

## REPORT TO THE FINANCE, EMPLOYMENT & SERVICES COMMITTEE



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<b>Date</b>	<b>4<sup>th</sup> May 2021</b>
<b>SUBJECT</b>	<b>2021/2022 Budget Amendments</b>

### PURPOSE:

1. To inform the Committee that amendments need to be made to the agreed budget to incorporate the decision made to cancel all events up until 1<sup>st</sup> September 2021.
2. To ensure that the Council begins the year with a more appropriately aligned budget that mirrors the activities of the Council for the period.

### BACKGROUND:

3. The Council's three-year budget was approved by Full Council in December 2020, alongside an agreement not to increase the burden on the Taxpayer and call for a Precept that maintains the existing level of £135.51 for a Band D Taxpayer.
4. A report was presented to Full Council on 15<sup>th</sup> December 2020 stating that the Colne Tax Base for the Precept had been reduced from 4681.7 to 4636.3 for the financial year 2021/22, resulting in a reduced precept income of £628,265 for the forthcoming year.
5. It was agreed for Colne Town Council to fund the deficit of £6,152 either by reducing the proposed revenue budget, funding from year-end surplus, or by taking from Reserves.
6. During the last FES meeting, Committee members were presented with a breakdown of the Insurance Premium for 2021/22. Due to a number of additions and amendments to the Council's insurance provision, the Committee were informed that the agreed budget for the forthcoming year is insufficient to cover the increased premium.
7. The FES Committee agreed to use part of the now redundant Blues Festival budget to cover the Insurance deficit.

### FINANCIAL CONSIDERATIONS:

8. As the Blues Festival budget is now available for re-allocation, it is proposed that both the Insurance Premium and Precept deficits are funded through the revenue budget.
9. A number of amendments are being proposed, the main changes being the removal of the 2021 Blues Festival budget of net -£26,449, a reduction in events income and expenditure net -£321,

an increase in the training budget for the year +£4,000 (Lengthsman), an increase in Insurance budget +£1,451, increase in Town Hall Repairs & Maintenance +£11,500, a reduction in Senior Support and Staff Recruitment -£6,000, removal of the Town Hall Phase 2 budget -£5,000, and the addition to the local grant budget +£9,824 to cover the payment to CYAG. (A full breakdown of proposed amendments is provided in Appendix 1 to this report.)

10. The amended budget of £691,878 provides a more appropriate, balanced budget for 2021/2022.

#### **RECOMMENDATION:**

11. That the FES approves the budget amendments set out in the Appendices 1 & 2 of this report and operate the balanced budget of £691,878 for the financial year 2021/2022.

#### **REASONS FOR RECOMMENDATION**

12. To ensure that the Council begins the year with a more appropriately aligned budget that mirrors the activities of the Council for the period.

#### **SUMMARY OF KEY POINTS:**

13. Imposed government restrictions for COVID-19 have led to decisions being made that have rendered the 2021/2022 budget that was agreed by Full Council in December 2020 as inappropriate.
14. Amendments to the budget are required in order to operate a balanced budget for the forthcoming year.

#### **POLICY IMPLICATIONS:**

15. The Local Government Association (LGA) states that every Council must have a balanced and robust budget for the forthcoming year.

#### **DETAILS OF CONSULTATION:**

16. None

#### **SUPPORTING PAPERS:**

- Appendix 1 Detailed budget amendments by cost code
- Appendix 2 Budget amendment summary

FURTHER INFORMATION, PLEASE CONTACT: Gina Langley