

# YARM TOWN COUNCIL

**TO: Members of Yarm Town Council**

22-Dec-21

## **2022/23 DRAFT REVENUE BUDGET**

### **1. PURPOSE OF REPORT**

1.1 To present to Yarm Town Council a draft revenue budget for the year 2022/23 and the proposed precept and contribution from reserves.

### **2. RECOMMENDATIONS**

2.1 Members consider the draft revenue budget and precept for approval

### **3. INFORMATION**

3.1 As part of the budget setting for 2022/2023 the budget has been produced on the assumption that the precept is increased by a percentage to be discussed later in this report and the amount to be taken out of the Council`s general reserve to cover the difference to balance the draft budget for 2022/2023 is also determined.

3.2 As part of the budget setting for 2022/2023 the following items have been included in the budget base:-

- a) a new budget for help with Rialtus and closure of accounts has been included in the the sum of £800.
- b) a temporary budget has been included for the rent of an office at Reeds Mill until December 2022 while refurbishment of the Town Hall takes place in the sum of £4,000.
- c) the budget for both the Christmas Tree Lighting and Christmas Eve entertainments have been increased to match the detailed budgets of £5,700 and £6,400 respectfully already approved by the Town Council for 2021.
- d) the budget for Remembrance Sunday has been increased by £450 to allow for revised costs.
- e) a budget of £1,000 has been included to help market Yarm Town Council projects.
- f) the budget for seats and benches around the town has been increased by £2,000 in order to repair, maintain and paint in the coming year.
- g) a budget has been included of £1,000 for the maintenance of the roundabout at the conjunction of The Spital and Worsall Road.
- h) the budget for floral displays/hanging baskets in the High Street has increased by £2,250 to allow for the Town Council to pay for the displays.
- i) the water budget for the allotments reflects the amount charged in the previous 12 months.
- j) the budget for Allotment Development Works has now morphed into a repairs and maintenance budget.
- k) the winding of the Town Hall clock has been increased by £400 to allow for a new payment scheme, however, this has yet to presented to the Town Council for approval.

3.3 As well as increased budgets the following reflects the savings also made in the draft budget:-

- i) superannuation contributions has now been calculated at the rate set by the Teesside Pension Fund, resulting in a saving of £1,550.

- ii) the saving of £2,100 on tax/NI is because the Council is refunded the cost of the employers contribution under a government scheme.
- iii) the current Clerk does now not incur mileage expenses, thus saving £150.
- iv) savings in the grounds maintenance budget of £3,200 for Willey Flatts and Snaiths Field are possible due to new contractor for grass cutting.
- v) the budget for works at the Chapel is now no longer needed as the works have now been completed, however, it is replaced with a budget of £1,000 for repairs and maintenance.
- vi) a small saving of £1,500 has been made in the Cemetery grounds maintenance budget due to a new contractor for grass cutting. ( same as for recreation ground maintenance budget. )
- vii) the increase in the Allotment budget of £500 is due to higher allotment rents from October 2022 of £5 per allotment.

#### 4 ELECTION COSTS RESERVE

4.1 In the reserves as at 31st March 2021 was a sum of £11,250 under the election fund heading. In 2021/2022 a budget of £5,750 was included to fund elections during this year. However the cost of the by election held in May 2021 was £11,775, meaning that a sum of £6,025 is required to be transferred out of this reserve to meet the extra cost of the election. This leaves a balance of £5,225 in the fund as at 31/3/22. An amount of £5,750 is included in the draft budget for 2022/2023 as a further contribution to this fund.

#### 5 RESERVES: BALANCES AS AT 31/3/2022

5.1 The Council reserves as at 31st March 2021 were as follows:-

	As at 3/31/2021 £	Estimated transfers in year £	As at 3/31/2022 £
General Reserve	91,355	5,264	96,619
Allotment Development Fund	6,930	-1,164	5,766
Wall Renovation Fund	7,500	-1,500	6,000
Election Fund	11,250	-6,025	5,225
Headstone Checks (new)	0	1,000	1,000
Town Hall Refurbishment Fund (contribution to Stockton BC)	76,374	18,600	94,974

5.2 The movement in these reserves in 2021/2022 is estimated to be the following:-

- a) expenditure of around £1,164 in the Allotment Development Fund will reduce this fund to an estimated balance of £5,766 by the end of the year
- b) the Wall Renovation Fund is estimated to have the contribution to Snaiths Field repairs to be taken out of it in the sum of £1,500.
- c) the Town Hall Refurbishment Fund in 2021/2022 has expenditure of £1,400 so far this year, which means £18,600 can be transferred to the reserve.
- d) a new fund for headstone checks is to be set up with a transfer of £1,000 to the new fund a year over three years.
- e) the General Reserve was £91,355 as at 31st March 2021. The best indications in 2021/2022 is an underspend of around £5,264, making the estimated total as at 31st March 2022 around £96,600.

As to the level of general reserves a town council should have in its balances one source looked at stated 3 to 12 months of its precept and another one stated 6 months of its precept. In our circumstances this would mean a figure between £37,000 and £111,000 or £74,000.

## **6. PRECEPT AND USE OF GENERAL RESERVES FOR 2022/2023**

- 6.1 There is a shortfall of £24,350 between the draft budget for 2022/2023 and the funded budget for 2021/2022. There are three ways in which this could be funded in 2022/2023, these ways are:-
- a) fund all of the shortfall out of the general reserve of the Council, or
  - b) increase the precept to fund all of the shortfall, or
  - c) a mixture of an increase to the precept and a use of some of the general reserve.
- 6.2 An e-mail recently received from NALC regarding the provisional local government finance settlement for 2022/2023 indicates that there will be no extension of council tax referendum principles to local councils. It also states that the average increase to Band D precept in 2021/2022 for local councils was 2.8% and the government is expecting the average increase for 2022/2023 to be around the same figure.
- 6.3 It is proposed that the most equitable way of funding the shortfall is a mixture of an increase to the precept and the use of the general reserve. It is proposed to increase the precept by 2.5% ( £2,951 ) and to fund the balance ( £21,400 ) from the Council`s general reserve.
- 6.4 Having laid out the main features of the draft budget for 2022/2023 it is recommended that:-
- a) the precept for 2022/2023 is increased by 2.5%, and
  - b) £21,400 be taken out of the Council`s general reserves to fund the balance of the Council`s draft programme for 2022/2023.

Councillor Philip Addison & J Johnson, Clerk to the Council