

APPENDIX D

BUDGET 2011/12 – 18TH NOVEMBER 2010

1. INTRODUCTION

In November 2008 the Town Council decided due to the difficult economic circumstances at that time not to raise the precept for the following year. This resulted in expenditure exceeding income by around £42k in the 2009/10 financial year. The deficit was met by drawing from the council's reserves, leaving them well below the Audit Commission's recommended level of one to one-and-a-half times precept.

In November 2009 the Town Council decided that no more monies should be taken from reserves and that, if possible, funds should be added in order to bring them up nearer the recommended level. The agreed budget for 2010/11 was very tight and involved some difficult decisions, in particular to eliminate S137 and similar grants to local organisations. The precept was raised by £21k, around 18% with several councillors expressing the view that it had been a mistake not to raise it by a small percentage in the previous year rather than having to then put it up by such a high percentage figure.

2. THE BUDGET

This is set out in the paper together with bullet points highlighting the proposed changes. The precept needed will be £138,720, 2% increase on this year's figure of £136,000.

3. KEY POINTS

RESTRICTIONS ON RAISING PRECEPT: There is a strong possibility that it will be impossible or extremely difficult to increase the precept in 2012/13. This has been taken into account in setting the draft budget in case the overall budget figure needs to cover two years.

FIGURES OBTAINED SINCE THE FINANCE WORKING PARTY: Further work on the income and expenditure figures since the Finance Working Party held on 4 November has shown that the year-end position is likely to be more favourable than previously thought. Costs have been contained below the budgeted figure and income is higher. As a result, in some instances an alternative recommendation to that proposed by the Working Party is being made. These are as follows:

- **QES Maintenance:** An additional £10k, giving £18k in all, to allow for the French drain and other structural and remedial work. Hopefully, not all of this will be needed, but it is prudent to allocate funds at this stage.
- **Grants:** This year, no S137 and similar grants have been made. The Finance Working Party recommended that for 2011/12 an exception should be made for the Citizen's Advice Bureau and a grant of £575

awarded. Given the improved outturn figures, it is now possible to reinstate £12k for grants which would include the requested sum for the CAB.

- **Play Equipment:** £4k for two springers requested by Cllr Taylor for the play area at Queen’s Walk
- **Picnic in the Park:** The Finance Working Party recommended that the current (and longstanding) grant of £8k should be reduced to £4k for next year. It is now possible to have a lower reduction to £6k for 2011/12, with a further reduction to £4k in 2012/13, which would give the Community Association more time to find ways of raising income to replace the Council grant.
- **Reserves:** Add £2k to the reserves, bringing them closer to the recommended level. Reserves would then total £239,224, comprising £70k for Judith’s Field; £14.7k for 2012; £17k for MUGA; and £137,544 in the general reserve. Work is about to start on scoping the cost of the rebuilding or major refurbishment of the JF pavilion, as the earmarked £70k cannot be held in reserve for much longer without our being questioned about having this sum sitting doing nothing year after year.

CHARGES: The Finance Working Party recommended increased charges for QES and JF. Subsequent to the meeting concerns were raised that the proposed QES increases were too steep and might well result in fewer bookings and diminishing returns. Charges in Brampton and Huntingdon have been investigated. Huntingdon’s Commemoration Hall facilities are not directly comparable. Brampton’s charge for the Community Hall which is larger than the QES large hall is £2.25 per hour cheaper than QES at £8.25 per hour, due to increase to £8.50 next year. The table below shows current charges, Finance working Party recommendations and adjusted subsequent recommendations.

| QES | 2010 | FWP Rec | Alternative Rec |
|--|---------|---------|-----------------|
| Weekdays | | | |
| Small Hall | £7.50 | £9.00 | £8.50 |
| Large Hall | £10.50 | £12.00 | £11.50 |
| Both Halls | £17.00 | £20.00 | £19.00 |
| Weekends | | | |
| Small Hall | £8.50 | £10.00 | £9.50 |
| Large Hall | £12.00 | £14.00 | £13.00 |
| Both Halls | £20.00 | £22.00 | £21.00 |
| Supplements | | | |
| Children’s parties under 10 | Nil | Nil | Nil |
| Parties – GMC residents | £25.00 | £30.00 | £25.00 |
| Non GMC residents | £50.00 | £60.00 | £50.00 |
| Commercial use per day | £100.00 | £150.00 | £120.00 |
| Cancellation | £10.00 | £10.00 | £10.00 |
| Refundable deposit for adult parties GMC residents | £50.00 | £50.00 | £50.00 |
| Non GMC residents | £50.00 | £150.00 | £150.00 |

The Finance Working Party agreed that Free of Charge hire to Friends of the QES; Godmanchester Community Association and Godmanchester in Bloom would be limited to 6 free periods of hire in any calendar year (from January to December). After these 6 free sessions, charges would be made in accordance with the above schedule.

Note: It is difficult to model accurately the effect on income of the two different recommendations on charges. For example, would the higher set of charges result in fewer bookings and therefore lower income? For the purposes of this paper I have therefore taken them as revenue neutral.

For completeness on charges, the Finance Working Party recommendations on JF and cemetery charges are as follows:

- JF hire to rise from £7.00 to £8.00 per hour; for Jack and Jill from £5.50 to £6.00 per hour; daily commercial use rate to remain unchanged at £40.00.
- Cemetery charges were increased last year and are quite high compared to surrounding locations. It is proposed to leave most charges unchanged apart from increasing the charge for the burial of cremated remains from £85.00 to £105.00 and introducing charges for erecting gravestones (£50.00) and plaques on the ashes plot (£30.00).

4. OTHER CHANGES RECOMMENDED BY THE FINANCE WORKING PARTY

SAVINGS COMPARED TO 2010/11

- Petty cash - £50.00
- Telephone/internet - £500
- Audit - £200
- New equipment - £1k
- Civic Robes - £1.5k
- QE cleaning material - £250
- QES miscellaneous - £500
- Town Hall - £500
- Land registration fees - £500
- JF utilities - £1.5k
- JF minor repairs - £2.95k
- JFMIB - £4.6k
- Playgrounds - £1k
- Fencing/hedges - £1k
- Grounds maintenance - £9.365k
- Grounds maintenance extras - £4.365
- Allotment expenses - £1k (charges to be passed on to allotment holders)
- Twinning expenses - £200

ADDITIONAL EXPENDITURE COMPARED TO 2010/11

- Town clerk and assistant salaries and taxes - £1.5k
- Bank charges - £100
- Water rates - £175
- JF caretakers' salaries - £350
- JF water rates - £170
- JF cleaning materials - £285
- JF new boiler - £4k
- JF extras - £1.24k
- Street furniture - £1k
- Tree work - £3k
- Insurance premium - £2.6k
- St Mary's grasscutting - £1k
- 2012 - £5k
- Toilets - £15k (already approved at Nov Town Council meeting)
- Youth Group - £5k (Cambs CC withdrawing funding for this)

Notes: Salaries have been uprated to take account of incremental points (town clerk and assistant) and expected October 2011 minimum wage increase (caretakers). The increase in the insurance premium takes account of the revaluation of the civic regalia.

5. CONCLUSION

Approval is required for:

- The changes in expenditure made following the Finance Working Party, including the charges to be applied to the QES, JF and cemetery;
- The Finance Working Party recommendations
- The overall budget
- The proposed precept of £138,720.

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17 November 2010