

MTC Policy and Resources Committee 4.11.20

Report No 1a Preliminary Consideration of 2021-22 Budget

1. In readiness for the precept setting in December the Committee are asked to consider the annual budget for the year 2021-22, considering the existing and possible new budget allocations needed.ⁱ
2. When considering the budget, the Committee will need to allow for;
 - Inflation at 1.5 % (assumed compared to 2019/20 1.5%) as an on cost to existing Council goods and services.
 - Local Government Pay increases, to be agreed, but assumed to be up to 3% (maximum).
 - Staff incremental rises.ⁱⁱ
3. In addition to maintaining existing services, the Committee will need to consider new or aspirational projects or areas of service delivery, notably but not definitively;
 - Works to St Aldhelms Mead Bridge - outstanding.ⁱⁱⁱ
 - The installation of new signs at all Council Parks and Open Spaces.^{iv}
 - Upgrade of ICT infrastructure and software, and Wifi service – partially resolved/ outstanding.^v
 - The impact of the possibility of devolution from Wiltshire Council, and the impact of any preparatory work that this may require. E.g. professional fees, research etc.^{vi}
 - Flood defence works planned by the Environment Agency, and Wiltshire Council
 - The possible installation of CCVT.
 - Ongoing development works to the Cloister Gardens, and a landscaping improvement scheme to the border bed just below the approach to Cloister gardens / Mill Lane.
 - The impact of the Covid 19 pandemic both internally and externally; specifically noting the possibility of a significant variation in the tax base on which the precept is calculated due to a reduction in contributing households (yet to be advised by Wiltshire Council).
4. The Council has a General Reserve of £374,997 (22.10.20), currently accounted for as a set of Ear Marked Reserves (EMRs) in line with the Asset Management policy.
5. The EMR's currently do not allow for any costs that may be associated with implementing or sustaining new developments, or additional or extend services, not identified and agreed by the Council to date.
6. Where there are developments, or additional or extend services not yet identified and agreed by the Council will need to consider associated costs, strategies for either realising these aspirations, and if relevant sustaining these aspirations.
7. The Councils precept increase for 2020/21 was agreed at 2.75% on a Band D equivalent which equated to an additional £5.14 per household. The total income received from the 2019/20 Precept raised £457,587.
8. This decision was based on an anticipated expenditure of £533,468.00, and income of £95,881.

9. The impact of Covid 19 has been significant, with new unexpected expenditure lines, variable savings due to service reduction / change, and loss of planned income. As of month, 7 the current budget projection suggests a balance remaining of £44,469 at year end. It would be sensible to assume that this balance showing will be absorbed through the continued loss of projected income against expenditure; although it is difficult at this juncture to predict a likely trend due to the uncertain, external environment with all the variables associated with managing the Covid 9 risk.
10. Based on last year's Precept figure of £457,587 the following increases would be;
- 1% rise would equate to £4575.87
 - 2% rise would equate to £9151.74
 - 3% rise would equate to £13,727.61
11. A 3% rise on the current £210.63 would equate £6.32 per household.
12. Please refer to associated Omega reports 1b-1d for detailed financial information, in particular Report 1d which outlines some proposed initial figures based on a conservative yet hopeful approach.

Richard Spencer- Williams – Town Clerk 22.10.23

Legal Power

ⁱ Local Government Finance Act 1992 s41

ⁱⁱ Local Government Act 1972 s112

ⁱⁱⁱ Public Health Act 1875 s164. Highways Act 1980 ss145, 50

^{iv} Public Health Act 1875 s164

^v Local Government Act 1972 s111

^{vi} Localism Act 2011 ss 81-86/87-108