

YARM TOWN COUNCIL

TO: Members of Yarm Town Council

Monday, December 21, 2020

2021/22 DRAFT REVENUE BUDGET

1. PURPOSE OF REPORT

1.1 To present to Yarm Town Council a draft revenue budget for the year 2021/22 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 2021/2022 the budget has been produced on the assumption that the precept remains the same as 2020/2021 and any balance over this to be taken out of the Council's general reserve to cover the difference This means that to balance the draft budget for 2021/2022 this is figure of £23,300.

3.2 As part of the budget setting for 2021/2022 the following items have been included in the budget base:-

- a) any increase in the contribution to the Town Hall refurbishment from £5,000 to £20,000 to bring the reserve for the Town Hall fund to around about £90,000 to £95,000 as a contribution to the works.
- b) an increase in the Chapel refurbishment budget from £3,000 to £15,000 to allow for the Chapel to be internally painted and a new floor to be laid.
- c) a new budget has been included for a joint project with Stockton BC about social isolation and complex lives to allow a premises to be rented and running costs in the sum of £5,000.
- d) other new budgets have been included to allow for expenditure which is currently been incurred but have no budget heading to identify this spend. These are:-
 - a) in the Allotment budget headings for pest control £400, skip hire in spring autumn for allotment waste in the sum of £1,500.
 - b) in the Cemetery budget a annual budget of £1,000 towards the cost of checking the headstones.
 - c) in the Recreation budget a sum of £500 for tree surveys.
 - d) in the Administration a contribution towards a superannuation scheme of £5,500, separate budgets for the Town Council e-mail scheme of £700, cloud hosting of £150 and bank charges of £300.

4 BY-ELECTION COSTS RESERVE

4.1 In the reserves as at 31st March 2020 was a sum of £7,500 under the by-election fund heading. In 2020/2021 a budget of £3,750 was included to be transferred to this heading in 20/21 and in the draft budget a sum of £5,750 has been included to bring the total of this reserve to £17,000. Given the fact that a by-election has been called to be held in 2021/2022 the total cost of this election could be around £17,000. Also a fund for the normal election to be held in 2023 will have to be budgeted for in 2022/2023 at half the cost of the expected cost, a sum of £8,500

and another £8,500 in 2023/2024.

5 OTHER RESERVES

5.1 The other Council reserves as at 31st March 2020 were as follows:-

	£
General Reserve	45,684
Allotment Development Fund	12,832
Wall Renovation Fund	5,000
Town Hall Refurbishment Fund	67,774

5.2 The movement in these reserves in 2020/2021 is estimated to be the following:-

- a) expenditure of around £5,900 in the Allotment Development Fund will reduce this fund to an estimated balance of £6,932 by the end of the year
- b) The Wall Renovation Fund is estimated to have nothing spent in the current year and should remain the same.
- c) The Town Hall Refurbishment Fund in 2020/2021 has expenditure of £7,941 so far this year, which is £2,941 above the budget included in the current year, however the Council received a support grant of £10,000 in Covid 19 support and it is proposed to transfer this amount to the Town Hall fund. This means that a total of about £7,000 would be transferred to this fund, making the total around £74,800 at the year end.
- d) the General Reserve was £45,684 as at 31st March 2020. The best indications in 2020/2021 is an underspend of around £35,000, making the estimated total as at 31st March 2021 around £80,000.

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 £30,000 and £120,000 or £60,000.

6. PRECEPT AND USE OF RESERVES FOR 2021/2022

6.1 Having laid out the main features of the draft budget for 2021/2022 it is recommended that:-

- a) the precept for 2021/2022 remains the same as for 2002/2020, namely £117,859 and
- b) £23,300 be taken out of the Council's general reserves to fund the balance of the Council's draft programme for 2021/2022.

Councillor Philip Addison