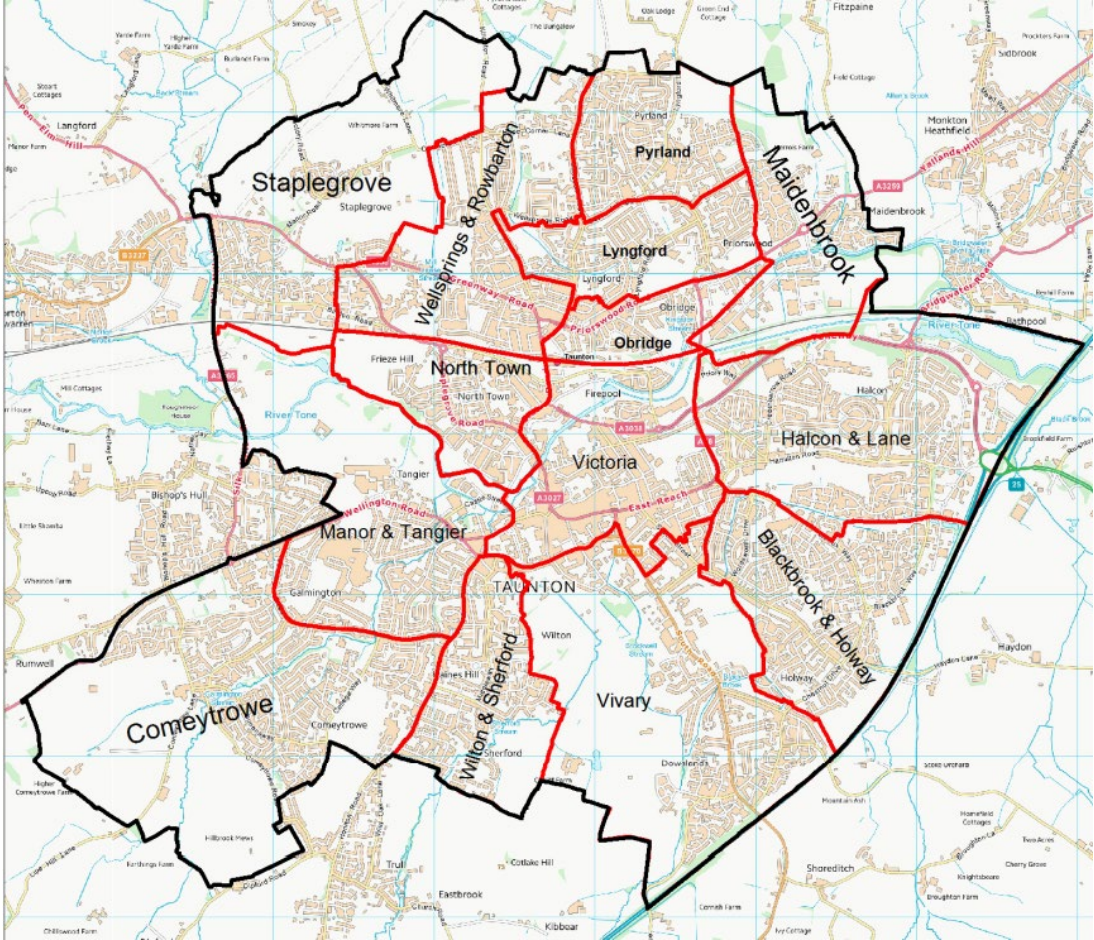
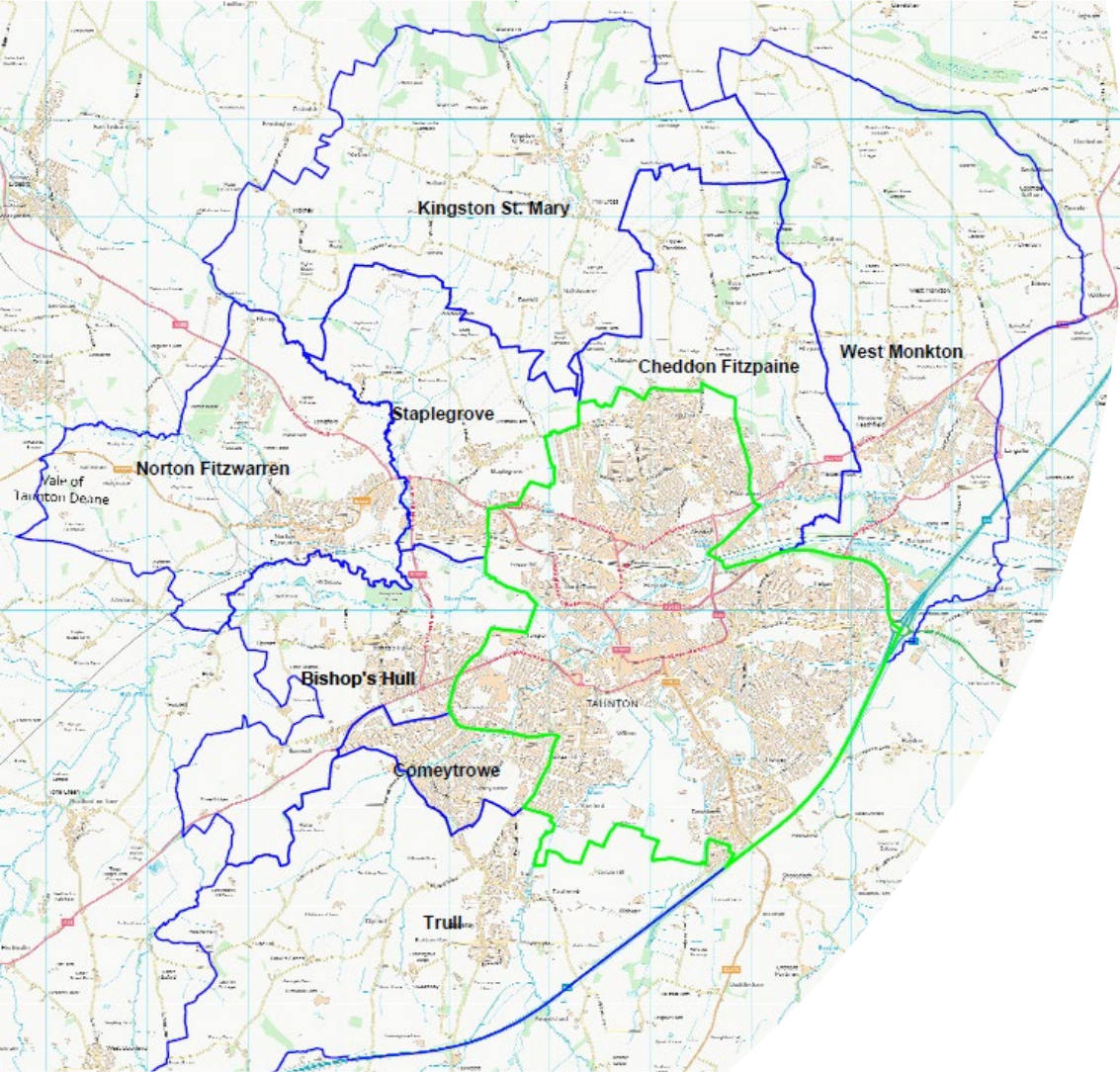


Shadow Taunton Town Council: Finance update

31st January 2023



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Shadow Taunton Town Council: Finance update

This update aims to

- ✓ Review the budget to provide context and explanations to the items in the budget
- ✓ Review the key data used to determine the Council Tax Base (CTB) and compare the May estimate to the December actual
- ✓ Compare the 2022/23 Parish precepts with the 2023/24 precepts, for those parishes affected by/adjacent to the new boundary
- ✓ Review the 2022/23 forecast implementation costs to budget
- ✓ Outline the impact of the boundary change on Community Infrastructure Levy (CIL) at vesting date

Please ask questions as we go through the presentation, or questions can be asked at the end of the presentation.

Background to determining Precept

- Parish Boundary agreed by the Community Governance (CG) Working group after extensive consideration and community consultations with various iterations during the process
- Council Tax Base for new Taunton parish initially estimated in May 2022
- Assets & Services to be transferred considered at length and identified by CG Working group
- 2023/24 Total Budget determined at £2.1m, with £1.7m Operating Budget and £0.4m Reserves
- The 2023/24 operating budget includes income & costs historically incurred by SWT, costs assumed to be transferred from Parishes now within boundary, costs incurred by the Charter Trustees, and SWT Special Expenses for the current unparished area, plus costs expected to be incurred directly by new TTC
- Initial estimated Band D equivalent precept estimated at £94, expected to be revised in December 2022
- Reorganisation Order adopted by Somerset County Council October 2022, following approval by SWT Full Council at the end of September 2022. The Order includes setting the 2023/24 Budget Amount.
- Actual Council Tax Base for 2023/24 set by SCC, approved by SCC S151 Officer, which is calculated using Council Tax data as at 30 November 2022 as required in Regulations.
- Actual Band D equivalent precept set at £109.67 based on 30 November Council Tax Base (CTB)

Taunton Town Council (TTC) Budget 2023/24

Total Budget = £2.1m

- **£1.7m Total Operating Budget**
- **£0.4m Total Reserves**

Budget headlines:

- Maintenance of Parks - £563k
- Facility for Community Grants - £75k
- Provision for improvements - £400k
- Contingency - £100k

	£ 000's
Mayor and Civic Costs	17
Staff including NI and pension	170
Amenities and general maintenance	52
Administration, office and election Costs	139
Events	101
Allotments	8
Parks	563
Public Conveniences	106
Community Grants	75
Service Growth and Improvement	400
Contingency / Other Costs	100
Income	-38
Net Operating budget	1,694
Create Opening Reserves Balance	420
Total budget on which Precept calculated	2,114

2023/24 budget

Table showing the breakdown of how the 2023/24 budget was determined to include the income and costs from the legacy entities to be absorbed into the new Town Council + budget for new costs

Description	2023/24 Proposed budget £ 000's	2022/23 Existing costs				2023/24 New Costs £ 000's
		Charter Trustees budget £ 000's	Special Expenses £ 000's	Parish Budgets £ 000's	District Budget £ 000's	
Income						
Allotments: (rental income)	6				6	
Artisan Market:	0					
Asset Management:	11				10	1
Parks	12				11	
Events	10				10	
Total Income	38	0	0	0	37	1
Expenditure						
Town Council staffing & admin	275	41	0	44	0	189
Allotments:	8	0	0	0	8	0
Handyman services - Amenities & play areas	52	0	0	21	0	31
Parks	563	0	0	0	509	55
Public Conveniences	106	0	0	0	99	7
Community & Events:	101	0	0	1	100	0
Grants:	75	0	29	1	0	44
Local Democracy:	17	17	0	0	0	0
Council offices:	34	0	0	0	0	34
Service Growth & Improvement	400	0	0	0	0	400
General Contingency	100	0	0	4	0	96
Total Expenditure	1,732	59	29	71	716	857
Contribution To Reserve	420					420
COUNCIL TAX PRECEPT	2,114	59	29	71	678	1,276

Taunton Town Council (TTC) Budget 2023/24

Operating & Events costs include:

- ✓ £17k - civic events, activities and allowances
- ✓ £170k - Town Clerk, Assistant TC, Events Officer and Admin assistant
- ✓ £52k- Handyman and general maintenance & cleaning
- ✓ £139k – Includes Rent & rates, Accounting software, election costs, membership & professional fees, training, insurance, external audit and general admin costs
- ✓ £101k – Banners & bunting, Christmas lights, discretionary town centre events

	£ 000's
Mayor and Civic Costs	17
Staff including NI and pension	170
Amenities and general maintenance	52
Administration, office and election Costs	139
Events	101

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Allotments transferred to TTC

Allotments are required by regulation to be transferred to the new parish/town council. The budget reflects the current costs of maintenance and income received resulting in a small net cost to the council. The allotments currently owned by SWTC included are:

- Whitmore Allotments
- Galmington Road Allotments
- Hamilton Road Allotments
- Rowbarton Allotments
- Priorswood Allotments
- Higher Holway Allotments
- Turners Allotments
- Stoke Road Allotments

2023/24 Parks Operating Budget

- ✓ Responsibilities include:
 - ✓ Grass cutting
 - ✓ Tree Inspection & maintenance
 - ✓ Planting & shrub maintenance
 - ✓ Play area provision & maintenance
 - ✓ Sports pitch marking & bookings
 - ✓ Benches & Street furniture
 - ✓ Litter & dog bin provision
 - ✓ Litter picking
 - ✓ Buildings & structures
 - ✓ Compliance responsibilities
 - ✓ Utility & insurance costs
 - ✓ Stream/watercourse maintenance

Parks Operated by TTC	£
Victoria Park	103,733
Goodlands Gardens	85,096
Galmington Park	55,976
Taunton Green	34,809
Frenchweir Park	49,692
Greenway Rec Ground	21,071
Hamilton Gault Park	71,470
Hawthorn Park	40,302
Lyngford Park	36,098
Priorswood Park	27,242
Comeytrove Park	37,937
Net Total operating budget	563,426

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Public Conveniences operated by TTC

The budget reflects the operating costs (cleaning, locking/unlocking, consumables) of the following public conveniences in Taunton:

- Castle Green (town centre)
- Cannon Street (in car park)
- Victoria Street (in the park pavilion)
- Vivary Park (in the park café building)
- Hamilton Gault (in the park pavilion)
- French Weir (in the COACH building)
- Priorswood Place (in shops buildings)

The budget reflects the running costs of the service. It is anticipated the assets currently in SWTC ownership will transfer on either a freehold or leasehold basis as appropriate to each property one or after Vesting Day.

Actual costs are not easily disaggregated for example when work is undertaken through a contract for service covering more than the above. The presumption at this stage is that the parish/town council will buy the service from the unitary from the outset. This may be reviewed later for example when the current SWT contracts end.

2023/24 Income budget

- ✓ Allotments: rental income
- ✓ Asset management: income from access leases
- ✓ Parks: Pitch hire income
- ✓ Events: Estimate as demand led

Income budget	Total Proposed Budget £000's
Allotments	6
Asset Management	11
Parks	12
Events	10
Total Income	38

Further Work on Budget

- Initial estimates completed through work with SWT governance team and SWT managers for the services proposed to be transferred for 2023/24 – parks, public conveniences, allotments, events, etc
- High level assumptions around apportionment of costs of services within neighbouring parishes affected by boundary changes. Further work needed to fully understand cost implications and continuity of services provided between new TTC and neighbouring parishes.

Council Tax Base (CTB): Summary of key data used to determine estimated and actual CTB

- There are a number of premiums & discounts that are factored into the calculation of the CTB, which is adjusted for dwellings including those classified as single occupancy, empty premises, 2nd homes or due disability relief.
- The CTB is net of those persons claiming Council Tax support
- Band D equivalents computed by applying factors per band
- Town centre locations tend to have a more fluid population with a higher level of single units & people claiming council tax support.

Taunton Town Council	Estimate May 2022	Actual Nov 2022
Total dwellings on valuation list	27,621.00	27,752.00
Number of dwellings that have premiums & discounts applied	2,144.50	3,522.00
Number of dwellings after applying premiums and discounts	25,476.50	24,230.00
Reduction in tax base as a result of adjustments including Council tax support (pensioners & working age), collection allowance and MOD dwellings	1,911.60	2,327.00
Net number of dwellings after applying premiums, discounts + local tax support, on which the tax base is calculated	23,564.90	21,903.00
Number of Band D equivalents based on Net number of dwellings	21,059.80	19,276.13

TTC Precept by Tax Band

Initial Estimates completed in May 2022, Actual amounts determined in December 2022.

Estimated precept	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9
Band D Equivalent Factors	0.56	0.67	0.78	0.89	1.00	1.22	1.44	1.67	2.00
Council Tax Band	A (dis)	A	B	C	D	E	F	G	H
Precept per Band	£52.62	£62.95	£73.29	£83.62	£93.96	£114.63	£135.30	£156.91	£187.91
Actual precept	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9
Band D Equivalent Factors	0.56	0.67	0.78	0.89	1.00	1.22	1.44	1.67	2.00
Council Tax Band	A (dis)	A	B	C	D	E	F	G	H
Precept per Band	£61.42	£73.48	£85.54	£97.61	£109.67	£134.04	£158.42	£182.79	£219.34

Comparison of Band D equivalent precepts 2022/23 to 2023/24

Comparative Band D precepts and Council Tax Base (CTB)	Trull	ComeyTrowe	Bishops Hull	Staplegrove	Cheddon Fitzpaine	West Monkton	Kingston St Mary	Norton Fitzwarren	Taunton unparished	Taunton Town
CTB Band D equivalents (30/11/2021)	1,087.58	1,990.73	1,213.94	788.77	909.06	2,170.60	431.98	1,284.62	15,255.85	N/A
2022/23 Precept	£31,000	£24,000	£35,400	£12,910	£37,247	£64,517	£12,385	£34,120	£88,180	N/A
2022/23 CT per band D equivalent	£28.50	£12.06	£29.16	£16.37	£40.97	£30.34	£28.67	£26.56	£5.78	N/A
CTB Band D equivalents (30/11/2022)	977.79	0.00	1,231.31	0.00	140.04	2,183.16	485.28	1,309.76	N/A	19,276.13
2023/24 Precept	£33,000	£0	£37,170	£0	TBC	£121,710	£14,020	£38,000	N/A	£2,114,040
2023/24 CT per band D equivalent	£33.75	N/A	£30.19	N/A		£55.75	£28.89	£29.01	N/A	£109.67

Taunton Unparished includes Charter Trustees + Special expenses raised by SWT in 2022/23

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2022/23 Implementation cost forecast

- Up to £80k identified from the SWT 2022/23 Budget to cover set up costs incurred to 31st March 2023
- The forecast costs to implement the new Town Council
- Assumes set up costs from 1 April onwards paid for by TTC.

Item	Forecast Cost	Actual or Estimate
Recruitment of the new Town Clerk	£2,765.00	Actual
External Legal costs	£10,000.00	Estimate
SHAPE Legal	£1,000.00	Estimate
Technical Advisor Costs	£8,000.00	Actual
IT Infrastructure set up	£15,000.00	Estimate
Clerk Salary and course fees	£13,250.00	Estimate
NACO Conference travel costs	£557.40	Actual
Website design specification and procurement	£5,000.00	Estimate
Finance System procurement	£2,000.00	Estimate
Furniture & Fittings	£2,500.00	Estimate
Total	£60,072.40	

Impact on Community Infrastructure Levy (CIL) receipts

- CIL previously paid to a parish that falls entirely within the new boundary of TTC, that is still unspent in the parish reserves, will be transferred with those reserves to TTC on Vesting date
- CIL due to a parish for the period October 2022 to 31 March 2023, that falls within the boundary of TTC, will be paid to TTC in April 2023
- CIL paid to, but not yet spent, by a parish that loses part of its administrative area, remains with the parish to which it was originally paid
- CIL due to a parish for the period October 2022 to 31st March 2023, that loses part of its administrative area, will be paid to the parish in April 2023
- As at January 2023, the following parish payments for the period October 2022 to date, are payable in April 2023

Parish	£	Payable to
Trull	11,395	Trull Parish Council
Taunton	6,100	Taunton Town Council
Comeytrowe	4,215	Taunton Town Council

- The Governance relating to spending future CIL receipts by the Town Council will be determined by the elected Members.

Next steps

- Open a bank account (current account and investment account) – in progress
- Register for VAT – work with Town Clerk
- Option to Tax properties? – work with Town Clerk
- Select and implement Accounting software – work with Town Clerk
- Financial procedures established – work with Town Clerk
- Appointment of Auditors – work with Town Clerk
- Preparing for transfer of information – work with Town Clerk, SWT and parishes
- Parish Precepts paid in full by Somerset Council – expected April 2023
- Elections – May 2023
- The elected Members have the opportunity to consider and review the 2023/24 budget and potentially set a Revised Budget by October 2023
 - Note: Realistically, a change to the 2023/24 Precept requires extensive communications and re-billing of the council tax, which is likely to be time consuming and expensive. The Members can however reprioritise the budget lines within the budget total without impacting council tax billing.
- The new Town Council will be required to submit the 2024/25 budget around January 2024