

## Draft budget 2019-2020

The draft budget has been put together using the following assumptions:

All projected costs for the current financial year are based on what is actually known up to the end of March 2019 or are worked out on an estimated basis.

1. **Office costs** for the loan may vary as the build cost may come in under the £133,500 estimated by Rance, Booth Smith last year and are likely not to include the project management fees (24K). The amount budgeted for 2019-2020 is based on the construction starting on 1<sup>st</sup> April, taking 35 weeks, with a couple of weeks allowed for construction slippage. This figure included on the budget is £3,345 based on the annuity loan cost as of 25/10/18.
2. **Recruitment.** £800 has been included to allow for potential recruitment of additional staff.
3. **Payroll.** Projected figure for 2018-2019. This is a higher figure owing to additional staff and autoenrollment costs.
4. **Events.** This line will be deleted and included in Events including Christmas.
5. **Insurance.** An amount of £1,500 has been included for 2019-2020 as the work of the Town Council continues to expand. Also, the three-year insurance contract is up next year which may lead to an increase in costs.
6. **IT Support.** Extra costs are needed in 2018-2019 for increased storage of data on the clerk's laptop and to allow for the Rialtus software annual license fee.
7. **Communications.** For 2019-2020 £10k has been recommended by the F&GP committee. This is to allow for professional production of the newsletter, press releases etc. Costs may also need to be included for monthly mailings.
8. **Training.** For 2019-2020 £3k has been allowed. The new council will need training opportunities.
9. **Salaries.** The 2019-2020 figure is to allow for current staff, the annual 1% pay rise (confirmation of this rise is needed and may increase), and increments, if awarded. Additional funds have also been allowed for the potential appointment of additional staff, an Events, Market & Project Manager (£30k) and an Environmental Warden (18k). On costs for the possible new staff are included in the salary column and will be split onto other columns if the new posts are approved. The other costs are pensions, NI and payroll.
10. **Pensions.** For the current financial year an error has been identified in recording of pensions. This is being rectified. Minimum employer pension contributions for 2019 rise from the current employer minimum of 2% to 3%.
11. **Solicitor fees.** For 2018-2019 the additional cost of £825 is for Wellers Hedley for the CAT.
12. **Allotments water charge.** This is higher than anticipated owing to the hot Summer.
13. **Running costs for toilets and office.** The figures on the 2018-2019 budget allowed for six months. The proposed construction is due to finish in December 2019, therefore four months' cost have been allowed. This is based on last year's figures.
14. **Grants.** It is anticipated that the £20k budget will be spent in the current financial year. F&GP has recommended that the amount be increased to £25k for 2019-2020.
15. **Emergency Support.** All of the budget will be spent for 2018-2019, the vast majority on new grit bins for the parish.
16. **Repairs and Maintenance.** £1,800 has been allocated for 2018-2019 to allow for refilling of existing and new grit bins.
17. **Christmas and events.** This figure for 2018-2019 includes the new lights, sponsored tree and a small amount for the Town Council tree at the Tree Festival in the parish church.

18. **Green and Clean.** The 2018-2019 figures allow for the remaining amount on the Summer and Winter contracts, bulbs, compost and sponsored bins. F&GP has recommended £19k for next year.
19. **Allotment costs.** The figure for 2018-2019 allows for the deer fence at Beck Lane. Costings are being obtained for the gate on Stanley Street and these need to be included.
20. **Changing Places facility.** £12k has been allowed for this based on the draft costing from BMDC, together with their management fee.
21. **Election Costs.** The figure for 2018-2019 is the cost of the two elections this year.

## **INCOME**

1. **Allotment Rental.** Rents are increased each April by the CPI index. The figure for September 2018 was 2.7% and so income has been increased in line with this.
2. **Bank Interest.** These figures are estimated as the Council is in the process of putting its funds into savings accounts and the interest rate is not yet known.
3. Confirmation of the tax base and the Council Tax Support grant is awaited from BMDC.

## **Information following the Finance & General Purposes committee meeting – 14/11/18**

The Finance and General Purposes committee meeting scrutinised the draft budget. The recommendation of the Finance and General Purposes is to reduce the contingency (un earmarked reserve) by £25,000. Reserves are shown on the reserve tab on the budget spread sheet and the contingency currently stands at £50,749. Best practice guidelines are that between 3- and 12-months' running costs are held in contingency. For Bingley Town Council in the current financial year this falls within the range £19,958 and £79,831. It is recommended that £8,475 is added to this contingency as this is the cost for the building/ toilets next year.

Small additions to the known projected costs have been added to the budget since the November Finance and General Purposes committee meeting, resulting in a small increase in expenditure.

## **Amendments following November Full Council meeting**

The following reductions were approved:

1. Reduce contingency by £24k
2. Reduce new staff costs by £10 k

Additional costs to be included:

1. £7.5 k for professional fees for the building project. This has been added to £2,400 solicitor fees and renamed Professional fees
2. The running costs for the toilets have been amended from £2,800 to £3,320
3. £10k has been included for projected expenditure in the current financial year for Tourism and Regeneration to allow for painting of the street furniture project
4. An additional £10k has been added to the Regeneration and Tourism projection for the current financial year to allow for painting the street furniture

Recommendations from December Finance and General Purposes committee meeting:

**Resolved** to recommend to full council:

- £10k projected expenditure for the current financial year for the street painting be removed from the revised budget
- Events to be £10k not £15k

- Room hire be reduced to £1,500
- Grants to be £20k not £25k
- There was discussion about the level of Contingency. It was noted that the council in the next financial year will be undertaking an increased range of tasks and potentially recruiting new staff. Contingency is to be increased by £5k from the reduction in the grant budget

NB

1. The office loan costs are based on £157,500 which includes the professional and project management fees quoted by Rance Booth Smith of £24,000
2. The Council Tax base has been confirmed as 8,627 and the Council Tax Support grant as £10,263
3. Before the final precept and Band D equivalent figures are set, a small adjustment will need to be made for rounding purposes