

Draft Budget 2022-2023 Report

Policy and Resources Committee, 13th December 2021

1. Introduction

1.1 The Council Tax Base Rate for 2022-2023 is 6880.49, an increase on 6470.17 of 410.32 from the previous year. Historic data is noted below:

YEAR	PRECEPT	BAND D	TAX BASE	% INCREASE
2021/22	504,997	78.05	6470	0
2020/21	496,710	78.05	6364	34.59
2019/20	368,684	57.99	6358	0
2018/19	364,160	57.99	6280	9.29
2017/18	328,638	53.06	6194	0
2016/17	322,814	53.06	6084	22.97
2015/16	258,345	43.15	5987	5.06
2014/15	242,509	41.07	5905	36
2013/14	174,360	30.04	5804	3
2012/13	197,382	29.16	6769	0.5
2011/12	195,946	29.00	6757	-15
2010/11	223,200	34.40	6488	18
2009/10	189,021	29.13	6489	15
2008/09	163,130	25.32	6443	

2. Considerations

2.1 According to The Bank of England the current inflation rate is 4.2% (<https://www.bankofengland.co.uk/monetary-policy/inflation>).

2.2 Particular area of note is the expected increase in electricity costs, Bulb are in administration and although our current tariff remains the same, an increase in the energy rate is expected. We shall compare rates to ensure we have the best deal, while ensuring the Town Council's aspirations to use a green energy company.

2.3 Microsoft announced its first substantial increase for Microsoft 365 in ten years, with the Business Basic (Members) increasing by 20% and Business Premium (Officers) by 10%.

- 2.4 Following lengthy investigation, early indications for the insurance of the Faversham Charters and Magna Carta Exhibition are around £26,000pa. This figure is provided before any security improvements have been advised by the insurance company. Consideration should also be given to the finalisation of the exhibition, opening events, marketing and purchase of merchandise.
- 2.5 The government has announced the National Insurance thresholds for 2022/23 with the rate of employers' NICs increasing from 13.8% to 15.05%.
- 2.6 The local government pay claim for 2021/22 of 1.75% increase has continued to be rejected by the trade unions. This increase should have been dated from 1st April 2021 and it maybe that back-pay will be due to employees. It is hoped that the final pay claim will include the increase for April 2022.
- 2.7 The Staffing Sub-Committee is yet to agree staff salaries. Appendix C is the Confidential Report of Staff Salaries. A 3% increase has been assumed for those not highlighted and the apprentices increased to the National Minimum Wage from April 2022. According to the Town Clerk's contract, a one-point increment is due on the completion of a Community Governance BA degree, which has now been achieved. The Staffing Review Report from the LCC may include recommendations for the increase of some salary scales.

3. Assumptions

3.1 The table below provides an assumption for the Precept and Band D based on the Tax Base Rate of 6880.49:

Increase	0%	3%	5%	7%	10%
Precept	537,022	553,132	563,875	574,613	590,724
Band D	78.05	80.39	81.95	83.51	85.85

4. Earmarked Reserves

- 4.1 Appendix A projects the earmarked reserves for the end of this financial year, the majority of which are funds for maintenance of assets. Current major projects are the Neighbourhood Plan, 20's Plenty and Magna Carta Exhibition and any unspent funds for these will need to be earmarked and carried forward to the next financial year.
- 4.2 Due to a number of grants received, the funds set aside for the two living roof bus shelters are no longer required. This could be used towards the purchase an electric van to reduce the Town Council's carbon footprint.

4.3 Through no fault of the Town Council, we are yet to employ a youth worker. Covid and a difficult employment market have caused delay, but this leaves £60,000 in reserves. The sum of £30,000 has been included in staff costs for 2022-23.

5. Committees

5.1 Following the Budget Workshop the requests below were received from Committees and Working Groups for the next financial year:

20's Plenty	£28,000
Public Spaces	£10,000
Climate and Biodiversity	£15,000
Neighbourhood Plan	-
Equality and Diversity	£5,000
Policy and Resources (Crime)	£10,000
Heritage (Magna Carta)	£25,000
LCWIP	£5,000
Youth Working Group	£5,000
Creek Working Group	£5,000

5.2 Appendix B shows the final Draft Budget with a total expenditure of £636,215, this would require an increase of 18.5% on the current Precept.

6. Recommendations

6.1 It is for Members to decide whether there should be an increase to the Precept and in so deciding what next year's priorities should be. However, I make the following recommendations:

6.2 The unspent £60,000 for the youth worker should be vired into the main budget, requiring the Precept to be increased between 3-5%, in line with the current inflation.

6.3 Members are asked to note Paragraph 2 of this report, as these are items which have been hardest to predict in the Draft Budget.

6.4 Members should consider whether an Extraordinary Meeting of the Town Council be called in December to agree the Precept to pre-empt any Covid restrictions in January.

Louise Bareham
Town Clerk

Account Code	Amount @ 31/03/21	Account Name	Main Budget Holder	Detail	Narrative	Projected @ 31/03/22
EMR321	£17,000	Election Fund	Town Clerk	Annual savings of £10,000pa towards election costs in 2023 and any by-elections	Invoice for May by-elections £11,895.	£15,105
EMR322	£18,003	Front Brents Jetty	Town Clerk Creek Working Group	Accumulated funds for the maintenance and/or replacement of the Front Brents Jetty	EMR required	£18,003
EMR323	£9,930	Guildhall and Artefacts	Town Clerk Heritage Working Group	Accumulated funds for the maintenance of the Guildhall; repairs/replacement of artefacts	EMR required	£15,430
EMR324	£1,409	Regalia Fund	Town Clerk	Accumulated funds for the maintenance, repair or replacement of civic regalia; which might include gowns, gloves, hats etc	EMR required	£1,409
EMR328	£32,634	Youth and Recreation	Youth Working Group	Balance left from Youth Facilities and funds from 2016 for Skate Park vired to Youth and Recreation	Youth Worker 20/21 balance @ £30,000 Youth Facilities 20/21 balance @ £4,374	£60,000 £7,000
EMR329	£70,000	Magna Carta	Town Clerk	Accumulated funds for Faversham Charters and Magna Carta permanent exhibition	Will be spent by 31/03/22	£0
EMR336	£6,895	Swing Bridge	Full Council	Set aside for potential PWL payment	£5,000 used for legal fees	£6,895

Account Code	Amount @ 31/03/21	Account Name	Main Budget Holder	Detail	Narrative	Projected @ 31/03/22
EMR338	£31,142.90	Neighbourhood Plan	NHP Steering Group	Accumulated funds for NHP	20/21 balance @ £11,800 Projected spend of £20,000 by 31/03/22	£23,000
EMR340	£16,854	Allotments	Policy and Resources Committee	Accumulated funds for maintenance of allotments and land	EMR required	£16,854
EMR341	£32,656	20's Plenty	20's Plenty Committee	Funds from KCC Member's Highway grant vired to 20's Plenty and accumulated funds	20/21 balance @ £13,500 EMR required for future project	£32,500
EMR343	£642	Christmas	Town Clerk	Balance left from SBC Christmas grant	EMR restricted	£500
EMR344	£1,359	Doddington Library	Town Clerk	Balance from grants for Doddington Library	EMR required	£1,000
EMR345	£9,000	Crime Research	Policy and Resources Committee	Funds set aside for Crime Research from KCC Member's grant	£6,300 (70% deposit) to be paid December 2021. Remaining 30% in July 2022	£2,700
EMR346	£21,943	Climate and Biodiversity	Climate and Biodiversity	Funds set aside for two living roof bus shelters @ £29,851 but grants totalling £17,470 received.	20/21 balance @ £11,888	£21,450
EMR347	£3,412	Public Spaces Projects	Public Spaces Committee	Accumulated funds for public spaces projects	20/21 balance @ £4,178 with planned projects	£3,000