

**15 January 2018 FINAL APPROVED Budget 2018/19 Key Features – Summary and Detail:**

**1. SUMMARY**

- a. **GTC Priorities and Action Plan** – these inform the budget.
- b. **Reserves** – see pages 2-3 for background and rationale for reserves.
- c. **SLDC Calculations - Precept/Council Tax Base/Council Tax Grant/Street Lighting Charges** – If there was no increase to household bills the total income to GTC would be £169,695. This is calculated: £80.42 (Band D charge 17/18) x 2,110.11 (number of houses). This means that the Precept collected would increase by 4% - even though no change to residents - because more houses have been built.
- d. **Staffing (Department 1 - Council)** – this is calculated at current staffing levels.
- e. **Pensions (Department 1 - Council)** – costs have been higher than they should be in 17/18. This is being resolved. The draft budget shows the Accountant's estimate.
- f. **Projects (Department 1 – Council)** – potential expenditure 18/19: Yewtree Play Project, replacement skate ramp, website/social media, Victoria Hall promotion and contribution to Duck Hut works.
- g. **Christmas Lights (Department 1 – Council)** – new budget, separated from Projects.
- h. **Accountancy Service (Department 1 – Council)** – PAYE, payroll, VAT, pensions.
- i. **Victoria Hall (Department 2)** – Final year of receiving SLDC £28,000 grant.
- j. **Information Centre (Department 3)** – some costs included in Dept 2 (Victoria Hall).
- k. **Public Conveniences (Departments 4,5,6)** – draft budget (page 7) shows projected deficit for whole service. Deficit increased by £3,000 due to:
- l. **Ornamental Gardens Public Conveniences (Dept 6)** – SLDC grant reduced by £3,000.
- m. **Recreation Ground (Department 7)** - in 2017/18 the majority of maintenance costs were repairs to the I-Play.
- n. **Public Domain Maintenance (Department 10)** – includes Ornamental Gardens wall top planting and Lengthsman skip.
- o. **Public Works Loan Board** – surplus generated to cover repayment from capital.
- p. **Surplus** – as above and any remaining funds can be put towards other projects and/or future shortfall in SLDC grants towards running of Ornamental Garden public conveniences and Victoria Hall as well as capital replacement costs.

**DRAFT Budget 2018/19 Key Features:**

**2. DETAIL**

**a. Priorities and Action Plan**

During 2018-19, the Town Council will concentrate on the Action Plan and Priorities resolved at Full Council in October 2017.

**b. Reserves**

At the end of 2016/17 total assets less current liabilities were £221,425. The Public Works Board loan (£34,396 remaining) is a liability; taking this from the total leaves a reserve of £187,029.

The term 'reserve' doesn't mean spare hard cash.

The reserve figure is the theoretical amount of money that would be left in the bank if the Council ceased on that day, collected all assets in and paid all liabilities.

It is a snapshot in time and the payments list which goes to Council each month shows how this position fluctuates.

Reserves are needed for:

**i) Day to Day Operation**

Reserves are needed to fund the day to day operation of the Council. This includes paying wages and mitigation against delays in funding income. A reserves buffer is needed to fund working capital.

**ii) Council Resolutions**

Reserves are needed to fund the aims of the Council.

**iii) Income Changes**

Reserves are needed where funding shortfalls are anticipated but services still have to be provided. The SLDC grant towards running the public conveniences is being withdrawn gradually. For 2018/19 this has been reduced by £3,000.

iv) **Asset Maintenance**

Reserves have to be kept – and allocated - towards the maintenance of assets.

Grange Town Council owns the Victoria Hall. The final payment of the SLDC £28k per annum grant towards the Victoria Hall will be paid in 2018/19. Reserves are held towards the long term maintenance of the Victoria Hall, the Recreation Ground (for example: I-Play), the Allotments (for example: fences), and the Public Domain (for example: War Memorial).

v) **Holding Funds from Others**

At the end of 2016/17 GTC held £3,250 which was granted by SLDC towards a feasibility study for the Victoria Hall and £20,000 from SLDC (Locally Important Projects Grant) for the Yewtree Play Project.

These allocations were approved as part of the 16/17 Annual Return as below:

<b>Cost</b>	<b>£</b>
Council	25,583
Victoria Hall	85,000
Victoria Hall future study (SLDC grant)	3,250
SLDC LIPS grant – Yewtree Project	20,000
Allotments	2,000
Public Domain	10,000
Public Conveniences	15,000
Recreation Ground	5,000
Public Works Loan Board	34,396
Surplus for the 15/16 year	21,196
<b>Reserves as per Annual Return 31/03/2017</b>	<b>221,425</b>

**c. SLDC Calculations - Precept/Council Tax Base/Council Tax Grant/Street Lighting Charges**

The Council Tax base changes each year. Houses being built increases it; more residents claiming discount decreases it.

The Council Tax Base for 2017/18 was 2075.59.

The cost to the average (Band D) household in 2017/18 was £80.42.

SLDC have confirmed that the Council Tax Base for 2018/19 is 2,110.11.

If the Precept demand is adjusted to allow for the new houses, and all households pay the same as last year, the total income to GTC would be £169,694.04 (£80.42 x 2,110.11 households).

The Council Tax Grant is given by SLDC to each parish to supplement the Precept.

This was £8,656.10 in 2016/17; in 17/18 it was £8,861.94; SLDC have confirmed that £8,989.52 will be given in 18/19.

Street Lighting Charges confirmed £11,093.27.

**d. Staffing (Department 1 - Council)**

The core staff cost is calculated at current staffing levels, with an estimate on Front of House provision based on Hall hire rates. Town Clerk and Finance Clerk estimated contingency hours.

A staff surplus has been maintained by the Council for a number of years as good business practice to allow for unforeseen expenditure on staffing.

Staff appraisals have been completed; proposed increments have been included where relevant. Revised salaries with effect from 1 April 2018 were considered by the Staffing Committee, then approved at Full Council. 1% increment from April 18/19 as negotiated by NALC included. Employers NI is included; total estimated by the accountant at £6,200 for 18/19.

**e. Pensions (Department 1 - Council)**

Auto-enrolment is complete, all staff enrolled on the Local Government Pension Scheme (LGPS), nobody opted out. The costs have been high 2017/18 as LGPS is still dealing with a backlog; they will refund and revise in due course.

An estimated contribution, advised by the accountants, included in the draft budget.

**f. Projects (Department 1 – Council)**

Expenditure for 17/18 includes: Neighbourhood Plan, new surface on the Recreation Ground Games Court, initial purchase of Christmas Lights for the Town, Olive Way Signs, Springy Cow for the SLDC playground and chairs for the Band Concerts.

Expenditure forecast for 18/19 as resolved and identified in Action Plan and Priorities resolved October 2017:

- £5,000 contribution towards playground on Yewtree Road Playing Field.
- £5,000 first phase replacement skate ramps for Recreation Ground.  
(Resolved Feb 2017 C16/192 - subsequent ramps £4,000 each in 19/20 and 20/21).

Any extra allocation in the budget allows for other projects. For example: actions following the Locality report into the future of the Victoria Hall, providing cycle racks in the town, developing GTC website and social media presence, contributing to any Duck Hut works.

The Projects budget will be augmented by Community Infrastructure Levy (CIL) payments from SLDC and may be augmented by fundraised grants.

**g. Christmas Lights (Department 1 – Council)**

This has been separated from the Projects Budget (above) because this is a fixed 5 year commitment until 2022, £4,104 per annum plus carriage and electricity charges.

**h. Accountancy Service Fees (Department 1 – Council)**

The transfer of PAYE, payroll, pensions and VAT to external accountant is complete.

**i. Victoria Hall (Department 2)**

The SLDC Victoria Hall running costs grant income has been agreed at £28,000 per annum until 31 March 2019. This is the final payment.

The maintenance budget for the Hall has been split for 2018/19 to separate regular maintenance, responsive repairs and capital costs.

The next Maintenance Plan will be based on the October 2017 Condition Report.

**j. Information Centre (Department 3)**

This is a subsidised service which GTC provides and this budget does not show the true cost. Costs not included: rent, printing, stationery, staff and utilities. Utilities are currently included in the overall running costs for the Victoria Hall as they are not metered separately. Consideration of this service is part of the work following the Locality Study Report.

**k. Public Conveniences (Departments 4,5,6)**

Rates are not charged due to the service being run through the Bay Villa Trust. It is common practice to run public conveniences through a charity; this is widely practised by town and parish councils. Reduced costs for Cleaning and Maintenance Contract as resolved December 2017 included.

**l. Ornamental Gardens Public Conveniences (Department 6)**

SLDC devolved providing public conveniences to the Town Council in 2011 and an annual grant of £15,000 was given by SLDC.

This is now being phased out on the schedule below:

2017/18:	£15,000
2018/19:	£12,000
2019/20:	£10,000
2020/21:	£8,000
2021/22:	£7,000

For the 2013/14 budget, the then Financial Services Manager recommended that the precept be raised by £3,000 per annum each year to cover the shortfall for when the grant finishes.

**m. Recreation Ground (Department 7)**

The Recreation Ground is leased by GTC from SLDC who gave up running the facility. In March 2016, a contract was agreed with Horton Landscapes to provide this service for 2 years, Council resolved to enter a further 5 year contract in November 2016. Costs to GTC under this contract involve long-term maintenance of the site and equipment repairs and renewals. In 2017 the majority of the cost was repairs to the I-Play.

**n. Public Domain Maintenance (Department 10)**

This includes £1,500 towards Ornamental Gardens wall top planting (resolved October 2016). Provision of a skip is included in the budget for the Lengthsman.

**o. Public Works Loan Board**

The loan is repaid out of capital annually; the capital repayment for 16/17 was £5,023.95. The Town Council needs to generate a budget surplus of approximately £5,000 per annum to fund the capital repayment of the loan from the Public Works Loan Board. The previous Financial Services Manager, Robert Cass, advised generating an annual surplus to cover this; the current accountant agrees. The interest payments are allocated within the annual budget for the Lido public conveniences.

**p. Surplus**

This budget shows a surplus which represents sufficient to ensure funds for loan repayments from capital. Any remaining funds will be put towards other projects and/or:

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- i) Future shortfall in SLDC grant towards running of Ornamental Garden public conveniences as recommended by previous Financial Services Manager in 2013.
- ii) Capital replacement costs: The Town Council Finance Risk Assessment (approved October 2017) shows that funds should be set aside annually towards capital replacement costs of assets.