



# Bridgwater Town Council

## REPORT

<b>Report to:</b>	Finance and Corporate Services Committee
<b>Agenda Item:</b>	
<b>Date of Meeting:</b>	Monday 24 June 2024
<b>Date of this Report:</b>	Monday 17 June 2024
<b>Author:</b>	David Mears - CEO
<b>Lead Officer:</b>	David Mears – CEO and Sally Jones - Director of Finance and Corporate Services

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### Current Budget Position and Changes to Budget for April 2024 to March 2025

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## Recommendations

To note the budget update report and support the direction of travel for the current budget as outlined in 2.2

### 1. Introduction

1.1 The recent identification of a projected budget deficit of £422,000 stems from a formula error in the spreadsheet used for budget calculations. This error incorrectly counted the Council's 'other' income twice.

1.2 Additionally, the budget faces further pressures due to rising costs in insurance, tipping costs for road sweepers (attributed to the lack of road sweeping in recent years), and inaccuracies in Art Centre income (provided by the previous occupiers of the Arts Centre). Processing and booking costs were not previously accounted for in ticket pricing, and PRS (Public Performance Rights Society) has not been correctly factored in.

1.3 The report will outline officers' recommendations to address this budget deficit.

### 2. Current Budget and Previous Financial Years

2.1 The table on page 2 displays budget outturn figures since 2016. For the current financial year, the Council has carried over £1,101,329, which includes Earmarked Reserves.

2016 / 17	2017 / 18	2018 / 19	2019 / 20	2020/21	2021/22	2022/23	2023/24
Income £640,186	Income £646,192	Income £687,638	Income £718,841	Income £859,121	Income 1,222,428	Income £1,411,817	Income £2,062,685
Expenditure £695,533	Expenditure £734,879	Expenditure £821,629	Expenditure £838,207	Expenditure £809,348	Expenditure £818,319	Expenditure £1,163,102	Expenditure £1,781,719
Overspend (£55,347)	Overspend (£88,687)	Overspend (£133,991)	Overspend (£119,366)	Underspend £49,773	Underspend £404,109	Underspend £248,715	Underspend £280,966

2.2 Council officers have identified several strategies to reduce the budget gap without depleting a significant portion of reserves or compromising service delivery.

### 2.2.1 Area for increased income:

Cost Centre 101 Nominal Code 1870 'Interest':

- The current budget figure for this nominal account is £15,000. To date, the Council has received £5,576 in interest.
- Last year, the Council received a total of £52,900 in interest.
- Officers are in the process of transferring £2 million into the Council's CCLA deposit fund account. This transfer is expected to yield approximately an extra £10,000 per month in interest. The Council will need to drawdown funds throughout the year from this account.

Fundraising Officer and External Funding:

- If the Council successfully appoints a fundraising officer, they can apply for additional external funding. This funding can be used for capital projects and intervention work within communities.

Town Hall and Arts Centre:

- The Town Hall and Arts Centre Manager has been tasked with creating a business plan for both sites.
- This plan will support grant applications and borrowing applications for the Town Hall Project.
- Additionally, efforts are being made to generate more income from both sites.

Open Spaces and Events:

- The Director of Amenities and the Director of Community Services are working on income generation ideas for open spaces and events.
- One of these ideas involves hosting more events and increasing hiring opportunities to generate income for the Council.

**Projected additional income: £70,000**

### 2.2.2 The areas where savings can be made:

<b>Cost Centre/Nominal Code</b>	<b>Budget Description</b>	<b>Saving</b>	<b>Notes</b>
101/4195	Furniture	£4000	Not all of the budget allocation required.
102/4560	Elections	£16,000	Saving if no by-election is required. However £32,000 will need to be budgeted next year.
105/4248	Devo Contingency	£97,000	Budget amount is £300,000. £203,000 allocated to mitigate Somerset Council's budget cuts (CCTV, Carnival and Brick and Tile Museum). No further Devo expected in 2024/25 that will incur costs.
115/4122	Electricity Costs	£80,000	Projected saving due to solar panels installation and better unit price.
115/4194	Heating (Gas)	£57,500	Gas has now been removed from the Town Hall.
301/4222	Bristol Road Cemetery	£10,000	Approx. Now work will start this year, just consultancy work.
401/4180	Blake Gardens Toilets	£45,000	Delay refurb until 2025/26
405/4242	MUGA at Mansfield Park	£90,000	Planning and consultation will take place over the summer. Work is planned to start in Spring 2025. This budget line to be included in 2025/26 budget.
<b>Total</b>		<b>£399,500</b>	

<b>Including extra Income</b>		<b>£70,000</b>	
<b>Total</b>		<b>£469,500</b>	
<b>Projected underspend (surplus)</b>		<b>£47,500</b>	Please note this figure is subject to change due to unknowns from the data provided from Somerset Council and performance of assets and service demands. Potential overspend with Arts Centre Salaries compared with budgeted salaries.

### **2.2.3 Areas to monitor for potential overspend or less income:**

- Insurances (101/4130): The Council overspent on insurance due to its growth, and the renewal figures were unknown during budget planning. The overspend amounted to £8,339.
- Professional Fees (101/4555): The budget for professional fees may be exceeded, but this won't be confirmed until later in the year. Legal work related to asset transfers from Somerset Council is underway.
- Rental Income (401/1030): The projected rental income will be lower than budgeted because four flats are untenanted due to ongoing works.
- Market Charter and On Street Trading Concessions (405/1034 and 1035): These functions haven't yet been transferred from Somerset Council, impacting the budget.
- Sewerage and Environmental Services (405/4214): This area is projected to overspend due to extra tripping costs. The condition of roads (many unswept for years) and expanded litter picking contribute to the overspend.
- Salaries – Amenities budget for salaries is likely to exceed budgeted amounts. Due to Arts Centre staff structure being amended after budget setting to include a caretaker. Additional tweaks to Amenities Staffing could also exceed budgeted amounts. Another area to monitor is the national pay award has yet to be agreed.

## **3. Legal Considerations**

There are no legal considerations.

## **4. Financial and Risk Considerations**

Budget spend will be continued to be monitored to maximise savings and income generation.

## **5. Equalities Considerations**

There are no equality considerations.

## **6. Climate Change and Sustainability Considerations**

There are no Climate and Sustainability considerations.

## **7. Recommendations**

To note the budget update report and support the direction of travel for the current budget as outlined in 2.2

Report Sign-off

Title	Name	Date
Director of Amenities	Scott Mason	Sent 17/06/2024
Director of Community Services	Rob Semple	Sent 18/06/2024
Director of Finance and Corporate Services	Sally Jones	Sent 17/06/2024
Leader of Council	Cllr Smedley	Sent 17/06/2024
Leader of the Opposition	Cllr Slocombe	Sent 17/06/2024
Committee Chair/Lead Councillor	Cllr Lerry	Sent 17/06/2024
Lead Manager	N/A	

**End of report.**