

POLICY, GOVERNANCE & FINANCE COMMITTEE

Date:	Monday 28 September 2020
Title:	Budget Parameters 2021/22, Capital, Special Revenue Projects 2021/22 and beyond
Contact Officer:	Town Clerk/RFO – Sharon Groth

Background

In line with normal Council procedures, the Officers have begun the annual review with the Committees in order to prepare the revenue budget for 2021/22. It is usual practice that the Policy, Governance & Finance Committee agrees the budget parameters. The resultant Revenue Budget will be adopted by full Council on 14 December 2020 – subject to receiving the tax base information from the District Council.

Members are reminded that draft revenue budgets are prepared based upon current activities and patterns of income and expenditure. This year the Council have again been asked to consider its **Capital Projects & Special Revenue Programme** during the budget setting cycle rather than setting a Rolling Capital Fund. This will enable work to be planned properly during the year.

The draft budget will go through the spending committees – Sport & Play on 2 November; Halls, Cemeteries & Allotments on 9 November and Stronger Communities on 16 November. These committees will also review the price increases for the relevant council services which were set at 1.5% and then rounded to the nearest £0 or £5 as in previous years.

The draft budget for 2021/22 will be then be presented to the Policy, Governance & Finance Committee meeting on 23 November 2020 and the final budget to the Special meeting on 14 December 2020.

Budget Framework

In order for the Town Clerk to have an initial instruction to form the basis of a base revenue budget, she requires the Committee to give consideration to

1. The percentage increase to the band D equivalent council tax levy – in the past there has been a desire to apply a voluntary cap of 2% in line with the District and County Councils, although last year a 10% increase was applied.
2. The Council's Gas and Electric supplies contracts have already been renewed this year – and in consultation with the Council it was agreed to go for green energy

supplies rather than obtain the cheapest energy supplier – this will need to be reflected in the budget accordingly.

3. The staffing costs will be based on any changes recommended and agreed as a result of the Organisational Review currently taking place – although the report is not anticipated until late November.

Based on the outcome of this year's national pay negotiations it would be prudent to budget for a 2.5% increase to salaries.

4. Fees and Charges – more recently only a minimal or no increase has been applied to the Council's fees and charges for its services – such as the hire costs of the halls, pitches etc. Members are asked to consider an appropriate increase for 2021/22, so that as accurate as possible income budgets can be drafted.
5. With regard to the Capital Expenditure, Committees have been encouraged to put forward projects and this Committee is requested to put an upper limit on the Capital Budget.

The District Council will not be able to advise the taxbase until mid- November but this should hopefully be in time for the draft budget to be presented to the November meeting of this Committee.

The current Band D equivalent for Witney Town is £154.40 (this realised £1,628,699 in precept). The taxbase was 10548.84.

Environmental impact

Having declared a Climate Change Emergency at its Council meeting on 26 June 2019 – with this in mind Councillors should have due regard to the environmental impact of any decisions they make with regard to its facilities and services it operates.

Risk

In decision making Councillors should give consideration to any risks to the Council and any action it can take to limit or negate its liability.

With all the above in mind, the Town Clerk would caution that given the current circumstances of COVID and the loss of income and additional expenditure, she will be looking to make savings in order to try and balance the current year's budget and also try to negate the need for excessive increases to the Precept.

Financial implications

These are included in the report above.

Recommendations

Members are invited to note the report and consider the budget framework and parameters for 2021/22 as detailed above.