

**TAVISTOCK TOWN COUNCIL  
BUDGET & POLICY COMMITTEE**

**13<sup>th</sup> DECEMBER 2022**

**BUDGET PREPARATION AND PRECEPT SETTING 2023/24**

**a. PURPOSE OF REPORT**

To provide the Committee with an opportunity to consider and agree, for recommendation to Council, the Budget for the 2023/24 Financial Year prepared pursuant to the Committee's previous deliberations as at September/November 2022, and prior in year reporting.

**b. CORPORATE POLICY CONSIDERATIONS**

The effective management of resources and appropriate forward planning underpin the delivery of the Council's Strategic Plan and support its commitment to value for money, the promotion of best value and continuous organisational improvement. In view of the particular and continuing (especially inflationary pressure related) circumstances affecting the finances of the Council, all elements of the Strategic Plan are potentially engaged, alongside impacts on future capacity.

**c. LEGAL & RISK MANAGEMENT ISSUES**

The Council is under an obligation to consider, approve and adopt a Budget, including where appropriate, necessary authority for the issue of a Precept upon the relevant Authority. More generally the legal and risk management issues associated with the Budget preparation and Precept setting for 2023/24 are as set out in previous reports. It is recognised that, whilst the level of organisational risk arising from the pandemic has receded, there are exceptional revenue pressures arising from inflation as previously reported.

The Budget as developed over the past three months by this Committee and Council (see most recent report), incorporating the accompanying fee schedule, represents a prudent and proportionate approach to the mitigation of that financial risk.

**d. RESOURCE ISSUES**

The resource issues associated with this report are as set out in the attachments and in previous reports.

e. **ENVIRONMENTAL ISSUES**

There are no environmental issues directly arising in connection with this Report. However, all areas of spend are subject to review and recommendation at the time of resource allocation through the corporate reporting framework.

f. **COMMUNICATIONS ISSUES**

The content of this report has been developed in association with the Council's Management Team and Accountant, and is consistent with the recent deliberations of the Committee and Council.

g. **RECOMMENDATIONS**

The Budget and Policy Committee and Council consider, endorse and approve:

- i. The appended Schedule of Fees and Charges 2023/24 (subject to the outcome of consultation with traders in respect of Market Fees and Charges); and
- ii. Subject to the endorsement of (i) above the draft appended Budget for Tavistock Town Council 2023/24 as appended incorporating the savings, assumptions and projections as previously submitted to/endorsed by Council.

**1. BACKGROUND**

- 1.1 Historically Tavistock Town Council has each year made extensive use of its commercial income to subsidise services to the community. Because of the effect of Coronavirus on those income streams the Budget Preparation process previously was substantially affected and the Council introduced a range of mitigating measures to address, what were primarily, substantial shortfalls in income.
- 1.2 As extensively previously reported the current financial year has been characterised by major new pressures – now on revenue expenditure, which are expected to continue into the new financial year and beyond. Accordingly remedial measures have been applied this year and the principles for Budget/Precept setting next year agreed and applied to produce the appended proposed Budget and Precept.
- 1.3 The foregoing represents the context in which this report has been prepared, alongside the prior commitments made to address revenue pressures in the year in which they occurred, alongside setting a Precept that did not exceed the prevailing rate of inflation.

## **2. FEES AND CHARGES**

- 2.1 A schedule of proposed fees and charges for next year and relating to each department is enclosed (Appendix 1 refers). Whilst in general the proposals are self-explanatory, there is one area to which attention is drawn in particular – namely the Pannier Market. On the one hand it is recognised that a significant increase in fees and charges took place last year (in the order of 11%).
- 2.2 This followed both a period of disruption to traders whilst essential building and public realm works took place, and also came after a period without increases.
- 2.3 However, for reasons that are well documented the Council finds itself with substantially increased revenue operating costs, including for Market activities – energy, insurance, staffing etc.
- 2.4 Consequently, and subject to consultation with Market Traders - which the General Manager will report at your meeting, an increase of approximately 5% is suggested reflecting an equitable balance between increased costs and ensuring a healthy vibrant market and supporting a diverse range of traders.
- 2.5 In the interests of clarity it should be noted that fees and charges for Pannier Market pitches are also historically linked to 'lock up' rents (although the latter are on two year agreements so there is necessarily a variable (according to when an agreement was entered) 'lag' before rents 'catch up').
- 2.6 Regarding markets there is also the continuing uncertainty associated with a lack of clarity in the interpretation applied by HMRC to guidance in relation to them and the option to tax (VAT) previously reported.

## **3. NEXT STEPS**

- 3.1 In addition to the Schedule of Fees and Charges the Budget documents comprising copy Budget Summary, together with Budget Summary (detail gross income) and (detail gross revenue expenditure) (Appendix 2) are attached. The Rolling Capital Programme has previously been endorsed.

- 3.2 It should be noted that, in accordance with the previous decisions of Council, the Budget is based upon a set Precept level per Band D property. Doing so enables any positive change there may be in Council Tax Base (not yet announced) to support the RCP (which would otherwise be unfunded).
- 3.3 For more detailed information the budget papers otherwise submitted at your November Meeting continue to be current subject to amendments (increase) made to reflect a change in salary costs anticipated from the triennial review of employer contributions to the LGPS (iro £5,732).
- 3.4 Looking forward, and after factoring in the changed income outlined above, the projected Precept increase for 2023/24 is therefore 9.75% (equating to iro thirty-five pence per week for a Band D property). This accords with the previous undertakings that the Council would seek to keep the Precept below the rate of inflation (in the baseline month of October 2022 the RPI was 14.2% and CPI 11.1% - both of which were projected by the Bank of England to continue at above its target level moving toward and into the new financial year).
- 3.5 The Committee will also be mindful of continuing emergency works that the Council will need to undertake in the course of the next financial year which are as yet uncertain as to cost. However, the residual balance in the RCP provides a degree of support for some (but not all) of these which, alongside the extraordinary maintenance reserve, should give some support if an unanticipated emergency occurred in year.

#### **4. CONCLUSION**

- 4.1 During Covid the Council addressed an unprecedented level of pressure upon its financial position with a major focus on income lost and increased costs associated with capital works in progress. Whilst pressure on capital works continues the brunt of pressure now falls against revenue expenditure.
- 4.2 The Budget and the Precept reflect the extensive work undertaken by the Council in this regard to respects both its needs as a service provider to the community it serves, and those of the rate payer.

4.3 Future financial administration will continue to require vigilance, rigour and discipline to build capacity to sustain services, and then in due course, deliver new initiatives. The submitted Budget as set out, derived from the thorough and ongoing deliberations of the Council and previously agreed mitigations represents a material step in that direction. It serves to mitigate so far as prudent the Council Tax increase next year and, other factors notwithstanding, prospectively returns finances to a more stable position thereafter.

## **5. RECOMMENDATION**

5.1 The Committee recommend the adoption of the Tavistock Town Council Budget and Precept 2023-24 as set out.

5.2 The instructions of the Committee and Council are sought.

**CARL HEARN  
TOWN CLERK  
DECEMBER 2022  
TAVISTOCK TOWN COUNCIL**



**Budget Summary**

Year Ended 31st March 2024

	2022/23		2023/24	Budget
	Projected	Budget (revised)	Proposed	Incr/Decr
<b>REVENUE EXPENDITURE</b>				
Finance & General Purposes	595102	547683	640181	92498
Properties Leisure/Recreation	81948	74491	67236	-7255
Car Parks & Toilets	65198	71817	69120	-2697
Buildings (excl Loan Charges)	777470	763875	868873	104998
Markets & Shops (excl Loan Charges)	324798	315378	382003	66625
	<u>1844516</u>	<u>1773244</u>	<u>2027413</u>	<u>254169</u>
<b>INCOME</b>				
Finance & General Purposes	94623	71740	100890	29150
Properties Leisure/Recreation	52068	52120	52879	759
Car Parks & Toilets	45000	24500	25000	500
Buildings (excl Loan Charges)	48625	59800	55500	-4300
Markets & Shops (excl Loan Charges)	888917	912649	958200	45551
	<u>1129233</u>	<u>1120809</u>	<u>1192469</u>	<u>71660</u>
<b>NET REVENUE EXPENDITURE</b>	<u>715283</u>	<u>652435</u>	<u>834944</u>	<u>182509</u>
<b>CAPITAL EXPENDITURE (NET)</b>				
Capital Projects (Gross)	262568	3500	3500	0
Less: Funded from Equipment Repl't Reserve	-15760	0	0	0
Less: Funded from Projects Reserve	-243700	0	0	0
	<u>3108</u>	<u>3500</u>	<u>3500</u>	<u>0</u>
Rolling Capital Fund	89000	89000	0	-89000
Land Acquisition	0	0	0	0
Localism	0	0	0	0
Equipment Replacement	6505	2906	6505	3599
THI Properties Sinking Fund	27500	27500	27500	0
Guildhall Sinking Fund	12750	12750	12750	0
Loan charges				
Interest	21463	21899	20162	-1737
Capital	42530	42564	42832	268
	<u>202856</u>	<u>200119</u>	<u>113249</u>	<u>-86870</u>
<b>TOTAL NET EXPENDITURE</b>	<u>918139</u>	<u>852554</u>	<u>948193</u>	<u>95639</u>
Financed as follows				
General Reserve at 1st April	694551	726344	628966	
General Reserve at 31st March	628966	726344	616451 **	
Used to Fund Expenditure/(Build Reserves)	65585	0	12515	
Precept Required	852554	852554	935678	83124 9.75%
<b>TOTAL TAXATION FUNDING REQUIRED</b>	<u>852554</u>	<u>852554</u>	<u>935678</u>	<u>83124</u> 9.75%
	<u>918139</u>	<u>852554</u>	<u>948193</u>	<u>83124</u>

**ADJUSTED BASIS**

Band D Equivalents	4570.42	4570.42	N Y A	
Precept per Band D Equivalent (£/annum)	£186.54	£204.72		£18.18 9.75%
Precept per Band D Equivalent (p/week)	357.75	392.61		34.87

**Note: Recommended minimum reserve equal to 12 months net expenditure	736746	674334	855106	23/24 Add'l
Shortfall between Actual & 12 mths	107780		238655	130875
Current Target 9 months	552560	505751	641330	
Absolute minimum 6 months	368373	337167	427553	

<b>Earmarked Reserves</b>	31/03/2022 Actual	31/03/2023 (Projected)	31/03/2024 (Available)
Rolling Capital Fund (excl Planned Projects)	527484	372784	265004
Less: Used to rebuild Gen Rsv to 12 Mths		-107780	-130875
Rolling Capital Fund (after General Reserve Funding)	527484	265004	134129
Land Acquisition	50000	50000	50000
Economic Support/Bad Debts	50000	50000	50000
Equipment Replacement	84244	74989	81494
Irrecoverable VAT	20000	20000	20000
Elections	22098	23598	25098
Charter Trees	457	457	457
Extraordinary Maintenance	86915	86915	86915
Town Centre Benches	0	20000	20000
	841198	590963	468093
THI Properties Sinking Fund	162500	190000	217500
Guildhall Sinking Fund	76500	89250	102000
	<u>1080198</u>	<u>870213</u>	<u>787593</u>





**Tavistock Town Council****(Updated 06/12/2022)****Budget Summary - Detail****Year Ended 31st March 2024****Gross Income**

	<b>2022/23</b>		<b>2023/24</b>	<b>Budget</b>
	Projected	Budget	Proposed	Incr/Decr
	<i>(revised)</i>			
<b>Finance &amp; General Purposes</b>				
Administration	4100	4100	4100	0
Democratic	21071	2500	3250	750
Town Hall Bar	17327	26800	20800	-6000
Cemetery	33125	36840	37740	900
Corporate Management	19000	1500	35000	33500
Grants GPC	0	0	0	0
THI (TTC Costs)	0	0	0	0
	<u>94623</u>	<u>71740</u>	<u>100890</u>	<u>29150</u>
<b>Properties</b>				
<b>Leisure/Recreation</b>				
Allotments	16	10	16	6
The Meadows	3893	3500	3753	253
Play Equipment	0	0	0	0
Goose Fair	44174	45000	45000	0
Garden Festival	3375	3000	3500	500
Open Spaces/Monuments	610	610	610	0
	<u>52068</u>	<u>52120</u>	<u>52879</u>	<u>759</u>
<b>Car Parks &amp; Toilets</b>				
Car Parks	25000	24500	25000	500
Public Lighting	0	0	0	0
Public Toilets	0	0	0	0
Public Toilets ex WDBC	0	0	0	0
Town Centre	20000	0	0	0
	<u>45000</u>	<u>24500</u>	<u>25000</u>	<u>500</u>
<b>Buildings</b>				
Guildhall	4390	0	0	0
Town Hall	24250	46400	35900	-10500
Workshop Depot	14885	13300	14500	1200
General Property Services	0	0	0	0
Court Gate Properties	5100	100	5100	5000
	<u>48625</u>	<u>59800</u>	<u>55500</u>	<u>-4300</u>
<b>Markets &amp; Shops</b>				
Duke Street Shops	189150	206650	196650	-10000
Pannier Market	424717	453289	475700	22411
Pannier Market Shops	168350	151850	170850	19000
Cattle Market	20700	20700	20700	0
Corn Market	12500	12500	12500	0
Market Road Properties	8100	14100	14400	300
Butchers Hall	33000	30000	35000	5000
Bedford Square	32400	23560	32400	
	<u>888917</u>	<u>912649</u>	<u>958200</u>	<u>45551</u>
<b>Total Income</b>	<u>1129233</u>	<u>1120809</u>	<u>1192469</u>	<u>71660</u>

0  
0



**Tavistock Town Council**

**(Updated 06/12/2022)**

**Budget Summary - Detail**  
**Gross Revenue Expenditure**

**Year Ended 31st March 2024**

	<u>2022/23</u>		<u>2023/24</u>	Budget	Loan Charges			
	Projected	Budget (revised)	Proposed	Incr/Decr	Interest (22/23 Projected)	Capital	Interest (2023/24)	Capital
<b>Finance &amp; General Purposes</b>								
Administration	187160	177369	200270	22901				
Democratic	115013	108645	116721	8076				
Town Hall Bar	8060	11580	10180	-1400				
Cemetery	35834	33508	34854	1346				
Corporate Management	227755	195581	257156	61575				
Grants GPC	21280	21000	21000	0				
THI (TTC Loan Costs)	0	0	0	0	10011	20000	9447	20000
	<u>595102</u>	<u>547683</u>	<u>640181</u>	<u>92498</u>				
<b>Properties</b>								
<b>Leisure/Recreation</b>								
Allotments	100	100	0	-100				
The Meadows	13259	10147	10500	353				
Play Equipment	20800	20800	10800	-10000				
Goose Fair	42730	38757	42256	3499				
Garden Festival	0	250	100	-150				
Open Spaces/Monuments	5059	4437	3580	-857				
	<u>81948</u>	<u>74491</u>	<u>67236</u>	<u>-7255</u>				
<b>Car Parks &amp; Toilets</b>								
Car Parks	15331	15550	8200	-7350				
Public Lighting	20867	18767	23420	4653				
Public Toilets	4000	4000	4000	0				
Public Toilets ex WDBC	5000	33500	33500	0				
Town Centre	20000	0	0	0				
	<u>65198</u>	<u>71817</u>	<u>69120</u>	<u>-2697</u>				
<b>Buildings (excl Loan Charges)</b>								
Guildhall	89611	85000	113320	28320	8905	12344	8614	12635
Town Hall	180477	170848	176087	5239				
Workshop Depot	416537	414404	444716	30312				
General Property Services	90845	93623	134750	41127				
Court Gate Properties	0	0	0	0	46	186	35	197
	<u>777470</u>	<u>763875</u>	<u>868873</u>	<u>104998</u>				
<b>Markets &amp; Shops (excl Loan Charges)</b>								
Duke Street Shops	3227	7450	4250	-3200				
Pannier Market	235550	224540	267343	42803				
Pannier Market Shops	2236	2493	2920	427	2501	10000	2066	10000
Cattle Market	0	0	0	0				
Corn Market	0	0	0	0				
Market Road Properties	2938	1300	600	-700				
Butchers Hall	80847	79595	106890	27295				
Bedford Square	0	0	0	0				
	<u>324798</u>	<u>315378</u>	<u>382003</u>	<u>66625</u>				
<b>Total Revenue Expenditure</b>	<u>1844516</u>	<u>1773244</u>	<u>2027413</u>	<u>254169</u>	<u>21463</u>	<u>42530</u>	<u>20162</u>	<u>42832</u>

