



2014/15 BUDGET & PRECEPT

TOWN COUNCIL MEETING

REPORT 11/14

9 FEBRUARY 2015

The purpose of this report is to summarise the changes affecting the Town Council's expenditure for the financial year 2015/16 and provide the basis for the formal adoption of a budget for that year and the setting of the related Precept.

No. DETAIL

1) BUDGET SETTING 2015/16

- a) A letter from the Isle of Wight Council's (IoWC) Managing Director Dave Burbage of 14 November requests the Island's 33 Town and Parish Councils to submit their Precept requirement for 2015/16 by 18 February.
 - b) In view of the remaining uncertainty about which services the IoWC will discontinue funding in 2015/16, it has been agreed that the Town Council can set its final budget at a meeting on 23 February by which time all relevant decisions about the IoWC's Budget will be in the public domain.
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2) TAX BASE CHANGES

- a) 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 tax payer.
 - b) As Members' will remember, in April 2013 Council Tax Benefit was replaced by locally designed Council Tax Support Schemes and this reform changed the way local authorities were financed for the support they provide for council tax.
 - c) As a consequence, since 2013-14 council tax support from central government has included a compensatory element intended – though not statutorily required – to be paid in the form of a grant passed on to parishes that is separate from locally set precepts.
 - d) Ventnor Town Council's Grant for this purpose in 2015/16 will be £17,837 to be set against our budget requirement for the year.
 - e) Although that is a reduction from last year's grant of £2,556, the effect is slightly more than compensated for in a rise of the town's tax base calculation from last year's 2,344.1 to 2,395.8.
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3) RISK ASSESSMENT

- a) There are two significant future risks to the Town Council's current Budget and associated Precept levels relevant for future years.
 - b) *The IoWC Grant*
 - o Under its own Budget pressures, the IoWC may choose not to pass on the Town & Parish Council element of the Council Tax grant it receives from central government: there is no statutory requirement for them to do so and some principal authorities have decided not to pass it on in 2015/16.
 - o If the £20,383 grant had not been available for 2014/15 the Town Council would have been faced with a choice between significantly reduced income of that amount and an increase in the Precept of £8.70 to retain the same level of income.
 - c) *Precept Capping*
 - o The possibility that the government may decide to restrict increases in Precepts to the same 2% level currently applied to Council Tax has been much discussed again this year.
 - o Although that will now not apply to 2015/16, there is no guarantee that it will not be implemented in future years.
 - o If that were to happen, the Town Council's ability to increase its precept income would be
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limited to £3,645 at its current level.

4) EXTERNAL FUNDING

- a) In the current financial year, the Town Council's Precept income has been increased by 82% due to the successful accessing of a total of £167,617 of external funding, identified in the following table:

SOURCE	AMOUNT
Coastal Communities Fund	95,000
Southern Housing Group	9,000
My Life a Full Life	10,000
Our Place	30,000
Youth Offer	17,367
Beach Safety	6,250
TOTAL	167,617

- b) Activity to access external funding will continue in 2015/16 but its time-limited duration means that it is not a reliable basis for funding services; consequently any additional services no longer funded by the IoWC from 1 April 2015 will need to be funded from the Precept if the town wishes to retain them.
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5) DRAFT BUDGET: INTERNAL ADJUSTMENTS

- a) The Draft Budget attached to this Report, includes both routine internal adjustment and the distribution of the provision for taking on the delivery of services to be discontinued by the IoWC from 1 April 2015; this section covers the first of these.
- b) Of the 37 Budget lines many are relatively fixed as they either reflect formal resolutions or current operational levels.: the adjustments in the attached draft are as follows:
- c) *Expenditure lines removed*: 7 with a total of £9,975:
Postage (£30) + Elections (£1,500) + Winter Gardens (£945) + Public Seats (£1,000) + Healthy Eating (£1,000) + Growing Spaces (£500) + War Memorial (£5,000).
- d) *Expenditure lines reduced*: 9 with a total of £3,358:
Photocopier (£400) + Affiliation Fees (£170) + Telecomms (£600) + Town Clocks (£200) + Decorations (£750) + Putting Green (£750) + Paddling Pool (£238) + Outfit (£250) + Gateways (£500).
- e) *Expenditure lines increased*: 7 with a total of £23,994:
Salaries (£11,194): mainly reflects the appointment of an Apprentice in Business Admin.
Audit (£900): charge set by the Audit Commission for Town & Parish Councils with incomes or expenditures in excess of £500,000 that applies to us this year.
Sea Breeze (£1,500): provision for an unresolved dispute about responsibility for the yearly maintenance payment to the IoWC.
Economic Development (£1,000): implementation of the agreed national salary increase - and additional provision for project expenses.
Community Development (£8,500): implementation of the agreed national salary increase and funding of the community space within the Green Room area.
Insurance (£600): reflecting increased charges implemented this year.
Miscellaneous (£300): minor adjustment.
- f) The combined effect of paragraphs c) to e) above – increases of ££23,994 less reductions of £13,333 – is a net increase year on year of £10,661.
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6) DRAFT BUDGET: DISCRETIONARY SERVICES

- a) Three discretionary services have been confirmed as having their funding either partially or completely withdrawn from 1 April 2015.
- b) *Beach Cleaning*
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- Under the existing IoWC arrangements, the cleaning of Ventnor's four beaches – Ventnor Bay, Bonchurch, Orchard Bay and Steephill Cove – has been carried out by Brighstone Landscaping at an estimated annual cost of £23,000.
- It had been the IoWC's intention to cease funding Beach Cleaning altogether from 1 April 2015 but it has since acknowledged that it has a statutory duty for a minimum level of litter picking, though not to a standard that will allow the retention of Blue Flag status.
- The Town Council has been clear that it will take on this service itself at an estimated cost of £15,000 a year.
- c) *Beach Safety*
 - The IoWC has provided Ryde, Sandown, Shanklin and Ventnor with a grant for each of the last four years of £25,000 towards beach safety.
 - The Town Council has used that grant to operate a valued and effective Beach Safety Project that it intends to continue at an estimated cost of £8,500.
- d) *Grounds Maintenance*
 - Although the IoWC will continue to maintain Ventnor Park – albeit at summer planting level only – the Cascades and 17 other grassed areas will become the responsibility of the Town Council from 1 April.
 - An amount of £20,000, based on current IoWC estimates of the cost, has been included in the Draft Budget for this purpose.
- e) The £43,500 combined cost of these services is adequately covered by the provision made in last year's budget and that has been distributed accordingly.

7) ADDITIONAL PROVISION

- a) The Annual Consultation Event held at St Francis Primary School Hall on the evening of 26 January 2015 was asked to consider the need for additional budgetary provision for five services in the context of changes to other IoWC services with consequences for the town.
 - b) *No. 31 Bus*
 - Funding for the Island's Community Buses will end on 31 March 2015 and the much valued 31 route is one of those.
 - Given that it has the highest passenger numbers of all the Community Buses and its particular importance for older residents of Bonchurch and St Lawrence, it was proposed that £7,000 be included in the Budget as 50% of the annual cost of the service together with a request that IoWC match fund that amount.
 - c) *Public Toilets*
 - The IoWC is currently consulting on the introduction of a Community Toilet Scheme that if implemented would see the number of Public Toilets on the Island reduced from 41 to 5 with a saving in 2015/16 of £150,000 and double that in 2016/17, and the probable closure of both the Marlborough Street and Esplanade Toilets.
 - The IoWC has provided their costs for the maintenance of these toilets and the meeting was asked to consider their response to providing for both from 1 October 2015 the half year costs of £6,000 and £10,000 respectively.
 - d) *Ventnor Central*
 - The Town Council currently manages Ventnor Central under a Tenancy at Will with estimated running costs of £12,000 a year.
 - Unless and until the issues of Fire Safety and future use of the building are determined, only relatively low use of it is possible and, consequently, the meeting was asked to consider a 50% subsidy for the running costs of £6,000.
 - e) *Ventnor Library*
 - Included in the proposed IoWC Budget savings is a one of £90,000 in 2015/16 and £180,000 in 2016/17 by *working in partnership with local councils to take on the running costs of three existing library sites in exchange of the buildings being made available as community supported venues 24/7. Full year effect of savings could be*
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achieved from April 2016 and it is assumed that changes could begin to be implemented by October 2015.

- The Town Council is already involved in constructive discussions with the IoWC about the future of Ventnor Library and the meeting was asked to consider Precept support of £35,000 for this purpose.
- f) All of these proposals were strongly supported by the meeting on the basis of 10 table-based discussion groups asked to indicate a level of response from a choice of Strongly Support (SS), Support (S), Neutral (N), Oppose (O), Strongly Oppose (SO) as the attached feedback sheet demonstrates.
- g) Including a provision for all the services in section 7) above would add a total of £64,000 to the Draft Budget, giving a net Budget total of £279,153 and a Precept requirement of £261,153 resulting in a cost to a Band D taxpayer of £109.08: a weekly increase of £0.60 over this year.
- h) Including all except the Library would add a total of £29,000 to the Draft Budget, giving a net Budget total of £244,153 and a Precept requirement of £226,326 resulting in a cost to a Band D taxpayer of £94.77: a weekly increase of £0.33 over this year.

8) RECOMMENDATION

The Town Council is recommended to consider the following options and resolve accordingly:

- i) to agree the Draft Budget attached to this Report but postpone setting a final Budget and Precept until a meeting of the Town Council on Monday 23 February.
 - ii) to agree the Draft Budget with the addition of provisions for the No. 31 Bus, Marlborough Road and the Esplanade Toilets and Ventnor Central as in (b), (c) and (d) of section (7) above.
 - iii) to agree the Draft Budget with the addition of provisions for the No. 31 Bus, Marlborough Road and the Esplanade Toilets, Ventnor Central and Ventnor Library as in (b), (c), (d) and (e) above.
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Draft Budget for 2015/16

Budget Line		2015/16 budget
Town Clerks' & Admin Salaries		62,705
Overheads		
4	Office stationery	1,200
5	Office equipment	500
6	Photocopier costs	2,000
7	Affiliation Fees	980
8	Insurance	4,000
9	Telecomms	2,400
10	Audit Fee	1,650
11	Bank Charges	180
12	Newsletter and Website	1,400
13	Legal & Professional Fees	2,000
14	Member Training	500
15	Office + Room Rent	10,626
16	Miscellaneous	1,800
Total Overheads		29,236
Infrastructure		
17	Town Clocks	200
18	Town Decorations	750
19	Metrological Honorarium	600
20	Spring Hill Gardens	500
21	Sea Breeze Park	1,500
22	Putting Green Kiosk Costs	750
23	Green Ventnor	2,000
24	Shore Road Toilets	1,400
25	Paddling Pool	4,763
26	Outfit	500
27	Grounds Maintenance	20,000
28	Beach Cleaning	15,000
Total Infrastructure		47,963
Project Projects		
29	Gateway project	500
30	Beach Safety	8,500
31	Dogs	2,000
32	Warmer Ventnor Project	5,000
33	Economic Development	22,500
34	Community Development	30,000
Total Projects		68,500
35	Contingency	10,000
Total Expenditure		218,403
Receipts		
36	Putting Green	2,250
37	Paddling pool	1,000
Total		3,250
Expenditure - Income		215,153
Budget 2015/16		215,153
Less Grant		17,827
Precept Requirement		197,326
Council Tax Base		2,395.8
Precept per Band D Househo		£ 82.36



VENTNOR TOWN COUNCIL



ANNUAL CONSULTATION EVENT

TABLE CHOICES: BUDGET

<i>SERVICE</i>	<i>TABLE NUMBER</i>									
	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>
<i>Marlborough St. Toilets</i>	SS	SS	S	SS	SS	SS	SS	S	SS	SS
<i>Esplanade Toilets</i>	SS	SS	SS	SS	SS	SS	SS	SS	SS	SS
<i>Ventnor Central</i>	SS	SS	SS	S	SS	SS	SS	SS	SS	N
<i>No. 31 Bus</i>	SS	SS	S	SS	N	SS	SS	SS	SS	SS
<i>Library</i>	SS	SS	SS	S	S	SS	SS	SS	SS	S