

KEIGHLEY TOWN COUNCIL
TOWN COUNCIL MEETING
THURSDAY 24TH JANUARY 2019

9. Finance

To agree the budget including the precept figure for 2019/2020

Members have been provided with the draft budget for consideration.

This report explains the reasoning behind some proposals and recommendations made by the Budget Working Party. The Budget Working Party is proposing a 0% increase in the Council Tax.

Members are asked to note that the Internal Auditors have made comment in the 2017/2018 audits above the levels of balances in both earmarked reserves and general reserves. The budget headings have been amended and added to to reflect the services that Keighley Town Council offer, a further comment from the auditors previously reflected that this was not the case.

Background

Keighley has 21235 dwellings:

	<u>Total equivalent dwellings</u>	<u>Ratio to band D</u>	<u>Total Band D equivalents</u>
11 unbandable		5/9	6
Band A	9884	6/9	6589
Band B	3615	7/9	2811
Band C	4113	8/9	3656
Band D	1581	9/9	1581
Band E	1254	11/9	1532
Band F	507	13/9	732
Band G	264	15/9	440
Band H	9	18/9	18
Totals:	21235		17364

Other information:

Empty Homes Premium	100
Family Annexe and other minor adjustments	-3
Council Tax Support	-2120
Council Tax Support – new scheme effect	0
Flexing Impact	- 2
Bad debt provision	-361
Provision for back-dated growth & discount changes	-42
Projected Growth	74

Council Tax base for 2019/2010 is 15,010

Therefore to obtain a 0% increase the Council tax will be 33.72 x 15,010

Total: 506,137.2

Precept requested in 201/2019 was £500,570.

Information

Draft Budget Proposed

The Budget Working Party met and discussed the proposed budget.

There were still a few adjustments to be made to several headings as follows:

- i) Salaries - split out into salary, NI and pension for the first time in a KTC budget (new national salary scales mean some adjustments to staff wages)
- ii) Events - cost analysis of 2018 events have been carried out, events split into individual headings and new event budgets added

The draft budget previously circulated shows the following:

Income	645,401
Expenditure	826,312
Shortfall	181,212

Current Earmarked Reserves

Members are therefore asked to note the following:

320 Contingencies	20,000	
321 Election Costs	60,000	
322 New Deal/Support Grant	100,000	
333 Allotments	10,350	
324 Civic Centre	23,000	
325 CC Boiler Maintenance	89,296 *	
326 Special Projects	20,000	
327 CC Building Maintenance	80,000	
328 Grants/Sponsorship	32,500	
329 Mayors Sec Office	3,500	
330 Training	2,000	
331 Promotions	9,500	
332 Watch & Transport	10,000	
333 Events	19,000	Total: 479,146

**325 Boiler Maintenance (replacement boiler) is scheduled for April 2019 therefore £89,296 will be spent in 2019/2020*

Members are asked to note it is very likely that Earmarked Reserves will be added to at Year End 2018/2019.

Virements 2018/2019

Members are asked to consider the virements (take from one budget heading to another to cover spend within the same service area) below between budget headings from the 2018/2019 spend to date as follows:

i) From 701/5300 Watch and Transport to 701/5307 Grit Bins £5923

ii) From 401/5000 to 401/ 5002 - 1792

(Events General) 401/5003 - 2422

401/5005 - 404

401/5006 - 860

401/5007 - 3175

401/5010 - 1144

401/5011 - 140

total: £9937

- iii) From 801/8038 Conveyancing/Professional Legal Fees to Misc. Expenses CC £2000
- iv) From 701/5000 Events to 204/4325 Remembrance Sunday costs £4378
- v) From 202/4051 HR Advisor to 101/4051 Human Resources Advisor £5000

These virements were agreed by the Finance and Audit Committee at their meeting on Monday 14th January 2019.

More virements may be made at year end once the final figures for the year 2018/2019 are known.

Budget papers

Members are asked to note the following from the budget papers provided to assist with your understanding of them and some explanations where the figures may look wrong.

101 Finance

4051 HR Advisor Eliis Whittam HR providers annual cost

4141 Cont to/from Reserves/Cont – this is the amount put into/out of reserves at
year end 2017/2018

103 Special Projects

This is a budget for our Community development Workers and an amount to fulfil the proposal with regard to these workers going forward. The discussion was in confidential session of the last Community Development Committee meeting.

105 Grants

It is proposed that there be a review of how grants are handled by the Town Council and new forms and criteria/policy suggestions will be made to the new Council.

201 Staffing Costs

In 2018/2019 the salary budget heading has NI and pension as well as the salary figure lumped into one budget. In 2019/2020 we have split down salary, NI and Pension to enable the real cost of the staff to be transparent

202 Other Management and Administration

4136 IT Costs The tendering process has taken place for new IT equipment for the Town Council offices.

4137 Website Consideration of a new website is being made – more up to date and user friendly with links to social media and local partners

203 Training

4104 Training Members With the elections and all Councillors requiring training after May then a budget has been set for this. The Locum Town Clerk will carry out a lot of the Training for Members however there will be some specialist assistance required on certain subjects e.g. Code of Conduct, the Council as Employer etc

4107 Conferences This budget is to allow both Officers and Members to attend conferences

207 Magazine and Quality Council Regulations

4501 Magazine The Town Council used to produce a magazine and it is felt that this would be a good way of promoting the Town Council and the work they carry out

301, 302, 303, 304, 305, 306, 307, 308, 309,310, 312, 313 - different allotment sites (+350 to an extent)

In previous years there has been little or no accountability and understanding of what each allotment site costs to run. The income and expenditure budgets have been split across each site for a real time understanding next financial year of what each site costs the Town Council

351 Ward Improvement Fund

Although each Councillor received £2000 totalling £60,000 forward improvement spend budget was set against this spend this year. In 2019/2020 £60,000 is budgeted.

353 Town Hall Square

5203 THS Benches Maintenance There is a proposal to update the benches in Town Hall Square to those similar to the WW1 bench. (We are aware that some have plaques on and these will be addressed separately)

401 Events

Instead of a lump sum put against a generic events budget (although is small amount for contingencies in 5000 each event) a budget set against it to enable real time costs to be seen of putting on an event

Other Information

Members are asked to note that in the column "Actual YTD" where there are minus figures this is because when the accruals were done at year end 2017/2018 the actuals have not yet been accounted for in this financial year. The accruals relate to spend in 2017/2018. This does not in any way affect the budget setting process for 2019/2020.

Way Forward

Members are therefore asked to accept the recommendation of the Finance and Audit Committee that the precept is increased by 0% and agree to making up the shortfall in the budget of £181,212 to ensure a 0% increase as follows, taking into account the comments from the Internal Auditors, using earmarked reserves and general reserves.

Earmarked Reserves

324 Civic Centre	23,000	(Towards IT in the Civic Centre)
327 Building Maintenance CC	80,000	(Towards repairs of the Civic Centre including the roof)
328 Grants/Sponsorship	32,500	(For grants/sponsorship)
329 Mayors Sec Office	3500	(Towards Town Mayors Security Costs)
330 Training	2000	(New Councillor Training)
331 Promotions	9500	(Towards the promotion of events and the Town Council)
333 Events	19,000	(Towards Town Events – 401)
	<u>Sub-total</u>	169,500
<u>General Reserves</u>	11,712	
Total:	181,212	