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Oswestry Town Council

Summary report on the Budget and Policy Planning Seminar held on Wednesday 4th November 2020 at 7.20 pm via Zoom.

Present: The Mayor, Councillor D Kerr
Councillors P A Cherrington, M Coppock,
V Hunt, M Isherwood, M Jones, D P Milner,
S Mason, R Radford, O Rose and C Schofield

In the Chair: Councillor D Kerr

Also in Attendance: A Roberts, Town Clerk
R A Dyke, Finance Officer
S Cranmer, Operations Manager

1. Apologies

Apologies for absence were received from:

Councillor S Best – family commitments

Councillor B Edwards – work

Councillor R Evans - personal

Councillor N Hughes – family commitments

Councillor L Maguire – personal

Councillor J Moore - family commitments

Councillor J Price – family commitments

RESOLVED the apologies be accepted.

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2. **Welcome and Introduction**

The Mayor opened the Seminar advising its aim was to look towards the budget setting process for 2021/22 and beyond with a particular focus on the immediate financial position of the Council and the potential impact on the precept to reflect the challenges faced.

Furthermore, to review committing future expenditure against the Capital receipt.

The Mayor spoke of the devastating impact of the Coronavirus throughout 2020/21 and its inevitable impact upon the Council's reserves and future financial position.

3. **Disclosure of Pecuniary Interests**

To receive declarations under consideration on this agenda in accordance with the Localism Act 2011 s32 and The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012.

Resolved no disclosures were made.

4. **Agenda**

The Town Clerk outlined the Agenda for the evening.

The Agenda was:

Context

Current and Projected Financial Position

Overview of the First Draft Budget

Questions

Next Steps

5. **Our Corporate Position**

Councillors were reminded of the Council's Corporate Vision:

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“To provide leadership, promote community and economic wellbeing and to offer a high standard of services, events and activities for residents, businesses and visitors in Oswestry.”

6. Context

The Town Clerk provided a background to budget preparation in light of the Coronavirus pandemic:

- Start now, sign off on the 11th January 2021.
- Next Council’s budget.
- Precept relatively small proportion of overall income.
- Car Park income has fallen significantly.
- Previously we have tried not to be over optimistic in our income predictions, this has resulted in levels of reserves increasing steadily over a number of years – the medium-term risk is that we go into reverse.
- Still in a very strong financial position but a great deal of uncertainty remains.
- Difficult predicting 2020/2021 year end outturn – actual balances may be greater or less than the estimates at this point.
- Council’s reserve policy £1.7m to £2m protects the Council against any unexpected, significant expenditure.
- Higher than most Councils.
- Based on 1st draft budget 2021/22 sees net expenditure of £217,000.
- Still allows Council to deliver services and events without significant change.

The Precept

Year	Precept	Increase	Band D	Increase
2019/20	£404,000.00		£76.54	
2020/21	£416,000.00	£12,000.00	£78.07	£1.53
2021/22	£428,500.00	£12,500.00	n/k	n/k

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7. Current and Projected Financial Position

The Finance Officer gave a brief summary of the anticipated reserves as at 31st March 2021 and 31st March 2022.

“This has been one of the hardest budgets to prepare and predict.

If I start with our current balance. As at 31 October = £2,188,724. When we did the draft budget last week we thought we may have a balance of around £2,009,739 but that was before the latest lockdown.

As a result of anticipated drop in car park income and lost market rents over November, whilst there will be some cost savings, we could lose another £40,000 - £45,000 this month which will reduce our balance further to maybe £1,965,000 as at 31 March 2021. This is obviously just our best estimate as there are so many factors that may influence our finances over the coming months.

Initial indications for next year so far could see our balances fall by a further £217,000 which would reduce our balances to under £1.8 m.

The draft budget and anticipated income falls and cost savings analysis have been circulated but anything could happen over the coming months and figures will inevitably alter”

8. Budget 2021/22 – Final Draft

The Town Clerk continued outlining the initial steps and concerns regarding the first draft budget in circulation highlighting:

- More prudent estimates on income.
- All things being equal would need a 3% increase in precept but risks around the council tax base.
- Income down and costs increase – limited ability to increase income.
- Some flexibility on costs but risks on income.
- Planning for the unknown e.g. the cost of the 2021 elections.

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- Included all event activities.

Regarding income:

- Cemetery – difficult to predict may be able to increase estimated income budget.
- Edinburgh Woollen Mill – no figure included.
- Indoor market – optimistic budget
- Car Park – realistic based on current year.
- Fees and charges for the market?

9. Capital Programme 2020/21

Moving on the Town Clerk highlighted the capital programme for 2020/21 and 2021/22.

- Little detail currently but needs to include:
- Street lighting upgrade - £20,000 from revenue.
- Heritage High Street Action Zone £500,000 from Smithfield Capital Receipt.
- Match for the Marches Area Renewable Energy Fund from Smithfield Capital Receipt.
- 2019/20 slippage.

10. Smithfield Capital Receipt Windfall

The spend to date was outlined as being:

Opening Balance	£4,000,169	
2015/16	£80,000	Oswestry Cricket Club
2017/18	£22,000	Cemetery Garden of Remembrance
2018/19	£79,000	Wilfred Owen Sculpture
2018/19	£109,000	Cae Glas Park WC Refurbishment
2018/19 & 2019/20	£120,000	Cambrian Heritage Railway Trust
Balance	£3,590,169	

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Future potential allocation:

• Heritage Action Zone Match Funding	£500,000
• Town Centre Public Realm Improvements	£600,000
• Cae Glas Park Improvements	£100,000
• Powis Hall and Bailey Head	£250,000
• Oswestry Town Council Capital Programme	£600,000
• Other March Funding Reserve	£500,000
• Public Projects (Ideas)	£250,000
• Innovation Fund	£100,000
• Land Acquisition	£400,000
• Feasibility Studies and Seed Funding	£150,000
• Carbon reduction and environmental projects	£250,000

11. Questions

The Town Clerk asked Members to consider early thoughts on the Precept 2021/22 and potential fees and charges in the move forward.

Issues raised included:

- To record thanks to the Responsible Finance Officer, Operations Manager and Town Clerk for their diligence and hard work in budget preparation.
- To reiterate the immense difficulty in formalising the budget during such complex and ever-changing times.
- To note advice from the Town Clerk that campaigning had continued with SALC/NALC/LGA over potential NNDR reductions. Whilst the Council could see NNDR reduction on the Central Car Park public conveniences, the attempts by the Operation Manager to get NNDR reductions on the Powis Hall market had been in vain.
- To note reductions of the NABMA Service Level Agreement as agreed.

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- The Town Clerk and Operations Manager bring back a report to the Council on potential internal improvements and external redecoration of the CCP public conveniences.
- Potential allocation of the Smithfield windfall to be included within the budget papers to inform the public of the Council's potential projects for its spent.
- The Mayor and Chairman of Finance & General Purposes issue a public statement on the Council's financial position highlighting that prudence shown over several years has proven a successful policy in the light of the year's pandemic and dramatic income losses. Offer assurance that the Council's finances would remain relatively healthy this year and next, however highlight the Council's portfolios might have to be revisited and reviewed in future years to raise additional finance.
- To note receipt of a letter requesting free Christmas parking in December and it be placed before full Council for consideration noting a "loss" in income of £6,000 could result.

12. Precept, Fees and Charges 2021/22

Members expressed the general view that any precept increase should not exceed 3% and to recommend no increase in car parking fees or market rent.

The Mayor closed the meeting at 8.00 pm thanking Members and Officers for their attendance and input.

**The Mayor Councillor D Kerr
Chairman**

