cirencester
- town council -

Council

14th November 2023

REPORT SUMMARY	
AGENDA ITEM:	15.
REPORT TITLE:	Budget Estimates 2024-25
REPORT AUTHOR:	Andrew Tubb, Chief Executive Officer
LEAD MEMBER:	Councillor Mark Harris
PURPOSE OF REPORT:	To consider and approve the draft 2024-25 budget estimates for public consultation.
LEGAL:	There are no legal implications directly arising from this report.
FINANCIAL:	The financial implications and respective notes are included within the report and appendix.
PERSONNEL:	There are no personnel implications directly arising from this report.
ENVIRONMENTAL:	There are no environmental implications directly arising from this report.
CLIMATE CHANGE:	There are no climate change implications directly arising from this report.
RECOMMENDATION:	That the draft 2024-25 budget estimates be approved for public consultation.

1. Background

1.1 In September 2023, the Finance and Audit Committee met informally for a detailed briefing session which covered expenditure, income, earmarked reserves, staffing, the precept and tax base, borrowing and capital investment.

1.2 The Committee then met formally in October 2023, to consider the draft budget estimates for 2024-25 which had been prepared in consultation with each lead officer.

1.3 In considering the draft budget estimates various risks were identified relating to land and property ownership including the cost of maintaining and inspecting trees, the Norman Arch and Cottage and the Obelisk Community Rooms.

1.4 Other comments made by the Committee, related to providing more detailed information to support the budget estimates, the funding and delivery of Cricklade Street improvements, S106 funding from the Steadings for town centre improvements, accruing a fund for future election costs charged by Cotswold District Council and increasing the twinning and tourism budget to incorporate the proposed Bathurst Friendship cycling event.

2. Purpose of Report

2.1 The purpose of this report is to consider and approve the draft 2024-25 budget estimates for public consultation.

2.2 The public consultation will run from late November/early December through to mid-January, with the results informing Council when it formally considers the budget estimates in January.

2.3 The decision required at this meeting of Council is to consider and approve the draft 2024-25 budget estimates in principle, based on the information and evidence provided for consultation; further analysis of the proposed estimates can be prepared for the January meeting of Council, if there are any aspects of the budget Councillors would like additional information on.

2.4 Where there is a proposal to increase or decrease income/expenditure by £5k or greater, a commentary is provided within this report. In addition, information is provided on several risks identified by the Finance and Audit Committee, those being the Norman Arch and Cottage, and the Obelisk Community Rooms, formerly known as the Scout Hut.

2.5 The appended budget estimates, include explanatory notes and are colour coded to identify expenditure which is a statutory obligation or outside the direct control of the Council or operational/strategic/employment related/governance/contractual and that which is discretionary.

statutory obligation/outside direct control of Council	
operational/strategic/employment/governance/contractual	
discretionary	

3. Financial Risks

3.1 Green Spaces Strategic Review

3.1.1 The Council is committed to the strategic aspects of the amenity land and open spaces review being corporate led under a new Green Spaces Strategic Review initiative. This initiative forms an important part of the visioning for the future of Cirencester Town Council's green spaces and builds on the work of the 2009 OFC Community Plan and incorporates a review of the 2011 – 2021 Green Spaces Strategy; considering analysis of future threats, opportunities, and priorities on a long-term basis, with the ultimate goal of creating an overarching framework for developing and managing the green spaces, including a viability assessment and delivery plan for future projects.

3.1.2 It is vital that the Council strengthens its financial position and is ready to bid for funding as and when funding streams become available with increased knowledge of existing grant availability such as the Community Ownership Fund.

3.1.3 At the Council meeting on 13th June 2023, it was made clear that the general reserve needed to be increased and that there was currently no budget provision within the estimates nor medium term financial plan for new capital projects.

3.1.4 An important part of the strategic review, in consultation and liaison with the Finance and Audit Committee, will be to prepare a capital investment programme and identify sources of funding for major projects. However, this has to be underpinned with operational and revenue funding as well as an appropriate level of general reserve, which could be used to generate a regular source of funding to undertake much needed feasibility studies, research and evidence required not only for funding applications but for any statutory permissions (i.e. planning and scheduled monument consent).

3.2 Norman Arch and Cottage

3.2.1 The Town Council has submitted a listed building consent application to the local planning authority reference 23/01539/LBC for internal and external refurbishment of the cottage, which includes aspects of the Norman Arch at Grove Lane, and forms an important part of the Abbey Grounds.

3.2.2 The Norman Arch is the only surviving structure from the Augustinian Abbey of St Mary founded in Cirencester in 1131. Founded by Henry I, the abbey survived until the dissolution of the monasteries by Henry VIII in 1539. Originally known as The Spyringate or Spittal Gate, the Norman Arch was constructed in 1180 as the gatehouse to the abbey and today is thought to be the oldest building in Cirencester. The north elevation has a large timber door with wrought-iron strap hinges, believed to date from the 17th century.

3.2.3 The cottage is attached to the southwest flank of the gatehouse, part of which dates from the 17th century, with a later 19th century addition. This is a two-storey building whose upper floor extends over the top of the gatehouse, with a room in the gatehouse roof space.

3.2.4 The cottage and gatehouse were given to the town of Cirencester in 1964 and a significant repair and refurbishment scheme was carried out in 1968 to a standard which is unlikely to have been acceptable by today's conservation standards. The cottage has been used as private residential accommodation until recently but is now empty.

3.2.5 The gatehouse is largely intact, with evidence of historic stone repairs, particularly to the arch. There is evidence of structural movement in the arch, which has been addressed historically by the addition of a buttress to the northeast corner, and there is cracking to all external faces, as well as to the internal room above the gatehouse. The voussoir above the large timber doors has dropped so that it no longer aligns with the top of the door.

3.2.6 There is evidence that the gatehouse was originally supported by structures to both sides, and the removal of the structures to the east elevation is likely to have contributed to the structural movement. Structural repairs to the arch are being addressed separately to the planning application referenced above. With monitoring estimated to cost circa £5k.

3.2.7 The cottage requires some remedial works externally, including repairs to the roof, repointing to walls, stone mullions and hood moulds, stonework repairs, overhauling of cast iron rainwater goods and windows and repairs to stone roof coverings. Internally, there is some damage to walls and ceilings from penetrating damp and structural movement, which needs to be repaired. Updating of services is also required.

3.2.8 Roofing works alone are estimated at circa £40k, full refurbishment including project fees could be circa £100k+. James Slater is our surveying and project consultant with fees for a Chartered Surveyor at £150 per hour, Architectural Designer £105 per hour and Technician and/or Surveyor £95per hour.

3.2.9 There are two budget headings in the estimates relating to the Norman Arch and Cottage; under Land and Property there is an operational budget estimate which reflects the cottage as a residential let and under Priority Projects the funding relates to the required capital works.

3.2.10 Cross-referring to the medium-term financial plan it is estimated that funding for capital projects will be available from 2025-26.

3.3 Obelisk Community Rooms

3.3.1 Formerly known as the Scout Hut, whilst the building remains usable and is subject to risk assessments and condition surveys, it needs refurbishment and presents an opportunity aligned to the Amphitheatre Management Plan.

3.3.2 The Town Council's Roman Amphitheatre Masterplan 2015 – 2025 'Putting the Amphitheatre back at the heart of Cirencester' has a vision for the Obelisk Community Rooms in creating a flagship carbon neutral community facility and interpretation centre that supports the incumbent Scout Group, a Forest School, community groups, social enterprises and charities in the town as a living legacy.

3.3.3 Currently, under a Licence to Occupy provided by the Council to the local Scout Group, the Town Council is committed to:

3.3.3.1 make the "Property" available for all Licensee activities;
3.3.3.2 pay a management fee of £50 a month for provision of bookings administration and key holding service;
3.3.3.3 pay 10% of any income derived from the hire of the "Property", excluding VAT;
3.3.3.4 fully maintain and repair the "Property";
3.3.3.5 ensure that the "Property" is fit for purpose at all times;
3.3.3.6 ensure that in the event of the "Property" being fully refurbished and unavailable for use for a period of time to cover the cost of alternative accommodation up to a maximum period of 12 months and maximum cost of £1,200;
3.3.3.7 ensure that in event of the "Property" being fully refurbished or demolished and re-built, that the 1st Cirencester Scout Group will be consulted on the proposal and provided with first refusal for future use;
3.3.3.8 provide contents and buildings insurance;
3.3.3.9 provide public liability insurance.

4. Proposed Decreases in Expenditure

4.1 Civic and Local Democracy (less £6.5k)
Previous increases in this budget have related to election costs now charged by Cotswold District Council, there is currently no election scheduled relating to the Town Council in 2024-15 and therefore the budget requirement can be reduced. An earmarked fund will be established to save for and cover future costs (5.15 refers).

4.2 Cirencester Community Development Trust (CCDT) (less £10k)
Under delegated authority from Council, the Community Services Committee has agreed not to renew the current Memorandum of Agreement with CCDT to fund the Trust's revenue costs. CCDT will be eligible to apply for a grant from the Town Council to support project costs.

4.3 Office Services Staffing (less £5.4k)
Contingency previously built in to the staffing budget is not required.

4.4 Neighbourhood Plan (less £5k)
The costs associated with the preparation of a plan and statutory consultation have been identified and funding set aside in an earmarked reserve.

4.5 CCTV and Community Safety (less £5k)
No major improvements are needed to the CCTV system in 2024-25, maintenance and monitoring costs are covered to provide and maintain the service at current levels, therefore there is scope to reduce the budget estimate.

5. Proposed Increases in Expenditure

5.1 Office Support Office Support (plus £9k)
The budget estimate reflects actual expenditure and now includes cleaning contract costs, formerly absorbed by overall budget expenditure.

5.2 Technology Support (plus £26.5k)
Whilst supplier costs are kept under regular review technology support is increased to reflect a more realistic level of annual expenditure and requirement to replace and update IT hardware, provision of a telephone system and dedicated broadband (£12k), a one-off cost for a three-year Commonplace licence and support (£9k), IT Cloud, Support and Cyber Security (£17k).

5.3 Land and Property Staffing (plus £9k)
This increase primarily reflects the contractual decisions of Council in 2022-23.

5.4 Tree Works and Consultancy (plus £14k)
Tree works and professional consultancy support and advice has previously been underestimated and the Council has a significant number of trees on our 45+ hectares of land, which need to be regularly assessed, monitored with routine and emergency maintenance being required.

The increase in expenditure makes provision for all sites to be inspected and for a three-year programme of works established and costed, with training being provided for interim inspections to be carried out in-house.

86 trees have been identified for monitoring across 10 sites, of which circa 60% are subject to a Tree Preservation Order or that fall within a Scheduled Ancient Monument site.

Based on previous inspections the cost of reviewing all sites and preparing a schedule of tree works will be circa £5k.

The 86 trees already identified do not include those with a diameter of less than 300mm which may require remedial work. The cost of tree works for a single tree ranges from £500 to in excess of £2,500.

Since 2017-18 the Town Council has spent £5,790 on tree surveys and condition reports, and over £23k on tree works.

The last inspection report which covered 8 sites was carried out in 2020 and was due for review within 3 years; issues which need to be addressed include ivy control, dutch elm disease, and chalara ash die back. The Council has a duty of care under the Occupiers Liability act 1957 and 1984.

5.5 Green Spaces, Play Areas and Public Facilities (plus £25k)
This increase relates primarily to the need to maintain and upgrade play equipment across 16 sites. The current cost of the ROSPA accredited inspection per site is circa £63. Some equipment will be reaching end of useful life, some will need maintaining, repairing, and refurbishing. We have in excess of 115 pieces or sections of equipment, as well as fencing, gates, signage, litter bins, picnic tables, seating, safety surfaces, planters, boulders, logs, cycle racks, pathways, wooden steps, access bridge, toilets, changing facilities, recreation areas, sports pitches and bbq's.

As well as the Council's equipped areas of play and recreation we have in excess of 45 hectares of open space to maintain. The proposed increased equates to just £1,562.50 per equipped site.

5.6 Vehicles, Equipment and Machinery (plus £15k)
This budget was previously an earmarked reserve but has been reallocated to the operational cost centre for land and property.

5.7 Public Realm and Highways (plus £10k)
This increase relates primarily to an ongoing requirement to support the County Council with maintenance of the town centre as per the legal highway agreement.

5.8 Markets and Events (plus £51k)
This increase reflects the accurate costs of the Advent Festival which has grown over the years but for which the expenditure has not previously been reflected in the budget estimates.

5.9 Children and Young People (plus £15k)
This increase relates to an identified need by the Community Services Committee to commission additional and targeted support for young people; and in part is offset by the reduction in expenditure to CCDT (4.2 refers).

5.10 Amphitheatre Priority Project (plus £25k)
This increase reflects the strategic priorities relating to the review of the Council's green spaces and historic assets, as well as delivering the Council's Management Plan for the site (3.3 refers).

5.11 Norman Arch and Cottage Priority Project (plus £10k)
This increase reflects the strategic priorities relating to the review of the Council's green spaces and historic assets, as well as works required to enable the Council to re-let the Cottage pending the outcome of the strategic review (3.2 refers).

5.12 Community Services Project Support (plus £10k)
This is a new budget line, delegated by Council for the respective Committee to spend on issues which arise during the financial year/to provide the community with emergency support as and when need arises; within the approved Committee role and remit.

5.13 Land and Property Project Support (plus £10k)
This is a new budget line, delegated by Council for the respective Committee to spend on issues which arise during the financial year/to provide the community with emergency support as and when need arises; within the approved Committee role and remit.

5.14 Climate and Environment Project Support (plus £10k)
This is a new budget line, delegated by Council for the respective Committee to spend on issues which arise during the financial year/to provide the community with emergency support as and when need arises; within the approved Committee role and remit.

5.15 Election Costs (plus £5k)
(4.1 refers)

5.16 General Reserves (plus £200k)
The Council's general reserves are estimated to be around circa £60k at the year end. With year-on-year reliance on reserves in recent years, the Council's RFO identified in the current medium-term financial plan that consideration should be given to increasing the Council's general reserves. This should reflect 3 to 6 months of expenditure. Based on current expenditure 3 months general reserve should be £325k and 6 months £650k.

Concern has also been expressed at the low level of reserves by the Council's independent internal auditor and has also been raised by the Council's External Auditor as an issue that needs to be addressed in a timely manner.

Increasing the reserve by £200k in 2024-25 is a first step and phased approached to increasing the General Reserve to a level of between 3 and 6 months expenditure.

6. Proposed Increases in Income

6.1 Norman Arch and Cottage (plus £8k)
This increase reflects the current planning application status for refurbishing the Cottage to a standard that will enable the Council to let the property on a residential basis.

7. Proposed Decreases in Income

7.1 Christmas Tree and Lights (less £5k)
This income is now reflected in the overall income for markets and events.

8. Basic Allowances

8.1 It is proposed that Councillors who are eligible i.e. not co-opted, shall continue to receive a basic allowance of £500 per annum, payable in monthly instalments. With an annual Special Responsibility Allowance of £500 being paid to the Mayor of Cirencester as Chair of Council, also paid in monthly instalments.

8.2 Allowances are subject to tax being paid.

8.3 Information relating to current legislation on payment of allowances, to town and parish councillors can be accessed via the following link:

https://www.legislation.gov.uk/uksi/2003/1021/regulation/25/made

8.4 Whilst the Council has the power to set the level of allowance paid to the Chair of Council (Mayor) and elected members, it must have regard to the independent remuneration panel's recommendation.

8.5 The remuneration panel is convened by Cotswold District Council; however, the panel does not appear to have provided advice on the level of town and parish allowances, in its latest report to CDC. The panel is due to undertake a mid-term review in 2024; the CEO will request that town and parish allowances be considered at that time.

8.6 The current level of basic allowance for a District Councillor is £5,541.96.

8.7 There is no reason why Council should not consider increasing the current allowance and in light of the cost of living and impact of the role, alongside other allowances which cannot be paid to town and parish councillors but which are permissible for District and County councillors, such as child care costs, it would not be unreasonable to consider an increase. Setting a basic allowance of up to £650 per annum.

9. RECOMMENDATION that the draft 2024-25 budget estimates be approved for public consultation.