

**MINUTES OF THE BUDGET AND STRATEGY MEETING
OF BIRCHWOOD TOWN COUNCIL, HELD ONLINE
ON TUESDAY 24TH NOVEMBER 2020**

Present: Councillor Reeves in the Chair
Councillors Atkin, Bowden, D. Ellis, J. Ellis, Evans and Fitzsimmons

Clerk – Mrs. F. McDonald
Deputy Clerk – Mrs C. Caddock
Business and Finance Officer - Mr. G. Crowe

Apologies: Councillors M. Hearldon (dispensation)

Code of Conduct – Declaration of Interests

The Chair reminded members of their responsibility to declare any personal interest or prejudicial interest which they have in any item of business on the agenda, no later than when the item is reached.

Councillors D. Ellis – Birchwood Youth & Community Centre Committee

Councillors Atkin, Bowden, D. Ellis and Reeves – Birchwood Carnival Committee

223/20-21 **INTRODUCTION**

The BAFO informed the meeting that the business to be transacted was to formally discuss the Town Council's current budgetary position, foreseen future expenditure and any potential contributory factors which may affect the Town Council, and to propose a Council precept for 2021/2022.

The BAFO reminded Members that pre-budget and precept related discussions had taken place during the October Part I Finance, Audit & Personnel meeting (see Minutes 187/20-21 and 188/20-21).

The BAFO said that the Council's policy over recent years was to set out the proposed income and expenditure for the forthcoming financial year and to set out indicative income/expenditure for a further two years, to establish a three-year budget plan. However, he stated that, in the current economic climate, it is difficult to make projections for more than two financial years ahead. Therefore, due to the economic uncertainty he is currently presenting a two-year budget plan.

The BAFO reminded Members that, in view of the reduction in precept income in 2019/2020; due to the cessation of the Council Tax Support Allowance (CTSA) (a loss of over £52,000) it was resolved at the Part I Finance, Audit and Personnel meeting on 25th September 2018 (see Minute 205/18-19 (a)) for the BAFO to prepare figures to project between a 4% and 5% increase, with a 4-year plan to address the deficit and equalise precepts and expenditure over this period. A 4.5% figure was agreed.

Members have previously acknowledged the necessity for the proposed 4-year plan to avoid a large, single increase in the precept, if we wish to protect current earmarked balances and expenditure profiles, and that this might impinge on any financial considerations of the new Council to be voted in, in the delayed May 2020 elections – which will now take place in 2021.

Correspondence and papers relevant to tonight's budget and strategy discussions, including Schedule A, were copied to Members in their papers (see pages 158 to 160 below).

The BAFO gave Members a brief reminder and explanation of the precept procedures and how tonight's budget and strategy discussions and recommendations were necessary prior to the formal setting of the precept at next month's meeting.

Members had been issued with papers setting out the Town Council's actual budget for 2020/2021; the year-end projected outturn for 2020/2021 and provisional financial projections for 2021/2022 and 2022/2023 (see Schedule A).

The BAFO stated that the Year End 2020 - 2021 projection is as follows:

Birchwood Town Council			
Projection - Year End March 2021 Balances			
Income			
Balances B/F March 2020		£ 346,863.00	(Audited)
Precept 20-21		£ 342,213.00	
General Income		£ 1,000.00	
	Total:	£ 690,076.00	
Expenditure			
See Budget Schedule			
Projected Expenditure		£ 393,500.00	
Balances C/F		£ 296,576.00	
6 months Cash flow		£ 160,000.00	
Reserves /Earmarked:			
Elections		£ 35,000.00	
Vehicles/Equipment		£ 60,000.00	
Undefined / Contingency		£ 41,576.00	
		£ 296,576.00	
i.e. £296,576.00 usable reserves for 2021/2022			

The BAFO asked Members to note that the general income has almost disappeared for 2020/2021. Due to the Covid-19 pandemic, we had to close the meeting room and are therefore not receiving any lettings income.

In addition the shopping centre chose not to have hanging baskets this year, again, due to Covid-19 restrictions; and bank interest is now zero on our Co-operative Bank accounts and 0.05% (down from 0.6% in 2019/2020) on our Nationwide account.

Members noted that a letter and worked example had been received from Warrington Borough Council giving us details of the precept calculations for 2021/2022 and the number of properties on which they set the Council Tax Band (see pages 159 and 160). The Town Council is required to send a breakdown of our budget and expenditure to the Borough Council, with its precept requirement, by Friday, 11th January 2021.

The letter also indicates the payment timetable made by the Borough Council for us receiving the precept. The payment will, for 2021/2022, be a single payment made by 30th April 2021.

The tax base for our Council for 2021/2022 has been calculated as 3,129; this compares to 3,128 for 2020/2021, an increase of 1.

The impact of this, although almost negligible, will be considered when setting the proposed precept. The tax base represents the number of Band D equivalent properties in our Parish after allowing for various adjustments e.g. single person discounts, etc.

The increase in the number of Band D properties and the way the Band D formula works means that Band D would produce around £109.40 more income for 2021/2022, if the 2020/2021 precept level was applied.

The BAFO stated he has made budget projections for 2021 /2022 on most items where considered necessary and following detailed prior declarations and discussions.

For the Precept Meeting, the BAFO said he will make projections on the precept and earmarked balances for next year 2021/2022 through to 2022/2023 allowing for reasonable continuance of working balances to be retained. These projections will assume no major increases or surprise elements in expenditure on our main budget headings.

The BAFO asked Members for guidance on a minimum and maximum range when preparing options for the formal precept discussions.

He reminded Members that at the December 2018 Budget and Precept Meeting (see Minute 320/18-19) it had been explained that any increase less than 4.5%, for a four-year budget cycle, would take the Town Council longer to equalise income/expenditure and would incur substantial reductions in operational balances (due to the reduction for Council Tax Support Allowance (CTSA) at that time, of 516 properties).

The BAFO added that 2021/2022 would be the fourth year of the previously agreed budget cycle. This has, so far, enabled the Town Council to continue providing current services, with reserves in hand for some community development. There is still not much room for growth or taking on additional services.

Members discussed Schedule A and asked the BAFO to prepare precept options ranging between a 1% and a 4.5% precept increase; showing how this might affect future budget considerations.

The BAFO reminded Members that the Town Council's accounts for the financial year 2019/2020 had been submitted to the external auditor on 9th July 2020 and these were given approval on 9th October 2020. We had a clean report.

The current year's interim accounts for 2020/2021 have not yet been considered by the internal auditor. Members have continued to receive complete monthly income, expenditure and bank reconciliation detail as part of each monthly Council meeting.

The next internal audit has been arranged for 26th January 2021.

All relevant issues raised by the internal auditor for 2019/2020 and over the past 18 months have been reviewed by Members as they have been reported.

The figures presented to Members in Schedule A reflect the most up-to-date auditable figures upon which to consider the decisions for the 2021/2022 budget (and subsequent precept decisions) at the December meeting.

Councillor Atkin apologised and had to leave the meeting due to a personal urgent matter.

224/20-21 **GENERAL DISCUSSION OF KEY INCOME / EXPENDITURE ISSUES**

- (a) The BAFO said that there were several main areas for discussion which would impact on the Town Council's budget (and precept).

(i) **Maintenance Team Resources/Service Strategy 2021/2022**

The BAFO stated that the figures given on the budget sheet (Schedule A) are calculated on the basis that the maintenance workforce will stay at its current level to enable the Town Council to continue additional work responsibilities undertaken in 2020/2021, such as extra grass cutting in Birchwood and to enable us to continue with the same level of environmental work.

(ii) **Employee Wages 2021/2022**

The BAFO asked Members to note the increase from £9.30 to £9.50 per hour (just under 2.2%) in the National Living Wage – as set by the Living Wage Foundation.

Since 1st August 2015, the Town Council has resolved to mirror this wage rate, as set by the Living Wage Foundation, for the Maintenance Team Operatives and the Caretaker.

The Senior Maintenance Team Operative's salary is increased by the same percentage rate as the Living Wage Foundation's annual rate rise.

It has also previously been resolved that rises from November 2016 onwards would be awarded from the 1st April the following year.

The BAFO stated that if Members are still minded to reflect this rate it, and any other potential wage increase decisions will need to be formally ratified at the March 2021 meeting in order for increases to be implemented in the April 2021 wage cycle, for the start of the new financial year.

Councillor Fitzsimmons **proposed** that the increase to £9.50 be awarded, this was **seconded** by Councillor J. Ellis and **unanimously resolved** by Members.

Action BAFO to take this into consideration when preparing precept options.

(iii) **Vehicle Replacement Programme**

Following recent mechanical, bodywork, software, and other issues with BTC vehicles, involving some costly repairs (see Minute 218/20-21 from the Part I Finance, Audit and Personnel meeting earlier this evening) Members were asked to discuss putting a formal vehicle replacement programme in place for the Town Council's fleet; including the consideration of more environmentally 'friendly' options.

Some detailed information had been circulated to Members, showing various options available on the market at the moment.

The BAFO said that currently there is not a wide choice of electric and/or hybrid vehicles on the market that would be suitable for the Town Council's purposes. There is a lot of technical information to consider when looking into this market, and the price of electric work vans is very high at present, with a negligible second-hand market.

Councillor Bowden said that, given the unknowns of how much longer the BTC vans we have will continue running, without the need for further costly repairs and maintenance expenditure, he thinks that the Town Council should make this a priority.

Councillor Fitzsimmons agreed, and reminded Members that BTC's vehicles are used daily to transport all sorts of items. He said that the fleet has been run almost to the end of its life. The fact that staff are struggling to continue working as efficiently as usual, in the way they are used to, indicates that the Town Council must ensure that they have the tools they need to do the work the community expects of them.

The BAFO said that the Council will need to think carefully about how to budget for the expense of a new fleet. It could be a strain on finances, and a threat to the stability of the precept. It may require a higher percentage increase than Members would like.

The BAFO asked Members how they would prefer to replace the vehicles. Would they, for example, want to look at the options one year at a time, and replace them over a number of years?

Councillor Bowden said that the Town Council has very strong community support for the work the team does in the area. He thinks that the majority of residents would understand and support the purchase of new (second-hand) vehicles, especially if they are more environmentally 'friendly'.

Following further discussion, Members **resolved** that they would, in principal, like the whole fleet to be replaced within the next three financial years (before the end of March 2024 – and prior to the expected May 2024 all-out elections).

Action BAFO to take into consideration replacing the five BTC vehicles when putting together formal precept options for the 2021/2022 precept.

(iv) **Bus Shelters**

The BAFO asked Members whether they still wished to consider options for replacing the Town Council's two silver bus stops in Locking Stumps.

This has previously been raised at the September 2020 and October 2020 main meetings. At the October meeting (see Minute 157/20-21) the Clerk had informed Members that costs quoted for each replacement bus stop ranged from £2,500 to £4,000 for a basic shelter, to £15,000 for stops which include real-time information boards.

In addition, there would be groundworks and installation costs to consider, as this is not a task our team is qualified to undertake.

Councillor D. Ellis said that he would like this to be included for action in 2021/2022, but only if the Town Council can obtain a grant or sponsorship, such as from a company that will fund the stops through advertising.

The Clerk has investigated the possibility of applying for grants, but it appears to be only very rural areas that qualify for grant funding for bus shelters.

Action Clerk's office to investigate further options for 'paid for' bus shelters, to bring information to a future meeting.

(v) **Community Projects**

The BAFO asked Members whether the Council has any future community projects in mind.

Councillor D. Ellis asked if the Council might wish to re-visit a previous project proposal, discussed at the October 2019 Finance, Audit and Personnel meeting (see Minute 211/19-20 (a)).

At that time, the BAFO stated that there is no budget in this cycle for any additional equipment on this small play area, behind the Turf & Feather pub in Locking Stumps. Any improvements will have to be undertaken in partnership with Warrington Borough Council as they own the land. There would also have to be consultation with residents.

It was suggested looking at it again during a future budget cycle.

Members resolved that they would like this to be considered as a community project during the 2021/2022 – 2022/2023 budget cycles.

The BAFO said that some funding for community projects could possibly be taken from the £41,576 'Undefined / Contingency Reserves', as shown in Minute 223/20-21 above.

Action BAFO to allocate some budget funding to line 7 of Schedule A for 2021/2022 to build up some reserves for this potential community project.

(vi) **Election Fees**

The BAFO stated that there is currently enough (£35,000) in the election fund, to cover the cost of the all-out elections in May next year. This may be less costly than a by-election, as the costs should be shared with WBC, with both Local and Borough Council elections being held on the same day. Therefore, there is a NIL amount in the budget line on Schedule A for elections for 2020/2021 and for 2021/2022.

An amount of £2,500 has been proposed for 2022/2023 to start building the earmarked election reserves up again.

In addition, the Borough Council usually offers the opportunity to spread elections costs over four years.

The BAFO said that, depending on the actual election costs, as long as the Council keeps some earmarked funding for any unexpected by-elections, then it might be possible to redistribute some of the earmarked election fund to another reserve fund (for vehicles, for example).

(vii) **Parkers Farm Repair/Renovation Scheme Costs**

The BAFO reminded Members about the reduced cost relating to the Parkers Farm repair/renovation scheme.

The original price quoted of £63,300, has come down to £56,863 – a ‘saving’ of £6,437 (see Minute 140/20-21 (b)) from the September 2020 Finance, Audit and Personnel Meeting. Some of this underspend (£1,752) has since been allocated to additional decorating works that will be required following repairs to the building (Minute 140/20-21 (b)).

(viii) **Birchwood Carnival 2020 and 2021**

The BAFO asked Members to note that the cancellation of the 2020 Birchwood Carnival, due to the Covid-19 pandemic, has reduced the Town Council’s spending for 2020/2021 by approximately £1,510.00.

As discussed earlier in the evening at the Finance, Audit and Personnel meeting (see Minute 214/20-21) it is believed that a 2021 Carnival would be very difficult to arrange at this stage, and Members think we will have to assume there will be no Birchwood Carnival, in its usual format, in 2021.

It is therefore unknown whether the Town Council will be called on to assist in financially supporting any community event during the 2021-2022 financial year.

(ix) **Website**

The BAFO asked Members whether they wish to consider alternative website options for the future.

The Clerk explained that the current website is quite onerous to manage, and Officers think that it does not look as user friendly or attractive as some more recent website package offerings do.

Councillor D. Ellis suggested that this item be taken on by the Policy, Strategy and Engagement Sub-Committee, which all Members are on.

This was **resolved** by those Members present.

Action Website options to be considered at a future Policy, Strategy and Engagement Sub-Committee.

225/20-21 **PRECEPT MEETING**

The BAFO proposed that the formal Precept meeting for 2021-2022 takes place in December 2020; and asked Members what date they wish the December meeting to take place. It is usually brought forward by a week, as it falls in Christmas week. This year it would fall on Tuesday 22nd December. A week earlier would be Tuesday 15th December.

Members resolved that the 2021-2022 Precept Meeting take place on Tuesday 15th December.

Action BAFO to bring revised budget figures, and proposed precept options for consideration and approval, to the December Precept Meeting.

The meeting concluded at 7.35pm

Schedule A		BIRCHWOOD TOWN COUNCIL				Nov-20
		YEAR-END PROJECTED OUTTURN 2020/2021				
		AND FINANCIAL PROJECTION FOR 2021/2022 AND 2022/2023				
ITEM NO.	EXPENDITURE ITEM	BUDGET 2020/2021	PROJECTED EXPENDITURE OUTTURN 2020/2021	BUDGET ESTIMATED EXPENDITURE 2021/2022	BUDGET ESTIMATED EXPENDITURE 2022/2023	
1	Caretaker's costs - Parkers Farm (inc employer NI & superannuation)	Included in row (4)	Included in row (4)	Included in row (4)	Included in row (4)	
2	General and Water Rates/Gas/Electric	£ 5,000	£ 5,000	£ 6,000	£ 6,000	
3	Insurance/Subs/Fees/Car Tax/Bank Charges	£ 19,000	£ 17,000	£ 17,000	£ 17,000	
4	Employment costs (inc employer NI & superannuation)	£ 263,878	£ 240,000	£ 270,000	£ 275,000	
5A	Civic - Chairman's Allowance	£ 1,000	£ 1,000	£ 1,000	£ 1,000	
5B	Civic - Newsletter and Flower Displays	£ 3,000	£ 1,500	NIL	£ 1,500	
5C	Councillors Allowances/Expenses	NIL	NIL	NIL	NIL	
6A	Town Council Revenue Expenditure	£ 30,000	£ 30,000	£ 30,000	£ 30,000	
6B	Police Community Support Officer	NIL	NIL	NIL	NIL	
7	Community Developments	£ 2,000	NIL	NIL	£ 5,000	
8	Town Council Elections	NIL	NIL	NIL	£ 2,500	
9	Grants	£ 6,000	£ 4,000	£ 5,000	£ 5,000	
10	Parkers Farm Estate/Maintenance/Equipment fund	£ 5,000	£ 75,000	£ 12,000	£ 15,000	
11	Loans inc. Mortgage Fund for Parkers Farm Estate	£ 21,000	£ 20,000	£ 19,000	£ 18,000	
	TOTALS	£ 355,878	£ 393,500	£ 360,000	£ 376,000	

Mrs F McDonald
Parkers Farm Community Centre
Delenty Drive
Birchwood
WA3 6AN

Professor Steven Broomhead
Chief Executive

Lynton Green
Director of Corporate Services

Quattro 5th Floor
Buttermarket Street
Warrington
WA1 2NH

12 November 2020

Dear Mrs McDonald,

Birchwood (Town Council) Parish Precept 2021/22

I am writing to you regarding arrangements for parish precepts for 2021/22.

For funding purposes, the 2021/22 tax base for your parish has been calculated as 3129. This compares to 3128 for 2020/21, and you should consider this change when setting your precept.

Would you please send me the amount you require for your 2021/22 parish precept, based on this tax base, by no later than Friday 11th January 2021. Please note for parish councils with a precept over £140,000 we are required to send a breakdown of parish expenditure with our Council Tax bills. To enable us to do this would you please provide details of your budget and expenditure for 2021/22 with your letter confirming your precept, where applicable.

The specific amount payable in respect of your parish precept will be shown separately on the bill sent to each taxpayer. Please find enclosed a worked example that illustrates the council tax for each property band if the band D precept remains the same as last year, and what precept this would equate to.

Your precept payment will be paid by 30th April 2021 but if you have any further queries regarding your parish precept please contact Mark Dennett on 01925 442274.

Yours sincerely,



Lynton Green CPFA
Director of Corporate Services

Birchwood (Town Council)

Worked Example

	<u>2020/21</u>	<u>2021/22</u>
a) Your Tax Base - Band D equivalents	3,128	3,129
b) Your Band D Charge (based on current year)	£109.40	£109.40
c) Your parish precept	£342,213	£342,322

The amounts relevant to the other bands are calculated as follows:-

Band A = b) multiplied by 6/9	£72.94	£72.94
Band B = b) multiplied by 7/9	£85.09	£85.09
Band C = b) multiplied by 8/9	£97.25	£97.25
Band D = b) multiplied by 9/9	£109.40	£109.40
Band E = b) multiplied by 11/9	£133.71	£133.71
Band F = b) multiplied by 13/9	£158.03	£158.03
Band G = b) multiplied by 15/9	£182.34	£182.34
Band H = b) multiplied by 18/9	£218.81	£218.81