

Agenda item 3

For decision - Work programme, budget and precept demand for 2024/25

Authors: Sarah Williams, Business Manager and Paul Wynne, Town Clerk

Summary

This report is in three parts. First, it proposes the work programme for 2024/25; second, some minor proposed changes to the staff body; and third, the budget required to deliver the work programme along with the precept demand. The proposed precept of £2,553,158 represents an increase of £1.21 a week on the current year for Band D properties, although 76% percent of households in Frome will pay less being in Bands A – C.

These documents in draft form have been discussed in detail with Cllrs in December and amendments have been made accordingly.

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

1. Introduction

The proposed work programme and budget are designed to implement [the Council Plan 2022-24, which can be viewed on the website here](#).

The work programme and budget are fluid documents and can flex through the year. We can react to emergencies and opportunities as they arise and we are able to cancel, postpone and add elements to the work programme accordingly. The staff body is flexible too. We can redeploy staff where necessary.

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 Leader of the Council, Lisa Merryweather, will introduce the report. Paul Wynne, the Town Clerk, will provide a brief overview of the process followed in the construction of the work programme and Sarah Williams, the Business Manager will present the proposed budget and precept demand.

2. The Work Programme for 2024/25

[Details of the proposed annual work programme is at Appendix 3.1 and can be viewed on the website here](#). Please note that the way the work programme is laid out shows an estimation of staff cost allocation at the bottom of each section.

3. Staff chart

[The proposed staff chart is at Appendix 3.2 and can be viewed on the website here](#). It represents the situation at the time of writing except for the following proposal that is

highlighted in red in the chart. Subject to Council approval, it seems highly likely that some open spaces will be transferred from Somerset Council during 2024-25 and discussions with them are progressing (see Devolution budget paragraph next section), although it remains uncertain what specific open spaces will be transferred and when. What we do know is that if we are to take on those open spaces on our priority list we will need another full time ranger and a seasonal assistant ranger to support the management of these sites. The cost of this is in the Devolution budget but it will not be utilised until we know for sure that we need these posts.

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 2024/25

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.

In recent weeks you will have heard about the financial problems Somerset Council (SC) are experiencing in setting their budget for 2024-25. It is likely that some services and maintenance of some open spaces will be reduced or cease entirely from 1 April 2024. SC are talking to Towns and Parishes across Somerset to see where mutual benefit might be achieved in devolving some services, open spaces and buildings, to be managed and maintained more locally.

Frome's initial talks with Somerset Council indicate that new funds will be needed to take on some of the land and assets under discussion. Increased costs would include at least the additional Ranger mentioned above, vehicle and equipment to help maintain the extra open spaces, acquisition and refurbishment of an outside services depot, plus major works and repairs to some town centre buildings and land suitable for community use. We are therefore proposing to include in this year's annual Precept a devolution fund of £350k to take on these new responsibilities. At this time, we are not in a position to know *exactly* how much we may need and when we will need it but we do expect our discussions with SC to develop in the year hence the proposed establishment of this Devolution budget.

[The proposed budget is at Appendix 3.3 and can be viewed on the website here.](#) Sarah Williams will provide the highlights. From a financial and business point of view, the approach is to enable the delivery of the Council Plan while maintaining an element of flexibility so that FTC can react to new challenges or opportunities as they arise.

The first section below discusses the various parts of the expenditure budget. The second section discusses how it is proposed to match expenditure with income. The third section considers our General and Earmarked Reserves.

4.1. Total budgeted expenditure for 2024/25

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 costs are shown in

summary form on the right of the work programme. The total expenditure required to deliver the work programme for 2024/25 is £3,146,286.

[The proposed line by line budget for 2024/25 is at Appendix 3.3](#)

As part of the work programme, Cllrs received a draft budget for 2024/25 in December. That proposed budget was refined to reflect discussions with Cllrs and to incorporate the latest year end forecast.

Please contact the Business Manager in advance of the meeting if there are any questions about the detail.

Once total expenditure is calculated, total income is considered. At the start of the new financial year budgeted expenditure equates to budgeted income.

4.2. Total budgeted income for 2024/25

Income for 2024/25 comes from three different sources

Budgeted income during 2024/25	£3,146,286
Of which:	
a. Precept (from Council taxpayers in Frome)	£2,553,158
b. Income from room hire, rents, grants and interests on savings	£395,128
c. General Reserve & Earmarked Reserves	£198,000

It is worth noting that income from external grants will increase in 2024/25 compared to last 2023/24. This reflects our success in applying for grants from the Lottery and from Somerset Council, in particular. In addition, we have successfully supported the Frome Town CBS in securing nearly £500k from the Football Association and the government’s Community Ownership Fund.

4.2.a. 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 2023/24 Frome Town Council’s portion of the annual council tax bill in Band D was £218.92. To enable FTC to deliver the proposed work programme the 2024/25 precept proposed is £2,553,158 which increases the annual amount paid by a Band D household by £62.87 to £281.79 (29 per cent) per annum. This equates to a weekly increase of £1.21 for a Band D household. Roughly 76 per cent of Frome households will pay less than this as they are in Bands A to C (weekly increases of £0.80 / £0.94 / £1.07 respectively). In addition, approximately 28 percent of the total 13,000 households in Frome pay a reduced amount of Council Tax through single occupancy or student discounts and/or are receiving benefits.

4.2.b. Income from rents, grants and interests on savings

Budgeted income during 2024/25	£197,128
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Of which:	
a. Investments, grants and Discover Frome sales	£138,628
b. Room hire and rental income from Frome Town Hall	£50,500
c. PV panels	£8,000

4.2.c. Income from 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. It is proposed to use £75k of the forecast underspend from 2023/24 (that would otherwise be transferred to the General Reserve) towards 2024/25's revenue expenditure.

We are proposing to support the 2024/25 work programme with £198k from the General Reserve and Earmarked Reserves.

General Reserve & Earmarked Reserves (EMR) use in 2024/25	£198,000
Of which:	
Forecast underspend from 2023/24	£75,000
EMR 317 CCTV	£14,000
EMR 358 New Projects Research & Development	£109,000

4.3. Status of our reserves

It is forecast that at 1 April 2024, the General Reserve will start the year at £276k. Given the need to maintain flexibility for the coming year it is proposed to retain the General Reserve at this sum for the time being.

Earmarked Reserves 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. EMRs are also created when budgeted work is postponed from one year to the next. [The current list of EMRs is at Appendix 3.4 and can be viewed on the website here.](#) It will be adjusted by year end and represented to Council for approval at May 2024.

Recommendations

1. [Approve the work programme for 2024/25 at Appendix 3.1](#)
2. [Approve the proposed staff structure for 2024/25 at Appendix 3.2](#)
3. [Approve the budget for 2024/25 at Appendix 3.3](#)
4. Approve the forecast General Reserve of £276k at 1 April 2024
5. [Approve the forecast Earmarked Reserves at 1 April 2024 at Appendix 3.4](#)
6. Approve the precept demand of £2,553,158 for 2024/25