



RYDE TOWN COUNCIL

Report To: Full Council – 2 November 2020

Report From: Gareth Hughes, Responsible Financial Officer.
Lisa Dyer - Clerk

FINANCIAL FORECAST TO MARCH 2022

1. Purpose

To provide an updated budget for the current financial year and a budget forecast for the 2021-22 financial year, having regard to decisions taken since the 2020-21 budget setting process.

2. Background

2.1 This report is brought to Full Council without the consideration of Finance Committee due to the urgency of providing an update on the Council's financial position.

3. Financial Forecasts

3.1 Appendix A contains in column one the original budget for the current year, but reformatted into a Committee based structure. Column 2 shows a revised estimate for the current year and Column 4 presents a forecast for the 2021- 2022 financial year (both as presented to Finance Committee on 29 September).

3.2. Appendix A includes for the following factors and assumptions :

- a) Full year effects of the organisational restructuring undertaken at the end of the 2019-20 financial year.
- b) Inclusion of all recent staffing decisions by the Personnel Committee. Having regard to the timing of new appointments it is recommended that any underspend in the salary budget for the current year is carried forward to the salary budget for 2021-22.
- c) The pay award for 1st April 2021 has been assumed to be for 2%. The Salary budget for next year, at this stage, includes this and an estimate for increments
- d) Grants & Donations for 2021-22 are assumed to remain at the original levels set for the current financial year.
- e) The Classic Car Event budget, unspent this year, has been carried forward to increase the provision for the 2021 event.

- f) Inflation on goods and services has been provided for at 3%.
- g) Any non capital expenditure on St Thomas Church is assumed to be funded from the Network Ryde budget.
- h) Ryde Harbour figures are as per the agreed Business Plan.
- i) New budgets have been introduced for mileage allowances, HR service, Legal and survey costs relating to acquisitions, and costs related to Covid 19.
- j) **At this stage no revenue budget provision has been made for any loan charges or other costs that would arise from any borrowing that may be required for the acquisition of the Town Hall, Vectis Hall or any other new projects such as deckchair provision.**

4. Forecast and other potential 2020-21 financial year savings

Having regard to updated expenditure, financial pressures on budgets and the impact of COVID -19 on the 2020-21 budget, the budget for 2020-21 has been reviewed and both forecast and potential savings have been included in Column 3 of Appendix A, with changes since the September report to Finance Committee being highlighted in Column 5.

The revised financial forecast leaves year end general reserves at £348,233 as at 31st March 2021 and at £241,566 as at 31st March 2022, with a forecast budget deficit of £92,567 for the 2021-22 financial year.

It is important to note that the above contain no net revenue budget for the operation of both Ryde Harbour and St. Thomas Church. Although the prepared Business Cases for both do not project any net additional budget requirement, they represent ambitious projects and will require prudent financial management.

At this stage the above forecasts do not provide for any revenue costs arising from the proposed purchase of Vectis Hall or for any further contributions to other projects or organisations that are to be considered in both financial years.

5. Current and future Capital Investment

- i. The Council continues to expand its services and has ambitious plans for capital investment in the infrastructure of Ryde and the preservation of its heritage. Long term low cost borrowing via the Public Works Loan Board (PWLB) is the planned source of such investment and a loan application for £286,000 has already been made to the Ministry of Communities, Housing & Local Government to fund the purchase and upgrade of St Thomas Church. Revenue savings from the investment are forecast to be sufficient to cover associated loan costs.
- ii. Having regard to the increasing service levels of recent years, the proposed acquisition of capital assets and associated risk, it is recommended that the Council considers increasing its level of general reserves as part of the 2021-22 budget setting process.

- iii. General Reserves are revenue monies that are held to meet the cost of unforeseen, additional or exceptional revenue or capital expenditure, which have not been included in the Councils budget. The reserves can be replenished through the precept or by them being refunded from borrowing. Repayment to reserves of any temporary advances made from them to fund capital expenditure (pending receipt of approved borrowing) are required to take place within the same financial year.
- iv. There is no prescribed amount or formula for determining the level of Reserves to be held by the Council, it is a matter for the Council to Determine having regard to its own circumstances and assessed risk.

6. Options

- i. To approve the revised budget figures as contained in Column 3 of Appendix A.
- ii. To take a different course of action.

APPENDIX A

FINANCIAL FORECAST TO 31 MARCH 2022

FINANCE COMMITTEE	2020-21 BUDGET	2020-21 SEPT	2020-21 REVISED	2021-22 FORECAST	CHANGE AMOUNT
	£	£	£	£	£
ADMINISTRATION					
Salaries	263,100	263,100	263,100	278,400	
Employers NI	22,800	19,000	19,000	19,400	
Pension contributions	56,200	44,000	44,000	44,900	
Payroll Admin	1,000	1,500	1,500	1,500	
Mileage Allowances	0	3,500	3,500	3,500	
HR Advice	0	10,000	10,000	10,000	
Bid Writing	0	4,000	4,000	0	
Legal Fees	0	25,000	25,000	0	
Acquisition Costs & Reports	0	20,000	20,000	0	
Commercialisation Costs	0	15,000	15,000	0	
Contingency	0	4,000	0	0	-4,000
TOTAL	343,100	409,100	405,100	357,700	-4,000
OVERHEADS					
IT Support	6,000	6,000	6,000	6,000	
Mayors Honararium	100	100	100	100	
Newsletter	8,000	5,000	5,000	8,000	
Training	2,000	2,000	2,000	2,000	
Broadband & Phone	4,000	4,000	4,000	4,000	
General Admin & Supplies	12,000	12,000	12,000	12,000	
Members Computer Supplies	500	500	500	500	
Advertising	2,000	2,000	2,000	2,000	
Audit	2,300	2,300	2,300	2,300	
Subscriptions	2,000	2,000	2,000	2,000	
Insurance	4,000	4,000	4,000	4,000	
Professional Indemnity	6,100	6,100	6,100	6,100	
Website	5,800	5,800	5,800	1,000	
Room					
Hire	800	800	800	800	
TOTAL	55,600	52,600	52,600	50,800	
COVID 19	0	15,000	15,000	15,000	
INFLATION PROVISION	0	0	0	25,000	
GRANTS & CONTRIBUTIONS					
Community Grants	21,000	21,000	15,000	21,000	-6,000
Marketing Grants	15,000	15,000	7,000	15,000	-8,000
Community Connector	20,000	20,000	20,000	20,000	
Ryde Carnival Association	9,000	0	0	9,000	-9,000
Aspire re Volunteer Service	0	9,000	9,000	0	9,000
New Carnival Company	3,000	3,000	3,000	3,000	
Classic Car Event	1,500	0	0	8,000	
Ryde Arts Festival	3,000	3,000	3,000	3,000	
Harp on Wight	2,700	800	800	2,700	
Aspire	15,000	15,000	15,000	15,000	
Community Rail Partnership	2,000	2,000	2,000	2,000	
Countryside Sites	10,000	10,000	10,000	10,000	
Waterside Community Trust	20,000	20,000	20,000	20,000	
Waterside Splashpool	10,000	10,000	0	10,000	-10,000
Warmer Homes	9,000	9,000	9,000	9,000	
Marketing	29,000	15,000	15,000	29,000	

TOTAL	170,200	152,800	128,800	176,700	
Honours Working Party	2,500	2,500	0	2,500	-2,500
New Services	78,072	0	0	0	
TOTAL	420,972	308,100	257,600	355,900	-26,500
TOTAL COMMITTEE BUDGET	649,472	632,000	601,500	627,700	-30,500

FACILITIES & ASSETS COMMITTEE

BEACH SERVICES

Appley Steps	200	200	200	200	
Beach Safety	21,500	21,500	21,500	21,500	
Lifeguard Station	1,200	1,200	1,200	1,200	
Deckchairs	0	0	0	0	
Beach Cleaniing	30,000	30,000	40,000	40,000	10,000
Ryde Harbour	0	0	0	0	
Additional Bin Collection	0	3,000	3,000	3,000	
TOTAL	52,900	55,900	65,900	65,900	10,000

RYDE HARBOUR

Staff costs	0	0	0	72,000	
Site running costs	0	0	0	8,500	
Equipment	0	0	0	2,600	
General overheads	0	0	0	3,400	
Fixed overheads	0	0	0	4,000	
Maintenance	0	0	0	20,000	
Loan Repayments	0	0	0	19,200	
TOTAL	0	0	0	129,700	
Income	0	0	0	-131,100	
TOTAL	0	0	0	-1,400	

ST THOMAS CHURCH

Electric	0	0	0	0	
Heating	0	0	0	0	
Renovations	0	0	0	0	
Business Rates	0	0	0	0	
Water	0	0	0	0	
Loan repayments	0	0	0	0	
Income	0	0	0	0	
TOTAL	0	0	0	0	

LIND STREET

Rent	23,200	23,200	23,200	23,200	
Rates	4,100	0	4,100	4,100	4,100
Gas	2,500	2,500	2,500	2,500	
Electricity	2,000	2,000	2,000	2,000	
Water	1,000	0	0	1,000	
Cleaning	4,000	4,000	4,000	4,000	
Facilities Management	7,000	7,000	7,000	7,000	
TOTAL	43,800	38,700	42,800	43,800	

