

**Report of the Recommendations of the  
Budget Working Party 9<sup>th</sup> Dec 2021  
For F&GP 20.12.21 & Council 21.12.21**

1. **Background** There have been two meetings of the Working Party to discuss the budget in detail. The second was also attended by the MMC Manager. Attached at the end of this report a list of the questions and the responses of further information.
2. **Recommendation** to approve the budget and recommend it to Council for its meeting on 10<sup>th</sup> January 2022. The deadline for submission to CBC is 14<sup>th</sup> January.

**3. Report.**

It has been difficult to make reliable comparisons with this year and last year because of Covid. This is particularly true of the MMC, and a lesser extent in the Council, with large swings in the budget, reductions in trading income bolstered by around £90k in Covid related grants and of course much reduced expenditure. This did allow us to accumulate significant reserves at the end of 2020-21. Reference has been made back to 19/20 for comparison.

The aim was to produce a 3-year budget but this has proved difficult with current workloads and may be better when we have more reliable information from the 22-23 financial outturn. This will be the plan next year.

**Precept**

**Proposal** to increase the precept by 1% equivalent to 3 pence per week for a band D property.

This could change once we get the revised Tax Base Figures from Charnwood in the next couple of weeks.

There was a view during our strategic planning sessions not to increase the precept, despite budget pressures, although if we continue to hold it at this level in real terms, we will have less money. It should be remembered that the precept was decreased last year, so we are starting from a lower position.

It would be better to increase the precept by just a few percent each year rather than have no increases and then be faced with a large increase.

A 1% increase in precept will produce £6000 and cost £1.71 per year more which is 3p per week and balances the budget.

2% increase will produce £12,000 and cost £3.42 per year 6p per week and will make quite a difference to the Council.

And so on.

Charnwood are proposing an increase of £5 pa for a Band D property.

The budget is shown as balancing with this small increase.

### **Budget pressures**

The increase in the minimum wage from £9.00 to £9.50 an increase of approximately 5% adding £4000 to the salary bill.

There is also the increase in National Insurance to pay for the Social Care levy. From April 2022, National Insurances contributions will rise by **1.25%** for employees earn over the minimum threshold. Employers NI contributions will also be increased by 1.25%. The increase to NI contributions will only last 1 year, with rates returning to the current level in April 2023. This was not included in the reports to the working party and has since been calculated at less than £200 pa and can be contained within existing budgets.

There is strong upward pressure on utility bills. We are still in contracts or recently renewed contracts until 2023 but we will be affected by these price rises. We ought to be making a provision of 20% increase around £7000 pa.

There are general inflationary pressures across all areas which are being contained within the budget.

We have contained within the budget making the temporary Finance Officer permanent.

### **Strategic Planning sessions and Council capacity**

**Proposal** to include a provision of £20,000 for a Deputy Parish Manager.

The budget includes provision for the creation of Deputy Parish Manager at 20 hrs pw at a salary of £29,577, £15.37ph total cost approx. £20,000 pa.

This arises from the initial findings of the staffing review which recommended the short-term creation of such a post and from the issues around capacity and resilience discussed at the Strategic Planning workshops.

In assessing the 11 months that I have been here there has been a lack of capacity to progress the longer-term projects and initiatives, let alone take advantage of other sources of income that are available to the Parish. The day to day running of the Council, dealing with enquiries, incidents and changes in staff takes up most of the time. This has not really changed over these 11 months. Many things including working with partners have taken far longer than they should. Although a number of thorny issues have been resolved including the 16-year saga of Little lane & Grapes Garden Close, the outstanding WMT payment of £7200 from 2018, payment of a Debt of £3000 on the MMC and a rates rebate of £3400 on the pavilion.

Things have stabilised to some extent now that we have a manager at the MMC and have recruited to the Finance Officer post. However, overtime of admin and other staff remains very high at over £30k last year, underlining a lack of capacity.

The other main concern is the resilience of the Council if/when staff change, and dealing with holidays and sickness cover. There is a risk associated with all the knowledge and skills in the hands of too few staff. The Council is now of a size and complexity where it is necessary to increase its capacity and free up time to carry forward the larger initiatives. This is high risk as was discovered earlier this year and creates pressure on staff.

Many councils smaller than Mountsorrel have a Deputy Clerk/Parish Manager. This need not be a full-time post and it provides the ability for the Council to function properly, by sharing the skills and knowledge amongst staff, sharing the workload and freeing up time to take forward the work on Halstead Rd, the Library, the general environment of the Village, new play areas, pedestrian crossings, etc. It would be better to have more staff to share the work, knowledge and skills than to pay overtime, although this may still be necessary in some areas.

### **The Memorial Centre**

The biggest changes in the budget from last year are at the MMC:

- Re-opening very successfully after Covid. Slowly but now fully operational thanks to an excellent team.
- New Manager now successfully leading the Centre, Post removed from this year's budget, now included in 22/23
- New café staff and running costs were all removed from this year's budget, now included for 22/23
- More events and bookings well into 2022
- Need for casual staff to support events, the bar and café
- Wedding project to get underway £3000 provision
- Volunteers recruited to act as ushers

These are detailed with significant increases in forecast income and expenditure, with a financial contribution from the Council in line with the first full year of operation and still predicted to decrease over the next 3 years. That the MMC has become up and running so quickly after being dormant is a tribute to all those involved. The proposed budget should see it go from strength to strength.

The amount of money the council is using to support the MMC in 22/23 is approximately the same as it was in 19/20, at £170,000 with the aim that this should decrease in following years.

## **Project and Amenities**

Some income increases are included for the Cemetery.

Maintenance increased by £700 for repointing of wall of remembrance.

Gardener budget increased to £400

The Cemetery Project should finish in 21/22 but I have kept some provision in case there is an overrun as it needs to be completed.

No further increase is included for Xmas lights at this stage. If we have any underspends it may be possible to create an earmarked reserve to fund future improvements.

We are anticipating that Tarmac will do most of the repair work to the War Memorial, but a provision has been maintained in case we need to contribute.

The contingency has been reduced by £2K

No provision for Halstead Rd project as it is anticipated that all fees will be paid for in 21/22

It is anticipated to have a partnership with a local organisation by 22/23 to maintain hedges etc. There is still some budget provision for this work should this not happen.

We will need to address the clearing of ditches as this is likely to be beyond the scope of the above arrangement. I would review this at year end to see if we have underspends that can be used.

## **Planning and Policy**

Essentially no changes from last year. I have not included any expenditure on Little Lane. I expect repairs to the street lights should come from this year's budget.

## **Library**

Income and expenditure are mainly unchanged. Although some of this budget provision has been unspent, it is likely that in 22/23 we will move to a more community run library and may incur the running costs previously budgeted for.

## **War Memorial Fields Trust WMFT**

**Proposal** that the grant from the Council to the WMFT remains at £32,000 pa.

This was presented at the WMFT meeting on Tuesday 7<sup>th</sup> Dec. However the meeting was inquorate.

This budget creates provision of £3,500 for cleaning on Monday mornings which is essential to the dual use of the Pavilion by the sports clubs and the Pre-school group.

There is also provision of £3,500 for a part time post of Grounds/handy person.

Both of these requirements have arisen through discussion with all the users, and there was a clear expectation for the latter as part of the agreement to let the space in the week to the preschool play group.

The income is predicted to go down slightly as the preschool group wish to renegotiate their licence as they are not using the Pavilion all year round.

It is recommended that the grant of £32,000 stays the same as last year and that a small balancing figure is taken from the WMFT reserves.

The Council has received a request from the WMFT for an increase in grant of £4000 from £32,000 to £36,000.

This includes £2k Legal fees and £2k additional contingency. Following questions about the WMFT Budget and the position of the finances. The following information is provided in response to the request for an increase in grant from the Council of £4000:

Reserve Balance	£13,791
Current Acct	£25,889
TOTAL	£39,680
Earmarked reserve	£20,000
Overall TOTAL	£59,680.

The average monthly spend is usually not greater than £3000. With 4 months left is a total of £12,000. Leaving a healthy balance to carry forward into 22/23. Of £27,000 not including the earmarked reserve.

(The much higher expenditure in this year is the result of a lot of one off repair work as a result of the water leak)

There need for more repair work to the outside of the pavilion and repair of the lights, and there should be enough money carried forward to do this without increasing the contingency. The same applies to the legal fees, which are not likely to be incurred.

***I would like to thank all the staff who have helped to prepare the information to produce this budget.***

Ross Willmott  
Parish Manager

### Questions from first Budget Working Party 6/12/21

1. Need to make sure there is money for the Wedding Garden project at the MMC was £3000? *I have included £3000.*
2. Show areas where we might predict underspends, RW produce expenditure comparison data. *I have attached a budget comparison against spend which we can discuss further. I remind you of what I said on Monday that some comparisons are distorted by Furlough and Business Support Grant (MMC) and the delays to projects because of Covid.*
3. MMC £10k Ticket/show sales seems low, provide rationale.

*This figure is based on an estimate of 15-20 shows per year @ an average of £500 per show applying the 70/30 split of profit equals £10,000. The range of income per show of course varies between £400-£700. This does show that with a 204 seat auditorium and a max ticket price there is a ceiling to the amount of money it can generate. The MMC will receive more income for shows from Bar and café sales and we are on track to secure that if we get agreement at the MMC Cttee meeting on Monday. The income from some show type bookings eg Swing Theatre (next year) is shown under Room Hire (Events) as they are hiring the whole Centre for a block period. Weddings are also under this heading as they often use more than one room.*

*Comparison with previous years is not that helpful as there has been different allocations under the headings in each year. However the total for both Ticket sales and Room Hire are between £50-£60k for 18/19 and 19/20. Which is approx. the combined figure for 22/23.*

## 4. How does bar income forecast compare with previous years?

*The bar income is based on a current average income of recent events multiplied by the number of projected events. So has been calculated using current figures and historic ones. This includes the projected 20 shows, weddings etc.*

<i>Nett income 18/19</i>	<i>£26,726</i>
<i>19/20</i>	<i>£37,735</i>
<i>20/21</i>	<i>0</i>
<i>21/22</i>	<i>not yet known</i>
<i>Forecast 22/23</i>	<i>£40,000</i>

5. Provide breakdown of café income. Please see an extract below of the report we took to Council on 8<sup>th</sup> November.**Financial implications**

*a. These are rough and conservative estimates. The annual costs are estimated to be:*

<i>i. Staffing</i>	<i>£20,000</i>
<i>ii. Supplies</i>	<i>£2000</i>
<i>iii. Overheads</i>	<i>£1000</i>
<b><i>iv. Total</i></b>	<b><i>£23,000</i></b>

*These costs will less than half for the remainder of this financial year*

*b. Income*

<i>i. Teas/coffees</i>	<i>£18000</i>
<i>ii. Other drinks</i>	<i>£3000</i>
<i>iii. Cakes etc</i>	<i>£5000</i>
<b><i>iv. Total</i></b>	<b><i>£26000</i></b>

*Forecast income will be about half this for remainder of this financial year.*

*c. It also needs to be considered that during events both daytime and evening the café will be used to serve soft drinks and alcohol which will increase the turnover and income considerably. So this proposal should be viewed as part of the whole operation of the hospitality service of the Centre.*

## 6. Q. Can we do a comparison of Burial Charges? Is their scope for increasing them.

*I suggest a review of charges before the next planned increase. No change to budget yet but if there is scope for an increase this can be brought back to Council and implemented at any time. I would rather give this a thorough review which will take time.*

- 7. Budget for Computer equipment for Deputy PM £750 plus £250 for set up costs, new email address access to Edge systems etc. Propose to use the Earmarked reserve for staffing costs*
- 8. Xmas Lights? If we want to improve lights yet further and to have any sort of impact we would need to spend at least £5k I would suggest.*
- 9. Does Cllr expenses include training? Yes it does.  
Returned this budget to £1000 to provide for Cllr training.*