

Report No.

Report to Full Council 16th December 2014

Budget 2015/2016

1. Purpose of the report

- 1.1. To present the Town Council budget for 2015/2016, together with background information regarding the calculation of the precept and the level of grant support expected from Wiltshire Council.
- 1.2. To assist the Council to determine the level of the precept and council tax for Malmesbury Town Council for 2015/16.

2. Budget Background

2.1. Last year the budget format was revised. This has proven to be very successful and will be continued with this year's budget. Also, Council projects outside of individual committee budgets were identified and prioritised and again this method of budgeting proved a successful way to support the Council's aims and so will continue. Here is a recap:

- 2.1.1. Essential expenditure was identified and removed from individual committee budgets and added into the main Town Council Administration Budget (now known as the 'Core Budget'). This identified core expenditure and gave greater clarity and control to Committees over that part of the budget which is spent at their discretion.
- 2.1.2. Other larger projects and works were identified separately and budgeted accordingly. These were classified as 'High Priority Projects' and 'Special Projects' and were also included within the Council's budget.
- 2.1.3. Some further projects of a lesser priority were identified and were still being researched. Main funding was to have come from Earmarked or General Reserves¹ should the Council have decided to proceed with these projects.
- 2.1.4. During the year other works have or are being undertaken, some via Committees and from their budgets, or others of a more urgent nature from the Council's Reserves.

The following table gives some individual examples of how funds have been spent (or to be spent), on capital projects, grants and support during 2014/15. This list is not by any means inclusive of all the work the Council has undertaken and the budget and accounts themselves show expenditure in greater detail.

Amounts have been rounded and also estimated if work is still ongoing:

¹ The Council's Reserves are a pool of funds accumulated over a period of years and mostly derive from small amounts of Committee budget under spend, which is transferred to Reserves at the end of the financial year. Typically expenditure from our General Reserves is for unexpected eventualities or large projects which fall outside of the Committee budgets. Earmarked Reserves are most usually monies which have been set aside for specific purposes or for particular areas of expense. The Council must keep at least 50% of the estimated year's expenditure figure in its Reserves.

Cuckingstool/ St. Aldhelm's Mead - Flood Prevention	Flood prevention works to help protect residents who live in the bottom part of the Town	£3,000
Grit Bins	Additional grit bins have been purchased and located around the Town, to ensure grit is available for the majority of residential roads in times of icy or snowy weather.	£900
St. Aldhelm's Mead -Toilets	To replace and improve for use by residents particularly children visiting the play park and other walkers/ visitors.	£30,000
St. Aldhelm's Mead - Drains	To repair and replace part of old underground drainage system and various pipework to facilitate the refurbishment of the nearby toilets	£2,000
St. Aldhelm's Mead - Play Park	New children's play equipment at St. Aldhelm's Mead Play Park	£4,000
Malmesbury Hub Town Hall - (in partnership with Greensquare)	To set up the Malmesbury Hub (in partnership with Greensquare) provide a low cost community space for local people. (Inc. extra funding for equipment etc).	£4,000
War Memorial Gates	To repair broken stonework and widen the stone pillars supporting the War Memorial Gates (located next to St. John's Bridge), also to replace the wrought iron gates. This was partly essential repair work, but also to allow better access to St. Aldhelm's Mead especially for the disabled or for organised events.	£11,000
Blick's Hill Crossing - Road Improvement	Road improvement to make the busy road safer for people to cross (joint funding with Wiltshire Council)	£500
Bollard Island at the Junction of Bristol St and Dark Lane	Installation of a bollard island at the junction of Bristol St and Dark Lane. This is a road improvement to make crossing safer (joint funding with Wiltshire Council)	£350
Local Grants	£400 grant to The Town Twinning Association £500 grant to Malmesbury Victoria Football Club	£900
Work to Town Hall Roof and Pigeon Damage Prevention	Maintenance of main residents' community facility in the Town	£12,000
Sitting Monk Statue	To provide a plinth, ground works and insurance to support the generous free loan of the statue, a Town improvement for residents and visitors	£1,500
Town Hall - Front wall of building	Town Hall - Urgent and unexpected structural repair work to the front wall of the Town Hall, necessary to allow continued safe use of the main community facility in the Town	£45,000
Town Hall - Side wall of building	Town Hall - Urgent and unexpected structural repair work to the side wall of the Town Hall, necessary to allow continued safe use of the main community facility in the Town	£45,000

Neighbourhood Plan	A contribution towards the costs of producing the plan	£2,000
Malmesbury in Bloom	To purchase new hanging baskets to maintain and increase the floral display in the Town for residents and visitors	£2,000
Christmas Lights	Every year the Council arranges for Christmas lights to be put up in the Town and for the electricity costs.	£1,700
Living History Weekend - Civil War Re-enactment	A variety of support for this free weekend event for residents and visitors, plus a contribution of £1,000	£1,000
Town Hall - Blackout Curtains	To provide black out curtains for the Assembly Room in the Town Hall, to improve use of the room for film showing, performances and other community events	£800
Town Hall - Roof Structure re Flag Pole	The flag pole safety platform area on the roof of the Town Hall requires renovation/ rebuilding.	£4,000
Town Hall - WiFi	Installation of Wifi in the Town Hall for residents to access the internet and to enhance use of the community facilities	£1,000

2.1.5. The Council implemented its aim to substantially reduce the rental charges for local people to use the Town Hall. This was to promote greater usage of the building, especially to support local 'not for profit' community groups or local charitable groups and to provide a 'new' low cost facility, being the Hub. This charging strategy has proven successful and the Town Hall is now used much more often. However, as was anticipated in last year's budget reducing hire charges has resulted in a reduction of room rental income (estimation of approx 8%), including offset revenue from the Hub.

2.2. Additionally there has been a rationalisation of administration expenditure, resulting in substantial savings over the last two years, which may be seen from the Expenditure bottom lines (n.b. not inc. project costs). Over all, staffing costs for 2015/16 even with a new part time member of staff being employed next year will still be in the region of £10,000 less than in 2012/13. These significant savings could not have been achieved without the excellent co-operation of the Town Clerk and Office staff, to whom yet again I extend our grateful thanks.

2.3. Town Council Budget 2015/16

	<i>Dr</i>	<i>Cr</i>
Core budget plus committee budgets expenditure	404,711	
High priority project expenses	15,000	
Special project expenses	10,000	
<i>Less Income²</i>		76,636

Total estimated net expenditure in the 2015/16 budget is £353,075

² This income is mainly derived from Town Hall and other rental income, plus revenue from the Tourist Information Centre.

3. Precept Background

3.1. Each year the Town Council is required to identify income and expenditure anticipated to be incurred during the forthcoming financial year, which is the budget. The expected total figure for expenditure is divided by the number of Band D equivalent properties to give a level of Council Tax for a Band D property. (2014/15 = £ 172.32).

3.2. Over two years ago, Government changed their calculation methodology, which has resulted in a reduction of the amount of precept received by Parish and Town Councils. Government mitigated the impact of this by making a grant for most of the shortfall to local authorities. Wiltshire Council (unlike some other local authorities) passed these extra funds on to Parish and Town Councils. Malmesbury's grant totalled £33,873.08 for 2013/14, £22,017.50 for 2014/15 and now only £16,072.78 for 2015/16. Further to this, it is anticipated that the grant will not be available at all in the near future and a cap may be set on precept rises, apart from the rate of inflation.

3.3. Precept Calculation for 2015/16 (same as 2014/15 with no rise)

1896.44 households @ £172.32 each per annum (last year's Precept Charge)		326,794.54
Plus reduced grant from Wiltshire Council		16,072.78
	<i>Dr</i>	<i>Cr</i>

Total estimated Precept Council Tax plus reduced grant is £342,867.32

3.4. Precept Calculation for 2015/16 (raised to just under budget requirement)

	<i>Dr</i>	<i>Cr</i>
1896.44 households @ £177.49 each per annum (raised 3% which is just under budget requirement)		336,599.15
Plus reduced grant from Wiltshire Council		16,072.78

Total estimated Precept Council Tax plus reduced grant is £352,671.93

4. Main Points for Consideration

4.1 The Council has undertaken a significant amount of work this year around the Town and at the Town Hall and has also provided residents with lower cost facilities as well as more community projects as can be seen from the list above. Most of the work was identified in the budget (project and Committee budgets) and somewhat covered by reducing our expenditure costs. However, other work, such as the urgent repairs to the front and side walls of the Town Hall, was unexpected and this has had a big impact on our Reserves.

4.2 Last year's budget pared back on expenditure and increased spending on projects for our residents. The budget for 2015/16 has reduced the expenditure bottom line yet again, whilst allowing Committees the funding they need to progress their work during the forthcoming year. Additionally some monies have been identified for 'High Priority' and 'Special Projects', but in recognition of the drop in the Government grant, this is less than last year reducing from £43,500 to £25,000.

4.3 Each year the Council must retain at least fifty percent of the amount of Council expenditure for that current year in Reserves as a buffer in case of need. Additionally this year a substantial amount of the Reserves will have been spent on urgent and other items as described in 4.1. Unless the precept adequately covers the Council's requirements for 2015/16 then any shortfall will need to come from our General Reserves which are already under pressure from large and unexpected expenditure.

4.4 The Council advised residents last year regarding the reducing grant situation and that it was likely that the precept may have to be raised for 2015/16, if we are to provide the same level of service to our town.

5 Reasoning

5.1 The Council's aim is not to raise the precept unnecessarily. However in order to continue with and in fact to better the work, services and facilities the Council are able to provide for 2015/16, then we will need to look at meeting near enough the total budget figure from the precept. The proposed rise to the precept to cover this is very modest and equates to only 43p per household per month, or £5.17 per year.

5.2 If as anticipated the Government grant is to be totally withdrawn in the near future, then we should draw residents' attention to the possibility that it may become necessary to raise the precept accordingly in 2016/17.

6 Proposal

6.1 That the precept charge for the year 2015/16 is raised by 3% and that all projects other than high priority and special projects are considered on a case by case basis with funding from either Earmarked or General Reserves or through other means of fundraising.

6.2 When issuing a press release/ advice/ next Town Council newsletter re the precept for 2015/16, the situation regarding the Government grant should be explained to residents and the possibility of the need to raise the precept in 2016/17.

7 Financial implications and risks

7.1 This report provides background to assist on making a financial decision.

8 Recommendations

8.1 Members are recommended to agree the above proposals.