

Committee: Full Council

Draft Revenue budget 2021/2022 - and three-year financial plan

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Introduction

This report considers resource allocation within a draft revenue budget planned for three years from 2021/2022 against the context of external factors, and Council priorities as detailed in the Corporate Plan. Alongside already approved priorities.

The Library Service has been part of the Town Council now for 2 years and is thriving under our direction post COVID19 restrictions. Negotiations with Cornwall Council on the remaining sites in the green spaces' devolution package are continuing consequently, it is difficult to assess the ongoing financial implications for the revenue budget. The Strategic Budget Working Party is requested to take a strategic view of the Council's finances in consideration of all factors when making recommendations for the 2021/2022 budget and three-year financial plan.

Context

The revenue budget for 2021/2022 must be set against a context of external factors that are outside the control of the Council, implementation of devolved services, the impact of COVID19 and decisions already taken to achieve the objectives set out in the Corporate Plan and agreed priorities.

The impact of COVID19 on our expenditure this year should also be noted, as it has not been possible to hold events, have floral displays and library activities have also been reduced significantly over the last 8 months.

Referendum Principles

The Government decided to defer the setting of referendum principles for town and parish councils for three years from 2018/2019. This was, however, conditional upon the Government seeing clear evidence of restraint in increases set by the sector.

It should also be noted that the original deferral of referendum principles was for three years from 2018/2019; the three-year financial plan extends beyond that term.

The risk of the extension of referendum principles to this tier of local government remains despite continued devolution.

Brexit

We have now got a deal for the exit in place. These are uncharted waters; the implications are likely to “dominate the legislative and political agenda for the next decade” (LGA). In any event, the consequences of this major change are bound to be experienced locally as well as nationally. Labour and skill supply, finance, jobs, trade could all be affected and in turn impact the supply of and demand on local government services.

Council Tax Support Grant Funding

Cornwall Council has paid a Council Tax support grant to town and parish councils since April 2013 when the Localised Council Tax support scheme was introduced. It is not yet known what level of grant Cornwall Council will pass over to town and parish Councils for 2021/22. It should be noted that, since 2013, the funding was used by Camborne Town Council to offset the precept charge by allocating a percentage of the payment as income in the annual revenue budget.

The remainder of the funding has been held in reserves to be used as a cushion to buffer the effect on the precept when the funding ceases. No allocation of this funding has been included in the revenue budget since 2017/2018 revenue budget; instead it has been held in earmarked reserves to mitigate the risk of future large increases in the precept due to the loss of this income. This funding will be phased out gradually; therefore, including any income from the Council Tax Support Grant in the revenue budget represents a significant risk to medium- and long-term financial planning. Any use of earmarked reserves to offset increases in the precept will have to be made cautiously as the reserve is finite.

Tax base

The tax base has now been confirmed and is a little better than expected. 0.36% increase from 2020/2021. This has been factored into the budget and precept as attached.

National Joint Council for Local Government Services (NJC) pay scales

The Council is a ‘Green Book’ employer and subject to the National Agreement on pay. Agreement was reached between the National Employers and NJC Trade Unions on rates of pay applicable from 2019 but there is no Agreement in place beyond the financial year 2020/2021. Staffing Costs for the draft 2020/2021 revenue budget have been allocated with a 3% increase for budget planning.

Local Government Association

The LGA autumn budget submission to HM Treasury (February 2020) stated that “Council core services continue to be under significant pressure, having lost nearly £15 billion of core government funding over the last decade”

Recent experience has proved that in many parts of the country, the financial pressures on local authorities has resulted in increased transfers of assets and services to the local councils. This has been facilitated by the Localism Act 2011.

In the submission devolution is still high on the agenda and is being using to “support the national ambitions to lead to better local public services, bringing the decisions that matter closer to the local people”.

There are discussions being held about a Devolution in England Bill, which will no doubt affect us within the period of this budget plan.

Cornwall Council

Cornwall Council continues to cut services to achieve its savings target and has also had COVID19 challenges and expenditure to deal with over the last 8 months. Town and Parish Councils have been asked to take increased responsibility for service delivery as well as additional work on behalf of Cornwall Council (re-opening highstreets) and its own COVID response work.

It is anticipated that this pressure will continue as Cornwall Council pushes its ‘Double devolution’ agenda. This Council has embraced the challenge and taken responsibility for the library service and building, five green spaces, 2 allotments, provision of public convenience facilities and all costs relating to public realm CCTV.

We are presently in the very early stages of discussion with Cornwall Council on further devolution of green spaces at Pengegon, Grenville Gardens and King George V. There has been some money made available by Cornwall Council to complete much needed replacement of equipment at some of the sites.

Corporate Plan Priorities

Below are the agreed objectives agreed by council for the next 18 months

- Commit to Improve and enhance council assets across the parish
- Honour Camborne’s heritage and cultural identity
- Recognise and celebrate achievement in everything we do
- Produce more opportunities for the community to access our services
- Commit to collaborative working and establishing fruitful relationships with community partners
- Optimise creative and modern ways to communicate; enhancing our transparency and openness
- Efficiently manage the council as a corporate body

- Commit to review and evaluate services and functions; being more sustainable and accessible
- Effectively and efficiently use resources
- Strive to provide more youth centred facilities and services; invest in youth initiatives
- Value young peoples voices in all areas of our work and facilitate youth leadership
- Establish voluntary and paid opportunities for young people in collaboration with local education providers

Within these objectives are some of the top priorities which include the completion of building works to the Passmore Edwards Building, the green spaces and devolution and improvements planned.

Devolution of Green Spaces

The Council's devolution proposal for green spaces was driven by the poor maintenance standards and neglect of playing fields, play areas and parks across the parish. Beacon Recreation Ground, Camborne Recreation Ground, Park Gerry (Park Road Playing Fields) and Treslothan Road Park, Troon transferred to the Town Council in December 2017. The transfer of Meneth Road Public Open Spaces, Enys Road Allotment Gardens and Pengegon Allotment Gardens has been achieved over the last 6 months.

Managing these sites includes grass cutting, gardening, tree inspection and maintenance, boundary repairs and maintenance (hedges, fences etc.), play equipment inspection, maintenance and repair, waste management and public conveniences. Investment for improved facilities will need to be planned, phased and include extensive public consultation.

Camborne Recreation Ground was the second site to undergo capital improvements with works underway. A successful application for Section 106 monies has contributed to this project but scope for future Section 106 funding varies depending on the location and the extent of improvements needed.

During the 2019/20 budget process it was agreed that an additional Amenities Technician would be added to the Staffing budget along with a 10% increase across all Green Spaces cost codes, this has been reduced slightly for 2021/22 and 3 year plan but still has the funds to cover the possible devolved sites mentioned . But further provision will still need to be made in the Capital Budgets and Earmarked Reserves in order to achieve the Council's previously stated aspirations for all public green spaces that are transferred to its ownership.

Devolution negotiations regarding King George V Playing Field, Grenville Gardens Recreation Ground and Pengegon Playing Field and Park are ongoing and part of this phase of devolution discussions. Treverno Road Playing Field is expected to be part of the next phase of devolution.

The library Service

Resources for the Library Service Staffing and Resources have been allocated taking into account the agreed increase in opening from April 2021.

It is hoped that these changes to the Library budgets will allow the service to grow and thrive and provide even more interesting events and activities for the people of the parish to get involved in once we are in more normal times.

Human Resources

We have a commitment to the professional development of our staff and Councillors alike; ongoing development and training activities will be essential to the successful transition of services and council, improved performance and wellbeing of employees.

The increase to NJC salary scales for 2021/22 is not known at this time but salaries and on costs have been provisionally been calculated with a 3% increase, along with allowance for performance based incremental increases.

Core Principles

A draft revenue budget for 2020/2021 and three-year financial plan has been developed using the following core principles:

- Earmarked reserves should only be used for 'one off' costs and expenditure incurred in the 2020/2021 financial year;
- There remains a risk of Referendum Principles being imposed on local councils; but current indications are that this is unlikely to happen for 2021/2022;
- Local Council Support Grant funding will cease in the near future and it would be imprudent to include this funding as an income stream given the introduction of Referendum Principles;
- Capital budget codes to allow for better recording of expenditure and to protect depleting reserves.

2021/2022 Resource Allocation

Finance and General Purposes Committee

Finance and Administration

All proposed changes to the allocation of resources in the Finance and Administration budget have been made based on projected year end spend or known events. Where possible the budget has been reduced to minimise any increase to the precept.

The table below shows any items that have increased or decreased by more than anticipated annual amounts.

Cost Code Item	Increase	Decrease	Reason for change
Postage		-700.00	Incline with less printing and postage, more paper-free meetings
Business Rates		-950.00	Decreased to reflect annual increases
Photocopying and Printing		-700.00	In line with less printing, more paper-free meetings
ICT Support	1,000.00		Increased as out of contract next year, and costs likely to be higher
Insurance		-1,000.00	Decreased due to previous costs, and anticipated future
Procurement	500.00		Increased due to forecasted expenditure and projects
Youth Engagement	£2,000		New budget as recommended by Strategic Budget Working Group

Overall increase of £150 for 2021/2022 compared to 2020/2021

Library Building

All proposed changes to the Library Building Budget have been made based on the spends to date, and to try and safeguard the Councils finances going forward with the improvements and replacement capital items needed.

The table below shows any items that have increased or decreased by more than anticipated annual amounts.

Passmore Edwards Building-Gas		-200.00	Reduced due to previous expenditure
Surveys and Inspections	£1,000.00		Increased

Overall increase of £1,422 for 2021/2022 compared to 2020/2021.

The Library Service

The Council aspires to improve the Library Service and to be more inclusive and responsive to the needs of our communities.

No increases made that are above adjustments for inflation and pre-budgeted.

Increase of £540 for 2021/22 compared to 2020/21.

Corporate Management

Changes made to this area are due to the impact of COVID19 and extra services and procedures that have been needed. There are some increases to allow for the council to continue its journey to be more environmentally friendly and reduce paper use embracing available technologies.

The table below shows any items that have increased or decreased by more than anticipated annual amounts.

Council Expenses	200.00		Increased to include online meeting subscription
Audit	700.00		Increased in line with expected charges
Legal Costs		-3,000.00	Reduced in line with costs

Data Protection and Digital Communications	4,000.00		Increased to allow for document management systems or accessibility adjustments if appropriate
Emergency Response	10,000.00		Had £10,000 in 2019/20 from EMR as COVID19 happened after budget set

Total increase of £12,250 for 2021/22 compared to 2020/21.

Community Development

Not much change under this cost centre just the annual expected increases due to inflation.

Increase of £1,500 for 2021/22 compared to 2020/21.

Staffing Committee

Proposed changes to the Staffing budget reflect the increases to NJC scales and on costs. The budget is based on the current staffing structure with the Town Clerk post filled.

In the budget process 2 years ago this committee agreed to an increase in the staff budget for an additional member of staff for the amenities team to make provision in-case any further green spaces were taken on in that financial year, this has been kept in the draft figures for the 2021/22 budget.

The budget also includes the extra staff cover needed to open the Library an extra day a week as agreed by Full Council in October 2020 and for HR support as agreed in September 2020.

Staffing-Finance and Administration

The table below shows any items that have increased or decreased by more than anticipated annual amounts.

Other Staff Costs	5,000.00		New budget code for work from home allowances or similar payments
Staff Training		-1,000.00	Reduced in-line with expenditure in recent years
Recruitment		-4,500.00	Reduced as recruitment should be mainly done through HR support and cheaper advertising than previously
Uniforms and Corporate ID		-200.00	Reduced in-line with expenditure in recent years
Staff Contingency		-3,000.00	This did cover some HR services costs which have their own code now
Staff Parking		-200.00	Reduced in-line with expenditure in recent years

Establishment Reviews		-3,000.00	With having HR support on-going this might not be needed so often and has been recently done
HR Support	11,500.00		New cost code as agreed by Full Council and Staffing

Increase of £4,112 for 2021/22 compared to 2020/21.

Staffing-Amenities

The table below shows any items that have increased or decreased by more than anticipated annual amounts.

Staff Training		-500.00	Reduced in-line with expenditure in recent years
Uniforms and Corporate ID		-400.00	Reduced in-line with expenditure in recent years

Decrease of £700 for 2021/22 compared to 2020/21.

Staffing-Library Service

The table below shows any items that have increased or decreased by more than anticipated annual amounts.

Salaries	22,000.00		Increased to allow for the extra day opening for 2021/22 onwards
Employers NIC	2,400.00		Increased to allow for the extra day opening for 2021/22 onwards
Superannuation	3,200.00		Increased to allow for the extra day opening for 2021/22 onwards
Staff Training		-1,000.00	Reduced in-line with expenditure in recent years

Uniforms and Corporate ID		-400.00	Reduced in-line with expenditure in recent years
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Increase of £26,200 for 2021/22 compared to 2020/21.

Staffing-Green Spaces

The table below shows any items that have increased or decreased by more than anticipated annual amounts.

Staff Training		-1,500.00	Reduced in-line with expenditure in recent years
Uniform and Corporate ID		-500.00	Reduced in-line with expenditure in recent years

Decrease of £250 for 2021/22 compared to 2020/21.

Amenities Committee

Amenities Operations

These are the central costs of running the service, unit and supplies needed.

The table below shows any items that have increased or decreased by more than anticipated annual amounts.

Telephones		-200.00	Reduced in-line with projected expenditure
Road Tax		-700.00	Reduced in-line with projected expenditure
Fuel		-1,200.00	Reduced in-line with projected expenditure
Tools and Supplies	2,000.00		New code to reflect spend on tools and supplies

			not covered by other codes
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Increase of £100 for 2021/2022 compared to 2020/2021 budget

Amenities

Please see below table showing increases and decreases across expenditure and income for the year ahead, there are a few changes due to a thorough review of expenditure and income.

The table below shows any items that have increased or decreased by more than anticipated annual amounts.

Amenities Projects	2,500.00		To allow for new project ideas and improvements
Community Events Grants		-5,000.00	Decreased slightly due to increasing Christmas in Camborne for combined event with BID
Christmas In Camborne	5,000.00		Increased for joint events with BID, reduced the community events grants to compensate
Public Convenience Costs	600.00		Increase to allow for review and improved public conveniences by us

Increase of £3,200 for 2021/2022 compared to 2020/2021 budget

Devolved Services – Green spaces

Changes to these budgets have been made based on projected end of year spend and contract terms.

As mentioned previously in this report, during the budget process last year it was decided to increase all Green Spaces budgets by 10% to allow for devolution, this has not yet materialised but could shortly, most budgets have been reduced slightly this

year but still leave sufficient budget to allow for the possible increase in sites under our ownership.

The table below shows any items that have increased or decreased by more than anticipated annual amounts.

Green Spaces Insurance		-1,806.00	Reduced in-line with projected expenditure
Green Spaces Memberships and Subscriptions		-500.00	Reduced in-line with projected expenditure
Green Spaces Litter Collection and Picking		-6,200.00	Reduced in-line with projected expenditure, but allocation still in place for further devolved sites
Green Spaces-Plants & Seeds, Bulbs and Fertilizer		-4,000.00	Reduced in-line with projected expenditure, but allocation still in place for further devolved sites
Green Spaces Trees		-2,600.00	Reduced in-line with projected expenditure
Green Spaces Specialist Contractors		3,100.00	Reduced in-line with projected expenditure
Green Spaces Seats, Gates, bins and Fencing	1,000.00		Increased in-line with projected expenditure
Green Spaces Specialist Equipment Hire		-1,300.00	Reduced in-line with projected expenditure
Green Spaces Machinery Purchases		-2,000.00	With EMR this amount will be sufficient to ensure we have the machinery needed
Green Spaces Projects	7,000.00		To allow for new project ideas and improvements
Green Spaces Small Works		-5,000.00	Reduced as new code above covers same area

Green Spaces Surveys		-1,000.00	Reduced in-line with projected expenditure
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Decrease of £20,106 for 2021/2022 compared to 2020/2021 budget

Planning and Development Committee

No changes made to the budget for 2021/2022.

The General Fund

There has been no allocation of funds in the draft revenue budget to increase the size of the General Fund as it will meet the required level of funding (following additional small amounts allocated at the end of year from small budget underspends) provided there is no significant change to the draft revenue budget.

Income

Camborne Town Council has no significant sources of any income and this is not expected to change in the near future.

The income we do receive from the Library Service and from Floral Displays has been much reduced in 2020/21 due to COVID19 and the knock on effect to services, due to the unknown situation for 2021/2022 the budgeted income has been reduced significantly to protect us from overspending against income we might not receive.

Local Council Tax Support Grant funding has not been included as an income stream as detailed previously in this report.

Conclusion

A draft budget has been prepared using core principles to limit an increase to the precept due to risks associated with devolution and external factors. During the past year the Council have improved more green spaces and the library service is growing and evolving into more than a Library Service.

Meanwhile, negotiations on future phases of green space devolution continue. The draft revenue budget does include some allocation for costs that may arise for any new devolution projects. As the budget process progresses, these costs will need to be continually reviewed as decisions are taken and any new information received. There are also many external factors outside the Council's control which could influence the precept, draft budget and three-year plan. It is a shifting landscape and

all Councils will need solid foundations to respond to likely future challenges.

Recommendations

- 1. That Full Council considers the contents of this report when setting the precept and approving the revenue budget for 2021/2022 and 3 year Financial Plan.**

Appendices

1. Council Tax Calculator