

MINUTES OF THE POLICY & FINANCE COMMITTEE

Held on Wednesday 9th December 2020 at 7.00pm

The meeting took place in a virtual environment using “Zoom” video conferencing technology and members of the public and press were given the opportunity to observe or participate in the meeting.

PRESENT: Cllr Jeremy Heron (Chairman)
Cllr Steve Rippon-Swaine (Vice Chairman)
Cllr Andy Briers
Cllr Philip Day
Cllr John Haywood (*from 7.03pm*)
Cllr Peter Kelleher
Cllr Gloria O’Reilly
Cllr Tony Ring

IN ATTENDANCE: Chris Wilkins, Town Clerk
Nicola Vodden, Meetings Administrator
Rory Fitzgerald, Finance Manager

ABSENT:

F/5857 PUBLIC PARTICIPATION

No members of the public were present.

F/5858 APOLOGIES FOR ABSENCE

All Members were present.

F/5859 DECLARATIONS OF INTEREST

There were no declarations of interest.

F/5860 MINUTES OF THE PREVIOUS MEETING

RESOLVED: That the minutes of the meeting held on 18th November 2020, having been circulated, be approved and signed by the Chairman as a correct record.

Cllr Haywood joined the meeting at 7.03pm.

F/5861 FINANCIAL REPORTS

The RFO tabled the Town Council balances report at the meeting (*Annex A*) and explained that the level of the Imprest account was higher than expected. Due to staff sickness there had been a delay in the payment of invoices, but arrangements were now in place and these were being processed. This would bring down the balances to the predicted amounts. There was no request for the transfer of funds this month and the funds invested in CCLA would not be drawn down until February.

Regarding the 2020/21 budget position, the latest figures to the end of November (month 8) indicated that there was a slight underspend on the budget (£438,553 - 60%) and income was performing less well (£130,000 – 56%). He indicated that both figures were underestimated due to problems processing transactions through the finance system.

Overall, an underspend was anticipated at year end, but the transfer to the General Reserve had reduced by £4,400 from that previously reported and the amount was now expected to be £8,400.

In response to a question regarding a compensation claim by the Council and how the receipt of funds would be accounted for, the Town Clerk indicated that the claim was subject to negotiations and, in any event, would not vastly change any budget decision. It was agreed that an update be provided to Members at a future meeting.

- RESOLVED:**
- 1) That the Statement of Town Council Balances (*Annex A*) be noted;
 - 2) That the Finance Manager's verbal report on 2020/21 budget position be noted; and
 - 3) That a report to update Members on the compensation claim be brought before the Committee at a future meeting.

ACTION R Fitzgerald

F/5862

COMMITTEE BUDGET 2021/22

Members considered the RFO's updated Committee budget report (*Annex B*). He highlighted the differences from his initial report, the application of inflation to some of the figures and explained his reasoning for this.

The RFO confirmed that the salary budget, which now included 0.5% for inflation, accounted for any staff salaries due an incremental rise and he was comfortable with the level set overall, given the government's recent announcement of a public sector pay freeze (although it was noted that this may be challenged by trade unions).

- RESOLVED:**
- 1) That the RFO's report be noted; and
 - 2) That no additional bids be included in the Committee budget for 2021/22.

ACTION R Fitzgerald

F/5863

COUNCIL BUDGET 2021/22

Members considered the RFO's report on the Council budget and Precept for 2021/22. He explained that the 'sandbox' had changed dramatically from the example included in the agenda papers, due to the budget bids put forward by the Recreation, Leisure and Open Spaces Committee (RLOS) and the Planning, Town and Environment Committee (PTE), at their recent meetings.

He illustrated the significant impact on the budget, should all bids be taken forward in the forthcoming year. Some bids could be funded or part-funded from earmarked reserves, but there remained a shortfall of £28,400. Members expressed their concern regarding the implications for the General Reserve and/or Council Tax should all bids proceed.

Members considered prioritisation of the project bids and deliverability. It was agreed that the Play Equipment bid be moved to the list of 'aspirational' projects, to be considered for funding in the future, but not in the 2021/22 budget. Whilst it is considered a worthwhile project and thanks were extended to Cllr Edge for the work she had already undertaken, it

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was felt that more contact with (and surveying of) the target age group was essential, along with research into grant funding and sponsorship opportunities. This would ensure that the proposed equipment would be suitable and establish the level of funding that the Council would be expected to contribute when the project is taken forward.

The effect of removing this bid reduced the pressure on the budget by £36,000. The RFO illustrated the impact using the 'sandbox' model and this resulted in a 2.27% increase in Council Tax. He also offered options to fund one-off projects from the General Reserve and using the NFDC's financial support grant to supplement the reduced revenue this year, due to the pandemic.

As an example, the RFO indicated that a 2% rise in Council Tax would enable the remaining projects to be delivered, but this would leave a shortfall in the budget of £1,400. A transfer from the General Reserve would be required, although at that rate the General Reserve would be at a slightly higher level than would be considered prudent for this Council (50% of the Precept).

A discussion followed on the best use of NFDC's financial support payment, the possibility of supplementing loss of income in 2020/21 and the use of CIL receipts to fund capital projects. The level of future CIL receipts was unpredictable, so could not prudently be included in the budget.

To assist the RFO in re-modelling the draft budget, Members agreed that the budget be delivered with the target of a 1.5% increase to Council Tax, resulting in a Band D equivalent Council Tax of £98.41. The shortfall for 1) the Columbarium project of £8,000 be funded from CIL receipts and 2) the overall shortfall on the budget £4,071 be met from the General Reserve or NFDC's grant.

In addition to financial resources required to deliver projects, officer time was a consideration and whilst there is no in-house technical officer, consideration is to be given to contracting out that role to assist in getting projects delivered within a reasonable timeframe.

The Town Clerk indicated that in future, at the budget setting stage, each Committee will be asked to consider whether the provision for outstanding projects should be returned to the General Reserve and bid for again (if appropriate) or whether the budget for that project is to be rolled forward to the next year, as an earmarked reserve, to ensure that funding is available for the project to be delivered.

RESOLVED: 1) That the RFO's report on the draft budget and precept 2021/22 (*Annex C*) be noted;
2) That the draft budget be revised to reflect a 1.5% increase in Council Tax and that the shortfalls identified be met by way of CIL funding and the General Reserve/NFDC grant, as described above; and
3) That the draft budget and Precept be considered further at the next meeting.

ACTION R Fitzgerald

F/5864 PROJECTS

C1 – Christmas Tree for the Market Place – It was noted that there was an underspend of £1,500 on the budget provision for the Christmas Tree, thanks to Cllr Ring and his efforts in securing sponsorship.

RESOLVED: That the update in respect of projects (*Annex D*) be noted.

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ACTION C Wilkins

There being no further business, the Chairman closed the meeting at 8.28 pm.

Note: The text in the Action Boxes above does not form part of these minutes.

RECEIVED
16th December 2020

APPROVED
15th January 2020

TOWN MAYOR

COMMITTEE CHAIRMAN

POLICY AND FINANCE COMMITTEE 9th DECEMBER 2020

BANK BALANCES & PROPOSED TRANSFERS

A

<u>Account Name</u>	<u>Predicted</u>		<u>Actual at</u>	<u>Predicted</u>	<u>Proposed Transfers</u>		<u>Predicted</u>
	<u>31/11/2020</u>		<u>31/11/2020</u>	<u>Movement</u>	Cash Out	Cash In	<u>31-Dec-20</u>
	£		£	£	£	£	£
Imprest (Current) Account	102,655		120,130	-50,000			70,130
Business Account	51,545		51,545				51,545
Investment Accounts	580,000		580,000				580,000
Greenways Rent Deposit	10,712		10,712				10,712
Petty Cash - Imprest	180		90				90
Petty Cash - Carvers Clubhouse	100		100				100
VIC Change Float	50		50				50
Information Desk Float	75		75				75
TOTAL BANK BALANCES	745,317		762,702	-50,000	0	0	712,702

nb all balances, other than the investment accounts, are held with Lloyds Bank plc unless otherwise stated

PROPOSED TRANSFER AUTHORISATIONS:

DATE

9th December 2020

9th December 2020

Investment Accounts	CCLA	Instant access
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Notes:

- Imprest Account**

Anticipated net expenditure to end September inter account transfers processed after September 30th	£ 50,000
Net Movement on imprest account	50,000
- Investment Maturity**
No investments due to mature
- The bank accounts were reconciled as at 31st October 2020
- With reference to the Greenways Rent Deposit Accounts, the ground Floor deposit is £7,000 and the 1st floor deposit is £2,637. These sums will be paid over to the tenant at the end of the tenancy, with interest accrued, subject to the Council having no cause to claim funds for damages.
- A temporary nominal account has been implemented to act as a change float for the VIC. This will be in operation only for the period when the VIC is open during the spring and summer at weekends and bank holidays. The balance is £50.00.
- A nominal account has been implemented to reflect the float of £75.00 held by the Information Desk.
- The Town Council's Imprest and Business bank accounts are held with Lloyds Bank plc

POLICY AND FINANCE COMMITTEE
9th December 2020

POLICY & FINANCE COMMITTEE BUDGET 2021/2022

1. INTRODUCTION

1.1 Members considered the budget proposals for 2021/22 for this Committee at the November meeting. This paper sets out the current draft budget proposals for this Committee and members are asked to endorse this budget or propose changes for inclusion in the overall Town Council Budget which will be approved in January.

1.2 To assist Members, the following draft document is attached:-

Appendix A: Shows the approved original budget 2020/2021, (£307,611), the draft revised budget 2020/21, (£289,596), which reflects the latest forecast outturn for 2020/21, and the revised draft budget for 2021/22 of £312,755. The appendix also shows the outturn figures for both 2018/19 and 2019/20 for comparison. The Committee budget includes summarised budgets for Carvers Clubhouse which are set out in more detail in **Appendix B.**

2. REVISED DRAFT BUDGET 2021/22

2.1 As previously noted, the base budget for 2021/22 for this Committee has been prepared by adjusting for non-recurring items included in the original budget for 2020/21. There have not been any new expenditure bids. Any bids for new expenditure will be added to the next iteration of the budget in January and will need to be approved before the overall budget is submitted to full Council in January.

2.2 The only difference between this revised draft budget and the original draft budget discussed at the November meeting has been the inclusion of inflation. This has been modelled on the assumption that unavoidable inflation will be held at 1.5% whilst there has been no inflationary increase proposed on income earnings. Following the Government announcement of a pay freeze for public sector workers, pay inflation has been estimated at 0.5% in part to reflect an under provision in the current year where the pay award in December exceeded the increase proposed for 2020/21.

2.3 There have not been any proposals for growth or additional bids on behalf of this Committee however this revised draft budget will be updated with any such proposals for consideration at the January meeting. Earmarked reserves are expected to exceed £270,000 by the end of the current year and it is anticipated that these will be used to support any new bids.

2.6 The budget model, which allows testing of alternative budget assumptions has been circulated and all Members are encouraged to use the model to test and challenge budget assumptions and the impact of further budget proposals.

2.7 The Committee is asked to consider the revised draft budget for 2021/22 of £312,755. The committee budget is included with the Council's overall budget, a report for which appears elsewhere on the agenda.

3. NEW BIDS 2021/22

- 3.1 At present there are no proposals for new budget bids to be included in the 2021/22 budget.

4. RECOMMENDATIONS

- 4.1 Subject to any amendments or further proposals made at this meeting, **it is recommended that:**
- a) Members consider and approve the revised draft budget for this Committee, Appendix A, for inclusion within the Council's overall budget be approved;
 - b) Members use the budget model to develop and test alternative budget proposals.

For further information contact:

For further information please contact:

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Chris Wilkins, Town Clerk
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POLICY & FINANCE COMMITTEE											
Edge Codes	2 Description	3 Budget Manager	4 Actual 18/19 £	5 Actual 19/20 £	6 Budget 20/21 £	7 Revised Budget £	8 Inflation		9 Known Changes* £	10 Draft 21/22 £	
							Type	%	£		
2000/1	EXPENDITURE-Establishment										
2000/1/1	--utilities		0	0	0	0	2	1.5%	0		0
2000/1/3	--Insurance Premium	CW	10,722	10,020	8,610	9,150	3	1.5%	129	500	9,239
2000/1/4	--Health & Safety	CW	3,069	2,301	2,399	2,000	4	0.0%	0		2,399
2000/1/5	--Office Equipment	MO	99	48	200	200	4	0.0%	0		200
2000/1/6	--Furniture	MO	65	0	0	0	4	0.0%	0		0
2000/1/7	--Books & Publications	MO	104	0	150	150	4	0.0%	0		150
2000/1/8	--Stationery	MO	941	783	1,100	400	4	0.0%	0	-200	900
2000/1/9	--Photocopy/scanner	JH	2,570	2,238	2,295	2,000	3	1.5%	34		2,329
2000/1/10	--Postage	MO	1,493	1,171	1,400	1,300	3	1.5%	21		1,421
2000/1/11	--Telephone & Fax	CW	8,428	1,908	3,320	3,320	3	1.5%	50		3,370
2000/1/12	--Computer Maintenance	CW	2,951	3,412	1,540	1,540	3	1.5%	23		1,563
2000/1/13	--G.I.S. Mapping	CW	510	531	550	650	3	1.5%	8	100	658
2000/1/14	--Web Site Maintenance	CW	960	4,277	1,020	7,000	3	1.5%	15		1,035
2000/1/15	--Computer equipment/s-ware	CW	3	3,535	3,750	3,750	4	0.0%	0		3,750
2000/1/16	--Subscriptions	JH	2,777	3,152	3,500	3,500	3	1.5%	53		3,553
2000/1/17	--Adverts	CW	169	190	200	200	4	0.0%	0		200
2000/1/18	--Bank Charges	RF	236	250	306	300	3	1.5%	5		311
2000/1/19	--Audit	CW	2,800	3,125	2,903	3,200	3	1.5%	44	300	3,247
2000/1/20	--Travel Expense	CW	654	697	750	250	4	0.0%	0		750
2000/2/1	--Office Exps Gtwy	CW	12	90	100	100	3	1.5%	2		102
2000/2/2	--Hospitality/Refreshments	CW	268	306	300	150	4	0.0%	0		300
2000/3/1	Caretaker Gtwy-Rechargeable	CW	7,537	13,114	7,469	13,250	1	0.5%	37	140	7,646
2000/3/2	Cleaning Gtwy-Rechargeable	CW	5,124	245	6,111	250	1	0.5%	31		6,142
2000/3/3	Info Officers Gtwy-Rechargeable	CW	50,921	55,363	53,287	54,800	1	0.5%	266	550	54,103
2000/3/4	Supplies Gtwy-Rechargeable	CW	2,216	1,516	2,130	1,750	3	1.5%	32	-380	1,782
	Total Establishment		104,629	108,272	103,390	109,210			749	1,010	105,149
2100	Maintenance										
2100/4	--Vandalism	CW	318	1,536	200	200	4	0.0%	0		200
2100/5	--Gateway	CW	30,653	33,314	33,158	33,158	3	1.5%	497		33,655
2100/1	--Greenways	CW	1,598	1,266	0	0	4	0.0%	0		0
2100/3	--92 Southampton Road	CW	612	2,449	800	800	4	0.0%	0		800
	Total Maintenance		33,181	38,565	34,158	34,158			497	0	34,655
2300	Employee Costs										
2300/1	--Allocated Office Staff	CW	111,949	102,385	116,182	102,250	1	0.5%	581	1,200	117,963
2300/2	--Allocated Groundstaff	CW	4,248	4,554	4,507	4,500	1	0.5%	23	50	4,580
2310/1	--Payroll Outsourcing	CW	931	936	989	1,730	3	1.5%	15	500	1,504
2310/2	--Staff Training	CW	1,224	765	1,250	1,000	4	0.0%	0		1,250
2310/3	--Eye Tests	CW	482	60	104	60	4	0.0%	0		104
2310/4	--HR Consultancy	CW			2,200	2,250	3	1.5%	33		2,233
	Total Employee Costs		118,834	108,700	125,232	111,790			618	1,750	127,633

	2	3	4	5	6	7	8		9	10	
	Description	Budget Manager	Actual 17/18 £	Actual 19/20 £	Budget 20/21 £	Revised Budget £	Inflation Type	%	£	Known Changes* £	Draft 21/22 £
2200/1	Members Costs										
2200/1/1	--Mayoral Regalia	CW	0	0	0	0	4	0.0%	0		0
2200/1/2	--Election Expenses	CW	0	4,668	0	0	4	0.0%	0		0
2200/1/3	--Members Allowances	CW	5,861	8,591	8,858	8,210	1	0.5%	44	-500	8,402
2200/1/4	--Mayor's Allowance Allocated	CW	0	520	1,040	1,040	4	0.0%	0		1,040
2200/1/5	--Civic Expenses	CW	300	693	1,000	750	4	0.0%	0		1,000
2200/1/6	--Members' Training	CW	63	45	350	250	4	0.0%	0		350
2200/1/7	--Members Travel & Subsist	CW	0		200	100	4	0.0%	0		200
	Total Members Costs		6,224	14,517	11,448	10,350			44	-500	10,992
2210	Grants										
2210/1	--Discretionary grants	CW	5400	4500	7,000	7,000	4	0.0%	0		7,000
	Total Grants		5,400	4,500	7,000	7,000			0	0	7,000
2400	Other										
2400/15	--CCTV	CW	8,790	8,870	9,180	9,180	3	1.5%	138		9,317
2400/16	--Car Park Clock Refurbishment	CW	1,395	0	0	0	4	0.0%	0		0
2400/17	--Legal Fees	CW	950	0	0	0	4	0.0%	0		0
2400/18	--Consultants Fees	CW	7,376	3,415	0	400	4	0.0%	0		0
2400/19	--92 Southampton Road Agents fees	CW	1,375	1,465	1,428	1,580	3	1.5%	21	100	1,549
2400/2	--Christmas Lights Instal & Stor	CW	13,481	19,053	17,000	17,000	3	1.5%	255		17,255
	--Youth Workers	CB	35,461	41,358	54,611	40,000	1	0.5%	273	660	55,544
	--Carvers Club House	CB	18,908	21,918	19,614	16,070			120	0	19,734
2400/4	--Millenium Clock (car park)	CW	0	49	260	200	4	0.0%	0		260
2400/5/1	--Visitor Info Cntr - Purchases	CW	2,596	1,881	1,530	500	3	1.5%	23		1,553
2400/5/2	--Visitor Information Centre	CW	3,782	2,903	4,832	500	1	0.5%	24		4,856
2400/6	--Jubilee Lamp	CW	3	275	350	250	4	0.0%	0		350
2400/8	--Bad Debts Write Off	RF	0		0	0	4	0.0%	0		0
2400/9	--Support for Christmas activities	CB	356	2,136	5,000	1,250	4	0.0%	0		5,000
2400/10	--Support for Fireworks Event	CB		8,857	5,000	0					5,000
2400/20	--WW1 Commemoration	CW	5,632		0	0	4	0.0%	0		0
2400/12	--Ringwood Market - Advertising	CW	0	299	0	0	4	0.0%	0		0
2400/13	--Support for Town Twinning	CW	38		0	0	4	0.0%	0		0
2400/14	--Civic Events / Celebrations	CB	14,694	2,358	5,000	500	4	0.0%	0		5,000
	Total Other		114,837	114,837	123,805	87,430			854	760	125,419
2500/1	Debt Charges										
2500/1/1	--Interest	RF	13,040	12,426	11,792	11,792	6	0.0%	0		11,136
2500/1/2	--Loan Repaid	RF	18,506	19,120	19,754	19,754	6	0.0%	0		20,410
	--New Borrowing 2020/21									0	0
	Total Debt Charges		31,546	31,546	31,546	31,546			0	0	31,546
	Total Revenue Expenditure		414,651	420,937	436,579	391,484			2,764	3,020	442,395
2501	Capital Expenditure										
2501/1	--Gateway Project	RF	-1,390	0	0	0	6	0.0%	0		0
2501/4	--The Place Youth Facility	RF	0		0	0	6	0.0%	0		0
2501/3	--Computer Hardware	RF	11,499	21,929	0	0	6	0.0%	0		0
	Total Capital Expenditure		10,109	21,929	0	0			0	0	0
	COMMITTEE EXPENDITURE		424,760	442,866	436,579	391,484			2,764	3,020	442,395

	2	3	4	5	6	7	8		9	10
Description	Budget Manager	Actual 17/18 £	Actual 19/20 £	Budget 20/21 £	Revised Budget £	Type	Inflation %	Inflation £	Known Changes* £	Draft 21/22 £
200										
REVENUE INCOME										
200/1 --Insurance Premium Income	CW	-200	-4,479	0	-205	6	0.0%	0		0
200/2 --Interest Received	RF	-1,508	-3,573	-3,000	-1,500	6	0.0%	0	1,000	-2,000
200/3/1 --Rent: Ground Floor Greenways	CW	-16,455	-17,595	-16,830	-17,200	3	1.5%	-252		-17,082
200/3/2 --Rent: 1st Floor Greenways	CW	-10,613	-11,918	-11,073	-11,073	3	1.5%	-166		-11,239
200/3/3 --Southampton Road Rent	CW	-13,200	-13,315	-13,464	-13,200	3	1.5%	-202		-13,666
280										
--Carvers Club House Income	CB	-10,613	-14,717	-12,170	-3,000			0	0	-12,170
200/4 --VIC Sales	CW	-4,295	-2,409	-1,821	-50	5	0.0%	0		-1,821
200/5 --Recharge to NFDC	RF	-70,251	-71,347	-70,110	-70,110	3	1.5%	-1,052		-71,161
200/6 --Christmas Events	CB	-2,588	-5,472	-5,000	-1,000	6	0.0%	0		-5,000
200/7 --WW1 Commemoration Grant	CW	-4,975	0	0	0	6	0.0%	0		0
200/8 --Market Stall Income	CW	-1,970	-1,130	-1,000	200	5	0.0%	0		-1,000
200/9 --Civic Events / Celebrations	CB	-18,086	-10,516	-5,000	-250	6	0.0%	0		-5,000
200/10 --Fireworks Event	CB			-5,000	0	6	0.0%	0		-5,000
Total Revenue Income		-154,754	-156,471	-144,468	-117,388			-1,672	1,000	-145,140
TOTAL COMMITTEE INCOME		-154,754	-156,471	-144,468	-117,388			-1,672	1,000	-145,140
		270,006	286,395	292,111	274,096			1,091	4,020	297,255
Transfer To Provisions										
--Transfer To Provisions	RF	26,413	24,792	14,000	14,000					14,000
--Transfer To Provisions	RF	5,000	5,000	2,500	2,500					2,500
Total Transfer To Provisions		31,413	29,792	16,500	16,500				0	16,500
Transfer From Provisions										
--Trans From Provs (Rev)	RF	0	-4,668	-1,000	-1,000					-1,000
--Trans From Provs (Cap)	RF	-16,750	-21,500	0	0					0
Total Transfer From Provisions		-16,750	-26,168	-1,000	-1,000				0	-1,000
TOTAL NET EXPENDITURE AFTER TRANS TO/FROM PROVISIONS		284,669	290,019	307,611	289,596			1,091	4,020	312,755

CARVERS CLUBHOUSE											
Col. 1	2	3	4	5	6	7	8		9	10	
Code CC	Description	Budget Manager	Actual 18/19 £	Actual 19/20 £	Budget 20/21 £	Revised Budget £	Inflation Type % £		Known Changes* £	Draft 21/22 £	
EXPENDITURE											
Premises related expenditure											
2802/1/1	Reactive Maintenance	CB	658	1,150	1,301	2,300	3	1.5%	20	1,321	
2802/1/2	Vandalism Repairs & prevention	CB	1,189	8	1,020	1,000	3	1.5%	15	1,035	
2802/1/3	Electricity	CB	4,219	3,999	2,073	2,100	2	1.5%	31	2,104	
2802/1/4	Water Charges	CB	454	593	521	500	2	1.5%	8	529	
2802/1/5	Health & Safety	CB	457	41	500	250	4	0.0%	0	500	
2802/1/6	Business Rates	RF	2,232	2,093	2,870	2,320	3	1.5%	43	-550	2,363
Total Premises Related			9,209	7,884	8,285	8,470	117		-550	7,852	
Supplies & Services											
2802/2/1	Hired & Contracted (general supplies)	CB	2,052	3,671	4,111	3,000	4	0.0%	0	550	4,661
2802/2/2	Equipment purchases	CB	1,333	810	0	2,000	4	0.0%	0	0	0
2802/2/3	Furniture	CB	343	0	0	0	4	0.0%	0	0	0
2802/2/4	Hired & Contracted (grant funded)	CB	337	764	0	0	4	0.0%	0	0	0
2802/2/5	Telephone Line & Broadband	CB	248	291	208	300	2	1.5%	3	211	
2802/2/6	Training	CB	145	120	510	300	4	0.0%	0	510	
Total Supplies & Services			0	4,458	5,656	4,829	5,600	3		550	5,382
Employee Costs											
2801/1	The Place Salary Allocation exc café	CB	35,461	41,358	44,361	34,800	1	0.5%	222	660	45,243
TOTAL EXPENDITURE			49,128	54,898	57,475	48,870	342		660	58,477	
TRADING ACTIVITIES											
280/1	Room hire	CB	-3,606	-2,608	-3,060	-500	5	0.0%	0	0	-3,060
280/2	Income - food sales	CB	-6,757	-11,832	-9,110	-2,500	5	0.0%	0	0	-9,110
2802/3/1	Food Purchases for re-sale	CB	5,241	8,378	6,500	2,000	4	0.0%	0	0	6,500
2801/2	Café & caretaking staff cost	CB			10,250	5,200	1	0.5%	51	0	10,301
Net Trading Expenditure			-5,122	-6,062	4,580	4,200	51		0	4,631	
OTHER REVENUE INCOME											
280/3	Grant Income	CB	-250	-277	0	0	4	0.0%	0	0	0
Total Other Revenue Income			-250	-277	0	0	0		0	0	
NET EXPENDITURE BEFORE TRANSFERS TO PROVISIONS			43,756	48,559	62,055	53,070	393		660	63,108	
TRANSFERS TO PROVISIONS											
	Contribution to building reserves	RF	5,000	5,000	2,500	2,500	6	0.0%	0	2,500	
NET EXPENDITURE AFTER TRANSFERS			48,756	53,559	64,555	55,570	393		660	65,608	



POLICY & FINANCE COMMITTEE – 9th December 2020
DRAFT BUDGET AND PRECEPT 2021/2022

1. INTRODUCTION

- 1.1** Members have considered both the Policy & Finance Committee’s own draft budget and an outline draft budget for 2021/22 at the November meeting of this Committee. The other two Committees have similarly considered early drafts of their own budgets and these draft proposals, with amendments, are now included here. A recommendation to Council on its overall budget and precept for 2021/22 will be made at the meeting of this committee in January 2021.
- 1.2** This revised draft budget provides the outline of the budget for 2021/22 and includes a number of budget assumptions which have been discussed previously. In addition, the budget model has been circulated to all members by email to encourage modelling and testing of budget assumptions. In order to complete the budget preparation, members are asked now to either endorse the budget proposals contained here or to provide guidance on any changes to the budget. Members are also requested to agree an indicative Council Tax for 2021/22.
- 1.3** The revised budget for 2020/21 is also included. This has not been amended since it was discussed in November, but the year-end forecast will be updated as part of the budget monitoring process during the final quarter of the year.

2. REVISED DRAFT BUDGET 2021 TO 2022

- 2.1** The Recreation, Leisure & Open Spaces Committee (RL&OS Com) and the Planning, Town and Environment Committee (PT&E Com) have considered their own draft budgets during the current schedule of meetings. Attached for the Committee’s consideration are the following documents:-

Appendix A – Revised draft summary Council budget 2021/22, including base budgets.

Appendix B – Provisions at 1st April 2020, and estimated balances at 31st March 2021 and 2022.

- 2.2** Some changes have been made to the first draft budget as discussed in November, in light of more up to date information. These were reflected in the budget model that was circulated to members at the end of November and include:
- The Council tax base is predicted to increase by 0.79%, generating an additional £4,072 at the 2020/21 Council Tax rate.
 - A proposed grant from NFDC, yet to be confirmed, of £8,106 has been added to the “Capital Receipts tab and is currently reflected in higher reserves.
 - Bids for additional expenditure on grounds maintenance, playparks and the cemetery have been included, mostly funded from reserves.
 - A proposal to fund the additional cost of the cemetery bid (£6,000) from the general reserve has been included.
 - All inflation other than pay inflation, remains at zero. Pay inflation has been modelled at 2% (but note the subsequent adjustments to inflation explained below).
- 2.3** There are two further significant amendments which have been added since the budget model was circulated. These include:

- an outline bid, yet to be formally endorsed at the time of writing by Planning, Town and Environment Committee, for additional funding of £3,950 net for the Neighbourhood Plan.
- The latest estimates of inflation as set out below.

The budget assumptions are illustrated and summarised in Appendix C.

2.4 The proposed bid for the Neighbourhood plan is £21,500 of which £14,550 is expected to be funded from grants. The balance of £6,950 will need to be funded by the Town Council. However, there remains a balance of £3,000 held in the General Reserve in respect of the unspent budget that was approved in 2018/19. In light of this new proposal and because the project and grant funding is likely to run over more than one year, a new earmarked reserve has been created for the Neighbourhood Plan and the £3,000 held in the General Reserve has been transferred into this new reserve. The remaining balance of £3,950 forms the basis of this additional bid.

2.5 The latest inflation index (RPI) is 1.3% for the year to October. However, the Government has announced a public sector pay freeze. The pay inflation index has been set at 0.5% for budget modelling purposes in part because the actual pay award in April 2020 was 2.7% and this exceeded the amount provided in the budget for the current year of 2.5%. Other unavoidable inflation indices have been set at 1.5% whilst it has been assumed that there will be no inflationary increases on income generated by the Town Council.

2.6 Appendix A to this report shows the revised draft summary of the overall position with respect to the Council's original and revised budgets for 2020/21, together with the revised draft budget proposals for 2021/22, subject to any further proposals from the other Committees. The revised draft base budget without any new bids for 2021/22, is £494,097, an increase of £12,037 from the original 2020/21 budget (excluding non-recurring expenditure).

2.7 In the absence of any other funding, this increase would add £2.23 to the Council Tax, before any allowance is made for any new bids, inflation or transfers from the General Fund.

2.8 It is important to ensure that revenue expenditure is covered by available income and whilst it is appropriate for reserves to be used to offset the costs of one-off capital schemes, the same cannot be said of revenue expenditure. The use of reserves to support the base revenue budget simply postpones a structural problem which will get worse without a future painful increase in the precept.

2.9 The revised draft budget includes a proposal to transfer £6,000 from the General Fund to cover the shortfall in earmarked reserves available to pay for the two cemetery proposals which are both capital in nature and non-recurring. There is, in addition, the prospect that New Forest District Council will make a grant of £8,106 available to offset some of the additional costs of the Covid Pandemic. For modelling purposes, these funds have been reflected in reserves - as unapplied grants and have not been brought into the revenue budget. In the current year it is estimated that the Town Council will lose income in the following areas due to lockdown and measures to combat the pandemic:

- Interest receipts reduced by £1,500
- Carvers Room Hire reduced by £2,500
- Carvers Café trading surplus reduced by £2,100
- Sports and Recreation income reduced by £8,000

This loss of income will be offset by reduction in expenditure in the current year. However, income is likely to remain depressed in 2021/22 whilst expenditure is

expected to recover. For budget purposes, Sports and Recreation income is expected to fall by £4,000 whilst interest income is expected to remain subdued and £1,000 below the current year original plan. In addition, there will remain a need to continue providing additional cleaning measures, PPE equipment, support for home working and so on. Members may, therefore, wish to offset some of these costs through an additional transfer from the unallocated grants reserve, subject, of course, to NFDC approving the proposed grant. This could be justified as the expenditure and loss of income is atypical and so reserves would not be used to support the base revenue budget.

- 2.10** The base budget and all budget assumptions are summarised in Appendix C. As modelled, the proposals would result in a precept of £534,927 which, with the increased Council Tax Base of 5404.4 will result in a Band D equivalent Council Tax of £98.98, an increase of 2.08% on the current year. In order to hold this increase at 2%, a further transfer from reserves, or reduction in net expenditure, of £440 would be required. Every additional £1,000 of Council Tax requirement results in an increase of 18.5 pence on the Council Tax.

3. CONCLUSIONS

- 3.1** The revised draft budget requirement, including the new bids and the transfers from the general reserve, is £534,927, which would produce an estimated Council Tax of £98.98 for 2021/22, subject to confirmation of the council tax base.
- 3.2** The estimated level of the General Reserve as at 31 March 2022 would be £283,748 if no further transfers, other than those proposed in this report, are approved. Earmarked reserves and provisions are predicted to be £265,830.
- 3.3** The revised budget is also set out in Appendix A. There is an indicative reduction in budget requirement, and consequent increase in funds to be transferred to the general reserve, of £14,108.

4. RECOMMENDATIONS

- 4.1** Members consider the revised draft budget for 2021/22.
- 4.2** Members consider whether any further bids should be taken forward for inclusion in the 2021/22 budget.
- 4.3** Members consider whether any of the budget requirement should be offset by a transfer from Grants Unapplied reserve (the proposed Covid mitigation grant from NFDC) be made.
- 4.4** Members endorse the use of £6,000 from the General Reserves to support the budget requirement and consider whether any further transfer should be planned.
- 4.5** Members provide an indication of an acceptable Council Tax for 2021/22.

For further information please contact:

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**RINGWOOD TOWN COUNCIL
BUDGET AND REVISED BUDGET 2020/21 AND
DRAFT BUDGET 2021/22**

Appendix A

1	2	4	5	6	7	8	9	10
	Committee	Actual 18/19 £	Actual 19/20 £	Budget 20/21 £	Revised Budget £	Inflation £	Known Changes* £	Draft 21/22 £
	Policy & Finance							
	Expenditure	424,760	442,866	436,579	391,484	2,764	3,020	442,395
	Income	-154,754	-156,471	-144,468	-117,388	-1,672	1,000	-145,140
	Net Expenditure	270,006	286,395	292,111	274,096	1,091	4,020	297,255
	Transfers to Reserves	31,413	29,792	16,500	16,500	0	0	16,500
	Transfers from Reserves	-16,750	-26,168	-1,000	-1,000	0	0	-1,000
	Growth bids and adjustments (net of transfers from reserves and income)							0
	Committee net expenditure	284,669	290,019	307,611	289,596	1,091	4,020	312,755
	Recreation & Leisure							
	Expenditure	248,288	223,763	214,091	215,319	1,127	-12,465	202,753
	Income	-34,422	-34,273	-35,407	-27,498	0	3,750	-31,657
	Net Expenditure	213,866	189,490	178,684	187,821	1,127	-8,715	171,096
	Transfers to Reserves	16,900	19,900	17,900	17,900	0	0	17,900
	Transfers from Reserves	-66,189	-35,500	-11,000	-15,500	0	11,000	0
	Growth bids and adjustments (net of transfers from reserves and income)							750
	Committee net expenditure	164,577	173,890	185,584	190,221	1,127	2,285	189,746
	Cemeteries							
	Expenditure	48,218	43,687	45,863	44,567	302	568	46,733
	Income	-53,391	-34,073	-46,031	-42,932	0	0	-46,031
	Net Expenditure	-5,173	9,614	-168	1,635	302	568	702
	Transfers to Reserves	0	4,000	4,000	4,000	0	0	4,000
	Transfers from Reserves	-230	-230	-230	-230	0	0	-230
	Growth bids and adjustments (net of transfers from reserves and income)							6,000
	Committee net expenditure	-5,403	13,384	3,602	5,405	302	568	10,472
	Allotments							
	Expenditure	11,751	11,782	12,317	11,710	70	280	12,667
	Income	-4,901	-5,209	-5,306	-5,300	0	0	-5,306
	Net Expenditure	6,850	6,573	7,011	6,410	70	280	7,361
	Transfers to Reserves	0	0	0	0	0	0	0
	Transfers from Reserves	0	0	0	0	0	0	0
	Growth bids and adjustments (net of transfers from reserves and income)							0
	Committee net expenditure	6,850	6,573	7,011	6,410	70	280	7,361
	Planning, Town & Environment							
	Expenditure	19,849	20,985	19,482	26,344	91	170	18,743
	Income	-1,850	-1,100	-1,100	-4,525	0	0	-1,100
	Net Expenditure	17,999	19,885	18,382	21,819	91	170	17,643
	Transfers to Reserves	0	0	0	0	0	0	0
	Transfers from Reserves	-1,215	-5,170	-1,000	-6,369	0	0	-1,000
	Growth bids and adjustments (net of transfers from reserves and income)							3,950
	Committee net expenditure	16,784	14,715	17,382	15,450	91	170	20,593
	Total Base Expenditure	752,866	743,083	728,331	689,424			723,291
	Total Income	-249,318	-231,126	-232,312	-197,643			-229,234
	Total transfer to reserves	48,313	53,692	38,400	38,400			38,400
	Total Transfer from reserves	-84,384	-67,068	-13,230	-23,099			-2,230
	Total New Bids							60,200
	Less funded from earmarked reserves							-49,500
	Total Budget Requirement	467,477	498,581	521,190	507,082			540,927
	Precept	485,196	497,549	519,907	519,907			534,927
	Transfer to/-from General Reserve	17,719	-1,032	-1,283	12,825			-6,000

**RINGWOOD TOWN COUNCIL
BUDGET AND REVISED BUDGET 2020/21 AND
DRAFT BUDGET 2021/22**

Appendix A

1	2	4	5	6	7	8	9	10
	Description	Actual 18/19 £	Actual 19/20 £	Budget 20/21 £	Revised Budget £	Inflation £	Known Changes* £	Draft 21/22 £
Expenditure:								
	Policy & Finance	424,760	442,866	436,579	391,484	2,764	3,020	442,395
	Recreation & Leisure	248,288	223,763	214,091	215,319	1,127	-12,465	202,753
	Cemeteries	48,218	43,687	45,863	44,567	302	568	46,733
	Allotments	11,751	11,782	12,317	11,710	70	280	12,667
	Planning, Town & Environment	19,849	20,985	19,482	26,344	91	170	18,743
	Council Total Expenditure	752,866	743,083	728,331	689,424	4,353	-8,427	723,291
Income:								
	Policy & Finance	-154,754	-156,471	-144,468	-117,388	-1,672	1,000	-145,140
	Recreation & Leisure	-34,422	-34,273	-35,407	-27,498	0	3,750	-31,657
	Cemeteries	-53,391	-34,073	-46,031	-42,932	0	0	-46,031
	Allotments	-4,901	-5,209	-5,306	-5,300	0	0	-5,306
	Planning, Town & Environment	-1,850	-1,100	-1,100	-4,525	0	0	-1,100
	Council Total Income	-249,318	-231,126	-232,312	-197,643	-1,672	4,750	-229,234
	Council Net Expenditure before transfers	503,548	511,957	496,020	491,781	2,681	-3,677	494,057
Add Transfers to Provisions								
	Policy & Finance	31,413	29,792	16,500	16,500			16,500
	Recreation & Leisure	16,900	19,900	17,900	17,900			17,900
	Cemeteries	0	4,000	4,000	4,000			4,000
	Allotments	0	0	0	0			0
	Planning, Town & Environment	0	0	0	0			0
	Total transfers to provisions	48,313	53,692	38,400	38,400			38,400
Less Transfers from Provisions								
	Policy & Finance	-16,750	-26,168	-1,000	-1,000			-1,000
	Recreation & Leisure	-66,189	-35,500	-11,000	-15,500			0
	Cemeteries	-230	-230	-230	-230			-230
	Allotments	0	0	0	0			0
	Planning, Town & Environment	-1,215	-5,170	-1,000	-6,369			-1,000
	Total transfers from Provisions	-84,384	-67,068	-13,230	-23,099			-2,230
	Total Budget Requirement before new bids	467,477	498,581	521,190	507,082	2,681	-3,677	530,227
New Bids 2021/22 (net of income)								
	Policy & Finance							0
	Recreation & Leisure							25,250
	Cemeteries							28,000
	Allotments							0
	Planning, Town & Environment							6,950
	Less Funded from Provisions							-49,500
	Council's Net Budget	467,477	498,581	521,190	507,082			540,927
	Transfers from (-) or to General Reserve	17,719	-1,032	-1,283	12,825			-6,000
	Council Precept (to be met by Council Tax Payers)	485,196	497,549	519,907	519,907			534,927
	Council Tax Base	5257.3	5285.2	5362	5362			5,404.4
	Council Tax	92.29	94.14	96.96	96.96			98.98

RESERVES AND PROVISIONS - MOVEMENT & ESTIMATED BALANCES

1st April 2020 to 31st March 2022

	Actual Balance 01/04/20 £	Planned Transfers 2020/21 (revised):				Estimated Balance 01/04/21 £	Planned and Proposed Movements 2021/22:					Estimated Balance 31/03/22 £
		from Revenue £	to Revenue £	Cash Receipts £	between provisions £		from Revenue £	to revenue		Capital & Other Receipts £	between provisions £	
								base budget £	Growth £			
<u>EARMARKED PROVISIONS</u>												
I.T. & Equipment	9,400	4,500				13,900	4,500		0			18,400
Gateway	32,567	0			-7,567	25,000	0		0			25,000
Cemetery	14,000	4,000				18,000	4,000		-22,000			0
Buildings Reserve	16,000	5,000			7,567	28,567	5,000		0			33,567
Election	9,774	1,500				11,274	1,500		0			12,774
Vehicle & Machinery	8,809	11,000	-5,000			14,809	11,000		0			25,809
Play Equipment	14,358	6,900	-6,000			15,258	6,900		-14,500			7,658
Memorials	3,000					3,000			0			3,000
Christmas Lights	10,397				-10,397	0			0			0
Carvers Clubhouse	26,551	2,500				29,051	2,500		0			31,551
Ringwood Events	13,357		-1,000			12,357		-1,000	0			11,357
Memorial Lantern	1,852					1,852			0			1,852
Carvers Grounds	11,300					11,300			-10,000			1,300
Infrastructure & Open Spaces	5,946	3,000			10,397	19,343	3,000		0			22,343
Neighbourhood Plan	0				3,000	3,000			-3,000			0
Total Provisions	177,311	38,400	-12,000		3,000	206,711	38,400	-1,000	-49,500	0	0	194,611
<u>RESERVES</u>												
Earmarked Reserves:												
Dev Contribs	4,783		-1,120			3,663		-1,000	0			2,663
Cem Maint	1,440		-230			1,210		-230	0			980
Dev Cons(CIL)	19,301		-4,500	31,544		46,345			0	0		46,345
Capital Receipts	13,125					13,125			0	0		13,125
Grants Unapplied	0		-5,249	5,249		0			0	8,106		8,106
Loans Unapplied	0					0			0	0		0
Total Earmarked Reserves and Provisions	215,960	38,400	-23,099	36,793	3,000	271,054	38,400	-2,230	-49,500	8,106	0	265,830
General Reserve	279,923		12,825		-3,000	289,748	0	-6,000				283,748
Total Reserves	495,883	38,400	-10,274	36,793	0	560,802	38,400	-8,230	-49,500	8,106	0	549,578

Inflation (RPI) is currently running at 1.3% (for the year to October 2021). CPIH is 0.9% for the same period.

Note that some costs and expenditure are linked to inflation, whereas some "non contractual" expenditure is more discretionary and inflationary cost increases may be absorbed by reducing spend, although this may not be without consequence. Other expenditure may be fixed with no inflationary adjustment required. Each expenditure component in the budget has been allocated an inflation type (1-6) which may be modelled on this page.

The Band D equivalent Council Tax for 2020/21 is: **96.96**

1 Inflation	%	Type
- Pay	0.5%	1
- Utilities	1.5%	2
- Other Expenditure	1.5%	3
- Non contractual expenditure	0.0%	4
- Income	0.0%	5
- Fixed expenditure (i.e. no inflation)	0.0%	6

A target Council Tax increase of : **2.0%**
 would increase the Council Tax to: **98.90**

And require an additional transfer from reserves of: **£440**
 which would reduce total reserves to £ 549,138 by March 2022
 (given the assumptions in 1 - 3 on the left)

2 Council Tax Base increase **0.79%**
 Note, the Council Tax base for 2020/21 is **5,362.0**

An increase of 0.79% (assumption 2) will increase the Council Tax base to: **5,404.4**

3 Use of General Reserve **£ 6,000**

The General Reserve is expected to be £289,748 at April 1st 2021. This transfer will reduce it to £283,748 by the year end

Net Budget Requirement and consequent Band D equivalent Council Tax

Based on the above assumptions together with any proposed new bids and adjustments:

	£
Base Budget 2021/2022	494,057
Net transfers to/from earmarked reserves	36,170
Growth Bids & Adjustments	74,750
- Less funded from earmarked reserves (inc. borrowing)	-49,500
- Less additional income generated	-14,550
Net Budget requirement	540,927
Less funded from general reserve	-6,000
Sum to be funded from Council Tax Payers (Precept)	534,927

Summary movement on reserves:

	£
Opening reserves 1/4/2021:	
General Reserve	289,748
Earmarked Reserves & Provisions	271,054
Total Reserves 1/4/2021	560,802
Planned transfers in	38,400
Planned transfers out	-2,230
Plus Capital Receipts 21/22	8,106
Less Funding for growth	-49,500
Less use of general reserve	-6,000
Predicted reserves 31/3/2022	

Band D equivalent Council Tax 2021/22 **98.98**

The budget requirement and resulting precept, as modelled, represents an increase of 2.08 % in the Council Tax

General Reserve	283,748
Earmarked Reserves	265,830
Predicted Reserves 31/3/2022	549,578

The Council Tax for 2020/21 is £96.96 per Band D Equivalent

An increase of one percent on the Council Tax will generate an increased precept of : £5,240
 For each increase of £1,000 in the precept requirement, a further £0.185 will be added to the Band D Council Tax



Item No.	Name	Recent developments	Resource use				Finish in 2020-21?	Notes
			Finance			Staff time		
			Cost & source	Spent to date	Predicted out-turn			
Projects with budgetary implications (bids included in 2020-21 budget)								
A1	Website refresh	Brief for “meetings” section agreed. Most of the photography required has now been done. Work continues on the remainder and new page content	£6,000 Annual budget	£4,000	£7,500	Significant	Probable	Carried over from 2019-20.
A2	Carvers Clubhouse – Additional staff	We have registered our interest in the Kickstart programme to recruit a trainee for the cafe	£3,000 Annual budget	£0	£3,000	Moderate	Probable	
A3	Youth Outreach Workers	Suspended in response to the coronavirus outbreak	£5,500 Annual budget	£0	£5,500	Moderate	Unlikely	
Projects with budgetary implications (not included in 2020-21 budget but added since)								
B1	None							
Projects with no budgetary implications in 2020-21								
C1	Christmas Tree for Market Place	The tree has been installed and decorated.				Minimal	Probable	Budget provision of £6,000 for a Christmas tree approved 16/9/2020 (F/5829), on the basis that the Events Team endeavour to obtain some sponsorship.
C2	Strategic Planning	Options for preparation of a strategy document are being prepared				Moderate	Probable	The review of the Scheme of Delegation and the Committee Terms of reference will be included in this process.