



2017/18 BUDGET & PRECEPT

TOWN COUNCIL MEETING

REPORT 9/17

13 FEBRUARY 2017

The purpose of this report is to summarise the Town Council's anticipated expenditure for the financial year 2017/18 and provide the basis for the formal adoption of a Budget for that year and the setting of the related Precept.

No. DETAIL

1) BACKGROUND

- a) A letter from the Isle of Wight Council's Director of Finance and Section 151 Officer Chris Ward of 19 January 2017 requests the Island's 33 Town and Parish Councils to submit their Precept requirement for 2017/18 by 15 February 2017.
 - b) The letter also sets out the calculations for the Local Council Tax Support Scheme (LCTS) grant due to the Town Council for 2017-18 of £7,429 (compared with £11,970 in 2016/17) that is an addition to the Precept the Town Council sets for the year.
 - c) The reduction reflects the level of decrease in the amount the Isle of Wight Council receives from government for the LCTS scheme and in Ventnor's case it is slightly more than offset by an increase in the Town's Tax Base from 2,395.8 for 2016/17 to 2,516.2 for 2017/18.
 - d) 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.
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3) DRAFT BUDGET FOR FINANCIAL YEAR 2017/18

- a) The Town Council is very conscious of the very significant increases in the local Precept that residents have accepted in recent years to ensure important local services are retained as the Isle of Wight Council has withdrawn funding from them.
 - b) In informal discussions of the 2017/18 Budget, Members have come to the view that as no other services are under threat at this time, the Town Council will have sufficient funding at the current Precept level to ensure all services and assets are sustainable for the coming year.
 - c) Consequently, the Draft Budget included with this Report is based on requiring no increase in the town's Precept for 2017/18.
 - d) The Budget indicates a total anticipated expenditure for the financial year 2017/18 of £413,137 compared with £412,446 in the current year.
 - e) Income from activities totalling £106,222 (£96,653 in 2016/17) together with the grant from the Isle of Wight Council through the LCTS reduce the amount needed from the Precept to £280,423 (£271,809 in 2016/17).
 - f) This increase of £8,614 is cancelled out by the increase in the town's Council Tax Base to 2,516.2 compared with the 2,438.8 for 2016/17.
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4) RISK ASSESSMENT

- a) The two significant threats to the Budget routinely identified in recent years do not apply to this one: the Isle of Wight Council has again passed on the funding it receives to support Town and Parish Councils with the LCTS – not all Councils do – and the government has stated it will not apply capping to the Budgets of Town and Parish Councils.
 - b) The most obvious risk to this Budget is that the Isle of Wight Council grant of £19,941 for our Youth Offer work – Budget line 47 – is conditional on the agreed funding for it being confirmed in the Isle of Wight Council's own Budget at its Budget setting meeting of 22 February.
 - c) Although Town and Parish Councils have been requested to inform the Isle of Wight Council of its Precept requirement by 15 February, the option is available of final confirmation of this
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Budget taking place at a special Town Council meeting the day after the Isle of Wight Council's Budget is formally set and the outcome in respect of its Youth Offer programme funding is known.

5) RECOMMENDATION

The Town Council is recommended to:

- i) adopt the Draft Budget as presented with this Report;
 - ii) confirm its Precept-related Budget for 2017/18 to be £287,852;
 - iii) set the Precept income to fund it at £280,423, together with the LCTS grant of £7,429 from the Isle of Wight Council;
 - iv) ask the Town Clerk to inform the Isle of Wight Council accordingly.
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Budget 2017/18

Draft: Version 4

Notes	Item	2016/17 budget	Predicted outturn	Variance	Predicted 2017/18 costs	Income	Precept Budget 2017/18	+/- 2016/17 Precept Budget	Decrease on 2016/17	Increase on 2016/17
1	1 Town Clerk	27,712			28,581		28,581	869	-	869
	2 Assistant Town Clerk	24,983			26,020		26,020	1,037	-	1,037
	3 Admin Assistant	15,968			13,436		13,436	- 2,532	- 2,532	-
	Administration salaries	68,663	67,156	- 1,507	68,037	-	68,037	- 625	- 625	-
	Overheads									
	4 Office stationery	1,750	1,140	- 610	1,250		1,250	- 500	- 500	-
	5 Office equipment	500	2,190	1,690	1,000		1,000	500	-	500
	6 Photocopier costs	1,750	2,350	600	2,500		2,500	750	-	750
	7 Affiliation Fees	1,000	1,500	500	1,000		1,000	-	-	-
	8 Insurance	4,500	5,000	500	5,000		5,000	500	-	500
	9 Telecomms	1,250	1,254	4	1,000		1,250	-	-	-
	10 Audit Fee	1,650	1,320	- 330	1,350		1,350	- 300	- 300	-
	11 Bank Charges	250	350	100	350		350	100	-	100
	12 Newsletter and Website	1,500	1,150	- 350	900		900	- 600	- 600	-
	13 Legal & Professional Fees	2,000	2,000	-	2,000		2,000	-	-	-
	14 Member Training	500	-	- 500	500		500	-	-	-
	15 Cleaning	1,287	1,850	563	1,000		1,000	- 287	- 287	-
2	16 Maintenance	3,754	1,450	- 2,304	1,500		1,500	- 2,254	- 2,254	-
	17 Office + Room Rent	10,750	10,688	- 62	10,750		10,750	-	-	-
	18 Miscellaneous	2,000	3,500	1,500	2,000		2,000	-	-	-
	Overheads total	34,441	35,742	1,301	32,100	0	32,350	2,091	- 3,941	1,850
	Infrastructure									
	19 Town Clocks	150	-	- 150	150		150	-	-	-
	20 Town Decorations	1,500	1,450	- 50	1,500		1,500	-	-	-
	21 Metrological Honorarium	600	600	-	600		600	-	-	-
	22 Spring Hill Gardens	500	500	-	500		500	-	-	-
	23 Putting Green Kiosk Costs	500	- 3,000	- 3,500	3,500	2,750	750	250	-	250
	24 Green Ventnor	3,000	3,000	-	3,000		3,000	-	-	-
3	25 Ventnor Park Toilets									
	26 Marlborough Road Toilets	27,916	40,000	12,084	40,000	1,000	39,000	11,084	-	11,084
	27 Esplanade Toilets									
	28 Paddling Pool	4,500	5,100	600	5,000		5,000	500	-	500
	29 Outfit	750	500	- 250	750		1,000	250	-	250
	30 Sea Breeze Park	750	2,250	1,500	1,000		705	- 45	- 45	-
4	31 North Street Play Area	750	-	- 750	750		-	750	- 750	-
	32 Upper Ventnor Play Area	750	-	- 750	750		-	750	- 750	-
	33 Grounds Maintenance	28,760	29,000	240	28,760		28,760	-	-	-
	34 Ventnor Library	20,000	20,000	-	20,000		20,000	-	-	-
5	35 Ventnor Central	7,000	6,800	- 200				- 7,000	- 7,000	-
	36 Beach Cleaning	8,000	7,700	- 300	7,750		7,750	- 250	- 250	-
6	37 Dudley Road Car Park	9,060	9,060	-	8,874	8,874	-	-	-	-
	38 Market Street Car Park	6,580	6,580	-	6,450	6,450	-	-	-	-
	39 Pound Lane Car Park	5,612	5,612	-	5,523	5,523	-	-	-	-
	40 Shore Road Car Park	8,432	8,432	-	8,204	8,204	-	-	-	-
	Infrastructure total	135,110	143,584	8,474	143,060	32,800	108,715	3,289	- 8,795	12,084
	Projects									
7	41 Beach Safety	8,500	6,100	- 2,400	7,500		7,500	- 1,000	- 1,000	-
	42 No 31 Bus	14,000	18,750	4,750	18,750	10,000	8,750	- 5,250	- 5,250	-
	43 Dogs	2,000	1,500	- 500	1,500		1,500	- 500	- 500	-
	44 Warmer Ventnor Project	2,500	2,500	-	2,500		2,500	-	-	-
	45 Economic Development	22,500	21,750	- 750	22,500		22,500	-	-	-
	46 Community Development	30,000	30,250	250	30,000		30,000	-	-	-
8	47 Youth Offer	34,733	34,733	-	30,000	30,000	-	-	-	-
9	48 Salisbury Gardens	50,000	50,000	-	51,189	66,022	-	-	-	-
	Total Projects	164,233	165,583	1,350	163,939	106,022	72,750	- 6,750	- 6,750	-
	49 Contingency	10,000	5,000	- 5,000	6,000		6,000	- 4,000	- 20,111	13,934
	Totals	412,446	417,065	4,619	413,137	138,822	287,852			
	Expenditure Budget 2016/17	412,446					413,137			690
	Precept Budget 2016/17	283,779					287,852			4,073
	Less Grant	11,970					7,429			- 4,541
	Precept Requirement	271,809					280,423			8,614
	Council Tax Base	2,438.8					2,516.2			77.4
	Per Band D household	£ 111.45				£ 111.45				-£ 0.00

Notes on next page

Changes 2016/17 to 2017/18	690
	4,073
	- 4,541
	8,614
	77.4
% increase	0.00%

Notes

- 1 All salaries are as agreed at the Town Council meeting of 14 January. The reduction in the Admin Assistant's salary is due to the fact that last year's budget provided for a full year of living wage level.
- 2 Last year's Budget included a larger element of the Maintenance Manager's Salary some of which is now being allocated elsewhere
- 3 The increase reflects the decision of the Town Council meeting of 12 January
- 4 The provisions for the play areas were introduced when the Isle of Wight Council was considering withdrawing funding; that is now longer being proposed
- 5 The Town Council's Lease ends on 31 March this year and is not expected to be renewed
- 6 The Car Park provisions show the effect of the reduced Business Rate Valuations and otherwise, as last year, assume income equal rent + rates
- 7 Adjustment is a consequence of correcting an error in the way cost and income were entered to last year's Budget and the agreement to add another loop during the season
This assumes that the grant applications to both Southern Housing Group and the Isle of Wight Council are successful; the income includes £5,059 from the Town Council's reserves
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- 9 Expenditure and Income entries for Salisbury Gardens are based on the Cash Flow projections for the building in 2017/18 agreed by the Public Buildings Working Group