

Agenda item 6

For decision - Work programme, budget and precept demand for 2020/21

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Summary

This report is in three parts. Firstly, it considers the proposed work programme for 2020/21; secondly, some minor proposed changes to the staff body; and thirdly, the budget required to deliver the work programme along with the precept demand. The proposed precept of £1,633,108 represents an increase of 58p a week on the current year for Band D properties, although nearly 80 percent of households will pay less.

These documents were sent to Cllrs in draft form in early 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 2020/21

The Town Council Strategy 2019-2023 was approved in November 2019. This is the first annual work programme and associated budget that implements the Strategy. This annual work programme is attached at [Appendix 1](#). The layout of the work programme has changed a little from the current year's that Cllrs are familiar with and 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. It is divided up into the areas of work lead by each member of the Management Group. For example, Sarah Williams' area of work is titled "Finance" and includes her proposals under finance, IT and HR. Some of the work is ongoing and some of it new. Where possible, each line in the work programme is cross referenced by the relevant budget code so that it is easy to trace it across to the budget. Where there is no cost code the area of work will take time but otherwise will not incur costs.

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.

2. Staff chart

Not including the Town Clerk and the Deputy Town Clerk, FTC has three groups of staff: managers, officers and rangers/administrative staff. All our staff are highly competent, the difference between the three groups relates to their responsibilities (including line management and budget responsibilities).

We are committed to training and development. Our training budget is adequate and at the beginning of the year managers agree with staff training needs. Being a small organisation the opportunities for staff progression are limited. Even so, staff turnover is very low which hopefully indicates that the staff enjoy their work.

The proposed staff chart is at [Appendix 2](#) and with the proposed new posts and minor amendments to existing posts we are confident that we have the capacity to deliver the work programme.

Recruit one half time 'Wild about Trees' project officer. It is important to have a dedicated member of staff to drive this project forward as we haven't the capacity within the current staff body. 'Wild about Trees' aims to improve the quality of the local environment, further engage the community in planting and caring for their trees as well as contributing to reducing Frome's carbon footprint. It is proposed that this is a permanent post as contract posts over 24 Months have the same terms and conditions.

Recruit a Business Administration Apprentice. To continue FTC's commitment to training and developing the second proposed new member of staff is a Business Administration apprentice. FTC has a good track record of recruiting trainees and apprentices and of providing intern and placement opportunities. Currently, we have no trainee or apprentice although there are proposals to continue with the summer placements and we are exploring the possibility of a planning and development intern. The apprentice would enrol on a recognised course and be managed by the Assistant Finance Officer. They would support with accounting tasks, general admin and customer services. The aim is to provide a broad range of experience that, when coupled with a recognised qualification, will provide the post holder with a skill set attractive to employers.

Recruit one half time Town Ranger. As FTC takes on more land management and community volunteering work, the need for more staff resources increases. A further half post – which makes a team of five full time rangers - will service our requirements for the next few years.

In addition to the three new posts, we are proposing to establish a supervisory town ranger post. As the ranger team increases in size and as their responsibilities grow, the Environment Manager needs support to guide and monitor the town rangers' work on a day to day basis. The proposal is to promote from within the existing ranger team. The grade would be the same as the officer level.

Finally, it is proposed to upgrade the Finance Administrator to officer level. The current post holder is now a fully qualified accountancy technician and now is responsible for most book keeping entries and salary processing. If approved, the post holder would manage the new apprentice. This proposal reflects the postholder's current responsibilities.

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 2020/21

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. These are discussed within the Management Group.

The proposed line by line budget for 2020/21 is at [Appendix 3](#). Please contact the Business Manager in advance of the meeting if there are any questions about the detail.

Cllrs received the draft budget for 2020/21 in December. The proposed budget tabled then has been refined slightly to reflect discussions and to incorporate the latest year end forecast.

The expenditure required to deliver the work programme for 2020/21 is £1,785,854. This is £206,008 more than 2019/20 and reflects what is needed to deliver the expanded work programme in areas such 'Wild about Trees' and our increasing number of open spaces. It also factors in a forecast 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 for 2020/21 comes from three different sources:

		Total income 2020/21
a	Precept (from Council tax payers in Frome)	£1,633,108
b	Income from room hire, rents and investments	£109,746
c	General Reserves	£43,000
	Total (matching total expenditure)	£1,785,854

3.2.1. Income from the precept

The precept is the amount we receive from Council Taxpayers in Frome. It is usually discussed in terms of the amount a Band D household in Frome will pay. The banding is based on the value of the property. The range goes from Band A (lowest) to Band H (highest). In 2019/20 Frome Town Council's portion of the annual council tax bill was £154.46. To enable FTC to deliver the ambitious proposed work programme it is proposed to increase the annual amount paid by a Band D household by £30.19 to £184.66. This equates to a weekly increase of 58p.

Over 77 per cent of households in Frome are in Bands A to C, and, therefore, pay less than this. In addition, approximately 28 percent of the 12,768 households in Frome pay a reduced amount. This is because they are single occupant households, students and/or are receiving benefits.

The proposed precept is £1,633,108 for 2020/21 - an increase of £287,737 on last year. This increase reflects a much smaller contribution to the budget from our reserves compared to the current year.

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

Budgeted income during 2019/20	£109,746
Of which:	
a. Investments, grants and Discover Frome sales	£39,982
b. Room hire and rental income from Frome Town Hall	£59,689
c. PV panels	£7,500
d. Victoria Park Café rent	£2,575

The income from the existing six tenants is firm and 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. The Council's Financial Regulations say that it should be £180k. It is forecast that on 1 April 2020 there will be a small surplus of approximately £29k and it is proposed to transfer £5k of this surplus to support the 2020/21 budget, leaving the forecast General Reserve at 1 April 2020 at £204k (see the section below on managing risk).

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. For example, we add to an Elections EMR annually to cover the costs of the next Elections (2023). EMRs are also created when budgeted work is postponed from one year to the next. This year we are proposing the following new EMRs be created to enable the work to be carried out in 2020/21 without affecting the budgeted expenditure.

The following new EMRs are required to be approved for 2020/21:

Description	Amount	Budget code
Peoples Budget – Fireworks from 2019	£6,000	4746
CRM development	£10,000	4129
Saxonvale Legacy EMR	£520,694	356-9056
Yard relocation	£13,387	357
New projects research – building surveys & feasibility studies	£16,795	358
Children & Young Peoples Project	£5,000	4711

3.3. *Managing risk*

There are some things that we cannot plan for but need to pay for; such as emergency works required on the Town Hall or trees falling over in a storm. In the coming year we will be exposed to more risk than normal and we need to have a little more flexibility in our General Reserve. This is why we propose to retain a forecast £204k rather than £180k from 1 April 2020.

There will always be other risks and uncertainties that need to be assessed and built in to budgets. For example, a project cost might over run demanding increased expenditure and new unplanned projects, or areas of work may arise. These risks need to be managed as far as possible. We can control our expenditure through the year and cut back in other areas if need be. The risk around expenditure can therefore be managed. Similarly, our income streams are reasonably firm. For example, we know approximately how much income we will receive from interest on investments and PV panels. Beyond emergencies, however, 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

1. Approve the work programme for 2020/21.
2. Note there is sufficient budget allocation to cover forecast staff costs
3. Approve the proposed staff structure for 2020/21
4. Delegate to the Town Clerk to recruit the half time tree project officer, the half time ranger and the business administration apprentice
5. Approve the additional forecast Earmarked Reserves at 1 April 2020
6. Approve the forecast General Reserve at 1 April 2020 and that £5k be used to offset expenditure in 2020/21
7. Approve the precept demand of £1,633,108