

Resources Committee

Agenda Item 7

Report Type:	Public Report for Information
Purpose of Report:	To consider the draft 2021/2022 draft budget and recommend accordingly to Full Council
Recommendations:	<p>It is RECOMMENDED that:</p> <p>(a) Members consider the report and the attached draft budget for 2021/2022;</p> <p>(b) Recommends to Full Council the attached budget;</p> <p>(c) Agrees to the virement from the Office of the Mayor to the Salary Budget of £10,970, AND the virement of £25,000 of the Britain in Bloom budget to a new budget line for “Christmas Festival/Lights”.</p>
Wards:	All Wards
Contact Officer:	Daniel Lucas – Town Clerk

1. BACKGROUND

- 1.1. The Town Council is due to set its third annual budget by Full Council later this month (18 January) and has to notify BCP Council of the precept it wishes to raise by the end of January. In terms of ‘actual’ budgets set by Members this is the second, as the first operating budget was to all intents and purposes inherited from the outgoing Christchurch Borough Council.
- 1.2. This report and accompanying appendix outline the position to Members in terms of the current financial year and performance of the budget to date; as well as providing projections to the financial year end (2020-2021). It then goes on to examine the 2021/2022 position and takes into account factors such as the previous year’s performance as well as known variables which informs the recommended budget.

Notification of Change in Council Tax Base

- 1.3. A “tax base” is the number of Band D equivalent dwellings in a local authority’s area. Calculation of the Council Tax Base is a matter for the Principal Council (BCP Council) and is conducted in accordance with the law¹. As part of this calculation the Principal Council has to take into account an estimation of its council tax collection rates for that financial year. BCP Council’s Cabinet report setting out the Council Tax Base as of the date of writing this report has not been agreed by its Members. However, the Agenda has been published and BCP Council’s Cabinet sits on the 13th January 2021. In the Officer’s report BCP notes as follows:

“The total estimated tax base for BCP Council has reduced from 142,996.2 in 2020/21 to 139,170.5 in 2021/22 due to the estimated impact of covid-19 on both the cost of

¹ The Local Authorities (Calculation of Council Tax Base)(England) Regulations 2012

the LCTS and the collection rate. This reduction equates to a 2.7% reduction in the tax base compared to the current MTFP planning assumption of 3.9%.”

(Where the “LCTS” is the Local Council Tax Support Scheme and MTFP is medium term financial plans/planning).

- 1.4 The Town Clerk was notified in October of last year of the potential decrease in Christchurch’s Council Tax Base of circa 3.09%, however the BCP Council Tax Base report as published now suggests a 2.7% reduction.
- 1.5 Secondly, the Town Clerk was formally notified of the new proposed Council Tax Base for Christchurch via letter from BCP Council dated 15 December 2020 and that this was subject to approval by BCP’s Cabinet meeting on the 13th of January 2021.

What does this mean for Christchurch Town Council?

- 1.6 The proposed Council Tax Base for Christchurch Town Council area is now 11,927.0 for 2021/22 (subject to BCP Council approval). This equates to a 2.11% decrease from last year’s Council Tax Base of 12,184.
- 1.7 This means that if the Town Council does nothing with its operating budget for 2021/22 financial year, the Town Council would have a decrease in its precept due to the Council Tax Base reduction. The Band D equivalent cost per annum last year was £42.22 per household. When this is multiplied against the proposed reduced Council Tax Base (11927x42.22) it provides a reduced annual precept of £503,557.94. In terms of budgeting, as the Town Council does not have a large income stream this would essentially be the annual budget for the Town Council.
- 1.8 Due to the exceptional circumstances of the current financial year the Town Council has not been able to realise certain projects. These included Britain in Bloom for the summer of 2020 and the employment of a third member of staff. However, the budget for Britain in Bloom was vired in the large part to the Community Grants Scheme (£20k, leaving £5k for In-Bloom planning for 2021/22). The Community Grants Scheme has been a success given the pandemic. Other exceptional matters arising have been the understanding that the Town Hall roof needs repair and that Druitt Gardens shall need capital expenditure for window replacement at the least, and the possibility that Scotts Hill Lane playpark maybe a Town Council going concern if progress can be made here.
- 1.9 The Town Council shall hopefully be continuing with its plans and projects outlined for 2021/22, as well as hopefully taking asset transfer of further assets from BCP Council as planned over the next financial year. A 2% rise therefore on a Band D equivalent property will not see a major impact in the Council’s precept and budget. Overall, this means that the Town Council’s precept shall be reduced, but only by £839.88. It is proposed that this reduction can be readily accommodated by reducing the Town Council’s contribution to reserves budget line.
- 1.10 In summary this means an increase on a Band D equivalent property of only 84 pence and an overall decrease of the Town Council precept from £514,416.50 to £513,576.62 for 2021/22.
- 1.11 Members shall note and are asked to also confirm the following budget virements and single line entries in the 2021/22 budget:

Office of the Mayor: Vire to Salaries budget £10,970 to reflect all salaries being charged to the salary budget.

Budget 2020/21 = £27,000, Proposed 2021/22: £16,030.00.

Note: Subsequent salary budget increased by the £10,970 from the removal from the office of the mayor budget above.

Christmas Festival/Lights: Creation in 2021/22 of a budget line entry for Christmas festival lights by the virement of the Britain in Bloom budget. Therefore there will be a re-task of the

In-Bloom budget in anticipation of contributing towards the end of the coming calendar when hopefully the pandemic has less of an impact around Christmas time. Unfortunately this means that In-Bloom shall not go ahead this financial year.

2. IMPLICATIONS

Legal

- 2.1. The Town Council has a legal duty to set an annual budget. This report formulates the first step in adopting a budget for 2021/2022. It shall be for Full Council to agree the budget and set the precept for the next financial year.

Environmental

- 2.2. None

Financial and Risk

- 2.3. The budget proposed delivers an overall reduction in the precept for the Town Council given the reduction in the Council Tax Base. However, in terms of a Band D equivalent cost there is an increase of 2% (1.99%) to £43.06 per annum. The reduction in the precept of £839.88 can be accommodated in the reduction to the contribution of the Town Council's reserves which can be seen in the attached Appendix under "Exceptional Class: Reserves".

Equalities

- 2.4. No direct impact from this report

Consultation and Engagement

- 2.5. This stage one of the budget setting process and places in the public domain the principles informing the budget. Full Council shall consider the budget further and any ramifications accordingly.

3. CONCLUSION

- 3.1. Members are asked to consider the report and to approve the recommendations outlined.

Appendices:

Appendix 1: Draft Budget 2021/202

APPENDIX 1

Christchurch Town Council									
Budget									
2021/22			2019/20	2019/20	2020/21	2020/21	2020/21	2020/21	2021/22
Description			Budget	Actual	Budget	Actual YTD	Predicted	Total Forecast	Budget
Asset Class									
C1	C1 - Douglas Avenue	Allotments	860.00	769.42	1,000.00	-296.16	809.31	513.15	1000.00
C2	C2 - Rutland Road	Allotments	10,115.00	6207.38	12,000.00	-6.33	10138.70	10132.37	12000.00
C3	C3 - Southey Road	Allotments	1,635.00	1294.00	2,000.00	-482.59	1618.62	1136.03	2000.00
C4	C4 - Arena Wheel Park	Play Facilities	4,820.00	0.00	6,000.00	0.00		0.00	6000.00
C5	C5 - Barrack Road Recreation Ground	Recreation Grounds	20,285.00	0.00	25,000.00	0.00		0.00	25000.00
C6	C6 - Druitt Gardens	Druitt Gardens & Hall	9,735.00	12012.00	12,000.00	-2479.00	9891.70	7412.70	12000.00
C7	C7 - Druitt Hall	Druitt Gardens & Hall	7,880.00	303.80	25,000.00	0.00	2500.00	2500.00	25000.00
C9	C9 - Enfield Road Play Areas Jumpers Common	Play Facilities	1,921.00	0.00	2,500.00	0.00		0.00	2500.00
C9	C9 - Knapp Mill Open Space	Recreation Grounds	6,025.00	5020.83	7,500.00	0.00	6069.81	6069.81	7500.00
C10	C10 - Knapp Mill Play Area	Play Facilities	1,921.00	0.00	2,500.00	0.00		0.00	2500.00
C11	C11 - Mudeford Quay Play Area	Play Facilities	1,921.00	0.00	2,500.00	0.00		0.00	2500.00
C12	C12 - Mudeford Recreation Ground Play Area	Play Facilities	8,088.00	8324.97	10,000.00	300.00	8593.08	8893.08	10000.00
C13	C13 - Office of the Mayor	Office of the Mayor	24,210.00	734.52	27,000.00	463.65	1020.00	1483.65	16030.00
C14	C14 - Old Town Hall	Old Town Hall	20,000.00	1810.37	22,000.00	3125.91	30.00	3155.91	22000.00
C15	C15 - Quomps Open Space	Recreation Grounds	15,965.00	8924.28	17,500.00	14854.02	14890.15	29744.17	17500.00
C16	C16 - River Way Play Area	Play Facilities	1,921.00	0.00	2,500.00	0.00		0.00	2500.00
C17	C17 - Rutland Road Play Area	Play Facilities	1,921.00	0.00	2,500.00	0.00		0.00	2500.00
C18	C18 - Tuttons Well and Guide Hut	Recreation Grounds	935.00	779.16	1,250.00	0.00	1011.64	1011.64	1250.00
C19	C19 - Waterman's Park Play Area	Play Facilities	1,921.00	0.00	2,500.00	0.00		0.00	2500.00
C20	C20 - Waterman's Park Wheel Park	Play Facilities	14,700.00	0.00	17,500.00	0.00		0.00	17500.00
C21	C21 - Assets Damage Contingency				8,000.00	0.00		0.00	8000.00
C6	Christchurch Cemetery	Cemetery	26,570.00		26,570.00				26570.00
C29	Stanpit Rec	Recreation Ground	6,650.00		6,650.00				6650.00
	Funded by BCP		- 33,220.00		- 33,220.00				-33220.00
		Asset Class	156,779.00	46180.73	208,750.00	15479.50	56573.01	72052.51	197780.00
C7	Christmas Lighting	December	13,600.00		13,600.00				13600.00
	Funded by BCP		- 13,600.00		- 13,600.00				-13600.00
		Grant Class							
	Remembrance Parade Road Closures				2,000.00	0.00	0.00	0.00	2000.00
	Introduction of Grants Aid Policy				10,000.00	12820.00	17180.00	30000.00	10000.00
C23	Red House Museum	Museum Grant	51,550.00		51,550.00				51550.00
	Funded by BCP		- 51,550.00		- 51,550.00				-51550.00
		Grant Class	-	0.00	12,000.00	12820.00	17180.00	30000.00	12000.00
			156,779.00	46180.73	220,750.00	28299.50	73753.01	102052.51	209780.00

			2019/20	2020/21	2020/21	2020/21	2020/21	2020/21	2021/22
			Actual	Budget	Actual YTD	Predicted	Total Forecast	Budget	
Overheads Class									
Salaries		75,000.00	77348.26	104,000.00	60269.24	20088.00	80357.24		114970.00
Telephone		1,000.00	785.62	1,050.00	627.29	231.00	858.29		1050.00
Office General		2,500.00	2751.51	2,625.00	913.54	500.00	1413.54		2625.00
Training		2,000.00	380.00	2,100.00	55.00	200.00	255.00		2100.00
Postage		350.00	29.28	367.50	0.00	0.00	0.00		367.50
Photocopying		1,250.00	385.24	1,312.50	529.20	270.00	799.20		1312.50
Insurance		12,000.00	5686.62	12,600.00	0.00	-2750.00	-2750.00		12600.00
Legal		10,000.00	0.00	10,500.00	0.00	0.00	0.00		10500.00
Election		8,000.00	0.00	8,400.00	23626.18	0.00	23626.18		8400.00
Office Equipment		500.00	0.00	525.00	0.00	450.00	450.00		525.00
Refreshments		500.00	0.00	525.00	0.00	0.00	0.00		525.00
Travel		280.00	0.00	294.00	0.00	0.00	0.00		294.00
Advertising		600.00	0.00	630.00	0.00	0.00	0.00		630.00
Bin Liners		50.00	0.00	52.50	0.00	0.00	0.00		52.50
Membership Subs		2,000.00	1798.21	2,100.00	2198.97	0.00	2198.97		2100.00
Newsletter		1,000.00	0.00	1,050.00	0.00	0.00	0.00		1050.00
PR		1,000.00	320.00	1,050.00	0.00	0.00	0.00		1050.00
Professional fees		700.00	350.00	735.00	0.00	0.00	0.00		735.00
Audit fees		2,000.00		2,100.00	1650.00	0.00	1650.00		2100.00
IT & Web Site		10,000.00	5096.62	10,500.00	1158.00	343.20	1501.20		10500.00
Rent		10,000.00	0.00	10,500.00	0.00	0.00	0.00		10500.00
Rates		4,500.00	2618.31	4,725.00	0.00	0.00	0.00		4725.00
Contingency		18,500.00	3682.00	19,425.00	8333.34	4166.67	12500.01		19425.00
		163,730.00	101231.67	197,166.50	99360.76	23498.87	122859.63		208136.50
Exceptional Class									
Britain in Bloom				25,000.00	0.00	0.00	0.00		0.00
Christmas Festival/Lights									25000.00
Neighbourhood plan				50,000.00	5287.51	6900.00	12187.51		50000.00
Community Infrastructure Levy					-43994.76		-43994.76		
Reserves		21,500.00		21,500.00	0.00		0.00		20660.12
	Exceptions & Reserve Class	21,500.00	0.00	96,500.00	-38707.25	6900.00	-31807.25		95660.12
	TOTAL	342,009.00	147412.40	514,416.50	88953.01	104151.88	193104.89		513576.62
No of Properties		12,263.00		12,184.00					11927.00
Precept per Property		27.89		42.22					43.06