



DISS TOWN COUNCIL

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Report to:	Executive Committee
Date of Meeting:	4 th December 2019
Authorship:	Town Clerk / Responsible Finance Officer (RFO)
Subject:	Budget Setting Report 3

Introduction

1. At the November meeting of the Executive Committee, members considered proposals from the Budget Action Group regarding the 2020/21 budget (report reference 18/1920 referred) and resolved for the Budget Action Group to continue its work including a review of budget requirements for the Facilities committee.
2. The Facilities committee at its meeting on 27th November approved a recommendation to this committee of a budget allocation of £66,780 (subject to change) for project related Facilities expenditure.
3. The RFO has compiled a summary budget document (Appendix A) incorporating the Facilities committee resolution, which provides expenditure / income data for the previous year alongside projected expenditure and income for the current and forthcoming years against significant budget headings. The final two columns in the first summary sheet show the percentage variation between this year's budget and recommendation for 2020/21 against committees with an explanation in the Notes column if above 5%.
4. Also included is a more detailed budget document for the Facilities and Executive Committees (Appendix B).

Staffing Costs

5. The total estimated staffing costs of £302k in 2020/21, an overall decrease of 4% on the current year's budget and accounts for the following:
 - a) National Insurance & Pension Contributions
 - b) Cost of living increase of 2% (yet to be announced but based on research from national Clerk's forum & current year's increase)
 - c) Incremental salary rises
6. It is recommended that members allow for potential long-term staff sickness, absence or statutory entitlements and the average staffing cost over 12-month period based on a 23-hour week, SCP12 is £13,420. This will increase the budget to £315k.
7. The cost of replacing the member of the maintenance team who retired based on 20 hours per week SCP3 is £9,765 per annum, which would increase the total staffing budget forecast to £325k. This would be an increase of 3% on the current year's budget.
8. There is a predicted underspend of £40k in the wages budget at the end of this financial year (maintenance team retirement & gap of RFO role) and there is £18k in Earmarked Reserves for wages.

9. It is therefore recommended that members consider a 0% increase in the staffing budget for 2020/21 and allocate the potential cost of replacing the member of the maintenance team from Earmarked Reserves Wages, reducing this to approximately £8k.
10. Please note that the proposed National Living Minimum Wage increases do not affect any members of staff.
11. The RFO has also estimated staffing costs per site in order that the Income and Expenditure reports account for all costs (see Appendix C). An example of this for the Diss Youth & Community Centre is attached at Appendix D. This demonstrates that the DYCC is not covering its costs when taking account of staffing costs.
12. The recommendation to allocate £24k against the DYCC for 2020/21 will cover projected expenditure. As there is £12.5k remaining in Reserves, it is recommended that £6k of this is allocated to cover the estimated costs of the ground floor works. The benefits of this work mean that hirers of the main hall will have immediate access to a kitchen facility, which frees up the small meeting room downstairs for potential additional use by Park Radio given its extended reach. The existing income from Park Radio over the three remaining years of their lease equates to £6,840.

Income

13. The RFO has worked with the Admin / Finance Assistant to undertake a review of Hire Fees for the forthcoming year and the outcomes are summarised below. The overall impact of the recommendations equates to a projected income increase of £283.
14. According to the Office for National Statistics, the October 2019 CPI was 1.5% and RPI was 3.1%. The average of the two is 2.3%.

Council Offices

15. Part of the Council Offices are hired to Norfolk County Council to run their registration services. The last formal rent evaluation was carried out in 2017 and it has since been determined that the rental value has decreased. It is therefore proposed that there is no change to the current rent charged.

Office Description	Current annual rent	Comments
Reception/Waiting Area	£1,205	Shared space and NCC pay for 81%
Registry Office	£1,521	NCC invoiced total
Marriage Room	£1,667	Shared space and NCC pay 67% (excl. Mon-Tues)
	£4,393	TOTAL INCOME

Cemetery

16. The Cemetery fees were comprehensively reviewed in 2018 and significant increases were approved. Anticipated income for this year is expected to be 36% above budget and it is therefore proposed not to change the fees for 2020/21.
17. The annual rent received for the Cemetery Bungalow is £4,416 (this includes a 35% discount to reflect the tenant's commitment to opening and closing the Cemetery gates/Chapel 365 days per year). An increase of 2% was applied from 2016 and another of 3% in this year. A further 2% increase for 2020/21 would equate to £4,504, or £88 annually. Members should consider whether a rental increase of 2% should be applied for the Cemetery Bungalow.

Sports Ground

18. Sports Ground hire charges were increased by 3% this year. At the halfway point of the financial year income is 35% to budgeted income, but this is expected as last year 66% of the annual income was accounted for in the winter months in line with seasonal use. Projected income for 2019/20 is £8,554. A 2% increase would equate to £8,725, an increase of £171.

Markets

19. Market fees were increased from £1.20p/ft to £1.25p/ft in 2017. Projected income for 2019/20 is £25k, which is £2,415 over anticipated income and accounts for 21% of all Facilities Committee related income. To retain our existing traders, it is proposed not to increase fees for next year.

Allotments

20. The annual rent for the allotment land is £453 which was increased by 1% from the previous year and is payable in arrears at the end of December. A 2% increase would equate to £462.

Mere

21. The Angling Club pay £887 annually to use the Mere. A 3% increase was implemented this year. It is expected that the Mere has a larger rental potential, which needs to be investigated but given the reduction in fishing swims as a result of the boardwalk project, it is recommended that a 2% increase totalling £905 is considered for 2020/21.

Park

22. Current regulations allow up to eight charitable car boot sales per year at a charge of £50 per event. This charge was increased from £25 in 2013 to reflect the extra time required to clean the toilets and clear litter in the Park following sales. New Park fees were approved this year and the Park Pavilion kiosk lease was reviewed last year so it is suggested they remain unchanged.

Diss Youth & Community Centre

23. Significant changes were made to the fee structure at the DYCC in 2017. Anticipated income for 2019/20 is approximately 40% above budget so no change is recommended.

Community Grant Scheme (KP3)

24. The total grants allocation of £20k for this year has now been spent/allocated.
25. At the last meeting, it was agreed that some organisations in receipt of grant funding are more reliant on them than others given account balances/reserves and that this should be reflected on the monitoring form in future. Some research has been undertaken by the RFO and Councillor Gingell on this and will be available to Full Council at its next meeting.
26. It was also agreed to review the application from the Diss Organ Festival organiser to consider a grant of £1,400 (£2,200 request minus £800 granted from current year) as part of the 2020/21 budgeting process.

Councillor Allowances (KP4)

27. The RFO has proposed a re-profile of the current allocation of £2k including the Town Mayor's allocation to account for eight councillors and reflect the additional responsibilities of the four committee Chairs, the Council Leader and the Town Mayor (see Appendix E).

Publicity (KP5)

28. A short article on the budget setting process has been included in our monthly column, which will be issued on 6th December.
29. Once this committee has reviewed the budget document, the Clerk/RFO will work with the Marketing / Admin Assistant to draft a budget publicity plan. At the last meeting it was agreed that there would need to be a clear plan to ensure that the benefits of relaying information / inviting views outweigh the potential pitfalls.

Precept

30. The tax base has been estimated based on the figures for 2018/19 (2683) and this year (2708). It is expected that the actual projections will be circulated by South Norfolk District Council to Town and Parish Councils by 6th December.

Next Steps

31. 11th December - Full Council to review overall budget
32. 18th December - Infrastructure Committee to review its budget
33. 8th January - Full Council to undertake final review of budget and approve precept
34. By 19th January 2020 – deadline to return 2020/21 Precept to SNC
35. 30th April 2020 – 1st instalment of Council Tax Precept paid over to DTC
36. 30th September 2020 – 2nd instalment of CTP paid over to DTC.

Recommendations

That members recommend to Full Council:

1. A 0% increase in the staffing budget for 2020/21
2. An allocation to cover the potential cost of replacing a member of the maintenance team from Earmarked Reserves.
3. An allocation from Earmarked Reserves DYCC to allow for ground floor improvements.
4. An increase in hire fees of 2% for the Cemetery Bungalow, Sports Ground, Allotments & Mere.
5. Consideration of the 2020/21 grants allocation
6. The re-profile of the current allocation of councillors' allowances including the Town Mayor to reflect the additional responsibilities of the four committee Chairs, the Council Leader and the Town Mayor
7. Consideration of a budget publicity plan