

## Item 9 - Appendix 3 - Todmorden Town Council Budget 2024/25 to 2026/2027 - Notes to 3-year forecast

### 1. Budget Principles

- 1.1 Todmorden Town Council is required to set a "balanced budget" whereby estimated expenditure is matched by income generated from Precept related funds and or any other miscellaneous income, without potentially needing to draw on general reserves to meet funding gaps.
- 1.2 As part of that process, it is recommended that a three - year forecast is undertaken in order to consider the impact of inflation and to take into account any annual changes that are forecast to take place.
- 1.3 Due account should also be taken of the nature of the Council's operations in terms of financial risk and the need to provide adequately from general reserves for unforeseen emergencies that could materially impact on such level of general reserves.
- 1.4 The nature of the councils' activities is of a discretionary spend basis and therefore to a large extent control can be exercised should it be necessary to reduce spend.
- 1.5 In addition, it is also prudent to consider establishing Earmarked Reserves where commitments are being made against the budget, whether current or future years.
- 1.6 The principles that generally apply when establishing estimates are to be prudent and conservative in the approach, using wherever possible, past history to inform current delivery and realistic estimates for future growth/provision for changes in service delivery.

### 2. Todmorden Town Council Service Delivery considerations

- 2.1 Todmorden Town Council does not currently have responsibility for any direct front line services.
- 2.2 Its main focus historically has been on enabling and facilitating improvements for Todmorden Precept Payers by a combination of awarding of grants, principally to the voluntary sector, and contributing to wider based schemes as part of levering in more substantial funds for the benefit overall of Todmorden.
- 2.3 Potentially this may focus may slightly change in the future as CMBC considers whether to seek transfer of some services towards some elements of direct responsibility. To meet this potential challenge the available financial resources were increased in 2020/21.
- 2.4 Also taken into consideration is the increased cost of living for precept payers as this has been a key priority for the Council over the last 12-18 months.
- 2.5 However, the reality is that if some discrete elements of service are in the future considered for transfer from CMBC to Todmorden Town Council there will be a need to increase Precept.

### 3. Staffing

- 3.1 The table below indicates the staffing levels and hours worked to deliver the work of the Town Council.

Position	Start of year		
	2023/24	2024/25	2025/26
Town Clerk/RFO	37	37	37

Assistant Town Clerk	24	24	24
Admin Officer	37	37	37
Project Manager	16	16	16
Full time Equivalent	3.08	3.08	3.08

3.2 Both volume and range of activity have increased over the last twelve Months, resulting in the Council carrying out a review where in considering additional staffing hours it was recognised that to deal with the volume of work it is necessary for staff to work over these hours on a more regular basis.

3.3 The table below provides some comparison against other Town Councils of similar size in respect of income and turnover.

#### **4. Town Council Precept**

4.1 The principal income source is that of Precept Council Tax charge against Todmorden Precept Payers based on their property banding valuation.

4.2 Central Government does not currently cap the percentage level that Town Councils can increase the Precept by, unlike at higher level authorities, but this is always open to change.

#### **5. Council Tax Support Grant and Parish Grant**

5.1 In addition to the Precept Todmorden has previously received the benefit of two other areas of an additional “grant” income – Council Tax Support Grant and Parish Grant. However, this is no longer the case and a short fall of circa £44,000 has needed to be found. Some of which can be covered by the EMR for the next 3 years.

5.2 Prior to 2013/14, Council Tax Benefit was paid to Local Authorities as if it were Council Tax income, so the Council Tax base was not reduced because of it. From 2013/14 onwards, Council Tax Reduction effectively lowers Calderdale’s and other preceptors’ Council Tax Bases resulting in a lower level of income being collected from Council Tax. Funding to replace some of this lost Council Tax is factored into Formula Grant from Government to the Council and the major preceptors (Police and Fire) with an element of grant relating to parishes included in the Council’s share of grant.

5.3 Todmorden Town Council no longer is in receipt of the additional grant income from Calderdale of:-

Council Tax Support Grant	-	£33,133
Parish Grant	-	£11,691

#### **6. Miscellaneous Income**

Miscellaneous income is generated from interest receivable on investments, rental for Walsden Cricket Ground and a wayleaves payment from utility company.

Interest rates have increase in 23/24 but are still low that they are almost insignificant. However changing the 3 month fixed term account to a 12 month fixed term account has increase the councils income from interest.

#### **7. Reserves**

7.1 TTC took significant steps in the financial year 2020/21 to address the issue of Reserves, including the adopting of a formal Reserves Policy.

7.2 We reviewed Earmarked Reserves in 22/23 and importantly agreed a minimum level of General Reserves (our contingency pot for emergencies) to be set at a level of £80,000, however this will be reviewed again annually.

7.3 That does not mean it cannot be reduced, however decisions to increase budget provision are taken with the aim to maintain this minimum level in mind.

7.4 The recommend budget has the following recommended EMR for 23/24 .

Description	Balance as at 3rd Jan 2024
Emergency Flood Repair	-£20,000.00
Elections	-£10,483.00
Community Development	-£50,000.00
Festive Lights Replacement	-£31,600.00
Remembrance Parade	-£2,500.00
Non Precept Grant Phasing	-£44,151.00
Budget Phasing	-£4,333.00
Yr end commitments	-£3,903.00
Benches	-£10,000.00
Defibrillators	-£7,000.00
WNW Community Garden	-£1,000.00
TIB Funding Gap	-£5,000.00
Climate Emergency	-£7,500.00
Town Deal Contrib	-£7,500.00
CV Project devel grp	-£5,000.00
Staffing	-£3,500.00
Town Deal revenue Restricted Fund	-£6,700.00
TD Restricted capital	-£221,536.00
CV Property Maint	-£12,500.00
<b>Total Earmarked</b>	<b>-£454,206.00</b>

### Expenditure – General Comments

7.5 The budget for 2024/25 continues to recognise through the use of the Community Development Reserve, the need to build up this reserve in that: -

- there remains uncertainty towards the potential of some element of direct service delivery transfer from CMBC service delivery.
- there potentially is a need to provide funds by way of matched contribution that would enable higher levels of investment to be attracted to Todmorden from other external sources.
- The potential for substantial investment to be levered into Todmorden through the Town Deals Fund may present an unforeseen opportunity for Todmorden Town Council to deliver new element(s) of activity.

7.6 In establishing budgets for specific purposes, if at the end of each financial year these are not called upon, then consideration will be given to increasing Earmarked Reserves. This will help build up a pot

of funds that can specifically be used then for either projects on assets that we own, or for leveraging in higher levels of investment into Todmorden that directly benefit Todmorden residents.

7.7 As part of its focus on enabling and facilitating improvement at local level, Todmorden Town Council has for many years adopted a policy to assist local voluntary based organisations through active involvement in the awarding of grants – such levels of award are now governed by our Discretionary Grants Policy and provides a means by which our overall commitment to Grant Awards is also informed by our General Reserves Policy.

7.8 Guidance is that Precept should not be increased just to provide a buffer of funds held back in case of need that is unreasonable – governed by our General Reserves Policy. Consideration should be given each year to whether the same level of Precept is required. Where need reduces, the option is available to reduce the Precept.

7.10 The budget set for 2022/23, and the overall three - year forecast, recognises this in terms of being drawn up to reflect known commitments, anticipated commitments going forward and adherence to the Reserves Policy in respect of General levels to be maintained.

## 8. Earmarked Reserves Purpose

8.1 Over time and with change of Officers and Councillors, it is easy to forget why Earmarked Reserves were established, and therefore as part of this report the rationale and justification to the precept payer as to why these Reserves have been created is detailed below.

Description	Reason
Emergency Flood Repair	Provision against property damage/walls adjacent to river / General contingency
Full Elections	4 yearly elections - cost circa £25k plus casual vacancies c £5k per call.
Community Development	To enable future leveraging in of funds and or enabling some specific projects that may benefit Todmorden and or community support.
Festive Lights Replacement	Provision to replace Festive lights in year 8 of use
Remembrance Parade	Provision to assist with Parade costs if called upon.
Non precept Grant Reserve	Provision to offset discretionary award by CMBC of council tax support and parish grant since these have been phased out.
Budget Phasing	To smooth over year 1 shortfall over 3 year budget forecast – could now be combines the non precept grant reserve
Benches	Provision to undertake substantive repairs and maintenance work on portfolio of benches.
Defibrillators	Provision for defib consumables and when required replacement defibs for the Council defib project.
WNW Community Garden	Commercial Sponsorship for Community garden in Walsden
Tod In Bloom Funding gap	Expected change in CMBC policy to charge for putting up and taking down of baskets and watering of lamppost displays. Costs unknown but first year provision if needed and then to consider including within revenue budget.
Town Hall Relocation Reserve	Provision for year 1 occupation costs contribution if relocating to Town hall. Costs unknown but first year provision if needed and then to consider including within revenue budget
Town Deal Contribution	
CV Project Delivery Grp	

Staffing	To cover additional staffing costs if required due to reducing the number of staff in 22/23
Town Deal revenue Restricted Fund	
TD Restricted capital	
CV Property Maint	On going maintenance costs for Centre Vale Park projects

## 9. Grants

9.1 Todmorden Town Council seeks to enable and facilitate and see the awarding of grants as a key enabler for mainly local voluntary organisations/groups to help deliver a “sense of community”

9.2 The Discretionary Grants Policy enables a fair distribution of funds. For 2022/23 we have assumed that there will be a mixture of regular and new applications will be made and as we move out of Covid 19 restrictions, revenue budgets may come under pressure.

9.3 For comparison purposes the following table summarises our involvement Grants over the last six years

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24 est outturn
Total Grants awarded	£38,666	£52,892	£17,829 (Covid)	£33,500 (part covid)	£53,000	£44,500

9.4 There are two historic Major Grants made in respect of PCSO’s c£43k and Todmorden Information Centre c£12k. Representing 16% of income. These will be kept under review to ensure value for money is still delivered.

9.5 Work on the Climate Emergency Committee’s Action Plan has taken place in 23/24. However, this role has been discontinued and this role is currently being covered by the Town Clerk

9.6 Further work has taken place on the Neighbourhood Plan during 2023/24 but as the Calderdale Local Plan was adopted in 2023.

## 10 Future Budget Issues

10.1 At this stage of preparation of budgets for 2024/25, there may still be areas of budget spend that may arrive between now and year end that may not have been considered as part of this process, but it is not anticipated that the would be of major consequence.

10.2 Prudent financial management has enabled Earmarked Reserves to be level of £454,206.00. General Reserves levels are forecast as at 3<sup>rd</sup> January for year end £102,127 which is above the requirement of £80,000 as good practice to be maintained, but it is likely that at the end of year review that the recommendation for a increase due to the project to the general reserve levels in the treasury and reserves policy.

10.3 Some of the “In year” movement to Earmarked Reserves can be reversed if felt necessary to meet this good practice level.

## 11 Risk of Forecast budget being sufficient to meet future needs.

11.1 Todmorden Town Council does not currently carry great financial risk because of the nature of its enabling delivery, resulting in high levels of discretionary spend. The highest risk is that of the management of Patmos and Lobb Mill. However, as the Town Deal projects progress so does the Town Councils financial risk.

11.2 Any movement into direct property ownership of substantive nature e.g. the band stand would carry greater financial risk and that stage a full risk profile would need to be considered

11.3 The Main financial risk continues to be an overspend on these discretionary awards as well as over commitment to assist with non-council owned assets/schemes.

11.4 Compliance with the General Reserves Policy should provide some measure of internal control for Members to follow and not over commit the Council.

## **12. Three Year Budget Forecast**

	<b>Budget Required 2024/25</b>	<b>Comments</b>	<b>2025/26</b>	<b>2026/27</b>
<b>Staffing Matters</b>				
Staff Training	£3500	Staff Training	£4000	£4000
Staff travel	£500	To cover travel and attendance at courses	£250	£250
Staff Recruitment	£500	Not expected but contingency	£500	£500
<b>Employees</b>				
Salaries	£119,012	Assumes 5% annual increase. Increases reflecting additional establishment hours and gradings	£127,343	£111,188
Consultancy	£515	Allowance made for any specialist consultancy required	£530	£546
Overtime	£6,000	Allowance made for some peak cover - normally TOIL applied and the Town Clerk taking on the additional work with the CEC Committee	£6,000	£6,420
TD Project Manager		Costs covered by the Town Deal funds		
Admin Agency	£500	Allowance made in case of need	£500	£500
Employers NI/NI/PAYE	£33,199	Based on ENI thresholds and forecast PAYE	£42,667	£47,595
Home working allowance	£500	Contribution to staff costs of remote working – based on HMRC allowance	£500	£500
Pensions employers	£4,914	Based on 3% employers contribution-stakeholder	£5,246	£5709
Pension Employees	£3,101	Based on paying over employee stakeholder contribution at 5% and 6% 24/25	£5,357	£5,855
<b>Administration</b>				
Subscription	£2000	NALC/YLCA/SLCC annual subscription	£2,100	£2,205
Stationery	£1,500	General office requirements	£1,500	£1,500
Advertising	£500	Publication of Misc events/mayors day etc	£500	£750
Postage	£400	General office and occasional meeting papers sent	£420	£441
Mobile Phones	£800	Staff Mobile provision x 3	£840	£882
Printing/Photocopier	£2,000	Costs of printing and photocopying	£2,100	£2,205
Communications	£300	Telephone lines – reduced since being in the Town Hall	£300	£300
Office & IT Equipment	£2,500	To cover additional needs of cllrs and the office	£2,500	£2,500
Computer software and support	£6,500	Licences for accountancy and IT support Estimate	£6,825	£7,166
Audit	£2,060	Internal and External Audit – est to allow for increase owing to increasing budget	£2,122	£2,185
Books and Publications	£200	Reference books	£200	£200
Insurance	£5,460	Annual Insurance premium inc Wheelspark	£5,733	£6,020

Other admin fees	£400	Allowance for unknown additional fees	£420	£441
Members travel Expenses	£500	Councillor travel expenses and travel support	£520	£551
Town Hall Hire	£1,050	Hire of Town Hall for additional Committee meetings	£1,103	£1,158
Election Expenses	£5250	Contingency within year if one ward requires by election	£5250	£5250
Corporate image	£350	To further add to web site including social media presence	£350	£350
HR Support	£2,000	External HR support and EAP	£2,000	£2,000
Accountancy Support	£1665	Accountancy support for year end	£1,787	£1,920
Miscellaneous Contingency	£1304	Administration contingency	£1304	£1304
Bank charges	£500	Bank charges	£515	£515
<b>Mayor's Office</b>				
Mayors Allowance	£,2000	Allowance for discretionary spend in carrying out duties	£2,000	£2,000
Mayors transport	£750	Taxi/travel costs for Mayor	£750	£750
Mayors invite cost	£200	To meet attendance cost at other events e.g Yorkshire Day	£200	£200
Mayors day	£500	Provision of Food/Drinks etc re Mayor Making	£515	£530
Mayors trading account	£1,000	Imprest account to meet up front event costs offset by event income	£1,000	£1,000
Mayors disbursements	£1,000		£1,000	£1,000
<b>Town Centre Security</b>				
Town Centre Security	£43,500	Contribution of 50% towards two PCSO's based on annual increase c8%	£46,980	£50,738
<b>Property</b>				
Patmos Elect charge	£1,000	Electricity charges for lights at Patmos	£2000	£3000
Land sites	£500	Allowance for minor repairs	£500	£500
Lobb Mill	£500	Allowance for upgrading site	£500	£500
Community Development	£10,000	To provide for combination of contribution/ future proposals	£10,000	£10,000
Todmorden In Bloom	£2,500	Additionality of land mtce.	£2,500	£2,500
Patmos Gardens	£500	Allowance for unplanned works	£500	£500
Walsden Cricket Ground	£250	Allowance for minor repairs	£250	£250
Wheels Park	£750	Allowance for minor repairs	£750	£750
Tree Maintenance	£2,000	Annual Tree Inspection	£2,000	£2,000
Vale Baptist Land	£500	Allowance for unplanned works	£500	£500
Centre Vale operational costs	£18,750	Town deal project costs	£25,000	£25,000
Defib consumables	£2800	TTC defib project costs	£2,800	£2,800
<b>Climate</b>				
Publicity	£500	Publicity for climate activities	£500	£500

Special Projects	£6,000	My Tree Project costs	£6,000	£6,000
Small Grants	£5,000	Climate Grants	£5,000	£5,000
<b>Resources</b>				
Donations and Grants (137) – now GPC	£15,000	General Grants	£15,300	£15,606
Foodbank Funding	£10,000	Foodbank Grants	£10,000	£10,000
TIB Funding	£10,000	Todmorden in Bloom funding	£10,000	£10,000
TH Hire Refund Grants	£5,823	Town Hall Hire Grants	£5,940	£6,058
Bandstand hire	£2,500	Town deal project costs	£2,550	£2,601
Education related grant	£2,000	Annual grant award two charities for post school leaver support into higher education	£2,000	£2,000
Events Contribution	£11,444	Grants to fund Todmorden Town Centre based Events	£11,673	£11,907
Tourism	£15,380	Contribution to Todmorden Information Centre	£15,380	£15,380
Publicity	£520	Allowance to increase profile of TTC through paid for use of social media.	£531	£541
CROWS	£1,500	Rights of Way repairs	£1,500	£1,500
Festive Celebrations install	£4,682	Installation by CMBC	£4,775	£4,871
Festive Celebration 8 year contract	£3,225	Ongoing storage and repair	£3,225	£3,356
Festive Celebration-replacement provision	£8,300	Provision into Earmarked Reserves for replacement in year 9	£8,300	£8,300
TTC Events	£3,000	Christmas Event & Cost of living etc	£3,060	£3,121
Entertainment Arts and Recreation	£11,444	Entertainment and Arts related Grants	£11,673	£11,907
Environment Projects	£6,334	Covers costs of Grounds maintenance for Patmos, Vale Baptist and Lobb Mill	£6,651	£6,983
Storage	£1,600	Council Storage	£1,600	£1,600
Memorials	£1,000	Memorial costs	£1,000	£1,000
Benches	£2,000	Allowance for repairs/maintenance	£2,000	£2,000
Miscellaneous Contingency	£1,000	Contingency	£1,000	£1,000
<b>Development</b>				
Subscriptions	£200	Subscriptions to external bodies	£200	£200
Neighbourhood Plan	£0	Unspent funds	£0	£0
Miscellaneous /Contingency	£216	Contingency	£215	£215
<b>Town Deal Sponsor</b>				
Project Manager Employers NI	£0	TD Costs – Covered by Town Deal	£0	£0
Conservatory	£0	TD Costs – Covered by Town Deal	£0	£0
Pavilion	£0	TD Costs – Covered by Town Deal	£0	£0
MUGA	£0	TD Costs – Covered by Town Deal	£0	£0
Tennis Courts	£0	TD Costs – Covered by Town Deal	£0	£0

Fielden Hall	£0	TD Costs – Covered by Town Deal	£0	£0
Grant Finder Research	£0	TD Costs – Covered by Town Deal	£0	£0
Bandstand	£0	TD Costs – Covered by Town Deal	£0	£0
Project Manager	£0	TD Costs – Covered by Town Deal	£0	£0

### Legislation covering Payments under Budget Codes

The Town Council adopted the General Power of Competence in May 2023, but in doing so still has regard to underlying legislation with regard to lawful purpose of expenditure as per table below.

Code	Cost Centre	Description	Budget Heading	Legislation
4050	105	Staffing Matters	Staff Training	LGA 1972 S112
4060	105	Staffing Matters	Staff recruitment	LGA 1972 S112
4065	105	Staffing Matters	Member Training	LGA 1972 S175
4000	110	Employees	Salaries	LGA 1972 S112
4002	110	Employees	Consultancy	LGA 1972 S112
4003	110	Employees	Overtime	LGA 1972 S112
4020	110	Employees	Agency	LGA 1972 S112
4035	110	Employees	NI/ENI/PAYE	LGA 1972 S112
4036	110	Employees	PAYE Arrears	LGA 1972 S112
4040	110	Employees	Pensions employee	LGA 1972 S112
4041	110	Employees	Pension employer	LGA 1972 S112
4055	110	Employees	Staff Travel	LGA 1972 S174
4070	110	Employees	Home Work allwce	LGA 1972 S112
4100	120	Administration	Subscriptions	LGA 1972 S143
4110	120	Administration	Stationary	LGA 1972 S111
4120	120	Administration	Advertising	LGA 1972 S142
4130	120	Administration	Postage	LGA 1972 S111
4131	120	Administration	Printing/Photocopier	LGA 1972 S111
4140	120	Administration	Communications	LGA 1972 S111
4141	120	Administration	Mobile Phones	LGA 1972 S111
4145	120	Administration	Office & IT Equip	LGA 1972 S111
4146	120	Administration	Computer software	LGA 1972 S111
4148	120	Administration	Office Covid Secure	LGA 1972 S111
4210	120	Administration	Audit/Acctcy/Consultancy	LGA 1972 S111
4211	120	Administration	Books and Publications	LGA 1972 S111
4220	120	Administration	Insurance	LGA 1972 S111
4221	120	Administration	Insurance Claim	LGA 1972 S112
4222	120	Administration	Regalia Insce Valuation	LGA 1972 S111
4230	120	Administration	Other admin fees	LGA 1972 S111
4240	120	Administration	Members Travel/Expenses	LGA 1972 S111
4255	120	Administration	Town Hall Hire	LGA 1972 S111
4260	120	Administration	Election Expenses	LGA 1972 S111
4270	120	Administration	Corporate Image	LGA 1972 S142
4280	120	Administration	HR Provision	LGA 1972 S111
4290	120	Administration	Payroll	LGA 1972 S111
4990	120	Administration	Misc contingency	LGA 1972 S111

4310	130	Office of Mayor	Mayors Allwce	LGA 1972 S111
4315	130	Office of Mayor	Mayors Discretionary Grant	LGA 1972 S111
4320	130	Office of Mayor	Mayors Transport	LGA 1972 S111
4321	130	Office of Mayor	Mayrs Event Invite costs	LGA 1972 S111
4330	130	Office of Mayor	Mayors Day	LGA 1972 S111
4331	130	Office of Mayor	Mayors Medals	LGA 1972 S111
4350	140	Town Centre Security	Town Centre Security	LG Rating Act 1997 s31
4630	150	Property	Land Sites	Open Spaces Act 1960s9,10
4631	150	Property	Patmos Gardens	Open Spaces Act 1960s9,10
4632	150	Property	Lobb Mill Picnic Site	Open Spaces Act 1960s9,10
4633	150	Property	Walsden Cricket Ground	Open Spaces Act 1960s9,10
4634	150	Property	Vale land	Open Spaces Act 1960s9,10
4635	150	Property	Wheels Park	Open Spaces Act 1960s9,10
4636	150	Property	Tree Maintenance	Open Spaces Act 1960s9,10
4637	150	Property	Tod in Bloom outsourced	Open Spaces Act 1960s9,10
5000	160	Climate Emergency	Publicity	LGA 1972 s142
5002	160	Climate Emergency	Special Projects	LGA 1972 S111and 137
5005	160	Climate Emergency	Climate Small Grants	LGA 1972 S137
4410	200	Resources	Donations and Grants	LGA 1972 S137
4411	200	Resources	Walsden CC	LGA 1972 S137
4415	200	Resources	Covid support	LGA 1972 S137
4420	200	Resources	TH Refund Grant	LGA 1972 S137
4425	200	Resources	Education Non L/A	LGA 1972 S137
4426	200	Resources	Events Grants	LGA 1972 S144
4430	200	Resources	Tourism	LGA 1972 S144
4450	200	Resources	Publicity	LGA 1972 s142
4458	200	Resources	Festive Lights Mtce Storage	LGA 1972 S144
4460	200	Resources	Festive Lights	LGA 1972 S144
4461	200	Resources	Events	LGA 1972 S144
4470	200	Resources	Entertainment Arts & Rec	LGA 1972 S144
4480	200	Resources	Town Charter	LGA 1972 S111
4481	200	Resources	Blue Plaque	LGA 1972 S111
4483	200	Resources	Gateway Signs	LGA 1972 S111
4560	200	Resources	Environmental Projects	Open Spaces Act 1960s9,10
4565	200	Resources	Skips Provision	LGA 1972 S111
4671	200	Resources	Festive Lights Cap purchase	LGA 1972 S144
4672	200	Resources	Festive Light Cap purchase childrens displays	LGA 1972 S144
4610	300	Development	Neighbourhood Plan	Localism Act 2011