

BRAUNSTONE TOWN COUNCIL

POLICY & RESOURCES COMMITTEE – 7th MARCH 2024

Item 7 – Review of Medium Term Priorities and Financial Planning

Purpose

To undertake a mid-year review of the Council's medium-term priorities and financial planning, alongside the Treasury Management, investment and Reserves Strategies.

Background

Braunstone Town Council first considered and published its Medium to Long Term Priorities and Financial Planning assessment in 2014, since then it has been revised at least on an annual basis in order that changed circumstances and revised predictions can be incorporated.

The annual review takes place in November each year, including an update to the five year forecast, which is also reported/adjusted and reported with the budget and Council Tax precept proposals in January each year.

In January 2024, Policy & Resources Committee and Council received a report on the Council's Financial Position in regard to its cashflow and reserves. Due to the need to urgently address the predicted deficit, Council set a precept for 2024/2025 which was an increase of 26.59% compared to 2023/2024.

To ensure that the Council's medium term financial figures were kept up to date and were robust, both Policy & Resources Committee and Council resolved that the projections for the next 5 years be subject to reassessment and presented to Policy & Resources Committee and Council during March 2024.

By identifying medium term priorities and financial planning, the Council aims to safeguard the delivery of important local services whilst ensuring appropriate future investment in the Town's services and infrastructure.

Global Economic Context

On 30th January 2024, the International Monetary Fund (IMF) published its World Economic Outlook Update, which forecasts global growth to stay at 3.1% in 2024 and rise slightly to 3.2% in 2025. The IMF forecast that global inflation will decline from 5.8% in 2024 to 4.4% in 2025.

In short, while the global economy is forecast to grow, the rate at which it grows is forecast to steadily decline. Compared to the IMF report in 2022 and 2023, both the growth forecasts are slightly lower and the inflation forecasts are slightly higher.

UK Economic Context

In November 2023, the Office for Budget Responsibility (OBR) downgraded their economic growth forecasts for 2024 to 2026, presenting a more challenging economic outlook than previously, with slower growth and inflation and interest rates expected to remain higher for longer.

UK GDP growth is expected to average 1.5% over the next 3 years. The OBR predicts inflation to average at 3.6% during 2024; returning to the Bank of England's 2% target during 2025.

On 31st January 2024, the Bank of England Monetary Policy Committee voted by to maintain interest rates at 5.25%.

On 16th February 2024, the Office for National Statistics published GDP figures for the last quarter of 2023, when the economy shrank by 0.3%. It had already contracted in the period between July and September.

On 23rd February 2024, Ofgem announced that it would lower the price cap on UK electricity and gas bills from April 2024. Nevertheless, the governor of the Bank of England is cautious stating that while this is likely to bring overall inflation down to the Bank of England's 2% target during the spring, over the year it could rise again. CPI inflation is projected to be 2.3% in two years' time and 1.9% in three years.

In short, UK economic growth is predicted to be limited and while both inflation and interest rates are set to steadily fall, Councils are likely to continue to face higher costs and funding pressures for the foreseeable future.

Rolling Five Year Budget Plan

Attached as Appendix 1 are the updated financial projections for the period until 2028/2029, which is based on the following assumptions:

- staff salary costs increasing by 6% each year, the same as the increase in 2023/2024 (the previous two years averaged 7% to 8%);
- pension scheme costs, taking into account the 2022 valuation with a 6% pay increase each year;
- the amount approved (5%) to account for staff salary increases in 2024/2025 not being sufficient based on the salary settlements of the previous two financial years and therefore, the additional amount will need accounting for in the salary and pensions base budget for 2025/2026;
- ensuring the Council pays the foundation living wage, predicted to increase by 20% over the next 5 years;
- 3% inflation on operational costs during 2025/26 (CPI predicted to be between 2% and 3% during that period);
- savings from existing loans which mature during the period being reinvested in additional borrowing to finance projects included in the Capital Plan;
- funds being placed in the Revenue Contingency Fund from 2025/2026 gradually increasing to the equivalent of 5% of the annual staff salaries (and on-costs) by 2027/2028; and

- that the base budget predicted when setting the Council Tax equates to the actual income and expenditure.

The projections are based on the following being included in the base budget to replenish the Council's Reserves:

- £79,000 in 2024/2025 (included);
- a further £71,000 (totalling £150,000) in 2025/2026; and
- a reduction of £50,000 in 2026/2027 (totalling £100,000);

resulting in the Revenue (General Fund / Non-Earmarked) Reserve reaching the equivalent of three months net expenditure, as recommended by the Joint Panel on Accountability and Governance, during 2026.

These projections, using current tax base information, result in a 14.98% increase on the precept for 2025/26; a total for the year of:

- £23.33 on a typical band B property;
- £26.68 on a band C property; and
- £30.01 on a band D property.

Staff Salary and oncosts (including pensions) account for 66% of the Council's expenditure. In 2024/2025, the Council set salary and oncost budgets totalling £633,836, based on the pay settlement averaging 5%. If the pay settlement averaged 7%, this would cost an additional £12,073, the equivalent of 1.5% on the precept. Similarly, if the pay settlement averaged 3%, there would be a saving of £12,073 and a similar 1.5% reduction on the precept.

The impact however, goes beyond the financial year, since any overspend has to be plugged in the base budget the following year while also accounting for an increase in salaries. Similarly, a saving banked in one financial year reduces the predicted base budget the following financial year.

Town Council Business Plan

The Council's Mission Statement sets out the Council's vision to provide high quality services and support the needs of the community, while recognising that this is only sustained by ensuring that the resources to do it are available.

In addition to the Mission Statement, the Council has focused its resources on four main areas of activity (Strategic Aims) for the medium term to ensure effective delivery of initiatives and projects, given the limits on resources. The four Strategic Aims are supported by Delivery Objectives, which are reviewed annually. In addition the Council has key objectives relating to its Committees and Service Areas, which are also reviewed annually.

The Council's Mission Statement, Strategic Aims and Delivery Objectives, and the Service Objectives for 2024/2025 are set out in the Business Plan, attached at Appendix 2.

Capital Programme

The Council is responsible for a significant amount of physical assets and to assist with longer term financial planning, the Council approves, in consultation with the Citizens' Advisory Panel, a list of Capital Projects, which includes identified long term improvements to the Council's Assets. The Capital Plan approved with the 2024/2025 budget in January 2024, is attached as Appendix 3. The Plan identifies projects, which the Town Council will need to deliver to both ensure the long term sustainability and efficiency of its services as well as responding to Climate Change.

The Capital Plan is a rolling document, which is reviewed annually alongside the budget and identifies priority projects. Significant investment projects completed over in the last 3 years include:

- Shakespeare Park: site, new pavilion, tennis courts and play area;
- Braunstone Civic Centre: toilets, including installation of a Changing Places toilet, and kitchen facilities; and
- Climate Reduction initiatives: installation of solar PV panels, an air source heat pump and electric vehicle charging points.

Investment in the Council's infrastructure, measures to reduce the Council's Carbon footprint and in improvements to biodiversity and Council services will continue to present pressures over the forthcoming years and the Council needs to make financial provision for replenishing its reserves and financing public works loans in order to deliver its Capital Programme.

Financial Strategy

Given the Council's Financial Position in 2023/2024 and the level of risk this posed to the ability of the Town Council to function and deliver its services, the following financial strategy is proposed to ensure the Council's finances are resilient:

- balancing of annual operational income with annual operational expenditure;
- continued monitoring of the level of reserves and assessment of future investment needs;
- regular monitoring of reserves and general fund expenditure with proposed actions to address any issues prior to it becoming structural;
- forecast future year's expenditure on previous actual income and expenditure; and
- yearly assessment of the financial constraints.

Treasury Management and Investment Strategy

Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks.

In March and April 2024, Braunstone Town Council sought a short-term loan to enable it to have the cash to function and meet its commitments. The Council took action to address the deficit through its 2024/2025 budget and council tax precept. However, the Council will gradually replenish its reserves, which won't reach recommended minimum levels until 2026. In the event of unforeseen

circumstances, loss of income or significant increased expenditure, there is a risk the Council will need to borrow funds in April 2025.

Where the Council undertakes any short-term borrowing to meet expenses pending future income; it will do so by either approaching one of its principal authorities or a UK Bank.

The proposed replenishment of reserves by 2026, will if approved, mean that going forward the Council will only borrow for projects identified in the Capital Plan. When borrowing for Capital Projects, the Council uses the UK Debt Management Office Public Works Loan Scheme, which provides funds for capital projects with fixed interest and capital repayments for the term of the loan. The Council provides for financing the capital and interest repayments on such loans through this annual Medium Term Priorities and Financial Planning process.

Braunstone Town Council deposits its funds in UK Bank Accounts only. While the sums held in some bank accounts significantly exceeds the limit of protection (£85,000) afforded by the Financial Services Compensation Scheme; the risk of losing large sums of money is considered low since during the financial crises of 2008 the UK Government took steps to prevent UK Banks at risk from collapsing.

The Town Council will consider this risk level when reviewing Corporate Risks as part of the Annual Governance Review and will identify any mitigating actions necessary.

Reserves

Loss of funding, transfer of services, the Covid-19 pandemic and subsequent economic pressures resulted in the Council using £117,000 from its reserves between 2018 and 2023 to offset significant increases in the Council Tax precept in one year; while each subsequent year it delayed replenishing the reserves.

As a result, the Internal Audit report of 2023, contained the following:

Reserves; the current guidance regarding the general reserve held is set out in The Practitioners' Guide (2023) paras 5.32 - 5.36. For authorities with income and expenditure in excess of £200,000 the generally accepted recommendation with regard to the appropriate minimum level of general reserve is 3 months of net revenue expenditure. In discussion with Darren, we concluded that for the audit year 2022-23, that would suggest approximately £180,000 but the actual figure was considerably lower and less than 50% of the guideline figure. Whilst the Practitioners' Guide is just that ie guidance and whilst the calculation of reserves is not an exact science, it is appropriate and prudent that the council reviews its current position against the guidance to confirm or if necessary amend its plan in respect of the sums held.

The External Audit of 2023 also highlighted the position with the Council's Reserves:

Reserves are considered to be low and could pose a risk to the Town Council's

ability to function in the future. The Council has provided explanations for this and assurances that it is considered in their budgetary procedure, and we have reviewed your Medium Term Priorities and Financial Planning document. The 2023 budget was for a small surplus but returned a more significant deficit which raises concerns in respect of the veracity of the budgeted future years figures which each provide for a small surplus. We would anticipate that following this outturn the Council will be reviewing its financial position and its future budgets.

Given the expenditure pressures this year and the critical position with the Council's reserves, the Reserves Policy has been revisited and contains arrangements for Monitoring, Managing and Maintaining the Council's Reserves (along with the Principles, previously adopted as part of this Strategy).

A copy of the proposed revised Reserves Policy is attached at Appendix 4. The intention is to review the Policy at least annually in November as part of this Medium Term Priorities and Financial Planning Report.

The projections at Appendix 1 set out a plan to replenish reserves by 2026 and therefore, in accordance with the proposed Policy, do not include any proposals to utilise revenue reserves to balance revenue budgets or offset precept rises in the short to medium term.

In accordance with the proposed revised Policy, the Earmarked Reserves are subject to review and are set out at Appendix 5. In order to maximise the level of funds to replenish the revenue (general fund) reserve; it is recommended that reserves earmarked relate only to a commitment or a restricted use.

Current Financial Year (2023/2024)

When setting the budget for 2023/2024, it was predicted that the Solar Panels and Air Source Heat pump would be installed during April and May 2023 and therefore, would produce almost a full year of projected savings. However, the solar panels were installed during September and October and the Air Source Heat Pump was commissioned at the beginning of September. As a result, on 30th September 2023, there is a £24,782 overspend against the full year utility budgets, coupled with no export energy income. Furthermore, due to the scaling down of the solar installations at all three sites, the predicted annual saving and revenue from export will be reduced compared to the budgeted figure.

Vehicle costs amount to £10,063 on 30th September 2023 out of an £11,000 annual budget.

In addition to the above, the NJC employers pay settlement for 2023/24 was 6% overall for the Town Council's staff. The budget approved in January 2023 provided for 4%. This left a deficit of £13,184 in the salary and pensions budget.

Recommendations

THAT IT BE RECOMMENDED TO COUNCIL

1. that the current projections attached at Appendix 1, based on known financial pressures identified in the report, be approved;
2. that the Council's Strategic Aims, Delivery Objectives and Committee/Service Objectives, attached at Appendix 2, be used as the basis for calculating the annual budget and any external funding sought;
3. that once the revenue reserve reaches the equivalent of three months' net expenditure; the additional funds be earmarked to invest in infrastructure and assets, as identified in the Capital Plan at Appendix 3, and in the development and remodelling of services, including the Town Council's operations
4. that the Financial, Treasury Management and Investment Strategies, as set out in the report, be adopted;
5. that the revised Reserves Policy, attached at Appendix 4, be approved; and
6. that the Earmarked Reserves be approved, as set out at Appendix 5.

Reasons

1. To provide a foundation for preparing budget estimates for 2025/2026 and beyond.
2. To ensure the Council focusses its activity and spending on its key priorities and objectives given the current financial constraints and future financial uncertainties.
3. To maintain the standard of the council's facilities and open spaces and to ensure the highest possible standards within the resources available in the future.
4. To effectively manage the Council's cash flows, borrowing and investments, taking into account the associated risks.
5. To ensure the financial resilience of the Council, that it would be able to function, invest in its assets and deliver services to residents; while avoiding significant increases in council tax precept in future years.
6. To ensure that reserves earmarked relate only to a commitment or a restricted use; maximising the level of funds to replenish the revenue (general fund) reserve.

APPENDIX 1 – 5 YEAR INCOME / EXPENDITURE PROJECTIONS

	Original 2023/24	Revised 2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Operational Requirement	£261,497	£261,497	£403,863	£390,096	£398,595	£415,224	£432,586
Plus Increase in costs	£41,727	£41,727	£12,116	£11,703	£19,930	£20,761	£12,978
Less Savings / Income Generation	£32,043	£11,340	£25,883	£3,204	£3,300	£3,399	£3,501
Total including Savings	£271,181	£291,884	£390,096	£398,595	£415,224	£432,586	£442,063
Pension Provision	£104,762	£107,136	£126,767	£136,373	£144,555	£153,229	£162,422
Staff Salaries	£477,251	£488,061	£507,069	£547,493	£580,343	£615,163	£652,073
TOTAL Staff Costs	£582,013	£595,197	£633,836	£683,866	£724,898	£768,392	£814,496
Existing Borrowing Repayments	£82,464	£83,025	£69,539	£64,953	£58,367	£48,889	£45,997
<i>Less Payments for Matured Loans</i>	<i>-£13,486</i>	<i>-£13,486</i>	<i>-£4,586</i>	<i>-£6,586</i>	<i>-£9,478</i>	<i>-£2,892</i>	<i>-£6,034</i>
Civic Centre Improvements Borrowing	£11,091	£9,043	£10,511	£10,511	£10,511	£10,511	£10,511
Climate Initiatives Borrowing	£9,064	£3,289	£18,804	£19,449	£19,449	£19,449	£19,449
Potential Borrowing: Mossdale	£0	£0	£0	£11,004	£11,004	£11,004	£11,004
Potential Borrowing: Capital Projects	£0	£0	£0	£0	£9,478	£22,370	£28,404
TOTAL Borrowing Costs	£89,133	£81,871	£94,268	£99,331	£99,331	£109,331	£109,331
Contingency	£0	£0	£0	£5,000	£30,000	£38,000	£40,000
Capital Projects	£13,000	£13,000	£17,500	£20,000	£40,000	£50,000	£60,000
TOTAL EXPENDITURE	£955,327	£981,952	£1,135,700	£1,206,792	£1,309,454	£1,398,309	£1,465,890
INCOME from Hires/Fees/Contracts	£176,292	£176,292	£232,816	£232,816	£237,472	£242,221	£247,065
Non-Earmarked Reserves (To/From)	<i>-£3,000</i>	<i>-£3,000</i>	£54,000	£150,000	£100,000	£20,000	£0
Revenue Reserves Balance	£78,952	£5,666	£59,666	£209,666	£309,666	£329,666	£329,666
<i>Revenue Reserve % of Net Expenditure</i>	<i>10.17%</i>	<i>0.71%</i>	<i>6.08%</i>	<i>18.57%</i>	<i>26.31%</i>	<i>27.45%</i>	<i>26.89%</i>
Earmarked Reserves (To/From)	N/A	N/A	£25,000	£5,000	£5,000	£25,000	£7,000
Capital Reserves Expenditure	N/A	N/A	£21,616	£6,000	£4,000	£12,000	£16,000
Earmarked/Capital Reserves Balance	£32,385	£5,269	£8,653	£7,653	£8,653	£21,653	£12,653
Net Precept	£776,035	£802,660	£981,884	£1,128,976	£1,176,982	£1,201,088	£1,225,825
Band D (scaled Tax Base)	4,901.85	£158.24	£163.75	£200.31	£230.32	£240.11	£245.03
% Increase	7.37%	N/A	26.59%	14.98%	4.25%	2.05%	2.06%
Average % Increase	N/A	N/A	9.99%				



BRAUNSTONE TOWN COUNCIL

Serving the communities of Braunstone Town and Thorpe Astley

BUSINESS PLAN 2024/2025

Strategic Aims & Delivery Objectives

Town Council Mission

The Council's Mission Statement sets out its vision to provide high quality services and support the needs of the community, while recognising that this is only sustained by ensuring that the resources to do it are available.

Mission Statement - We exist:

1. *to ensure that local services and the environment reach the highest possible standards within the resources available for citizens, visitors and those who work in Braunstone Town and Thorpe Astley;*
2. *to provide a focus for civic pride;*
3. *to listen, identify and respond to agreed local needs; and*
4. *to help develop a strong, secure, self-reliant, self-confident community, free from discrimination.*

"Spectemur. Agendo" translates "Let us be Judged by Our Actions"

Strategic Aims and Delivery Objectives (2024/2025)

The Council has four Strategic Aims for the medium term, which are set out below. Each Aim is supported by specific delivery objectives for the year, which are reviewed and developed as part of the annual review of the Council's Business Plan and Capital Plan and the annual setting of the budget and Council Tax precept.

1. Protect and Enhance our Parks and Open Spaces

Aim: To invest in and maintain high quality urban green spaces for sport, recreation and play, while enriching the natural environment.

Delivery Objectives for 2024/2025:

- (a) Support existing Clubs at Shakespeare Park to grow while supporting new sporting activities, such as Tennis and Petanque;
- (b) deliver tennis initiatives to enhance participation;
- (c) continue to work with Blaby District Council and the developer to ensure improvements are made to the culvert at Thorpe Astley Park;
- (d) carry out Flood Alleviation and Drainage Improvements at Mossdale Meadows; and
- (e) refurbish and enhance Impey Close Play Area and surrounding open space.

2. Provide Vibrant Community Facilities

Aim: To provide vibrant, accessible and cost effective community facilities, which continue to be used by and respond to the needs of our community.

Delivery Objectives for 2024/2025:

- (a) Deliver essential works on the Civic Centre building fabric; and
- (b) support the expansion of the Civic Centre Café Service, including at Thorpe Astley on event days.

3. Support and Connect the Local Community

Aim: To both nurture and enhance the Town's community life and connect our communities to reduce isolation and build community cohesion.

Delivery Objectives for 2024/2025:

- (a) Support new and existing community activities and initiatives through our Community Grants Schemes and Programme of Events;
- (b) co-ordinate community events, such as Apple Day, 80th Anniversary of D-Day, Shakespeare Park Open Day, Thorpe Astley on the Beach;
- (c) develop outreach Children's reading and activities at Thorpe Astley Community Centre; and
- (d) support the Local Area Coordination Project.

4. Respond to Climate Change and champion sustainable development

Aim: To embed climate and environmental awareness in our decision making and actions and play our part in supporting the community to do the same.

Delivery Objectives for 2024/2025:

- (a) Deliver actions identified in the Carbon Audit with a view to the Council becoming Carbon Neutral by 2030;
- (b) undertake surveys and produce Management Plans to enhance the biodiversity of our parks and open spaces;
- (c) support and facilitate initiatives to improve cycling and walking routes within the Town and to the City Centre, Fosse Park and Meridian;
- (d) work to ensure that development meets present needs, minimises air pollution and car journeys, while protecting the needs of future generations; and
- (e) recommission a carbon audit of our activities to ensure that all possible actions are being taken and that new and emerging technologies and approaches are utilised to reduce the Council's carbon footprint.

Objectives

In addition to the Mission Statement and Strategic Aims and Delivery Objectives, the Council's Committees and Service Areas have operational objectives.

Planning and Environment Objectives

1. To ensure sustainable development, which meets the needs of the present generation without prejudicing the existing built environment and the needs of future generations.
2. To improve the environment, in pursuit of which, objectives 3 to 7 below are contributors.
3. To seek high standards of design and construction within planning applications and to ensure all developments are consistent with environmental objectives.
4. To inform and consult local residents about major planning proposals, Development Plans and other planning initiatives by central and local government.
5. To work with others to minimise the impact from:
 - (a) traffic; and
 - (b) air and light pollution.
6. To promote responsible dog ownership and waste disposal.
7. To provide and maintain street seats and notice boards at key locations.
8. To monitor the New Lubbethorpe development and to respond to any implications of that development for the environment of the Town.

Community Development Objectives

Nurturing and enhancing community life, equal opportunities and social inclusion.

Young people

1. To create opportunities for young people to have a voice
2. To identify young people's needs and give support to new local initiatives including summer holiday activities
3. To maintain positive relations with local school, pre-school and education providers

Crime reduction services

4. Working with the Police, reduce opportunities for crime, increase public safety and establish a community spirit.

Social inclusion, recreation & culture

5. To work with our partners to attract increased funding and the provision of a wider range of sporting and other services at local level
6. To provide support for the Office of Town Mayor and to promote Civic, Ceremonial and commemorative functions, including the flying of flags
7. To assist local clubs and societies to undertake their work for the benefit of the citizens of Braunstone Town and Thorpe Astley
8. To direct grants to organisations where this will be of greatest benefit to the citizens of Braunstone Town and Thorpe Astley
9. To organise arts events/ entertainment's/ Civic Occasions which bring people together

10. To encourage the formation of new community groups by promoting free/subsidised use of the Council's Community Facilities
11. To promote social inclusion

Corporate Management & Capital Project Objectives

1. To ensure effective management of the authority
2. To ensure effective implementation of the Council's policies and priorities
3. To ensure the Council's management arrangements, facilitate performance and efficient use of resources
4. To provide efficient and effective office services to support the Council's activities
5. To provide efficient and effective support to the democratically elected members to enable them to make policy decisions
6. To provide efficient and effective information to committees
7. To deal with telephone calls, and personal callers, promptly, courteously and efficiently
8. To ensure and arrange effective staff training
9. To develop a motivated workforce with the necessary knowledge, experience and skills to implement the Council's policies and services
10. To maintain adequate personal records, health and safety controls, and fire evacuation polices
11. To manage and control land and property belonging to the Council
12. To maintain an effective filing and retrieval system
13. To undertake capital projects for the benefit of the citizens of Braunstone Town and Thorpe Astley
14. To ensure that major repairs and renewals are satisfactory and undertaken on Council owned buildings
15. To provide office accommodation for the Council's administrative staff
16. To ensure the Council engages with the Community concerning its activities, including with consultative bodies, such as the Citizens' Advisory Panel.

Community Centres Objectives

1. To provide and maintain high quality function rooms for use by hirers
2. To provide and maintain quality meeting rooms for Council and local community groups at low cost
3. To provide a Licensed Bar/Catering service for use by hirers and community groups at prices that are comparable with other similar establishments in the area
4. To maintain usage of the Centres for the benefit of the community

Open Spaces & Parks Objectives

1. To provide and maintain parks and open spaces to a high standard
2. To provide quality sports facilities to meet identified needs
3. To provide and maintain play equipment to a high and safe standard
4. To help fight pollution and climate change by planting trees on our parks



BRAUNSTONE TOWN COUNCIL

Serving the communities of Braunstone Town and Thorpe Astley

CAPITAL PLAN 2024/2025

The Council’s Capital Projects have been identified through emerging priorities, surveys and consultation, the Citizens’ Advisory Panel and the Council’s Committees. Each year Policy & Resources Committee, when considering the budget estimates and precept for the forthcoming financial year, reviews progress with Capital Projects and updates the list according to funding and priorities. The Capital Plan forms the foundation of the strategic investment and improvement works undertaken by the Town Council in the year ahead. The Capital Plan proposals are considered and approved at Full Council in January when the budget and precept is set.

Capital Projects for 2024/2025 – 2025/2026

Parks and Open Spaces Projects 2024/2025 – 2025/2026		
Park	Project	Notes/Finance
Mosssdale Meadows & Merrileys	Replace culvert bridge at Mosssdale Meadows. <i>Existing culvert is not suitable for flow of water which causes flooding on the park on a regular basis</i>	Priority Project for 2024/2025 Estimated: £150k Borrowing
	Improve drainage on Lubbesthorpe Bridleway at Mosssdale Meadows <i>Length of concrete bridleway, which slopes down from Shakespeare Drive to Mosssdale Meadows floods and produces a heavy amount of surface water run off during heavy and prolonged rain causing flooding around the depot and football pitches, as well as on the bridleway.</i>	Priority Project for 2024/2025 Estimated: £50k Borrowing: Link to “Replace vehicle and pedestrian culvert bridges at Mosssdale Meadows”.
	Drainage work to the entrance of Mosssdale Meadows car park to drain water from the car park into the brook. <i>The car park entrance was prone to frequent flooding which was raised during the Walking & Cycling route construction</i>	Priority Project for 2024/2025 Estimated: £50k Borrowing: Link to “Replace vehicle and pedestrian culvert bridges at Mosssdale Meadows”.
	Resurfacing of Mosssdale Meadows car park with tarmac. <i>Currently the car park consists of hardcore and stone which frequently gets washed down towards the brook in heavy rain.</i>	Priority Project for 2024/2025 Estimated: £50k Borrowing: Link to “Replace vehicle and pedestrian culvert bridges at Mosssdale Meadows”.

Parks and Open Spaces Projects 2024/2025 – 2025/2026		
Park	Project	Notes/Finance
Mosssdale Meadows & Merrileys <i>Continued</i>	Replacement of Toddler swings (<i>estimated end of life – medium risk</i>)	Estimated: £10k <i>Annual Capital Budget</i>
	New Roof and Roof Insulation at Mosssdale Depot and Sports Changing Rooms and installation of solar panels, new electric heating (explore air source heat pump) and LED Lighting. <i>A Structural Survey has identified that the roof is deteriorating and isn't strong enough to hold solar panels (as recommended by the Carbon Audit). There is currently no central heating at the premises, with electric heaters for the staff room at the Depot. The building is not energy efficient and needs to be both in the short and long term to reduce carbon, energy use and costs.</i>	Estimated: £100k <i>External Grant, Annual Capital Budget & Section 106</i>
	Refurbishment of Changing Rooms and Sports facilities at Mosssdale Pavilion. <i>The Changing Facilities and Social Facilities could make more effective use of the space and need improvement and modernisation.</i>	
Impey Close playground and Open Space	<ol style="list-style-type: none"> 1. Resurface playground with rubber mulch under play equipment and pathway. 2. Install new and replace vandalised equipment. 3. Improve paths, including gravel path "yellow brick road" and planting in surrounding open space. <i>Rubber tiles damaged and in places missing. Surfaces damaged/vandalised and pathways eroded.</i>	Estimated: £100k <i>External Grants, Annual Capital Budget & Section 106</i>

Community Centres Projects 2024/2025 – 2025/2026		
Building	Project	Notes/Finance
Civic Centre	Installation of Battery Storage for Solar PV Panels. <i>Both Community Centres are used in the evenings. Civic Centre has electric cookers. Millfield Hall includes electric heating and air conditioning. Thorpe Astley Community Centre contains an electric Air Source Heat Pump.</i>	Priority Project for 2024/2025 Estimated: £20k <i>Borrowing Underspend, Annual Capital Budget.</i>

Community Centres Projects 2024/2025 – 2025/2026		
Building	Project	Notes/Finance
Civic Centre Continued	Replacement of Civic Centre foyer skylight and corridor frame and windows. <i>Both the foyer skylight and the corridor and windows are over 25 years old and do not meet modern insulation standards.</i>	Priority Project for 2024/2025 Estimated: £50k <i>External Grant, Annual Capital Budget</i>
	Installation of additional Solar Panels on Civic Centre Roofs – Council Chamber, Fosse Room, Ravenhurst Room and rear toilets. <i>New roof potentially allows for the installation of additional solar panels reducing the impact on climate change and making savings.</i>	Linked to Civic Centre Roof Refurbishment.
	Civic Centre Roof Refurbishment: Council Chamber, Fosse Room, Ravenhurst Room and rear toilets. <i>The roof on the Council Chamber and Fosse Room is leaking and has received several patches. Advice is that the roof has passed its life expectancy and will need refurbishing in the short term.</i>	Fundamental to building integrity Estimated: £100k <i>External Grants, Annual Capital Budget & Reserves</i>
	Replacement of Civic Centre Windows. <i>The windows are over 20 years old and do not meet modern insulation standards. Some are unsafe to open.</i>	Health & Safety Risk. Consider through next Carbon Audit Estimated: £50k <i>External Grant, Annual Capital Budget</i>
	Civic Centre radiator replacement and review of location. <i>Some areas of the building are well provided for with radiators and are hot, while other areas of the building have limited radiators and are cold.</i>	Consider through next Carbon Audit Estimated: £25k <i>External Grant, Annual Capital Budget</i>
	Millfield Hall – Creation of small external storage area next to the Millfield Hall and kitchen for furniture. <i>Providing space for hirers. This can be accommodated by relocating the bin store since the mini-bus compound is no longer in use.</i>	Estimated: £10k <i>Annual Capital Budget</i>

Community Centres Projects 2024/2025 – 2025/2026		
Building	Project	Notes/Finance
Civic Centre <i>Continued</i>	Council Chamber internal refurbishment: <ul style="list-style-type: none"> • Heating/Air Conditioning • Mood Lighting <i>The facilities need modernisation for users and hirers: the room is used for meetings, consultations, seminars, training and social events.</i>	Consider once roof replaced and through next Carbon Audit Estimated: £25k <i>External Grant, Annual Capital Budget</i>
	Refurbish/Replace Fire Doors in Fosse Room and Millfield Hall kitchen. <i>Doors and frames are rotten and doors stick when the frames swell in the damp. Potential to hinder exit in an emergency.</i>	Estimated: £5k <i>Annual Capital Budget</i>
	Millfield Hall and Council Chamber Floor stripping and revarnishing <i>Floors wearing and risk damage from use and liquid if not sealed and treated.</i>	Estimated: £10k <i>Maintenance Budget</i> See proposed replacement below (Medium to Long Term)
Both Centres	Installation of hearing loop systems in main rooms at both Community Centres. <i>Item already included where refurbishment of specific rooms has been identified.</i>	Rolling Programme from 2023/24. <i>Annual Budgets</i>

Short to Medium Term Projects (within the next 7 years)

Short to Medium Term Parks and Open Spaces Projects		
Park	Project	Notes/Finance
Thorpe Astley Park	Refurbishment of Thorpe Astley Park Tennis Courts <i>Tap4tennis installed and income being generated. Perimeter fencing regularly vandalised and playing surface improvements would enhance the facility for users.</i>	Estimated £30k. <i>External Grant, Annual Capital Budget & Section 106</i>
Franklin Park	Widen and make improvements to path. <i>Path connects residential areas of the Town with local amenities and is well used. The path would benefit from being a shared use path to facilitate movements on foot and by cycling. The path was identified in the Blaby District Open Spaces Audit as substandard and in need of improvement.</i>	Estimated £75k. <i>Explore external funding working with Walk & Ride Blaby.</i>

Short to Medium Term Parks and Open Spaces Projects		
Park	Project	Notes/Finance
Mosssdale Meadows	Widen and make improvements to path through Mosssdale Meadows & Merrileys from Shakespeare Drive to Brockenhurst Drive, including installation of lighting and CCTV. <i>Path connects residential areas of the Town with new GCW Phase 2 Cycle Route between Braunstone Town and Meridian and Thorpe Astley. The path would benefit from being a shared use path to facilitate movements on foot and by cycling.</i>	<i>External funding working with Walk & Ride Blaby.</i>
	Gateway Fencing Mosssdale Meadows – Brockenhurst Drive entrance <i>Fencing in need of refurbishment.</i>	Estimated £10k - £20k. <i>Annual Capital Budgets</i>
	Electric Wiring and installation of electric vehicle charging point at Mosssdale Meadows Depot and Changing Rooms. Electricians have confirmed that wiring is out of date and complex. Items have been added and rewired and potential fire hazard. Work should include electric vehicle charging point ahead of any change of the vehicle fleet to electric.	Estimated £10k <i>External Grant, Annual Capital Budget & Section 106</i>
All Play Areas	Rolling programme of identifying and replacing play equipment and installing mulch safety surfaces where these are near end of life. <i>Most of the Council's play equipment and safety surfaces are over 10 years old, a significant amount of equipment is over 20 years old. Overall many Play areas risk deterioration and maintenance costs increasing if equipment and safety surfaces are not replaced on a rolling basis.</i>	Prioritise to ROSPA reports, funding streams and increases in maintenance costs. <i>Annual Budgets</i> Franklin Park – remaining surfaces during 2024/2025 – 2025/2026
All Parks	Rolling programme of tree surveys and works <i>Currently maintenance budgets are stretched and tree maintenance and works are reactionary.</i>	Over a 5/6 year period undertake a rolling programme. <i>Annual Budgets</i>

Short to Medium Term Community Centres Projects		
Building	Project	Notes/Finance
Civic Centre	Civic Centre Ravenhurst Room & corridor – new floor <i>Consider replacing carpet with laminate floor or similar for multiple uses and users and for cleaning.</i>	Schedule following Building Improvements Estimated £5k <i>Annual Capital Budget</i>
	Fosse Room – Audio / Visual Equipment, including sound and loop system and fixed projector. <i>The facilities need modernisation for users and hirers: the room is used for meetings, consultations, seminars and training.</i>	Estimated: £5k <i>Annual Capital Budget</i>
	Installation of Air Source Heat Pump <i>Part of Building refurbishment, insulation improvements and commitment to become Carbon Neutral by 2030.</i>	Estimated: £45k <i>Borrowing</i>
Thorpe Astley Community Centre	Thorpe Astley main hall Mood Lights. <i>To make the facilities attractive for function hire. Hirers of the Millfield Hall provide positive feedback on the mood lighting.</i>	Estimated: £5k <i>Annual Capital Budget</i>
	Replacement of Carpet tiles in Foyer and Corridor <i>Carpet tiles wearing.</i>	Estimated: £2k <i>Annual Capital Budget</i>
Both Centres	Installation of Sound systems in the Millfield Hall, Council Chamber and Thorpe Astley Main Hall. <i>To make the facilities attractive for hire. Some regular hirers have commented that provision of a sound system means there is less need to move equipment or need storage.</i>	Estimated: £6-9k <i>Annual Capital Budget</i>

Short to Medium Term Library Projects		
Project	Details	Notes
Installation of CCTV	<i>Only facility where there are no CCTV cameras. Have been a couple of recorded incidents of anti-social behaviour since the Town Council became the Service Operator.</i>	Estimated £5k <i>Annual Capital Budget</i>

Short to Medium Term General Projects		
Project	Details	Notes/Finance
Civic Centre and Franklin Park Car Parks	Resurfacing/ Relining of Civic Centre, including exploring new handrails and lighting along footpath on entrance slope from Welcome Avenue, and Franklin Park Car Parks. <i>Poor quality of the surface, particularly near entrances and patching is costly and inefficient. Lines are currently fading and can be relined following resurfacing. The slope at the Civic Centre is not well lit and considered steep potentially presenting difficulties for wheel chair users and those who are less able.</i>	Estimated: £80k <i>Annual Capital Budget & Reserves</i> Refresh white lines at Civic Centre in 2024/2025
Gateway signage to the Town on the new road from Lubbesthorpe	The Town Council was responsible for the Town's place signs and would be responsible for installation of such signs at the new gateway and could explore incorporating speed reminders and/or safety messages.	Estimated: £3k <i>Annual Budgets</i>
Provide new, improved and enhanced notice boards at key locations	Over the past few years, many notice boards have fallen into disrepair and have been removed. Some existing notice boards need refurbishment and replacement. Some notice boards are located where there isn't a high level of footfall, while some key locations do not have notice boards.	Rolling programme over 5 years. <i>Annual Budgets</i>
Improved Signage in and around Community Buildings	Signage outdated, not dementia friendly. Sometimes signage not relevant, sometimes doesn't sign/advertise new services. Creation of Corporate Image.	Schedule after Civic Centre improvements. External signs may need planning permission. Estimated: £3-5k. <i>Annual Capital Budget</i>
Improvements to Cycle Lock-Up facilities at Community Centres	Cycle lock-up rails are available at both Centres and will be available at the new Shakespeare Pavilion. To encourage cycling and to ensure parked cycles are safe – consider covers, lock ups, better signage and CCTV coverage	Estimated: £5k <i>Maintenance Budget</i>

Medium to Long Term Projects (within the next 12 years)

Medium to Long Term Parks and Open Spaces Projects		
Park	Project	Notes/Finance
Franklin Park	Improvement items identified by the Franklin Park Working Group: creation of path in orchard (to enable access to lower part when the ground is water logged)	Estimated: £10k <i>External Grant & Annual Capital Budget</i>
Mossdale Meadows & Merrileys	Bridle path resurfacing (from Kingsway entrance through to Jelson owned land)	Estimated: £10k <i>External Grant & Annual Capital Budget</i>
	Possible resurfacing of footpaths	<i>External Grant & Annual Capital Budget</i>

Medium to Long Term Community Centres Projects		
Building	Project	Notes/Finance
Civic Centre	Council Chamber internal refurbishment: <ul style="list-style-type: none"> • Audio / Visual Equipment, including sound and loop system and fixed projector. <i>The facilities need modernisation for users and hirers: the room is used for meetings, consultations, seminars, training and social events.</i>	On-hold pending review and availability of resources and roof replacement Estimated: £10k <i>Annual Capital Budget</i>
	Civic Centre Kitchens refurbishment <i>Kitchens approximately 40 years old. Poor quality by modern standards and require extra cleaning and maintenance</i>	Estimated: £30k <i>External Grant & Annual Capital Budget</i>
	Millfield Hall and Council Chamber Floor replacement <i>Wooden floors 40 years old and maintenance costs are high. Need to replace with modern low maintenance flooring.</i>	Estimated: £50k <i>External Grant & Annual Capital Budget</i>
	Refurbishment of Millfield Hall Stage Area. <i>Lighting Box, sound system and casing old and constantly needs adjusting, difficult for hirers to use. Stage lighting needs upgrading to LED – can't get replacement bulbs.</i>	Estimated: £30k <i>Annual Capital Budget</i>

Medium to Long Term Community Centres Projects		
Building	Project	Notes/Finance
Thorpe Astley Community Centre	Additional Storage for Parks Service <i>Routine items need for maintaining the parks at Thorpe Astley needed. Currently stored at Mossdale. Option allows for reducing time and travel distances.</i>	Costs dependent upon solution. <i>Annual Capital Budget</i>
	Consider options for extending Thorpe Astley Community Centre, including the car park <i>With the success of the Nursery / Pre-School and with the Doctor's Surgery, there is both limited capacity for community meeting space during the weekdays and limited storage.</i>	Costs dependent upon solution. <i>Borrowing</i>

Adopted by Council 25th January 2024 (Minute Reference xxxx).



BRAUNSTONE TOWN COUNCIL

Serving the communities of Braunstone Town and Thorpe Astley

RESERVES POLICY

Purpose

1. Braunstone Town Council is required to maintain adequate financial reserves to ensure that the Council and its services are able to function.
2. The purpose of this policy is to set out how the Council will determine and review the level of reserves.

Principles

3. Braunstone Town Council will only maintain reserves for the following reasons:
 - a capital receipt from the sale of land or assets to be invested in capital projects identified in the Capital Plan;
 - commuted sums for the transfer of Public Open Spaces to offset significant one-off increases in precept and/or to invest in capital projects identified in the Capital Plan;
 - grants and/or loans received for delivering capital projects identified in the Capital Plan;
 - earmarked funds to meet the Council's Medium Term Financial Forecasts or for unexpected capital expenditure or emergencies;
 - earmarked funds received which are designated for a specific purpose, e.g. donations to the Town Mayor's Charity;
 - a sum approximately equal to 3-6 months of Net Revenue Expenditure should be maintained as the General (non-earmarked) Reserve, in accordance with good practice; and
 - other reserves which are earmarked for special purposes or future development, or to meet commitments, will be maintained as necessary.
4. Where, during and at the end of a financial year, an underspend occurs then the priority is to rebuild balances to ensure there is at least 3 months rather than find alternative spending. Therefore, except where there is a requirement or in exceptional circumstances, the underspend against the annual budget will be used to increase the level of the Council's general fund balances at the end of the financial year.

Scope

5. The Responsible Financial Officer will apply this policy when advising and reporting to Policy & Resources Committee and Council on using, maintaining monitoring and replenishing reserves.
6. Notwithstanding Section 50 of the Local Government Finance Act 1992; in adopting this Policy, it is the Council's intention that both Policy & Resources

Committee and Council will operate with the framework and comply with the provisions of this policy when making decisions concerning the use, maintenance, monitoring and replenishing of reserves.

Types of Reserve

7. There are two types of reserve:
 - **General (Fund) Reserves** can be used as and when required for purposes determined and approved by the Council; and
 - **Earmarked Reserves** are funds 'ring fenced' for a specific purpose or project; this can either be allocated by the Council or restricted by law or some other conditions (e.g. grant award or donations to the Town Mayor's Charity).

General Fund Reserves

8. The general reserve comprises the Council's cash flow and contingency funds to cover unexpected inflation, unforeseen events and unusual circumstances.
9. The Joint Panel on Accountability and Governance Practitioners' Guide advises that authorities with income and expenditure in excess of £200,000 should maintain a minimum level of general reserve at three months of net revenue expenditure. The maximum maintained should not exceed twelve months of net revenue expenditure.
10. The Council should review the level general reserve to ensure it is appropriate to the size of operation, situation and risks and should plan the budget so as to ensure that the adopted level is maintained.
11. The minimum level of reserves requires not only consideration of level of income and expenditure but also the risks to that income. Where there is significant self-generated income (other than the precept), the Council should take into account situations that may lead to a loss in revenue as well as increased costs and adapt the general reserve accordingly.

Earmarked Reserves

12. Earmarked Reserves must be held for genuine and identifiable purposes and must be separately identified on the accounts.
13. An "identifiable purpose" includes funds towards delivering the Capital Plan, whether individual identifiable projects or for capital projects generally. However, the amounts earmarked must be justifiable and proportionate.
14. The level of Earmarked Reserves will be subject to review and justification as part of the Medium Term Priorities and Financial Planning Process and when setting the annual budget and precept.
15. Subject to the above; there is, in practice, no upper or lower limit to the number or amounts held in Earmarked Reserves.

Monitoring Reserves

16. A summary financial report will be submitted to Policy & Resources Committee, at least quarterly, to include details of reserves and cash held at the bank.
17. The level of general reserve should be reviewed against the budget outturn figure during the financial year and measures identified to ensure that expenditure and income is both monitored and managed where the general reserve falls below the equivalent of three months net expenditure.

Managing Reserves

18. Changes in earmarked reserves shall be approved by Policy & Resources Committee as part of the budgetary control process. The exception is where a matter is reserved to Council to determine, in which case Policy & Resources Committee will recommend changes to earmarked reserves for the Council to approve.
19. Earmarked Reserves restricted by law or some other conditions (e.g. grant award or donations to the Town Mayor's Charity) cannot be transferred to the General Fund or Earmarked for another purpose.
20. Earmarked Reserves can be transferred to the General Fund or Earmarked for another purpose where:
 - a) the funds were allocated by Policy & Resources Committee/Council; and
 - b) the funds are not committed (e.g. a completed project which has underspent).
21. During the budget year, unspent amounts in revenue budgets can be moved to an earmarked reserve with the approval of the Policy & Resources Committee, having considered fully forthcoming and ongoing commitments and the implications for public services.

Maintaining Reserves

22. Sections 32 and 43 of the Local Government Finance Act 1992 require local authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.
23. While there is no specified minimum level of general reserves; Braunstone Town Council will hold a minimum level of general reserve equivalent to three months of net revenue expenditure.
24. Therefore, the Responsible Financial Officer, when preparing both the Medium Term financial forecast and annual budget estimates, will not propose the use of reserves to meet general expenditure where to do so would result in the level of general fund reserves falling below the equivalent of three months net expenditure.

25. Notwithstanding Section 50 of the Local Government Finance Act 1992, in adopting this Policy, it is the Council's intention that both Policy & Resources Committee and Council, in determining both the Medium Term financial forecast and setting the budget and precept, will not approve the use of reserves to meet general expenditure where to do so would result in the level of general fund reserves falling below the equivalent of three months net expenditure.

26. Where the level of general fund reserve falls or is predicted to fall below the equivalent of three months net expenditure, then the Responsible Financial Officer as part of the Medium Term financial forecast and annual budget setting will put forward proposals to replenish the general fund reserve in the following two financial years.

Review of the Policy

27. This Policy will be reviewed at least annually by Policy & Resources Committee and Council as part of the Medium Term Priorities and Financial Planning Report.

DATE ADOPTED	21st March 2024	REVIEW DATE	November 2024
REVISED DATE/S			

APPENDIX 5 – RESERVES

The table below summarises the current reserves, intended uses and review recommendation:

Reserves 2024/2025				
		Start of Year	Current*	Review Recommendation
Earmarked Reserves	<i>Shakespeare Pavilion Works</i>	£19,888.81	£0.00	Delete – Completed
	<i>Shakespeare Playground</i>	£6,678.00	£0.00	Delete – Completed
	<i>Carbon Reduction Initiatives</i>	£0.00	£18,789.00	Retain – Restricted Borrowing
	<i>Civic Centre Capital Projects</i>	£95,910.91	£2,055.02	Retain – Committed by Contract
	<i>Shakespeare Park Sports Clubs</i>	£1,692.51	£219.94	Retain – Offered to Clubs
	<i>Community / Social Inclusion Projects Grant</i>	£9,500.00	£8,820.98	Retain – Restricted Use
	<i>Balance Budget 2023/24</i>	£3,000.00	£0.00	Delete - Subsumed
	<i>Gateway Signage</i>	£2,500.00	£2,500.00	Delete - Uncommitted
	<i>Defibrillators</i>	£500.00	£0.00	Delete - Completed
	<i>Town Mayor’s Charity</i>	£3,939.42	£0.00	Retain – Restricted Use
		Total Earmarked Reserves	£143,609.65	£32,384.94
Non-Earmarked Reserves	<i>Commuted Sums</i>	£47,375.12	£47,375.12	Merge into General Fund
	<i>General Fund</i>	£23,455.45	-£15,232.65	N/A
		Total Balances	£70,830.57	£32,142.47
Balance of Reserves		£214,440.22	£64,527.41	

* Dated 23rd February 2024.