

**TAVISTOCK TOWN COUNCIL
BUDGET & POLICY COMMITTEE**

16th JANUARY 2024

BUDGET PREPARATION AND PRECEPT SETTING 2024/25

a. PURPOSE OF REPORT

To provide the Committee with an opportunity to consider and agree, for recommendation to Council, the Budget for the 2024/25 Financial Year prepared pursuant to the Committee and Council's previous deliberations as at Autumn 2023, 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. Notwithstanding significant progress in view of continuing (see next section) circumstances affecting the finances of the Council, all elements of the Strategic Plan are potentially engaged, alongside prospective consequential 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 2024/25 are as set out in previous reports. It is recognised that, in particular, there are continuing revenue pressures arising from inflation as previously reported.

On the basis of the information available the Budget as developed over the past four months by this Committee and Council (see most recent prior report) 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 this Committee and Council.

g. **RECOMMENDATIONS**

The Budget and Policy Committee and Council consider, endorse and approve the draft appended Budget for Tavistock Town Council 2024/25 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 was in previous years substantially affected. Accordingly the Council introduced a range of mitigating measures to address, what were primarily, substantial shortfalls in income, the effects of which are continuing.
- 1.2 Subsequently, and as extensively previously reported, the last financial year was additionally characterised by major new pressures on revenue expenditure. Remedial measures were applied and the principles for Budget/Precept setting in the next year agreed and applied.
- 1.3 The current financial year has seen less by way of exceptional new pressures (such as insurance premiums, energy costs etc), notwithstanding the continuing and growing impact of general inflationary pressures.
- 1.4 In recognition of those wider pressures within the community at large the Council has continued to adhere to the principle that, alongside the prior commitments made to address revenue pressures in the year in which they occurred, the Precept set should not exceed the prevailing rate of inflation.

2. UPDATE

- 2.1 In accordance with the determination of the Committee and Council previously the appended documents now incorporate the final amendments as made, namely:- adjustments for changes to the Council Tax base, to reflect increased Market Tolls, addition of £10,000 to the Burial Ground EMR, introduction of a (currently unfunded) EMR line for 'Allotment Land', General Reserve to reflect a minimum of 12 months provision, addition of RCP to reflect the temporary virement from Public Conveniences EMR to Property Maintenance. It also acknowledges the estimated £3,800 reduction arising from policy decisions by the Billing Authority in connection with Council Tax benefits.

3. NEXT STEPS

- 3.1 In addition to the revised Schedule of Fees and Charges (Appendix 1) and Rolling Capital Programme (Appendix 2 – to follow) the Budget documents comprise copy Budget Summary (Appendix 3), together with Annual Budget by Centre (Appendix 4) and by Account Code (Appendix 5) which are attached.
- 3.2 For more detailed information the budget papers otherwise submitted at your October Meeting continue to be current subject to amendments listed in para 2.1 above as/where applicable.
- 3.3 Looking forward, and after factoring in the changed income outlined above, the projected Precept increase for 2024/25 is therefore 1.23% (equating to iro 4.81 pence per week for a Band D property). This accords with the previous undertaking that the Council would seek to keep the Precept below the rate of inflation (in the baseline month of October 2023 the RPI was 6.1% and CPI 4.6% - 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).
- 3.4 The Committee will also be mindful of anticipated works that the Council will need to undertake in the course of the next financial year, some of which are as yet uncertain as to cost. However, the residual balance in the RCP provides a degree of support.

4. CONCLUSION

- 4.1 Reflecting on the past year, and looking ahead also, it remains the case that whilst pressure on capital works continues the brunt now falls against revenue expenditure in the round.

4.2 The accompanying Budget and the associated Precept reflect the extensive work undertaken by the Council in this regard to respect both its needs as a service provider to the community it serves, and those of the rate payer at a time of general financial pressures.

4.3 It continues to be the case that future financial administration will 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. In doing so it serves to mitigate, so far as prudent, the Council Tax increase next year and prospectively returns Council finances to something akin to 'normality' (all other factors notwithstanding) thereafter.

5. RECOMMENDATION

5.1 The Committee recommend the adoption of the Tavistock Town Council Budget and Precept 2024-25 as set out.

5.2 The instructions of the Committee and Council are sought.

**CARL HEARN
TOWN CLERK
JANUARY 2024
TAVISTOCK TOWN COUNCIL**