



BUDGET 2013/14

TOWN COUNCIL MEETING

REPORT 10/13

18 FEBRUARY 2013

The purpose of this report is to summarise the changes affecting the Town Council's expenditure for the financial year 2013/14 and provide the basis for the formal adoption of a budget for that year and the setting of the related Precept.

No. DETAIL

1) SUMMARY

- a) The draft budget attached to this report is based on a Precept income for the financial year 2013/14 of £148,676, an increase of 10% from this year, for the reasons outlined below.
 - b) After deducting a new grant from the Isle of Wight Council (see section 2) the amount to be raised through the precept is £125,437 which, as a result of the changes to the tax base (see section 2) means a charge to a Band D taxpayer of £55.04 over the year, an increase of 12pence a week from this year.
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2) CHANGES: THE TAX BASE

- a) One of the consequences of the government's change to Council Tax Benefit is a reduction in the local tax base of 17.1%, from 2,768.3 this year to 2,278.9 next year. The tax base is the calculated number of Band D rate households from which Council Tax is predicted to be collected and is the number by which the total precept is divided to show the cost to the Band D taxpayer.
 - b) The reduction is caused by the government's shift to a locally administered Council Tax Benefit scheme. For financial years up to 2012-13 the tax base has been the number of Band D equivalent properties in the Council area. The cost of Council Tax Benefit granted has been expenditure to the Isle of Wight Council reimbursed by grant income from the government with no impact on the tax base or finances of Parish & Town Councils.
 - c) With effect from the 2013-14 financial year this has changed. The tax base is now calculated as the number of Band D equivalent properties less the government's assessment as to what the level of Council Tax Benefit granted will be.
 - d) The cost of this to Ventnor in 2013/14 would have been £23,851. However all except £612 of this amount is being offset by a new government grant, paid to the Isle of Wight Council, including an element for Parish & Town Councils: £23,239 for Ventnor. The effects of this are shown at the bottom of the attached draft budget.
 - e) As a result of this £23,239 grant towards the Town Council's budgeted costs, this change has no significant effect next year. However, in preparing the budget for 2013/14 the Town Council has had to look further ahead and take into account the potential risks to its budget beyond next year. The risks are:
 - o the grant the Isle of Wight Council will receive from central government is to assist with the transition to the new scheme in 2013/14: there is no commitment that it will be available in future years;
 - o even if the grant is available to the Isle of Wight Council in future years, there is no statutory requirement for them to pass on the element for Town and Parish Councils; they may choose not to do so; and
 - o it is possible that the government may decide to cap Town and Parish Council Precept income in the same way they have done with that of local authorities.
 - f) The combined effect of these three risks would be either a drastic reduction in the income available to the Town Council or a very large increase in the cost to Band D council tax payers.
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3) CHANGES: ISLE OF WIGHT COUNCIL

- a) The tendency for the Isle of Wight Council to restrict or stop funding of some important local services is likely to continue given their track record and the increasing budget pressures they are faced with in the years beyond 2013/14.
 - b) The only protection available will be the ability of Town and Parish Councils to take on the continued provision of such services, strengthening the case for an increase at this time, in the context of the risks identified in section 2 above.
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4) CHANGES: NEW COSTS

- a) The draft Budget has needed to include provision for two commitments that are already in place and two new projects to fulfil outstanding priority requests from the first meeting of the town's voluntary and community groups in January 2012. Together they amount to increased costs of £10,500.
 - b) The two that that come with the territory are the £4,000 costs of operating the Esplanade's Paddling Pool picked up following the Isle of Wight Council's decision to discontinue funding for it and the £5,250 potential costs for the Town Council elections on 2 May 2013 if all five wards are contested.
 - c) The two new commitments are a £1,500 allocation for projects encouraging *Healthy Eating* and £750 for the development of a project in partnership with the Botanic Gardens to provide raised beds for planting in which children can learn the value and means of *Growing Spaces*.
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5) DRAFT BUDGET

- a) In summary, the draft budget predicts a total expenditure for the financial year 2013/14 of £168,786 offset by anticipated external income of £20,110 leaving an income from the Precept of £148,676.
- b) In round figures, the expenditure is as set out in this table:

| Expenditure Category | Amount | % of total |
|-----------------------------|-----------------|-------------------|
| Town Clerks' Salaries | £46,236 | 27.39% |
| Overheads | £30,050 | 17.8% |
| Infrastructure | £18,500 | 10.96% |
| Projects | £66,000 | 39.10% |
| Contingency | £8,000 | 4.74% |
| Total | £168,786 | 100% |

- c) The detail is listed in the attached draft budget.
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6) RECOMMENDATION

The Town Council is recommended to resolve that the Town Council:

- a) formally adopts the attached draft as its Budget for 2013/14 and sets the Precept income to fund it at £148,676 for that year; and
 - b) asks the Town Clerk to inform the Isle of Wight Council accordingly.
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Ventnor Town Council

Budget 2013/14: Draft 2

| Budget line | 2012/13 projected actual | 2013/14 budget | Variance from 2012/13 |
|------------------------------------|--------------------------------|-------------------|-----------------------------|
| Town Clerks' Salaries | 42,980 | 46,236 | - 3,256 |
| Overheads | | | |
| 4 Office stationery | 1,000 | 1,000 | - |
| 5 Office equipment | 500 | 500 | - |
| 6 Photocopier costs | 2,500 | 2,500 | - |
| 7 Postages | 50 | 50 | - |
| 8 Affiliation Fees | 800 | 1,000 | - 200 |
| 9 Insurance | 2,900 | 3,400 | - 500 |
| 10 Telecomms | 3,250 | 3,600 | - 350 |
| 11 Audit Fee | 955 | 1,050 | - 95 |
| 12 Bank Charges | 90 | 100 | - 10 |
| 13 Newsletter and Website | 1,200 | 1,300 | - 100 |
| 14 Legal & Professional Fees | 850 | 1,000 | - 150 |
| 15 Elections | 0 | 5,250 | - 5,250 |
| 16 Member Training | 350 | 500 | - 150 |
| 17 Winter Gardens Tills | 1,600 | 1,600 | - |
| 18 Miscellaneous | 1,500 | 1,800 | - 300 |
| 19 Office + Room Rent | 4,750 | 5,400 | - 650 |
| Total Overheads | 22,295 | 30,050 | - 7,755 |
| Infrastructure | | | |
| 20 Public Seats | 3,739 | 1,600 | 2,139 |
| 21 Motifs Electricity | 500 | 500 | - |
| 22 Town Clocks | 750 | 500 | 250 |
| 23 Town Decorations | 850 | 750 | 100 |
| 24 Metrological Honorarium | 600 | 600 | - |
| 25 Spring Hill Gardens | 500 | 500 | - |
| 26 Sea Breeze Park | 1,500 | 750 | 750 |
| 27 Putting Green Kiosk Costs | 2,000 | 1,000 | 1,000 |
| 28 Green Ventnor | 3,500 | 4,000 | - 500 |
| 29 Shore Road Toilets | 1,350 | 1,000 | 350 |
| 30 War Memorial | 3,350 | 6,300 | - 2,950 |
| 31 Outfit | 1,000 | 1,000 | - |
| Total Infrastructure | 19,639 | 18,500 | 1,139 |
| Projects | | | |
| 32 First Aid Project | 7,800 | 6,250 | 1,550 |
| 33 Paddling Pool | 0 | 4,000 | - 4,000 |
| 34 Gateway project | 1,600 | 1,500 | 100 |
| 35 Healthy Eating | | 1,500 | - 1,500 |
| 36 Growing spaces | | 750 | - 750 |
| 37 Dogs | 1,500 | 2,000 | - 500 |
| 38 Coastal Centre | 1,500 | 2,000 | - 500 |
| 39 Warmer Ventnor Project | 5,000 | 5,000 | - |
| 40 Economic Development Project | 20,000 | 21,500 | - 1,500 |
| 41 Community Development Project | 20,000 | 21,500 | - 1,500 |
| Total Projects | 57,400 | 66,000 | - 8,600 |
| 42 Contingency | 2,000 | 8,000 | - 6,000 |
| Total Expenditure | 144,314 | 168,786 | |
| Receipts | | | |
| 43 First Aid Project | 6,250 | 6,250 | - |
| 44 Putting Green | 1,560 | 1,560 | - |
| 45 War memorial | 1,575 | 6,300 | - 4,725 |
| 46 Paddling pool | | 1,000 | - 1,000 |
| 47 Southern Housing Group | 5,000 | 5,000 | - |
| Total | 25,000 | 20,110 | 4,890 |
| Expenditure - Income | 119,314 | 148,676 | |
| Precept Requirement 2013/14 | | 148,676 | |
| Less grant £23,239 | | 125,437 | |
| Band D charge | | £ 55.04 | |