

Agenda item 4

For decision - Work programme, budget and precept demand for 2019/20

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Summary

This report is in three parts. Firstly, it considers the proposed work programme for 2019/20; secondly, some minor proposed changes to the staff body; and thirdly, the budget required to deliver the work programme along with the precept demand.

These documents were sent to Cllrs in draft form in mid-December and only very minor amendments have been made since.

It is recommended that Council approves these and with them, the annual precept demand.

1. The Work Programme for 2019/20

The Town Council Strategy 2015-2019 was approved in December 2015. Each year a work programme is drafted that implements the Strategy. This report focusses on the fourth annual work programme, for 2019/20, which is attached at [Appendix 4.1](#). The layout and content of the work programme has changed a little since last year.

Only minor tweaks have been made to the work programme sent to Cllrs in December.

The work programme is a big document containing a lot of detail. It has been drafted by the Management Group of staff and is endorsed by the Town Clerk and the Deputy Town Clerk. The bulk of the work programme reflects ongoing work that has been brought up to date with measures of success identified for the year ahead.

There are two new projects proposed and these are identified in bold with the prefix “NEW” in the work programme. These are in the area of Marketing & Communications and are the ‘Common Cause’ and ‘A View from Here’ projects. It is proposed that detailed reports on these projects will be brought to an upcoming Council Matters and Town Matters Committee meeting, respectively, for approval. At this stage, it is suggested that Cllrs note that there is sufficient budget for these projects to proceed if they receive committee approval. While staff will be on hand to answer questions on the night, it would be appreciated if Cllrs could raise specific points with staff prior to the Council meeting.

Recommendation

1. Approve the work programme for 2019/20.
2. Present detailed proposals on the two new projects at upcoming committee meetings for approval.

2. Staff chart

The proposed staff chart ([Appendix 4.2](#)) is able to deliver the work programme. There is one minor change: it is proposed that the Community Project Officer post is upgraded to a Community Project Manager post from the beginning of February in order to reflect the current level of the responsibilities of the post. The CPO job description has not kept pace and reflected these added responsibilities. As Cllrs know, the postholder currently manages the Trinity community development project, the grants scheme, all community group development work and all the associated budgets. It is proposed that the CPO job description is updated by the Town Clerk in consultation with the Chair of Council Matters to reflect these managerial responsibilities being delivered by the postholder.

For avoidance of doubt, the managerial responsibilities referred to above are not those the same as of the Health and Wellbeing manager post that was recently made redundant.

Recommendations

3. Approve the proposed staff structure for 2019/20
4. Note there is sufficient budget allocation to cover forecast staff costs
5. Delegate to the Town Clerk to update the job description of the Community Projects Officer to a new post of Community Projects Manager in consultation with the Chair of Council Matters.

3. Budget and precept demand for 2019/20

This part of the report explains the components of the expenditure budget and the income required to match it. This includes the proposed precept amount.

The first section discusses the various parts of the expenditure budget. The second section discusses how it is proposed to match expenditure with income. The third section is about managing risk and the fourth section is the recommendations.

3.1. Total budgeted expenditure for 2019/20

Each year, the budget planning starts with a clean sheet. Known or very firm costs are added in, followed by costs required to deliver the work programme.

The proposed line by line budget for 2019/20 is at [Appendix 4.3](#). This does enable increases and decreases to be compared to this current year. However, because we have removed some budget lines and established new ones, it is not possible to understand the whole picture by comparing, so please contact the Business Manager in advance of the meeting if there are any questions about the detail.

Cllrs received the draft budget for 2019/20 in mid-December. The proposed budget tabled has been refined slightly to reflect discussions with Cllrs in December and to incorporate the latest year end forecast.

The expenditure required to deliver the work programme for 2019/20 is £1,579,846. This is £130,385 more than 2018/19. This increase reflects what is needed to deliver the work programme and a larger budget to maintain the Town Hall and our increasing number of open spaces. It also factors in an amount to cover the nationally agreed pay settlement.

Once total expenditure is calculated, total income is considered. It is paramount at the start of the new financial year that budgeted expenditure equates to budgeted income.

3.2. Total budgeted income for 2019/20

Income comes from four different sources:

		Total income 2019/20
a	Precept (from Council tax payers in Frome)	£1,343,371
b	Income from room hire, rents and investments	£92,692
c	Surplus in the General Reserve	£63,763
d	Income from Earmarked Reserves	£80,020
	Total (matching total expenditure)	£1,579,846

3.2.1. Income from the precept

The precept is the amount we receive from Council Tax payers in Frome. It is usually discussed in terms of the amount a Band D household in Frome will pay. The Banding (value of the property) range is from A – H with Band D as the middle band. In 2018/19 Frome Town Council's portion of the annual council tax bill is £150.69. It is proposed to increase the annual amount paid by a Band D household by £3.77 to £154.46. This is equivalent to 31p a month. It is worth noting that over 77 per cent of households in Frome are in Bands A to C, and therefore, pay less than this.

This means the precept will be £1,343,371 for 2019/20 - an increase of £75,098 on last year.

3.2.2. Income from investments, sales, PV panels, rents and room hire

Budgeted income during 2019/20	£92,692
Of which:	
a. Investments, grants and Discover Frome sales	£27,200
b. Room hire and rental income from Frome Town Hall	£56,192
c. PV panels	£6,800
d. Victoria Park Café rent	£2,500

The income from the existing six tenants is virtually guaranteed. We are confident that the income from room hire (including the Council Chamber) is prudent.

3.2.3. Income from the General Reserve

The General Reserve is for unplanned and emergency expenditure such as emergency tree work and repairs to buildings or play equipment. The Council's Standing Orders say that it

should be £180k. It is forecasted that at 1 April 2019 there will be a surplus of about £84k over and above £180k in the General Reserve and it is proposed to transfer £63k of this surplus to support the 2019/20 budget, leaving the General Reserve at 1st April 2019 at £201k.

3.2.4. *Income from spent Earmarked Reserves (EMR)*

EMRs are amounts that have been established – sometimes over several years – to pay for specific projects. We have, for example, built up an Elections EMR to cover costs of the elections in May. Some projects have been completed over the past year, or in the case of the Saxonvale EMR, revised. This means that there are some surpluses in some EMRs that are no longer needed. It is proposed to transfer the combined surplus of £80k to support the 2019/20 budget.

It is forecast that in addition there will be the following EMRs at 1st April 2019:

Description	Amount	Budget code
EMR S106 Foundry Barton and Riverside	£30,101	9017
EMR River Corridor	£5,143	9039
EMR Vision for Frome	£6,180	9097
EMR Discover Frome	£6,115	9090
EMR Town Centre Improvements phase #2	£132,000	9115

3.3. *Managing risk*

There will always be risks and uncertainties when building budgets for the year ahead. For example, a project cost might over run demanding increased expenditure, there may be gaps between one member of staff leaving and a new one starting, creating a saving and new unplanned projects or areas of work arise. These risks need to be managed as far as possible.

For example, at this stage a year ago, we did not know the full cost or the Council's involvement in the redevelopment of Saxonvale. This cost became clearer over the year and we are now unlikely to need the full amount. This has meant that we can re-allocate this surplus to other projects.

We can control our expenditure through the year and cut back if need be. The risk around expenditure can therefore be managed. We are virtually certain about some of our income streams. For example, we know how much income we will receive from interest on investments and PV panels. The highest risk we will be managing is around the income from

the Town Hall and, based on our experiences over the past months, we have been as thorough as we can be in calculating the income budget.

Recommendations

6. Note the report above
7. Approve the budget to deliver the work programme for 2019/20
8. Note that some EMRs are no longer needed as projects have been completed and approve that the net surplus of £80k is used to offset expenditure in 2019/20
9. Approve the forecast Earmarked Reserves at 1 April 2019
10. Approve the forecast General Reserve at 1 April 2019 and that £63,763 be used to offset expenditure in 2019/20
11. Approve the precept demand of £1,343,371