



**RYDE
TOWN COUNCIL**

Report To: Finance Committee – 22 January 2019

Report From: Gareth Hughes, Responsible Financial Officer.
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BUDGET AND PRECEPT SETTING FOR THE 2019-2020 FINANCIAL YEAR

1. Purpose

To provide background information to the Committee to assist Members in considering the base budget and precept for the 2019-20 financial year. The Full Council will be required to set a legal budget and precept at its meeting on the 28 January 2019.

2. Background

2.1 The current gross precept is £938,161, which represents a Band D Council Tax of £114.70 per annum. This precept consists of a Local Council Tax Support grant of £14,526 and £923,635 which forms a charge on the local tax base.

3. Budget Setting Process

3.1 A draft budget for next year based on current levels of service, contracts awarded and previously approved decisions is attached as Appendix A. This has also been updated to show any proposed change to the budget arising from the meeting held on 29 November 2018.

3.2 The gross precept will continue to be paid in two ways, by the payment of Local Council Tax Support Grant and by levying the remaining precept over the Councils new tax base. The level of Local Council Tax Support Grant is to be reduced to £7,528 in 2019-20 and the taxbase for the 2019-20 year is to be 8112.3 Band D equivalent properties.

3.3 The following notes are to assist members in their initial consideration of the draft budget as presented -

- (i) If the precept were to increase by an amount to balance the budget as contained in Appendix A, and provide reserves of £120,000, then the annual increase in a Band D Council Tax would be £12.13 or 23 pence per week (an increase of 10.6%) to give a Band D Council Tax of £126.83. Each £1,000 increase in precept adds 12.3 pence or 0.13% to a Band D Council Tax. Appendix A also exemplifies the level of Council Tax Increases that would be required if year end general reserves for 2019-20 were set to be £180,000 or £240,000. Councillors may wish to consider an

increased level of reserves having regard to the significant increases in expenditure levels in recent years. There is no prescribed level of reserves, the Council does however need to have regard to the financial risk of unforeseen expenditure arising across the whole range of its operations.

- (ii) The salary budget includes the full year effect of all previously approved appointments and includes the costs arising from the 2019-2020 staffing reviews completed by the Personnel Panel on Monday 26 November 2018.

4. Current Budget Commitments

4.1 During the current financial year increased budget provision, by means of virements from reserves, were agreed by Finance Committee and these are included in the attached Appendix A.

- Community Rail Partnership £2,000
- Lifeguard Station £3,000 and steps £1,000
- Hand washing facilities (St Johns toilets) £11,513.
- Public Conveniences £10,700
- Beach Safety and First Aid £1,000
- Honours Working Party £2,500

4.2 The Town Council previously has allocated Community Grant funding of £21,000 and Marketing Grant funding of £21,000. *At the meeting on the 29 November 2018 Members indicated that the marketing budget be reduced to £15,000. These have now been carried forward to Appendix A.* In addition, the Town Council has also previously agreed annual ongoing funding, for significant town events to the following organisations:

- Ryde Carnival Association £9,000
- New Carnival Company £3,000
- Classic Car Event £1,500
- Ryde Arts Festival £3,000
- Harp on Wight £2,700

In 2018/19 a one off grant payment of £4,000 was awarded to the Historic Ryde Society.

4.3 The following ongoing funding has been previously awarded to external organisations for local projects and has been carried forward into Appendix A:

- Footprint Trust - Warmer Home initiatives £8,000
- Gift to Nature – Countryside Sites in Ryde £10,000
- Waterside Community Trust - Splashpark £10,000
- Community Rail Partnership - Membership £2,000 (to be reviewed during the year)
- Waterside Community Trust – The forecast for the current year provides for the return of the £50,000 advance contribution to project expenditure which is not required at this time. As

in line with past years an annual contribution of £20,000 has been included in the budget for 2019-20.

A request for additional funding of £10,000 towards the improvements at the splash park has also been received and this has been included on the agenda for this meeting.

Other requests for funding have also been submitted to the Town Council and these will be referred to on the agenda for this meeting with all paperwork attached.

- 4.4 The Town Council is already contractually committed to delivering the following services until 2022 and the budget lines for these have been carried forward into Appendix A:

- Summer and Winter Planting/Watering £34,100
- Beach Safety and First Aid £21,000
- Marketing Projects £29,000
- Public Conveniences £80,700

Beach Cleaning is also currently undertaken at a cost in the region of £30,000. This service is being reprocured for 2019/2020 and a report on this is referred elsewhere on the agenda for this meeting. This has been carried forward to Appendix A.

- 4.5 The Town Council has been committed to the following budgets in respect of Council owned/managed assets and property and the budget lines for these have been carried forward into Appendix A:

- Lighting, Christmas trees, sockets and unmetered supply £20,000
- Skatepark £20,000
- Allotments £15,000
- Lifeguard Station and steps £4,000
- Flagpole £200
- Island Games Water feature £200
- Million Bloom site £700

- 4.6 The Town Council also funds the following discretionary projects and initiatives and the budget lines for these have been carried forward into Appendix A:

- Ryde in Bloom £6,000 (*see below*)
- Memorial Wreaths/Poppy Appeal £300
- Ward Allocations £4,000 (*see below*)

At the meeting held on 29 November 2018 Members indicated that the Ryde in Bloom budget, as underspent in 2018/19, could be reduced to £4,500 and that the budget for ward allocations could be withdrawn as the Town Council now has set a separate budget for public realm improvements. These changes are reflected in Appendix A.

4.7 The Town Council is also committed to delivering a local youth service – Network Ryde. As requested at the meeting on the 29 November 2018 a breakdown of the £168,500 budget allocated to this service in 2019/20 is attached as Appendix B.

5. Contributions towards Isle of Wight Council Delivered Services

5.1 During last year's budget setting process the Town Council agreed to provide funding support for the lifetime of this Council towards:

- A dedicated Ryde Environment Officer (4 days a week) £17,000
- Playground Equipment £24,000

These budget lines have been carried forward into Appendix A.

5.2 A contribution of £49,100 towards Isle of Wight Council delivered Park Services (Principal Parks and Community Sites Grounds Maintenance Contract and Bin emptying) was agreed for 2018/19 only, due to the Isle of Wight Council retendering its grounds maintenance contract. This contract has now been extended until December 2019 and the Town Council is asked to agree one further year's contribution of £46,400 (this includes a 3% RPI increase, the first increase by the Isle of Wight Council for 4 years). This amount has been carried forward into Appendix A.

6. Planning Matters

The Planning Committee has oversight of the following budgets and at a meeting on 4 December 2018 recommended that the following allocations be made going forward – these have been carried forward into Appendix A:

- Public Realm £75,000 (including pedestrianisation)
- Planning Enforcement £10,000

7. Consultation

It is good practice for Parish and Town Councils to undertake consultation on the setting of the budget and precept. As discussed at The Finance meeting on 20 November, consultation will be undertaken via the Town Council's newsletter, website and social media and at a drop-in session on 6 December 2018. The outcomes from the consultation process will be circulated to Members ASAP.

8. Vision Statement

In setting the budget and precept Members are reminded that the Council is committed:

“to support and enhance the health, well-being and economy of Ryde to the benefit of residents, local businesses and visitors within a culture that makes best use of our heritage and the beauty of Ryde”.

9. Recommendations

In light of all of the above the Responsible Financial Officer recommends that the Finance Committee consider considers the draft budget for 2019-20 and makes recommendations to the Full Council.

At the time of writing this report no formal requests have been received about the possible devolution of or funding towards services or projects currently delivered by the Isle of Wight Council. The matter of next steps with regard to Ryde Harbour will be considered separately by the Full Council.

The Mayor attended (as the only invitee) an Isle of Wight Council budget consultation meeting on 10 December. Any outcomes from this will be reported to this meeting.