

BUDGET Report to Council 5th January 2021

As a result of Covid 19 and the government's advice, the meeting will take place online via MS TEAMS at 19:00hrs. If you would like to join the meeting please contact info@trowbridge.gov.uk

BUDGET 2021-2022 (AGENDA ITEM 9)

The Council commences its annual budgeting in the Autumn and needs to approve the budget in January for the 1st April 2021 – 31st March 2022 financial year. The recommended budget summary is attached as **Appendix A**.

Council Tax Base – The number of properties against which council tax is charged in the parish, usually expressed as 'Band D' equivalents, determined by the Billing Authority – Wiltshire Council. The Council Tax base for Trowbridge 2021 is 11592.82 Band D equivalent households. This is 147.52 lower than 2020, resulting from a mix of new homes, boundary changes, single person discounts and an increase in Council Tax Benefit claimants due to the economic effect of the pandemic.

Inflation – The Consumer Prices Index (CPI) was 0.5% for the 12 months September 2019 to September 2020. This is the figure used to uprate many town council leases and also the Council Tax bench-mark.

Excessive Council Tax Increases, Referendum Principles – The government's limits applicable in 2021 are; District Councils the higher of £5.00 or 2% on the Band-D Charge and; Wiltshire Council is 5%, (2% general; and 3% Social Care). The government has confirmed that it will NOT extend referendums to Parish & Town Councils in 2020. The government indicated that if it did introduce them then increases which are justified because services have transferred from an upper tier council would not trigger the limit.

Localisation of Council Tax Benefit (LCTB) Support Grant – WC does not pass this on to town and parish councils, local councils are financially independent and do not receive annual government grants. When this scheme was introduced in 2013/14 Trowbridge Town Council lost over £200,000 of annual Council Tax. (Believed to be the largest for any town council.) Without this change the TTC Council Tax Base would be around 13500 Band-D equivalents, meaning the impact in 2021 is over £300,000.

Community Infrastructure Levy – The October 2020 payment has been processed, the Council has received £24,911.76 so far this year and the estimate for the full year is £25,500 against a budget of £65,500. The 2021/2022 budget includes an anticipated contribution of £22,000 based upon 20% of the pipeline of new developments being delivered, reducing the precept requirement. As Ashton Park and other sites commence development this is likely to increase significantly and should be sustained for around ten years, particularly now that large areas of new development are being transferred into the town boundary from 1st April 2021.

Salary award – The council salaries are in accordance with the national local government Green-Book salary scales and the agreement between NALC and SLCC. Despite the announcement by the Chancellor of the Exchequer in his spending review statement, which offered an increase of £250 for staff paid less than £24,000, this is still subject to negotiation between employers and union representatives. It is considered appropriate to include the Chancellor's announced increases and this has been incorporated into the budget.

General Reserves – At the 31st March 2020 end of year, the town council’s reserves were £146,000 and therefore remain significantly below the expected levels of a minimum of 3-month’s revenue expenditure. Whilst we anticipate making the budget contribution to General Reserves this year (£62,500), there need to be contributions in 2021/22, 2022/23 and 2023/24. 3-month’s revenue expenditure (excluding loan repayments) is estimated to be £415,000. A contribution to reserves of £18,900 is included in the 2020/21 budget, with contributions of £75,500 in each of the following two years.

Pension Evaluation – Wiltshire Pension Fund employer’s contribution rate reduces from 20.7% (2020/21) to 19.7% (2021/22) and reduces further to 18.7% (2022/23).

Service Delegation and Asset Transfer from Wiltshire Council (SDAT) (see 8.1.3) Wiltshire Council has not confirmed when discussion will commence with the Town Council on a package of remaining local amenity services, including; Recreation Grounds (Stallards, Seymour, Elm Grove), Paxcroft Brook Open Space, Biss Meadows, amenity grass, litter bins and the Down Cemetery. A rough estimate of the cost of these services is around £500,000 per annum, although current indications are that the Town Council will have a good case not to take over the current cemetery and therefore it would be reasonable to reduce the estimate of costs to around £400,000 per annum. This can be achieved without an additional contribution in the 2021/2022 budget but with significant contributions in the following years.

Wiltshire Council Area, Town Council ‘Band-D’ Council Tax Charges 2021/2022

Council	2019/20	2020/21	2021/22	Change	
Chippenham	£239.61	£262.05	£270.44	+3.2%	
Bradford on Avon	£185.39	£216.90	£216.90	+0.0%	
Calne	£210.31	£215.57	£215.57	+0.0%	Upper
Malmesbury	£205.49	£210.63	£214.84	+2.0%	Quartile
Marlborough	£195.13	£206.37	£214.11	+3.8%	
Royal Wootton Bassett	£204.81	£209.81	£211.63	+0.9%	75 th percentile
Corsham	£168.74	£199.09	£210.15	+5.6%	
Warminster	£127.96	£191.75	£208.09	+8.5%	
Salisbury	£208.00	£208.00	£208.00	+0.0%	
Cricklade	£196.72	£203.79	£207.72	+1.9%	Median
	£161.95	£179.34	£185.00	+3.2%	Mean Average
Devizes	£157.92	£176.11	£180.94	+2.7%	
Westbury	£132.94	£172.46	£178.20	+3.3%	
Tidworth	£148.70	£155.96	£170.00	+9.0%	
Trowbridge	£153.98	£164.98	£167.46	+1.5%	25 th percentile
Melksham	£153.12	£160.45	£163.04	+1.6%	
Wilton	£137.43	£150.53		+9.5%	
Ludgershall	£104.65	£116.39		+11.2%	Lower
Amesbury	£98.07	£116.27	£123.24	+6.0%	Quartile
Durrington	£58.75	£70.41		+19.9%	

Some figures shown are proposals and recommendations and not necessarily decisions, information will be updated as councils make decisions on their budgets.

RECOMMENDATION from the Policy & resources Committee to full Council:

That in order to meet; the budget expenditure recommended by the committees; the requirement to fund an increase in General Reserves and; in anticipation of additional services being transferred from Wiltshire Council over the next four years, with an expectation from the community that the town council will take full responsibility for those additional services and deliver a quality of service better than that experienced in recent years (whilst they have been the responsibility of Wiltshire Council), the Council Tax Charge for Trowbridge Town Council for 2021/22 should be increased by an amount greater than CPI inflation.

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| a. That the Council approves the department Budgets for 2021/22 (incl. loan finance) as detailed on the budget spreadsheets, totalling | £1,944,406 |
| b. That the Council approves that the contribution to General Reserves for 2021/22 be | £18,900 |
| c. That the Council approves that a contribution to Earmarked Reserves for transfers from Wiltshire Council for 2021/22 be | £0 |
| d. That the Council therefore approves a total budget requirement 2020/21 of | £1,963,306 |

And that this is funded in part through estimated income for 2022/22 from Community Infrastructure Levy of (€22,000)

Leaving a net precept requirement for 2021/22 of £1,941,306

Which results in an increase of £2.48 on the Trowbridge Town Council 'Band D' Council Tax Charge, to £167.46

Which is less than £3.22 per week.

Lance Allan, Town Clerk
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APPENDIX A – BUDGET SUMMARY 2021/2022

Budget, Precept and Council Tax Charges for 2021/22		06 January 2021				incl. inflation at per annum 2%			NOTE: The generally accepted recommendation with regard to the appropriate minimum level of a Smaller Authority's General Reserve is that this should be maintained at between 3 and 12 months Net Revenue Expenditure (NRE). NRE (subject to any planned surplus or deficit) is effectively Precept less: any Loan Repayment and/or amounts included in Precept for Capital Projects and transfers to Earmarked Reserves. The reason for the wide range is to cater for the large variation in sizes of individual authorities. The smaller the authority the closer the figure should be to 12 months NRE, the larger the authority the nearer to 3 months. In practice, any authority with an NRE in excess of £200,000 should plan on 3 months. In all of this it is important that each authority adopt, as a General Reserve policy, the level appropriate to their size and situation and plan their Budget so as to ensure that the adopted level is maintained. Changes in activity levels/range of services provided will inevitably lead to changes in the requisite minimum level of General Reserve in order to provide working capital for those activities.
Department	Notes	Budget	Proposal	Change	Diff	Three year plan			
		2020-21 £	2021-22 £			2022-23 £	2023-24 £	2024-25 £	
Cultural Services 100	Museum Operation, Project and Grants to other cultural org's (Town Hall)	£113,719	£98,142	(£15,577)	-13.70%	£151,104	£154,126	£157,209	
Leisure Services 200	Includes Active Trowbridge, Woodmarsh, Studley Green and Doric Park	£182,110	£53,950	(£128,160)	-70.38%	£55,199	£56,473	£57,773	
Information Services	Includes TIC, Marketing and Events	£165,985	£155,064	(£10,921)	-6.58%	£158,165	£161,329	£164,555	
Policy & Resources - Democratic 401	Includes Heads of Service	£324,939	£324,093	(£846)	-0.26%	£330,575	£337,187	£343,931	
Policy & Resources - Grants 403	General and Core Funded	£19,500	£20,000	£500	2.56%	£20,400	£20,808	£21,224	
Policy & Resources - Resources 410	Finance and Human Resources	£130,545	£130,599	£54	0.04%	£133,211	£135,875	£138,592	
Neighbourhood Services 500	Park, Play Areas, Allotments, Churchyards and Street Services	£221,588	£212,449	(£9,139)	-4.12%	£216,698	£221,032	£225,453	
Venue Services 600	Civic Centre and Longfield	(£12,563)	£64,359	£76,922	119.52%	£33,000	£0	(£33,000)	
Facilities MUSEUM			£55,980			£57,100	£58,242	£84,906	
Facilities LEISURE			£12,309			£12,555	£12,806	£38,562	
Facilities NEIGHBOURHOODS			£80,842			£82,459	£84,108	£111,290	
Facilities VENUES			£14,400			£14,688	£14,982	£40,781	
Facilities OTHER 700	Buildings and vehicles	£394,715	£282,632	(£112,083)	-28.40%	£288,284	£294,050	£299,931	
Sub Total Net Revenue Expenditure		£1,540,538	£1,504,818	(£35,720)	-2.32%	£1,553,439	£1,551,018	£1,651,208	
Loan repayments MUSEUM A		£50,240	£49,657	(£583)	-1.16%	£49,657	£49,657	£49,657	
Loan repayments WOODMARSH	Equal installment of principal, therefore reduces total annually	£10,304	£10,134	(£170)	-1.65%	£9,964	£9,794	£9,623	
Loan repayments DORIC PARK	Fully costed from 2021/22	£25,573	£106,500	£80,927	316.46%	£106,500	£106,500	£106,500	
Loan repayments PARK STORAGE		£14,142	£14,142	£0	0.00%	£14,142	£14,142	£14,142	
Loan repayments CIVIC CENTRE		£259,155	£259,155	£0	0.00%	£259,155	£259,155	£259,155	
Sub Total - loan repayments		£359,414	£439,588	£80,175	22.31%	£439,418	£439,248	£439,077	
Add: Amount to Reserves	Increase general reserves to 3 months of revenue expenditure	£62,500	£18,900	(£43,600)	-69.76%	£75,500	£75,500	£36,300	
Add: amount for transfers from WC	incl litter bins, recreation grounds, cemetery and grass cutting	£40,000	£0	(£40,000)	-100.00%	£64,000	£296,000	£414,300	
Sub Total - reserves		£102,500	£18,900	(£83,600)	-81.56%	£139,500	£371,500	£450,600	
TOTAL EXPENDITURE		£2,002,452	£1,963,306	(£39,146)	-1.95%	£2,132,357	£2,361,765	£2,540,886	
Less income from other sources									
Community Infrastructure Levy	Based on 20% of current pipeline being delivered in 2021/2022	(£65,500)	(£22,000)	£43,500	-66.41%	(£56,250)	(£112,500)	(£112,500)	
TOTAL net		£1,936,952	£1,941,306	£4,354	0.22%	£2,076,107	£2,249,265	£2,428,386	
September CPI			0.50%						
The effect of this change on the Council Tax Charge for Band D properties									
Band D equivalents (COUNCIL TAX BASE)	Reduced 2021 due to impact of Covid on numbers receiving C T B	11740.34	11592.82			11700.00	12000.00	12300.00	
Change in Band D equivalents	Add new homes, minus Council Tax Benefit claimants			-147.52	-1.26%	107.18	300.00	300.00	
Net requirement (PRECEPT)		£1,936,952	£1,941,306	£4,354	0.22%	£2,076,107	£2,249,265	£2,428,386	
Council Tax Charge (Band D property)		£164.98	£167.46	£2.48	1.50%	£177.45	£187.44	£197.43	

TARGET RESERVES		
25% £	412,802	
3 months net revenue expenditure 24/25		
b/f 2020	£	146,002
add 2021-25	£	268,700
Total	£	414,702
WC transfers		400,000 to 23/24

Assumes Ashton Park / WHSAP development commences 2021 - 2023 @ 300 houses per annum at £2500 per house @ 15% of CIL

