



Town Clerk: Miss Joy Norris MSc ACG

The Town Hall, 1 High Street, Devon, EX15 1AB
enquiries@cullomptontowncouncil.gov.uk
01884 38249

Notice is hereby given that an extraordinary meeting of the **Town Council** will take place on **Monday, 24th January 2022** starting at **19:00 hrs** in the Town Hall, 1 High Street, Cullompton, EX15 1AB

The Agenda for the meeting is attached. Copies of the reports will be available on the Town Council website or hard copies can be made available if you contact the Town Council Office (contact details are at the top of this notice)

Members of the public are invited to ask questions or raise issues relevant to Cullompton as part of the item on the agenda called Public Participation; anyone wishing to raise an item during public participation must either be present in the Town Hall for the meeting or email their question to enquiries@cullomptontowncouncil.gov.uk it would be helpful if this could be at least 2 working days before the meeting if possible.

If you wish to attend and speak at a meeting it would be helpful if you email or phone with details of your first and last names and a brief outline of what you wish to say. This will ensure that your name is on the list to speak and will help us ensure that you are not missed. Notification in this way will help the meeting run as smoothly as possible.

The overall time available for the Public Participation agenda item is restricted to 15 minutes unless the Chair decides otherwise. Individual speakers are restricted to 3 minutes and are asked not to repeat points that have been made previously.

The Town Council is investigating live streaming meetings and relevant links will be available on the Town Council website, however due to technical limitations the Town Council cannot guarantee the availability or quality of this means of attending a meeting.

A handwritten signature in black ink, appearing to be "Kathryn Haslett", with a long horizontal line extending to the right.

Kathryn Haslett
Town Mayor
Date: 18th January 2022

AGENDA

Extraordinary meeting of the Town Council 24th January 2022

PUBLIC PARTICIPATION: 15 minutes is set aside as a specific agenda item to enable members of the public to bring issues relevant to Cullompton to the attention of Councillors. Up to 3 minutes is allowed for each person. Members of the public will only be permitted to speak during the Public Participation agenda item and must be present in the Town Hall at the meeting or have made their submission in writing prior to the meeting.

1. Mayor's Announcements

The Mayor may make announcements relevant to the work of the Town Council

Note: announcements are for information only and not for debate, discussion or questioning.

2. Apologies for Absence

To receive apologies for absence from Councillors unable to attend the meeting.

3. Declarations of Interests

To receive any Declarations of Interest from Councillors and Officers in respect of matters to be considered at this meeting, together with an appropriate statement regarding the nature of the interest.

Councillors and Officers are reminded of the requirement to declare any interest, including the type of interest, and reason for that interest, either at this stage of the meeting or as soon as they become aware of that interest.

4. Public Participation

To allow members of the public present at the meeting to raise matters which are relevant to Cullompton; up to 3 minutes will be allowed for each person. (Please note people must either be present in the Town Hall or have made a written submission.)

5. Minutes

To confirm the draft Minutes of the meeting held on 6th January 2022 as a correct record.
(Supporting Paper A to the Agenda)

6. 2022/2023 Budget

To consider the Town Council's budget and financial plans for 2022/2023. (Supporting Paper B)

7. 2022/2023 Precept

To set the Town Council's precept for 2022/2023 (Supporting Paper C)

In accordance with the Public Bodies (Admission to Meetings) Act 1960, members of the public and press are very welcome to attend the meeting.

Members of the public will only be permitted to speak during the Public Participation session listed on the Agenda



Town Clerk: Miss Joy Norris MSc ACG

The Town Hall, 1 High Street, CULLOMPTON, EX15 1AB

enquiries@cullomptontowncouncil.gov.uk

01884 38249

**Minutes of the meeting of the Town Council
held on Thursday 6 January 2022 commencing at 19:00 hrs**

Present

Chair: Councillor K Haslett

Councillors: J Buczkowski, A Connolly, R Dietrich, I Emmett, G Guest, M Rowe and C Snow

In attendance

Note: Councillors attending by remote access are not able to participate nor vote in the meeting

County Councillor and District Councillor: J Berry

Officers: J Norris (Town Clerk)

5 members of the public attended the meeting in the Town Hall.

1 member of the press was present via remote attendance.

440. Mayor's Announcements

The Mayor welcomed the members of public present at the meeting and did a roll call of the Councillors present in the Town Hall.

There were no other announcements.

441. Apologies for Absence

Apologies for absence were received from Councillors Andrews, Dale, Knight and Johns.

442. Declarations of Interests

The following Declarations of Interest were made at this stage of the Agenda:

- Councillor Buczkowski declared a personal Interest in Agenda No 7 – Payments for Approval - as he is a trustee of the scout group and they are listed as a payee.

443. Public Participation

This agenda item allows members of the public present at the meeting to raise matters which are relevant to Cullompton.

The Chair advised the meeting that an email had been sent in response to questions raised at the previous meeting.

Speaker 1

- The speaker said he was a resident of Clyst Hydon.
- The speaker was aware that the Town Council had objected to the Langford solar proposal in Mid Devon but was not sure if the Council was aware of the proposal made to East Devon District Council for which the transport plan has vehicles coming through and from the B3181 into Clyst Hydon.
- The Speaker referred to the CTMP and his interpretation of the route that vehicles would be taking and an assessment of the number of vehicle movements.
- The speaker said he would send the CTMP to the Mayor.

The Chair thanked the Speaker and said she would read the documents and let him know if anyone should attend the Town Council's planning committee meeting.

Speaker 2

- The Speaker said he was a resident of Clyst Hydon.
- The reason for being at the meeting was to make sure the Council was aware of the planning application and to ask whether the Council would consider looking at the scheme anyway giving views on it whether in support or objecting.
- The Speaker explained his concerns about the impact of current applications on the agricultural land and the Clyst lowlands.
- The speaker referred to the amount of energy the solar farm application says will be generated.

Councillor Guest advised that East Devon have a Countryside Recreation plan which includes the Clyst Valley and said it may be worth looking at the document and seeing if there is any information in the plan of relevance to the planning application.

The Chair thanked the speakers.

Speaker 3

- The Speaker raised continuing concerns about the publication of papers with agendas.

The Chair thanked the speaker.

Speaker 4 – Councillor Berry – remote attendance

- Anyone who wishes to comment on the planning application for the solar panels raised earlier in the meeting should write to East Devon District Council as the relevant planning authority stating their objections on planning grounds.

Councillor Snow requested a copy of the response sent previously to the speaker regarding publication of meeting documents and that it should be recorded in the minutes.

The Chair thanked the Councillor for the request.

444. Minutes

Consideration was given to:

- (i) The draft Minutes of the meeting held on 25th November 2021 (subsequently adjourned and reconvened on 6th December) as a correct record. (Supporting Paper A to the Agenda)
- (ii) The draft Minutes of the extraordinary Town Council meeting held on 6th December 2021 as a correct record. (Supporting Paper B to the Agenda)
- (iii) The draft Minutes of the extraordinary Town Council meeting held on 14th December 2021 as a correct record. (Supporting Paper C to the Agenda)

RESOLVED

- (i) To confirm the draft Minutes of the meeting held on 25th November 2021 (subsequently adjourned and reconvened on 6th December) as a correct record.
- (ii) To confirm the draft Minutes of the extraordinary Town Council meeting held on 6th December 2021 as a correct record.
- (iii) To confirm the draft Minutes of the extraordinary Town Council meeting held on 14th December 2021 as a correct record.

445. Action List

The Action List relating to the Town Council was received and reviewed. (Supporting Paper D to the Agenda)

446. Payments for Approval

The accounts due for payment were examined. (Supporting Paper E to the Agenda)

RESOLVED that the invoices due for payment as presented totalling £12,846.89 gross and the direct debits and standing authorisation items totalling £1,30.12 be approved

447. Meetings with Remote Attendance

Consideration was given to using the National Association of Local Councils (NALC) model letters to write to Neil Parish MP and the Minister for Levelling Up Communities regarding the Town Council's support for legislation to be amended to enable Councils to have the flexibility to use virtual meeting options for Council meetings. (Supporting Paper F to the Agenda)

RESOLVED to write to Neil Parish MP and the Minister for Levelling Up Communities using the NALC model letters regarding amending legislation to enable Councils to have the flexibility to use virtual meeting options for attendance at Council meetings.

448. Committee Composition

To consider a request from Councillor Rowe to sit on the Community Wellbeing Committee. (The Committee currently comprises Councillors Andrews, Buczkowski, Dale, Guest, Haslett and Johns)

RESOLVED that Councillor Rowe is appointed to the Community Wellbeing Committee.

Note: Cllr Guest would like to be on Town Hall Working Group

449. Recommendations and Observations from the Resources Committee

Consider recommendations and observations from the Resources Committee regarding:

- (i) The approval and adoption of an Investment Strategy
- (ii) The approval and adoption of a Reserves Policy
- (iii) The undertaking of bank reconciliations.

(Supporting Paper G to the Agenda)

RESOLVED

- (i) To approve and adopt the Investment Strategy as attached to the minutes as Appendix 1
- (ii) To approve and adopt the Reserves Policy as attached to the minutes as Appendix 2

The position regarding bank reconciliations was noted and the Town Clerk was asked to send a reminder to the relevant Councillors.

450. 2022/2023 Budget

Consideration was given to the Town Council's budget and financial plans for 2022/2023.

(Supporting Paper H to the Agenda)

RESOLVED

- (i) That the proposed budget for Public conveniences running costs should be reduced by 50% from £7,000 to £3,500

The Town Clerk was requested to prepare additional information regarding the expenditure forecast for 2021/2022 and some scenarios for maintaining the budget to a maximum rise of 3% per household for consideration at a Town Council meeting to be held on 18 January 2022.

451. 2022/2023 Precept

To set the Town Council's precept for 2022/2023 (Supporting Paper I to the Agenda)

This item was deferred until after the budget has been agreed

452. Medium Term Financial Plan

To consider the adoption of a Medium Term Financial Plan for 3 years from 2022/2023 (Supporting Paper J)

This item was deferred until after the budget has been agreed

453. Charity Commission Return – Upcott Field

Consideration was given to the 2020/2021 annual return to be submitted to the Charity Commission regarding Upcott Field. (Supporting Paper K to the Agenda)

RESOLVED to approve the annual return for submission to the Charity Commission

454. Fire Service Community Risk Management Plan Consultation

Consideration as given to the Town Council's response to the draft five-year strategic plan for Devon and Somerset Fire and Rescue Service. (Supporting Paper L to the Agenda)

RESOLVED that the Town Council responds to the Fire Service consultation submit as stated in the supporting paper, plus an additional comment is made that roads in new developments need to be of sufficient width that emergency vehicles can easily proceed even when vehicles are parked along the roadside.

455. Consultation Documents

Consideration was given to the introduction of a process whereby when a consultation documents is received on a strategic matter (other than planning related) the Town Clerk convenes a working group who draft a response for the Town Council to consider. (Supporting Paper M to the Agenda)

RESOLVED that the process attached to these minutes as Appendix 3 is implemented.

456. Recommendations from the Town Centre & Economic Development Committee

Consideration was given to recommendations from the Town Centre & Economic Development Committee with regard to:

- (i) The Farmers Market using the Town Hall during inclement weather
- (ii) Weekly Market fees

(Supporting Paper N to the Agenda)

RESOLVED

- (i) that the Farmers Market be allowed to trade in the Town Hall if the weather is extremely bad so that the Farmers Market did not need to be cancelled.

Note: this decision will only come into effect when the Town Hall the COVID mitigations are lifted and / or the Town Hall is made available for hire

- (ii) that there are no charges for the weekly market until 31 March 2022

457. Recommendations from the Cemetery and Town Hall Committee

Consideration was given to a recommendation from the Cemetery and Town Hall Committee regarding the appointment of a contractor to undertake the first tranche of pathways resurfacing in the Cemetery. (Supporting Paper O to the Agenda)

RESOLVED that the quotation from Contractor A in the sum of £9,537 be accepted to grade off a 50mm layer, dig/lay/backfill 3x service ducts, lay timber path edgings, resurface with 6mm to dust limestone materials and compacted, clay channels to be carefully cleared and undisturbed. Day Rates applicable – drainage channels/stoppage of works'

458. Councillor Apologies

Consideration was given to formally accepting apologies for absence from Councillor Andrews and Dale. (Supporting Paper P to the Agenda)

RESOLVED that the apologies from Councillors Andrews and Dale are formally accepted and that the situation is reviewed in 6 months.

459. Members Questions

This agenda item is to give Councillors an opportunity to ask questions which are relevant to the work of the Council.

Note: questions are to be for the purpose of obtaining information and not for debate nor discussion.

RESOLVED to extend the duration of the meeting until 21:05hrs

The following matters were raised:

- It would be helpful if emails specific to the Town Council could be identified in the subject header
- Anti-social behaviour it was suggested that this could be an agenda item and a list of topics / places causing concern could be compiled and sent to the police.

The meeting closed at 21:05hrs

DRAFT

CULLOMPTON TOWN COUNCIL



INVESTMENT STRATEGY

Adopted February 2016, reviewed and updated 6 January 2022

1. INTRODUCTION

The strategy has been produced to comply with the guidance issued by the Secretary of State under Section 15(1) of the Local Government Act 2003 (3rd edition, effective for financial years commencing on or after 1 April 2018). Cullompton Town Council acknowledges its responsibilities to the community and the importance of prudently investing the temporary surplus funds held on behalf of the community.

The Town Council will ensure it has adequate though not excessive cash resources or standby facilities to enable it at all times to have the level of funds available which are necessary for the achievement of service objectives.

2. OBJECTIVES

2.1 The Council's objective is prudent investment of its balances. The Council's investment priorities are:

- (i) The security of its reserves.
- (ii) The liquidity of its investments.

Yield will be borne in mind when making decisions about where to invest but will not be an overriding consideration or objective (see 2.3 below)

- 2.2 The Council will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.
- 2.3 In balancing risk against return, the Town Council will be careful to avoid risks rather than to maximise returns.
- 2.4 Where external investment managers are used, they will be contractually required to comply with this Strategy.

3. POLICIES

3.1 All the Town Council's investments will be Specified investments which are those offering high security and high liquidity. This means that:

- (i) All investments will be made in sterling and any payments or repayments will also be made in sterling.
- (ii) Long term investments will be limited to a maximum of £100,000.00 and be reviewed annually.
- (iii) All investments will be made with a body or investment scheme which has been awarded a high credit rating by a credit rating agency (i.e. Standard and Poor's, Moody's Investors Service Ltd and Fitch Ratings Ltd) For the purposes of this Strategy "high credit rating" is an organisation with a credit rating of A- or higher that is domiciled in the UK or a sovereign rating of AA+ or higher for organisations domiciled in a foreign country.
- (iv) The Town Council may use the following:
 - Deposits with banks, building societies, local authorities or other public authorities
 - Other recognised funds specifically targeted at the public sector
- (v) All investments will be made through banks and building societies. The choice of institution and length of deposit (if required) will be in the remit of the Resources Committee.

3.2 For prudent management of its balances, the Town Council, maintaining sufficient levels of security and liquidity, implements a policy whereby funds which are likely to be surplus for up to three months can be invested in short term deposits with one or more of the UK major clearing banks and/or building societies.

3.3 The Department of Communities and Local Government maintain that borrowing monies purely to invest or lend and make a return is unlawful and the Town Council will not engage in such activity.

4. Quantative Indicators

The quantative indicators that allow Councillors and the public to asses a local authority's total risk exposure as a result of its investment decisions will be used as at Appendix 1.

5. REVIEW OF THE STRATEGY

4.1 The Resources Committee will review the policy annually.

4.2 At the end of the financial year during the preparation of the accounts the Town Clerk will report on the investment activity

4.3 The Resources Committee may recommend variations to the strategy for the approval of the Full Council with the guidance from the Secretary of State.

4.4 The Resources Committee will review the Council's banking arrangements every two years.

Definitions (from the Statutory Guidance on Local Government Investments)

Investments (S4)

The definition of an investment covers all of the financial assets of a local authority as well as other non-financial assets that the organisation holds primarily or partially to generate a profit; for example, investment property portfolios. This may therefore include investments that are not managed as part of normal treasury management processes or under treasury management delegations.

Specified Investments (S31)

An investment is a specified investment if all of the following apply:

- The investment is denominated in sterling and any payments or repayments in the respect of the investment are payable only in sterling.
- The investment is not a long term investment. This means that the local authority has contractual right to repayment within 12 months, either because that is the expiry term of the investment or through a non-conditional option
- The making of the investment is not defined as capital expenditure by virtue of Regulation 25 (1) (d) of the Local Authorities (Capital finance and Accounting (England) Regulations 003 (as amended)
- The investment is made with a body or an investment scheme described as high quality (see paragraph 33 [of the Statutory Guidance] or with one of the following bodies:
 - i The United Kingdom Government
 - ii A local authority in England or Wales (as defined in section 23 of the 2003 Act) or a similar body in Scotland or Northern Ireland; or
 - iii A parish or community council

Non Specified Investments (S35)

A non specified investment is any financial investment that is not a loan and does not meet the criteria to be treated as a specified investment

Security (S26)

Protecting the capital sum invested from loss

Liquidity (S26)

Ensuring the funds invested are available for expenditure when needed

Debt to net service expenditure (NSE) ratio	<i>Gross debt as a percentage of net service expenditure, where net service expenditure is a proxy for the size and financial strength of a local authority.</i>
Commercial income to NSE ratio	<i>Dependence on non-fees and charges income to deliver core services. Fees and charges should be netted off gross service expenditure to calculate NSE.</i>
Investment cover ratio	<i>The total net income from property investments, compared to the interest expense.</i>
Loan to value ratio	<i>The amount of debt compared to the total asset value.</i>
Target income returns	<i>Net revenue income compared to equity. This is a measure of achievement of the portfolio of properties.</i>
Benchmarking of returns	<i>As a measure against other investments and against other council's property portfolios.</i>
Gross and net income	<i>The income received from the investment portfolio at a gross level and net level (less costs) over time.</i>
Operating costs	<i>The trend in operating costs of the non-financial investment portfolio over time, as the portfolio of non-financial investments expands.</i>
Vacancy levels and Tenant exposures for non-financial investments	<i>Monitoring vacancy levels (voids) ensure the property portfolio is being managed (including marketing and tenant relations) to ensure</i>

(Source: Statutory Guidance on Local Authority Investments (3rdEdition))



POLICY TITLE	Reserves Policy
POLICY NO	
APPROVED	6 January 2022
REVISION DATE	
REVIEW DATE	January 2025
REPLACES POLICY	New Policy
POLICY AIM	This policy sets out the Town Council's stance regarding maintaining financial reserves

1. Introduction

- 1.1 Cullompton Town Council is required to maintain an adequate level of financial reserves to
 - Protect against risk
 - Ensure contingencies are in place
 - Accumulate funds for known or planned policy initiatives or projects
- 1.2 Sections 32 and 43 of the Local Government Finance Act 1992 requires local authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.
- 1.3 The 2021 Joint Panel on Accountability and Governance Practitioners Guide states *“ as with any financial entity, it is essential that authorities have sufficient Reserves (general and earmarked) to finance both its day to day operations and future plans. It is important, however, given that its funds are generated from taxation / public levies, that such reserves are not excessive.”* (5.31)
- 1.4 The 2018 Good Councillors Guide to Finance and Transparency *“Local Councils need to hold an amount in reserves to meet unexpected expenditure, otherwise they could run out of money before the end of the financial year.....Local councils have no legal powers to hold revenue reserves other than for reasonable working capital or for specifically earmarked purposes,”* (p17)
- 1.5 There is no specified minimum level of reserves that an authority should hold.

2 Policy Purpose

- 2.1 The purpose of this policy is to enable the Town Council to make financial decisions and keep the reserves at an appropriate level.

3 Types of Reserves

- 3.1 Cullompton Town Council maintains two types of reserves earmarked reserves and general reserves.
- 3.2 **Earmarked Reserves. (EMR)**

Earmarked reserves are a way of accumulating funds (“saving”) for use in a later financial year to meet a known or planned policy initiatives or projects; such initiatives or projects may well incur expenditure over more than one financial year.
- 3.3 An EMR must be for a genuine purpose and separately identifiable.
- 3.4 Amounts in earmarked reserves are set by the Town Council as part of the annual budget process.
- 3.5 If a specific EMR is no longer considered necessary, or the project has been completed and there is surplus in the EMR the Town Council will decide how the balance in the EMR should be allocated.
- 3.6 EMRs will increase through decisions of the Town Council and will decrease as they are spent on their specific purpose.
- 3.7 **General Reserves**

The purpose of the general reserves is

 - to provide a contingency to minimise the possible financial impacts to the authority from situations such as emergencies, unforeseen events, ad hoc emerging issues
 - to operate as a working balance to manage the impact of uneven cash flows.
- 3.8 The primary means of building the general reserve will be through reallocation of funds e.g. where a project comes in under budget or through an allocation from the precept.
- 3.9 Balancing the budget by drawing on reserves must be viewed as a legitimate short term option only.

4 Reserve Levels

- 4.1 The Good Councillors Guide to Finance and Transparency 2018 (p 17) says *“A council should typically hold between 3 and 12 months expenditure as a general reserve. If the general reserve is too low then it may not be enough to cover unexpected expenditure or emergencies, whilst if the general reserve is too high then local electors have paid a tax which is not being used for the benefit of the local community. Local councils have no legal powers to hold revenue reserves other than for reasonable working capital or for specifically earmarked purposes, therefore the year end general reserve should not be significantly higher than the annual precept.”*
- 4.2 The 2021 Joint Panel on Accountability and Governance Practitioners Guide states *“The generally accepted recommendation with regard to the appropriate minimum level of a Smaller Authority’s General Reserve is that this should be maintained at between three (3) and twelve (12) months Net Revenue Expenditure (NRE). NRE (subject to any planned surplus or deficit) is effectively Precept / levy less any Loan Repayment and / or amounts included in Precept / Levy for Capital Projects and transfers to Earmarked Reserves. The reason for the wide range (3 to 12 months) is to cater for the large variation in sizes of individual authorities. The smaller the authority the closer the figure should be to 12 months NRE, the larger the authority the nearer to 3 months. In practice, any authority with an NRE in excess of £200,00 should plan on 3 months equivalent General Reserve. In all of this it is important that each authority adopt, as a general reserve policy, the level appropriate to their size and situation and plan their Budget so as to ensure that the adopted level is maintained.”* (5.32)
- 4.3 The Town Council will set the level of general reserve to be maintained as part of the annual budget setting process. The level will
- Be between 3 months and 12 months expenditure
 - Generally, will be maintained at approx. 6 months expenditure
 - Not exceed the annual precept except in extreme circumstances.

**Consultation Documents
(as agreed by Town Council 6 January 2022)**

Introduction

1. The Town Council frequently receives consultation documents on strategic services or organisation arrangements, recent examples include transport, waste and the fire and rescue service.
2. Whilst these services and consultations may not have a direct impact upon the work of the Town Council they may impact upon services to residents and businesses within the town and the Town Council may be able to offer a local view or information within a strategic context.

Process

- There is a “standing” Working Group comprising the Mayor, Deputy Mayor and Committee Chairs and all other Councillors will be invited to attend. The terms of reference are to consider consultation documents and prepare draft responses for the Town Council’s consideration. The Mayor will chair the Working Group
- When Town Clerk receives consultation information all Councillors will be informed and sent the relevant information (this may be done in a Clerk’s Update or by any other suitable electronic means).
- The Town Clerk (or member of staff delegated by the Town Clerk) compiles a timetable for considering the consultation information and preparing a response etc.
- The Town Clerk convenes the working group following consultation with the Mayor and Deputy Mayor and all Councillors are sent the invitation to attend the Working Group.
- The Working Group will agree the timetable and meet as required to agree a draft response to be presented to Council for approval. This may include a recommendation from the Working Group that no response is submitted.

Agenda No 6, 2022/2023 Budget

The Town Council is requested to

- (i) Agree the 2022/2023 income and expenditure budgets**
- (ii) Agree the level of general reserves to be maintained in 2022/23 (as in 4.3 of the draft reserves policy)**
- (iii) Agree the level, if any, of 2022/23 expenditure which is to be met from the general reserve**

Attachments:

- Budget requests from Committees
- Risk matrix re budget setting
- Income and Expenditure Report up to and including Month 9 (December 2021)

Introduction

1. This report draws together information from various sources regarding the 2022/2023 budget.
2. At its meeting on 6 January 2022 The Town Council deferred a decision on the 2022/2023 budget to enable checking of budget lines and the provision of additional information.
3. The calculations spreadsheets have been revised and contain 2 additional columns “21/22 estimated outturn” and “21/22 month 9 expenditure and commitment”.

2022/2023 Budget Guiding Principle

4. The Town Council, at its meeting on 23 September 2021, considered guiding principles for the 2022/2023 budget and resolved (Minute 368)

“RESOLVED

- (i)** *that as a guiding principle for the 2022/2023 budget the maximum increase per household that will be considered is 3%*
- (ii)** *that (i) above does not preclude assessing if there are any service areas where economies can be made.*

Overall Summary

5. The attached budget requests from Committee’s show the current totals being

Proposed Expenditure	£501,850
Contribution to Earmarked Reserves	<u>£38,500</u>
Total required	£540,350
Estimated Income	£33,320

Town Council 24 January 2022 Supporting Paper B

6. The difference between the expenditure plans and estimated income is £507,030. (501,850 – 33,320)
7. To meet this level of expenditure solely from the precept it would require a 5% rise in the annual cost per household which exceeds the guiding principle set by Council.
8. To meet the guiding principle set by Council, the maximum precept request would be £496,300 giving an annual cost per household (Band D equivalent) of £142.39 - an annual increase of £3.48.
9. The shortfall between the guiding principle maximum precept and the budgets put forward by Committees is £10,730.
10. The Town Council needs to decide if this shortfall should be funded from the general reserve (see 41-44 below) or if the money can be saved from the expenditure budgets put forward by Committees or a combination of proposed budget reductions and some expenditure to be met from the general reserve (see 45 below).

General Background Information

11. Throughout the year each Committee receives regular income and expenditure reports which compares actual spend with the budgets to assist the committee monitor in-year expenditure and plan for future years. The Resources Committee receives income and expenditure reports for all the committees and the balance sheet so that it can maintain an overall view of the Town Council's financial position.
12. During 20/21 Committees started developing 3 year workplans to help with future budget planning and generating the medium term financial strategy, this has continued in 2021/2022
13. As part of the Town Council's aim to be open and transparent, information relating to **all** payments is published on the Town Council's website and is downloadable in a choice of formats.
14. The Good Councillors Guide to Finance and Transparency 2018 states the following:
"The preparation of an annual budget is one of the key statutory tasks undertaken by the council, irrespective of its size.
The budget:
 - *results in the council setting the precept for the year;*
 - *gives the clerk and other officers overall authority to make spending commitments in line with decisions of the council;*
 - *enables progress monitoring during the year by comparing actual spending against planned spending**It is important that councillors understand how the budget is put together and how it should be used. The budget is an essential tool for controlling the council's finances, and demonstrates that the council will have sufficient income to meet its objectives and carry out its activities.*

The key stages in the budgeting process are:

- *review of current year budget and spending;*
- *determine the cost of spending plans;*
- *assess levels of anticipated income;* • *provide for contingencies and the need for reserves;*

- *approve the budget;*
- *set the precept”*

Budgets and Precept

15. The **budget** is the amount of money that the Town Council intends to spend, generate as income, save or otherwise allocate; it is usually divided into account codes or descriptions. In most cases a Committee has responsibility for specific budgets.
16. The **precept** is the amount of income raised through the billing authority (Mid Devon District Council) as Council Tax in order to provide services.
17. The budget and precept amounts do not have to be the same, for example the budget can exceed the amount of money raised through the precept if money can be taken from existing reserves for some items of expenditure.

Town Council Duties and Legal Responsibilities

18. Town Councils have few responsibilities regarding direct service provision - for example the provision of allotments.
19. A Town Council has many duties regarding the way in which it functions - for example in addition to the Annual Meeting it must meet at least three times a year and it must appoint a Responsible Financial Officer.
20. The Town Council also has legal duties resulting from things it does examples are as an employer the Town Council has a duty to provide staff with personal protective equipment and as the owner of vehicles used on the road it must insure vehicles and keep them roadworthy.

Risk Management

21. *“Risk management is not just about financial management; it is about protecting the achievement of objectives set by the authority to deliver high quality public services. The failure to manage risks effectively can be expensive in terms of litigation and reputation, and can impact on the ability to achieve desired outcomes. The authority generally and members individually are responsible for risk management.”* (Governance and Accountability for Smaller authorities, March 2019 section 5.88).
22. The Town Council is working towards using risk management as an effective tool to assist decision making
23. A risk matrix has been compiled for the budget setting process and it is included within the papers for consideration.

Council Tax Capping

24. The Localism Act 2011 introduced the requirement for local authorities to hold local referendums on the level of Council Tax in an increase was considered to be excessive based upon a set of principles defined by the Secretary of State and approved by the House of Commons. Whilst no principles have yet been applied to parish and town councils the government expects town and parish councils to behave responsibly and protect their taxpayers from excessive precept increases. On 16 December 2021 the Secretary of State for Levelling Up , Housing and Communities published the Provisional Local Government Finance Settlement 2022/23 which includes the confirmation of no referendum principles for local (parish and town) councils in 2022/23

Council Tax Base

25. The council tax base is a calculated figure (not a real figure) of the number of dwellings converted to Band D equivalent. The method of calculation is set out in legislation and the calculation for Cullompton is undertaken by Mid Devon District Council (MDDC). Broadly the calculation works out the number of properties per council tax band in Cullompton (or the relevant parish) and then makes adjustments for

- New properties
- Demolitions
- Exempt properties
- Disabled adaptations
- Discounts
 - One adult households
 - No liable adults

The figure after adjustments is then multiplied by a specific factor to give a Band d equivalent.

26. Mid Devon District Council have notified the Town Council that the Cullompton council tax base for 2022/2023 will be 3485.57 compared to 3322.06 in 2021/2022

Council Tax Collection Rate

27. Mid Devon District Council have notified the Town Council that the estimated council tax collection rate for 2022/2023 will increase to 97.5% from 96%.

2022/23 Expenditure

28. In calculating budget figures for 22/23 Committees have each considered in the light of recent previous expenditure and what is likely to be needed; automatic increases have not been applied.

29. No Committee has identified any new projects or need for specific contributions to additional Earmarked Reserves other than those suggested in previous years.

30. Committees have not identified underspends in the current year that could be carried forward to fund expenditure in 2022/2023 (rather than using funding from the 22/23 precept)

31. The Cemetery and Town Hall Committee and Community Wellbeing Committee have requested that any monies not spent this financial year are carried forward into 2022/23 and added to their allocated 2022/2023 budgets.

32. The Resources Committee has not included budgets figures in 2022/2023 for Councillor Allowances or the Mayor's Fund.

33. The public toilets running costs budget has been reduced by 50% compared to 21/22 in line with the Council resolution made at the meeting on 06.01.22.

34. The grass and verge cutting budget inserted as £4,000 as the Town Centre and Economic Development Committee intending to use the savings from not cutting some verges towards weed spraying

35. The contingency sums – Staffing £12,000, Election £5,000 and general £5,000 have been taken out of the general fund and put as Earmarked Reserves as suggested at the Resources Committee (21.12.21)

Town Council 24 January 2022 Supporting Paper B

36. An amount of £10,000 funded from the precept in 2022/2023 has been included in the Ear Marked Reserve for the Railway Feasibility Study (330), this reflects the Town Council's previous resolution to consider making additional funding available as part of its commitment to having a railway station in Cullompton.
37. An amount of £35,000, funded by the precept has been included for cemetery essential works (4320) as that reflects the 21/22 position as requested by the Cemetery & Town Hall Committee; it may be that this should be put in the earmarked reserve for Cemetery Paths / projects (322).
38. Since the Committees considered their 2022/2023 expenditure requests the following items have been flagged by staff as possibly requiring expenditure:
 - Celebration of the Her Majesty The Queen's Platinum Jubilee
 - Modernising the electricity supply for Christmas and other events in Fore Street / High Street by replacing the cabling on buildings with permanent street level supplies (as in the Higher and Lower Bullring)

Income

39. The estimated income for 22/23 has been reduced from previous years; this reflects the on-going pandemic situation including not hiring out the town hall and reduced income from the market for pitches.
40. The income for hanging baskets has been reduced to reflect the Town Centre & Economic Development Committee's working figure of a donation of £10.00 per basket and the number of baskets that are usually paid for.

Reserves

41. The Town Council approved a Reserves Policy at its meeting on 6 January 2022. The policy recommends that the Town Council maintains a general reserve of approx. 6 Months expenditure - this equates to approx. £200,000 (approx. £33,250 per month).
42. At the time of preparing this report (14.01.22) The Town Council's balance sheet is showing a general reserve of £224,081.
43. Based upon the 21/22 estimated outturn (which takes account of the Committee requests to carry forward unspent 2021/2022 budget allocations) there will be approx. £26,250 which will be unspent and not carried forward from the 21/22 budget and thus put into the general reserve.
44. Judicious use of general reserves to supplement the precept is an acceptable practice but it must be remembered that it is not sustainable over the medium to long term

Options

45. The £10,730 difference between the maximum precept given in the guiding principle and the budgets requested could be met in a number of ways – below are some examples:
 - a. The amount is met from the general reserve / underspend being put into the general reserve from 2021/2022 (estimated as £26,250)
 - b. That £10,750 is removed from the committee budget requests for 2022/2023 Budgets that Councillors have previously suggested could be reduced include:
 - Public toilets (already reduced by 50% by Council on 06.01.22)

Town Council 24 January 2022
Supporting Paper B

- Grass and verge cutting – do not spend savings from less verge cutting on weed spraying
 - Leat Repairs
 - Room Hire
 - Staff and Councillor training
 - Cemetery projects
 - Additional contributions to the Cullompton railway project
 - Youth services
- c. That a combination of a and b is implemented

Report Author: Town Clerk & Responsible Financial Officer

Report prepared: 30 December 2021 and updated 14 January 2022

Background Papers:

Cullompton Town Council Minutes of Council and Committees

The Good Councillors Guide to Finance and Transparency 2018

Governance and Accountability for Smaller Authorities, March 2019

Task / Activity Budget and Precept Setting

Prepared by: Responsible Financial Officer

Risk Management Matrix

		Negligible	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Rare (< 6%)	1	Low	Low	Low	Low	High
Unlikely (6 - 20%)	2	Low	Low	Low	Medium	High
Possible (21 – 50%)	3	Low	Low	Medium	Medium	High
Likely (51 – 80%)	4	Low	Medium	Medium	High	Very High
Almost Certain (> 80%)	5	Low	Medium	High	Very High	Very High

No	Short Risk Description	Uncertainty?	Leading To?	Resulting In?	Possible Causes	Inherent Impact Assessment	Inherent Likelihood Assessment	Inherent Risk Score	“T” action	Controls / Actions	(Residual) Impact Assessment	(Residual) Likelihood Assessment	(Residual) Risk Score
1	Budgets	Whether or not the budget will be set at	Either Budgets and therefore the precept set at	<ul style="list-style-type: none"> Public outcry Threat of future capping Unable to 	<ul style="list-style-type: none"> Lack of forward planning Previous 	Major	Likley	High	Treat	<ul style="list-style-type: none"> Future spending plans considered 	Major	Possible	Medium

		an appropriate level	a high figure which is unsustainable Or Budget set too low to deliver an acceptable level of service	deliver services, planned work or projects • Failure to comply with legislative requirements	unrealistic decisions • Poor risk management • Weak budgetary control resulting in a shortfall in cash or overspend • Poor financial monitoring poor financial record keeping					individually by committees on more than one occasion • Regular, Ongoing financial monitoring by committees • Overarching monitoring by Resources Committee • Compliance with Standing orders and Financial regulations • Committee workplans • Guiding principle for 222/23 precept set by Council			
--	--	----------------------	--	---	---	--	--	--	--	---	--	--	--

Cullompton Town Council 2022-2023 Budget Preparations												
Committee	Heading / Description	Nominal Code	Proposed Expenditure / Budget 22/23	amount to be funded from Brought Forward / General reserve	Amount to be funded from EMR	Estimated Income 22/23	21/22 estimated outturn	21/22 Month 9 expenditure + commitment	original 2021-2022 Budget	% Change between 21/22 and proposed 22/23	20/21 Actual Expenditure	notes
TCED	CCTV	4005	£ 600.00				£700.00	£621.00	£ 1,000.00	-40%	£593.00	
	St. Andrews Car Park	4105/1905	£ 5,500.00			£ 5,500.00		£3,546.00	£ 5,500.00		£2,373.00	
	Town Maintenance	4120 / 1055	£ 7,500.00			£ 2,000.00	£5,000.00	£3,137.00	£ 7,500.00	0%	£3,401.00	
	Outdoor Market Expenses	4800/ 1800	£ 1,500.00			£ 500.00	£2,250.00	£1,841.00	£ 3,000.00		£2,823.00	
	Tourism and Economic Development	4920	£ 1,000.00				£1,000.00	£0.00	£ 1,000.00			
	Grass and Verge Cutting	4122	£ 4,000.00				£600.00	£0.00	£ 4,000.00		£3,805.00	limited cuts in 21/22, different regime for 22/23
	Public Toilet Running Costs	4150	£ 3,500.00				£11,000.00	£8,966.00	£ 7,000.00	-50%	£7,832.00	new toilets may reduce running costs. Council resolution 06.01.22 to reduce budgt by 50%
	Hanging Baskets	1005				£ 320.00			£ -			
	TOTAL FOR TCED			£ 23,600.00	£ -	£ -	£ 8,320.00	£20,550.00	£18,111.00	£29,000.00		£20,827.00

Committee	Heading / Description	Nominal Code	Proposed Expenditure / Budget 22/23	amount to be funded from Brought Forward / General reserve	Amount to be funded from EMR	Estimated Income 22/23	21/22 estimated outturn	21/22 Month 9 expenditure + commitment	original 2021-2022 Budget	% Change between 21/22 and proposed 22/23	20/21 Actual Expenditure	notes	
Community Wellbeing	Mayors Chain	New	£ -						£ -				
	Allotment Expenses	4200	£ 1,000.00				£5,000.00	£3,801.00	£ 1,000.00	100%	£680.00	Some expenditure to be funded from EMR	
	Christmas Lights	4095	£ 15,000.00				£15,000.00	£11,685.00	£ 15,000.00	0%	£14,100.00		
	Christmas Event	4096	£ 4,000.00				£4,000.00	£3,713.00	£ 4,000.00	0%	£2,412.00	Some grant money from locality fund to be off set against expenditure	
	Cullompton Crier	4020	£ -						£ -				
	Social Media	4025	£ 100.00				£100.00	£0.00	£ 100.00	0%			
	Play Area Running Expenses	4125	£ 6,000.00				£16,000.00	£7,640.00	£ 16,000.00	-63%	£15,258.00	20200/23 budget provision put at pre-covid amount	
	Community Wellbeing General Fund	4160	£ 1,500.00				£1,500.00	£800.00	£ 1,500.00	0%	£14.00		
	COVID-19	4175						£86.00				£6,427.00	
	Community Events	4165	£ 3,000.00				£3,000.00	£0.00	£ 3,000.00	0%			
	Public Rights of Way	9050											
	Mayoralty Fund	4085	£ -				£500.00	£159.00	£ 500.00	-100%	£120.00		
	Leat Repairs	4910	£ 2,000.00				£2,000.00	£0.00	£ 2,000.00	0%	£450.00		
	Youth Services	4850	£ 19,000.00				£19,000.00	£13,765.00	£ 19,000.00	0%	£9,177.00		
	Youth Council						£0.00	£0.00	£ 200.00				
TOTAL FOR COMMUNITY WELLBEING			£ 51,600.00	£ -	£ -	£ -	£66,100.00	£41,649.00	£62,300.00		£48,638.00		

Description	Code	Current Fund	22/23 precept requirement	Notes
Cemetery paths / projects	322	£16,173.00	£0.00	
Play Area Fund	328	£8,613.00	£0.00	
Play Equipment	329	£3,000.00	£1,000.00	
Railway Feasibility Study	330	£10,000.00	£10,000.00	needs to be at least £10,000, Council agreed to consider £10,00pa (25.03.21_
St Andrews Car Park	332	£9,000.00	£1,000.00	need to save towards re-surfacing
Tech Fund	334	£4,308.00	£15,000.00	
Townscape heritage scheme	338	£25,000.00		
Equipment Replacement (Outdoor Team)	356	£2,000.00	£500.00	
CCTV	358	£3,500.00	£1,000.00	need to save towards replacement equipment
Swimming Pool Development Order	364	£9,000.00		
Gazebos and equipment for enlarged market	320	£5,000.00	£5,000.00	£5000 for each of years 21/22 & 22/23
Street Furniture replacement	324	£2,500.00	£2,500.00	
Skatepark benches	336	£5,000.00		
Allotments	342	£8,119.00	£2,500.00	
General contingency	340	£5,000.00		
Staffing contingency	352	£12,000.00		
Election contingency	380	£5,000.00		
Total			£38,500.00	

	Actual Current Mth	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
<u>Cemetery/Town Hall Committee</u>								
<u>300 Cemetery</u>								
1300 Burial Fees	1,049	32,554	25,000	(7,554)			130.2%	
1305 Cemetery Income, other	12	108	0	(108)			0.0%	
Cemetery :- Income	<u>1,061</u>	<u>32,662</u>	<u>25,000</u>	<u>(7,662)</u>			<u>130.6%</u>	<u>0</u>
4100 Public Works Loan Repayment	0	17,647	17,650	3		3	100.0%	
4300 Equipment Mtce & New	0	169	2,000	1,831		1,831	8.4%	
4310 Cemetery Running Expenses	434	15,535	20,000	4,465	243	4,222	78.9%	
4320 Cemetery Projects	0	750	0	(750)		(750)	0.0%	
9022 Cemetery Project	2,034	2,034	35,000	32,966	128	32,838	6.2%	
Cemetery :- Indirect Expenditure	<u>2,468</u>	<u>36,135</u>	<u>74,650</u>	<u>38,515</u>	<u>371</u>	<u>38,144</u>	<u>48.9%</u>	<u>0</u>
Net Income over Expenditure	<u>(1,407)</u>	<u>(3,473)</u>	<u>(49,650)</u>	<u>(46,177)</u>				
<u>400 Town Hall</u>								
1400 Town Hall Hire	0	240	5,000	4,760			4.8%	
Town Hall :- Income	<u>0</u>	<u>240</u>	<u>5,000</u>	<u>4,760</u>			<u>4.8%</u>	<u>0</u>
4064 Fire Safety	0	2,410	5,000	2,590		2,590	48.2%	
4405 Town Hall Running Expenses	490	6,209	11,500	5,291	694	4,597	60.0%	
Town Hall :- Indirect Expenditure	<u>490</u>	<u>8,619</u>	<u>16,500</u>	<u>7,881</u>	<u>694</u>	<u>7,187</u>	<u>56.4%</u>	<u>0</u>
Net Income over Expenditure	<u>(490)</u>	<u>(8,379)</u>	<u>(11,500)</u>	<u>(3,121)</u>				
Cemetery/Town Hall Committee :- Income	<u>1,061</u>	<u>32,902</u>	<u>30,000</u>	<u>(2,902)</u>			<u>109.7%</u>	
Expenditure	<u>2,958</u>	<u>44,754</u>	<u>91,150</u>	<u>46,396</u>	<u>1,065</u>	<u>45,331</u>	<u>50.3%</u>	
Movement to/(from) Gen Reserve	<u>(1,897)</u>	<u>(11,852)</u>						

Town Ctre/Econ Dev Committee800 Town Centre

1005 Hanging Baskets	0	0	500	500			0.0%	
1055 Town Maintenance Income	0	200	2,000	1,800			10.0%	
1800 Street Market Income	0	0	1,000	1,000			0.0%	
1905 St Andrews car park income	0	2,473	5,500	3,027			45.0%	
Town Centre :- Income	<u>0</u>	<u>2,673</u>	<u>9,000</u>	<u>6,327</u>			<u>29.7%</u>	<u>0</u>
4005 CCTV	0	621	1,000	379		379	62.1%	
4105 St Andrew's Car Park	192	3,354	5,500	2,146	192	1,954	64.5%	
4120 Town Maintenance	153	2,970	7,500	4,530	167	4,363	41.8%	

	Actual Current Mth	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
4122 Grass/Verge Cutting	0	0	4,000	4,000		4,000	0.0%	
4150 Public Convenience Running Exp	631	8,966	7,000	(1,966)		(1,966)	128.1%	
4800 Outdoor Market expenses	0	0	3,000	3,000		3,000	0.0%	
4920 Tourism & Economic Development	0	0	1,000	1,000		1,000	0.0%	
9070 Market	116	1,792	0	(1,792)	49	(1,841)	0.0%	
Town Centre :- Indirect Expenditure	1,092	17,703	29,000	11,297	408	10,889	62.5%	0
Net Income over Expenditure	(1,092)	(15,030)	(20,000)	(4,971)				
Town Ctre/Econ Dev Committee :- Income	0	2,673	9,000	6,327			29.7%	
Expenditure	1,092	17,703	29,000	11,297	408	10,889	62.5%	
Movement to/(from) Gen Reserve	(1,092)	(15,030)						
<u>Community Wellbeing Committee</u>								
<u>200 Allotments</u>								
1200 Allotment Rents - Top Field	0	546	350	(196)			156.0%	
1205 Allotment Rents - Haymans	0	122	150	29			81.0%	
Allotments :- Income	0	668	500	(168)			133.5%	0
4200 Allotment Expenses	0	3,721	1,000	(2,721)	80	(2,801)	380.1%	
Allotments :- Indirect Expenditure	0	3,721	1,000	(2,721)	80	(2,801)	380.1%	0
Net Income over Expenditure	0	(3,053)	(500)	2,553				
<u>600 Community Wellbeing Miscellane</u>								
1051 Christmas Event	400	1,125	0	(1,125)			0.0%	
Community Wellbeing Miscellane :- Income	400	1,125	0	(1,125)				0
4025 Social Media	0	0	100	100		100	0.0%	
4095 Christmas Lights	(11,662)	220	15,000	14,780	75	14,705	2.0%	
4096 Christmas Event	1,959	3,713	4,000	287		287	92.8%	
4125 Play Area Running Expenses	182	6,843	16,000	9,157	797	8,360	47.8%	
4126 Play Equipment Fund EMR329	0	(200)	0	200		200	0.0%	
4160 Community Wellbeing Committee	0	800	1,500	700		700	53.3%	
4165 Community Events	0	0	3,000	3,000		3,000	0.0%	
4175 COVID-19 Expenditure	0	67	0	(67)	19	(86)	0.0%	
4910 Leat Repairs	0	0	2,000	2,000		2,000	0.0%	
9050 Public Rights of Way EMR 350	0	0	0	0	350	(350)	0.0%	
Community Wellbeing Miscellane :- Indirect Expenditure	(9,521)	11,443	41,600	30,157	1,241	28,916	30.5%	0
Net Income over Expenditure	9,921	(10,318)	(41,600)	(31,282)				

	Actual Current Mth	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
<u>840 Youth Services</u>								
4850 Youth Services	4,588	13,765	19,000	5,235		5,235	72.4%	
Youth Services :- Indirect Expenditure	4,588	13,765	19,000	5,235	0	5,235	72.4%	0
Net Expenditure	(4,588)	(13,765)	(19,000)	(5,235)				
Community Wellbeing Committee :- Income	400	1,793	500	(1,293)			358.5%	
Expenditure	(4,933)	28,928	61,600	32,672	1,321	31,351	49.1%	
Movement to/(from) Gen Reserve	5,333	(27,136)						
<u>Resources Committee</u>								
<u>100 Administration</u>								
1010 Interest Received	6	383	2,000	1,617			19.1%	
1020 Miscellaneous Income	0	300	200	(100)			150.0%	
1030 Precept	0	461,481	461,481	0			100.0%	
1040 Recycling Bags Income	22	595	0	(595)			0.0%	
1051 Christmas Event	0	0	500	500			0.0%	
Administration :- Income	28	462,758	464,181	1,423			99.7%	0
4000 Advertising	0	(75)	400	475	75	400	0.0%	
4030 Councillor Allowances	280	280	500	220		220	56.0%	
4035 General Administration/Other	86	2,122	1,650	(472)		(472)	128.6%	
4038 Card Processing charges	0	455	0	(455)		(455)	0.0%	
4045 Room Hire	119	119	500	381		381	23.8%	
4048 Audit Costs	0	760	3,000	2,240		2,240	25.3%	
4050 Photocopier	327	919	1,500	581		581	61.3%	
4051 Postage	70	247	400	153		153	61.9%	
4052 Stationery	11	620	1,500	880	5	876	41.6%	
4055 Subscriptions	0	2,274	1,600	(674)		(674)	142.1%	
4060 Telephone & Broadband	198	1,793	2,600	807	163	644	75.2%	
4061 Mobile phones	90	815	900	85	507	(422)	146.9%	
4062 Insurance	0	0	1,500	1,500		1,500	0.0%	
4063 Health & Safety Support	0	0	1,000	1,000		1,000	0.0%	
4065 Professional Fees	0	1,000	1,500	500		500	66.7%	
4068 IT Support	481	6,829	7,000	171	469	(298)	104.3%	
4070 Office Equipment	0	3,268	3,750	482	35	447	88.1%	
4072 Recycling Bags Expenditure	0	138	0	(138)		(138)	0.0%	
4075 Grants	0	(700)	3,000	3,700		3,700	(23.3%)	
4085 Mayoralty Fund	96	159	500	341		341	31.8%	
4090 Payroll Expenses	20,894	179,018	280,000	100,982		100,982	63.9%	

	Actual Current Mth	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
4091 Payroll Additional	0	2,503	0	(2,503)		(2,503)	0.0%	
4093 Homeworking Allowance	0	455	0	(455)		(455)	0.0%	
4094 Personal Protective Equipment	94	1,134	0	(1,134)		(1,134)	0.0%	
4115 Staff & Councillor Training	915	2,995	5,000	2,005	90	1,915	61.7%	
4130 Van Lease	330	2,973	4,000	1,027		1,027	74.3%	
4135 Van Running Expenses	78	1,713	2,000	287		287	85.6%	
4145 Gift of a Burrow (USE 502)	0	112	0	(112)	6	(118)	0.0%	
4855 Youth Council	0	0	200	200		200	0.0%	
4860 Election Contingency	0	0	5,000	5,000		5,000	0.0%	
Administration :- Indirect Expenditure	<u>24,067</u>	<u>211,924</u>	<u>329,000</u>	<u>117,076</u>	<u>1,350</u>	<u>115,726</u>	<u>64.8%</u>	<u>0</u>
Net Income over Expenditure	<u>(24,039)</u>	<u>250,834</u>	<u>135,181</u>	<u>(115,653)</u>				
Resources Committee :- Income	28	462,758	464,181	1,423			99.7%	
Expenditure	24,067	211,924	329,000	117,076	1,350	115,726	64.8%	
Movement to/(from) Gen Reserve	<u>(24,039)</u>	<u>250,834</u>						
<u>Planning/Licensing Committee</u>								
820 Neighbourhood Plan								
9086 Neighbourhood Plan	0	1,160	0	(1,160)		(1,160)	0.0%	1,160
Neighbourhood Plan :- Indirect Expenditure	<u>0</u>	<u>1,160</u>	<u>0</u>	<u>(1,160)</u>	<u>0</u>	<u>(1,160)</u>		<u>1,160</u>
Net Expenditure	<u>0</u>	<u>(1,160)</u>	<u>0</u>	<u>1,160</u>				
6000 plus Transfer from EMR	0	1,160						
Movement to/(from) Gen Reserve	<u>0</u>	<u>0</u>						
Planning/Licensing Committee :- Income	0	0	0	0			0.0%	
Expenditure	0	1,160	0	(1,160)	0	(1,160)	0.0%	
Net Income over Expenditure	<u>0</u>	<u>(1,160)</u>	<u>0</u>	<u>1,160</u>				
plus Transfer from EMR	0	1,160						
Movement to/(from) Gen Reserve	<u>0</u>	<u>0</u>						
Grand Totals:- Income	1,489	500,126	503,681	3,555			99.3%	
Expenditure	23,185	304,469	510,750	206,281	4,145	202,136	60.4%	
Net Income over Expenditure	<u>(21,696)</u>	<u>195,657</u>	<u>(7,069)</u>	<u>(202,726)</u>				
plus Transfer from EMR	0	1,160						
Movement to/(from) Gen Reserve	<u>(21,696)</u>	<u>196,817</u>						

Agenda No 7, 2022/2023 Precept

The Town Council is requested to agree the 2022/2023 request to be submitted to Mid Devon District Council.

Introduction

1. The Town Council uses the precept to fund expenditure and it is Cullompton Town Council's main source of funding.
2. Mid Devon District Council have asked to receive all 22/23 precept request by Friday 21 January 2022.
3. The Town Council, at its meeting on 23 September 2021, considered guiding principles for the 2022/2023 budget and resolved (Minute 368)

“RESOLVED

- (i) that as a guiding principle for the 2022/2023 budget the maximum increase per household that will be considered is 3%*
- (ii) that (i) above does not preclude assessing if there are any service areas where economies can be made.*

Budgets and Precept

4. The **budget** is the amount of money that the Town Council intends to spend, generate as income, save or otherwise allocate; it is usually divided into account codes or descriptions. In most cases a Committee has responsibility for specific budgets.
5. The **precept** is the amount of income raised through the billing authority (Mid Devon District Council) as Council Tax in order to provide services.
6. The budget and precept amounts do not have to be the same, for example the budget can exceed the amount of money raised through the precept if money can be taken from existing reserves for some items of expenditure.

2021/2022 Precept level

7. The precept for 2021/22 was £461,481 with a band D charge of £138.91 per household (based on 3322.06 band D properties and a collection rate of 96%)

2022/2023 Precept Level

8. To meet the guiding principle set by Council (detailed in 3 above) the level of precept requested must be £496,300 or less.
9. The amount of the Town Council's precept requirement will be dependent on its budget decisions (for consideration as Agenda No 9), particularly those regarding estimated income levels and any expenditure to be funded from the general reserve / carried forward from the 2021/2022 budget.

Town Council 24 January 2022
Supporting Paper C

10. The table below is provided for reference (based on band D) (please note the precept figure has been rounded to the nearest £100):

% change per household	£ change per annum per household	£ change per month per household	£ change per week per household	Precept (based on 22/23 band D numbers and collection rate)
0	0	0	0	£484,200
1% increase	+£1.39	+16p	+3p	£489,100
2% Increase	+£2.79	+23p	+5p	£493,900
3% increase	+£3.48	+29p	+7p	£496,300

Council Tax Capping

11. The Localism Act 2011 introduced the requirement for local authorities to hold local referendums on the level of Council Tax in an increase was considered to be excessive based upon a set of principles defined by the Secretary of State and approved by the House of Commons. Whilst no principles have yet been applied to parish and town councils the government expects town and parish councils to behave responsibly and protect their taxpayers from excessive precept increases. On 16 December 2021 the Secretary of State for Levelling Up, Housing and Communities published the Provisional Local Government Finance Settlement 2022/23 which includes the confirmation of no referendum principles for local (parish and town) councils in 2022/23

Council Tax Base

12. The council tax base is a calculated figure (not a real figure) of the number of dwellings converted to Band D equivalent. The method of calculation is set out in legislation and the calculation for Cullompton is undertaken by Mid Devon District Council (MDDC). Broadly the calculation works out the number of properties per council tax band in Cullompton (or the relevant parish) and then makes adjustments for
- New properties
 - Demolitions
 - Exempt properties
 - Disabled adaptations
 - Discounts
 - One adult households
 - No liable adults

The figure after adjustments is then multiplied by a specific factor to give a Band D equivalent.

13. Mid Devon District Council have notified the Town Council that the Cullompton council tax base for 2022/2023 will be 3485.57 compared to 3322.06 in 2021/2022

Council Tax Collection Rate

14. Mid Devon District Council have notified the Town Council that the estimated council tax collection rate for 2022/2023 will increase to 97.5% from 96%.

Town Council 24 January 2022
Supporting Paper C

Report Author: Town Clerk & Responsible Financial Officer
Report prepared: 30 December 2021, updated 12 January 2022

