

Agenda item 5

For decision - Work programme, budget and precept demand for 2022/23

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Summary

This report is in three parts. Firstly, it considers the proposed work programme for 2022/23; 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 £1,870,628 represents an increase of 13p a week on the current year for Band D properties, although 76 percent of households in Frome will pay less.

These documents were sent to Cllrs in draft form in early December and amendments have been made following feedback from them.

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

1. Introduction

At the outset, it is important to note that the proposed work programme and budget are fluid documents and can flex through the year. We can react to emergencies and opportunities as they arise over the course of the year and we are able to cancel, postpone and add elements to the work programme accordingly.

The staff body is flexible too. We can and will redeploy staff where necessary.

If we need to resource a new area of work, we can and Cllrs know that moving budgets from one area to another is done quite regularly, with approval. Last year, our external and internal auditors advised us to plan for uncertainties resulting from the Covid-19 pandemic, so we established a Covid contingency budget. Despite the current uncertainties, we do not anticipate using the large remaining part of this budget by year end and are therefore proposing not to allocate another specific covid emergency budget for 2022/23.

Another significant uncertainty is around the opportunities that may arise through the establishment of Somerset Council which will replace Somerset County Council and Mendip District. Confusingly, there will be unitary elections in May 2022 and the new unitary Cllrs will replace the current cohort of County Cllrs. Current Mendip Cllrs will remain in post until May 2023. FTC remains fully engaged in the unitary project and staff time will continue to be allocated as we work towards achieving our goals. However, while some other councils are likely to be proposing to establish a “unitary opportunity chest” it appears at the moment that this will not be needed until the financial year 2023/24. As a result, and because the proposed budget is tight, it is not proposed to allocate a unitary budget. There is some budget remaining in the unitary consultants budget that could be used to buy in specific expertise and, at this stage, this is considered sufficient.

The final uncertainty is, of course, the result of the town council elections in May. It is likely that there will be some new Cllrs with proposals for new projects and areas of work. It is usual that the new Cllrs will want to review the FTC Strategy and that a new work programme, based on this, will come forward at this time next year. At this stage therefore we do not propose to second guess new areas of work and instead we are assuming continuity of the current Strategy and the proposed work programme that will deliver it.

In short, for 2022/23, the work programme, the staff body and the budget can flex as and when need be.

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. The presentation at the meeting will focus on areas of work and examples of projects that meet the priorities identified in the Strategy.

2. The Work Programme for 2022/23

Details of the [proposed annual work programme on the website at Appendix 2](#) and [budget on the website at Appendix 3](#). Deputy Town Clerk, Peter Wheelhouse will present highlights at the meeting.

As before, the starting point for constructing the work programme was the Town Council Strategy 2019-2023 which was approved in November 2019. There continue to be strong interrelationships between the areas of work of FTC and in recognition of this, staff will continue to work together across various disciplines to deliver an ambitious work programme. Some examples of this cross-team working will be illustrated at the meeting.

Amongst other things, the work programme next year will continue to address some big long-term challenges for the town. These include: the challenge of meeting our 2030 carbon neutral target; traffic and parking; a shortage of affordable housing; a lack of employment space to enable businesses to grow; pressure on open spaces due to development; securing a collaborative approach to arts planning in the town; challenges to high street retailing due to the pandemic and the growth of online and out of town shopping; helping to build capacity and resilience within our neighbourhoods and community organisations; enabling Frome to become a playful town; reflecting and balancing different community aspirations for our open spaces and managing the impact of climate change on those spaces; and across FTC's work programme, remaining agile to take advantage of opportunities as they arise.

We will be piloting some innovative approaches to tackle these challenges. Examples include teaming up with other councils across the county to deliver the Somerset Retrofit Accelerator Project to enable the sustainable retrofit of housing. The project will help to tackle the lack of skills and knowledge in the sector. We'll also continue to work closely with our neighbouring parishes as part of the unitary project's pilot Local Community Network.

Another challenging area is transport, given the traffic levels in Frome and the need for a modal shift to active travel. Even with a shift towards electric vehicles it is estimated the number of private vehicles on the road will need to reduce by up to 60% to meet even a 2050

target. A Local Cycling and Walking Infrastructure Plan (LCWIP) for Frome will be published in 2022 and will set out priorities for new safe walking and cycling routes which can then be included in future bids for capital funding. The School Streets trial, one of the largest in the country, will encourage active travel to four schools in the Somerset Road and Oakfield Road area. Implementation should begin in Summer 2022 subject to contractor availability.

During this coming year, we will continue to work closely with communities, residents' groups and community organisations, building capacity in our neighbourhoods through supporting street networks and the wider Neighbourhood Network. We will reassess how best to meet the needs of community organisations to enable them to continue to thrive and deliver the vital support services for residents in our town as the challenges presented in the last two years continue to impact their capacity and long-term resilience.

Through the implementation of the Play Strategy recommendations, our team will work together with businesses, in parks and open spaces, community organisations, statutory and voluntary groups and in neighbourhoods to reach our ambition of becoming a playful town for adults and children alike, positively impacting the health, wellbeing and prosperity of Frome.

In looking after the town's parks and green spaces, we will continue to meet the high standards that have been set over recent years and we will continue to create opportunities for people to get directly involved with the upkeep and management of these spaces. This will include reflecting and balancing community aspirations – which can vary - and managing the town's spaces to reflect our Play Strategy priorities and the climate and ecological emergencies declared by the Council that is likely to see changes to things like our grass cutting and our planting.

Importantly, with more people discovering, re-discovering and enjoying the town's green spaces over the last two years – and more community groups coming forward with ideas and ambitions for these spaces - balancing the different opinions about the town's spaces is becoming more complex. We're also facing the practical challenges of adapting to climate change with open spaces now wetter underfoot through much of autumn and winter and hotter and sunnier conditions in the summer. Again, we'll look to reflect this in the work that we do - and how we do it.

From a financial and business point of view, the approach will be to maintain flexibility, keeping an eye on the horizon for potential changes in responsibilities or working partnerships, while continuing with the work programme objectives. The greatest challenge (which we have proven successful in meeting in the past) will be to remain agile enough to take on opportunities as they arise and managing the associated additional staff time, equipment or other costs.

3. 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 the responsibilities of the posts (including line management and budget responsibilities).

We are committed to training and development. Our training budget is adequate although we will be reviewing our training policy over the year to ensure that staff receive the right training and the right time. 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. We have worked hard to ensure staff who are likely to work from home have the necessary equipment to work well and safely. It is likely that much more staff will mix working in the Town Hall with working at home. We will try to meet their needs but this might not always be possible.

[The proposed revised staff chart is on the website at Appendix 4.](#) It represents the current situation with one proposal that is for a new resilience planning officer on a two-year contract under the management of Jane Llewellyn. The work being generated by the proposed Selwood Garden Community development and the Saxonvale proposals combined with the expertise required to maximise the environment benefits while minimizing environmental damage is beyond the capacity of our Planning and Development Manager and our Resilience Manager. A two-year time limited post to support these proposed developments is essential if we are to achieve our objectives.

So long as the proposals above are agreed, the proposed staff body, as described in the staff chart, is able to deliver the proposed work programme.

4. Budget and precept demand for 2022/23

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.

4.1. Total budgeted expenditure for 2022/23

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 2022/23 is on the website at Appendix 3.](#) Please contact the Business Manager in advance of the meeting if there are any questions about the detail.

Cllrs received a draft budget for 2022/23 in November. The proposed budget tabled then has been refined to reflect discussions and to incorporate the latest year end forecast.

The expenditure required to deliver the work programme for 2022/23 is £2,156,028. It is proposed that this sum is funded by budgeted income, carried forward unspent expenditure budget from 2021/22 and the use of general reserves resulting in a precept demand of £1,870,628. It factors in an amount to cover a 2022/23 pay settlement (if agreed by the government and unions) up to 2.5% (at the time of writing, no increase yet agreed for 2021/22). The salary budgets also include a one spinal point increase for staff who are not at

the top of their scale and is dependent on them delivering their objectives for the previous year.

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.

4.2. Total budgeted income for 2022/23

Income for 2022/23 comes from three different sources:

		Total income 2022/23
a	Precept (from Council tax payers in Frome)	£1,870,628
b	Income from room hire, rents, grants and investments	£121,529
c	EMRs no longer required	£54,247
d	General Reserves	£109,624
	Total (matching total expenditure)	£2,156,028

4.2.1. 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 for the Frome portion of their bill. Banding is based on the value of a property; the range goes from Band A (lowest) to Band H (highest). In 2021/22 Frome Town Council's portion of the annual council tax bill in Band D was £202.01. To enable FTC to deliver the proposed work programme the 2022/23 precept proposed is £1,870,628 which increases the annual amount paid by a Band D household by £6.79 to £208.80 (3.68 per cent). This equates to a weekly increase of 13p. 76 per cent of Frome households will pay less than this as they are in Bands A to C. In addition, approximately 28 percent of the total 12,926 households in Frome pay a reduced amount of Council Tax through single occupancy or student discounts and/or are receiving benefits.

We are proposing to subsidise the 2022/23 work programme with some of the unspent expenditure budget from 2022/23 and EMRs no longer required, but also to not build up reserves over and above those held at April 2021. This will keep the precept demand and the amount residents pay through their Council Tax to Frome Town Council to the lowest possible figure while maintaining an ambitious and supportive work programme for the town.

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

Budgeted income during 2022/23	£121,529
Of which:	
a. Investments, grants and Discover Frome sales	£9,523
b. Lotto Climate Action Fund grant – Green & Healthy Futures	£21,000
c. Somerset Climate Action Emergency Fund (SCAEF)	£30,000
d. Room hire and rental income from Frome Town Hall	£50,581
e. PV panels	£7,850
f. Victoria Park Café rent	£2,575

4.2.3. The General Reserve

The General Reserve is for unplanned and emergency expenditure. The Council's Financial Regulations currently say that a prudent reserve should be £180k although this figure was set some years ago. If we use £109k general reserves (£94k budget underspends from 2021/22 – 5% of the year's expenditure budget - and £15k general reserves) towards 2022/23's revenue expenditure, it is currently forecast that, at 1 April 2022, the General Reserve will start the year at £209k. Given the need to maintain flexibility for the coming year we propose to retain the General Reserve at this slightly higher sum for the time being.

4.2.4. Income from spent Earmarked Reserves (EMR)

EMRs are amounts that have been established – sometimes over several years – to pay for specific projects. For example, usually we add to an Elections EMR annually to cover the costs of the next elections (now in 2022). EMRs are also created when budgeted work is postponed from one year to the next. This year we are proposing to use £54k from EMRs that are no longer needed, for revenue expenditure in 2022/23. [The forecast list of EMRs for 2022/23 is on the website at Appendix 5.](#)

4.3. 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. As with 2022/23 we need to retain flexibility in our General Reserve. This is another reason we again propose to retain a forecast £209k rather than £180k from 1 April 2022.

There will always be other risks and uncertainties that need to be assessed and built into 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. 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 two years we have been as thorough as we can be in calculating the income budget.

Recommendations

1. Approve the work programme for 2022/23 [at appendix 2](#)
2. Approve the proposed staff structure for 2022/23 [at appendix 4](#)
3. Approve the budget for 2022/23 [at appendix 3](#)
4. Approve the forecast Earmarked Reserves at 1 April 2022 [at appendix 5](#)
5. Approve the forecast General Reserve of £209k at 1 April 2022
6. Approve the precept demand of £1,870,628 for 2022/23