

Report No. TC05419 Appendix: C Agenda Item: 10	Council 11 th December 2019
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OAKHAM TOWN COUNCIL

Report Author: Alan Walters	Title: Councillor
Subject: Round 3 budget for 2020/2021 for discussion December 2019	
Applicable Strategy:	
<ol style="list-style-type: none"> 1. Ensure robust financial controls are in place to enable the delivery of cost-effective services as required now and in the future. 	

A 3rd draft of the budget for 2020/2021 is appended to this report for consideration.

Changes to note:

Changes are annotated in red text to aid members.

No decisions are implied – especially regarding spending of reserves in 2019/2020 - as each expenditure needs Council approval – this is just a budget.

The changes assume that OTC will move to Long Row in March 2020, but that rent will be payable for February and March at both Long Row and the Victoria Hall. £10,000 has been allocated to be spent from reserves in 2019/2020 for relocation expenses plus £2,000 for overlap rental payments reducing the reserves balance carried forward.

Council decisions regarding Cutts Close are accounted for. £5000 has been allocated to be spent from reserves in 2019/2020 for advance work reducing the outstanding reserves at year end. £25,000 has been allocated to a new budget line specific to the Cutts Close capital project in 2020/2021 and has been removed from the Major Capital Projects budget line.

Important Considerations:

In order to meet our newly agreed reserves levels, the draft budget indicates a total precept income increase of 7.5%

The third draft aims to leave reserves at the end of 2020/2021 in line with our recent decision - but does so by having budgeted precept income only marginally above budgeted recurring expenditure. If accepted this means that no further new projects could be accepted in 2020/2021 without council agreement to move funds from one budget line to another. At new premises the budgeted expenditure is best estimate.

Total budgeted precept income	285069
Total budgeted recurring expenditure	284055

RECOMMENDATION That council considers the draft budget and makes comment for the final draft.

EXPENDITURE	Forecast/Budget 19/20	Discussion Budget 20/21 as at 11.12.2019	Notes/rationale
GENERAL ADMINISTRATION			
Salaries etc	55000	55000	
Rent	12000	8000	New premises £8000
NDR offices and toilets	6000	12000	Estimated new premises, toilets.
Office furniture/equipment	1000	1000	
Utilities	4000	4400	Estimated 10% uplift due to larger premises
Insurance	4600	5000	Estimated uplift due to larger premises
Post and Stationary	1800	1500	based on year to date
Telephone/Internet	1500	1500	
Subscriptions	0	400	based on year to date in correct heading
Expenses and travel	250	250	
Training	1500	1500	
Accountancy and Audit	3000	3000	
Legal expenses	3000	3000	
IT	1700	3500	based on decisions
Other professional fees	2500	3600	based on year to date
	97850	103650	
CONTRACTS			
Grounds Maintenance	25000	27500	
Floral Displays	10000	12000	split opinions from members?
Christmas Decorations	22000	22000	split opinions from members?
Toilet Maintenance	20000	20000	to be re- assessed in 2020?
Play area inspections	720	1000	
Commissioning	5500	8000	Revoke Grants Policy end of 2019/2020
	83220	90500	
RECREATION PLANNING AND GENERAL			
Catmose Prize Giving	35	35	
Promotion Of Oakham	7000	10000	Member wishes

Advertising	2500	3000	To meet increased need eg volunteers
Planting and tree surgery	6000	6000	
Additional Maintenance	7000	7500	Improved output
Street and park furniture	10000	12000	Improved output
Play Equipment	9000	12000	Improved output
Grit Bins	2000	2000	
Military commemorations/events	2000	8000	One year increased figure due to VEDay
	45535	60535	
Total Recurrent Expenditure	226605	254685	
OTHER EXPENDITURE			
Public Loans Board repayments	5510	5510	(Increasing repayments triggers penalty clause)
Other expenses	1200	1200	
Chairmans Allowance	2000	3000	Technical title actually expenses refund
Bank Charges	150	160	modest increase allowance
Oakham Town Partnership	0	0	
Community Street Lighting	12650	14000	Anticipated increase
Neighbourhood Plan	0	500	realistic baseline
Elections	15000	5000	bi elections only
Asset Management	0	0	
Annual Addition to EMR	18905	0	New reserves policy from end 2019/2020
	55415	29370	
Total Recurring Expenses	282020	284055	
NEW LINES			
reconfiguration of OTC - Make good VH	0	8000	ammended based on relocation decision
Cutts Close Capital Project		25000	new line
Major Capital Projects	0	50000	reduce by 5k plus 25 k reference cutts close
Minor Capital projects Oakham	0	40000	
TOTAL EXPENDITURE	282020	407055	

INCOME	FORECAST / BUDGET 2019/20	Discussion Budget 2020/2021	Notes/ Reasoning
Interest received	1500	1500	
Bowls Club Rent	760	760	
Tennis Club Rent	856	856	
Princess Avenue Building	9000	9000	
RHCT	1803	1803	
Cutts close Lettings	1500	1500	
Allotment Rents	419	419	
CIL Disbursement	1002	1002	
Donations/Grants	0	0	
NP Grant	0	0	
TOTAL NONE PRECEPT INCOME	16840	16840	
EXPENDITURE	282020	407055	
Income minus expenditure	-265180	-390215	
FINANCED BY			
Precept demand to RCC	265180	285069	Increase 7.5%
Transfer from reserves	0	105147	
RESERVES BALANCES	ESTIMATED AS AT 03.12.19	AFTER NEW BUDGET LINES	
Unallocated reserves	163608	134049	(We will consider how this is listed as unallocated /
Allocated reserves	75587	0	allocated in new reserves policy)
Total reserves	239195	134049	percentage of precept 47.02
		90.20	percent of precept

NOTE 1

Unallocated reserves brought forward have been reduced by
£5,000 advance work on cutts close (reduced from 2020/2021 major capital works second draft budget)
£10,000 relocation expenses (this has been transferred from the 2020/2021 second draft budget)
£2000 overlap rental during move