commitments.
15. The financial uncertainty facing Calderdale MBC, could potentially impact on the amount of income Todmorden Town Council receive should it be necessary to reduce Council Tax Support Grant and Parish Grant. As a prudent measure, Earmarked Reserves have already been made in order to provide for this risk.
16. To avoid the need to adjust Band D equivalent should the tax base reduce and or council tax recovery impact it is proposed that the call for Precept will be specific as to first of all Band D rate before Precept amount with Bands A to H as follows:-

Council Tax Band Charges For Todmorden Town Council Precept								
Year	A	B	C	D	E	F	G	H
2020/21	£36.46	£42.53	£48.61	£54.68	£66.83	£78.99	£91.14	£109.37

17. In setting the budget for 2021/22 no allowance has been made for the potential of any further underspend for 2020/21 in addition to that recently accounted for. In noting that the forecast level of General Reserves is circa £20,000 above our minimum requirement of £80,000, there is felt to be sufficient leeway, should unforeseen budget pressures emerge either this current financial year, or indeed new requirements emerge post call for Precept.

FINANCIAL IMPLICATIONS & BUDGET PROVISION:

18. The forecast top line three year requirement is as follows:-

	2021/22	2022/23	2023/24	3 yr totals	Average three year
Expenditure	£303,544	£290,842	£294,997	£889,383	£296,461
Grant support	-£35,491	-£35,491	-£35,491	-£106,473	-£35,491
Admin income	-£170	-£170	-£170	-£510	-£170
Precept to balance	-£267,883	-£255,181	-£259,336	-£782,400	-£260,800
Current Precept	-£260,800	-£260,800	-£260,800	-£782,400	-£260,800
Variance to Precept	£7,083	-£5,619	-£1,464	£0	£0

18. There is a higher budget requirement reflected in some budget headings spend in 2021/22, that is not forecast to be repeated in 2022/23 or 2023/24. Based on the average for the three - year forecast, no precept increase is required
19. Although assessed on this basis, this does not commit the Precept to this level for the next three years. Members can consider future precept requirement each year based on the latest financial projections, developing service need and any imposed changes in terms of Council Tax Support Grant and Parish Grant.

POLICY IMPLICATIONS:

20. The Precept call for 2021/22 recognises the need to ensure a balanced budget is achieved for the next three years based on known service requirements and to meet The Town Council's existing Reserves Policy

DETAILS OF CONSULTATION:

21. Committees have been consulted.

CLIMATE CHANGE:

22. A figure of £10,000 has been established in the budget recognising Members commitment to Climate Emergency.

IMPACT EQUALITY ASSESSMENT

23. None arising from this report.

SUPPORTING PAPERS:

24. Appendix 1 - Summary of 3-year Budgets
Appendix 2 - Detail of 3-year budgets
Appendix 3 - Background Paper to Budget
Appendix 4 - Precept Table

FURTHER INFORMATION, PLEASE CONTACT: Colin Hill