

Budget Report 2022/23



18th JANUARY 2022

**Ryde Town Council
Authored by: Gareth Hughes RFO**

Forward

From Finance Committee Chairman – Councillor Phil Jordan.

I want to thank all our RTC staff who have worked tirelessly and with enormous diligence and prudence to bring forward once more a costed, legal and balanced budget for the 2022-23 financial year. A detailed budget report is included as Appendix A. The proposal positions RTC as the community leader with aspiration and determination to build upon, and enhance, the positive outcomes for Ryde.

This budget seeks to invest in the town and community, provides support for our cultural organisations, is proactive in its approach to our heritage, supports our business community and builds upon the solid foundations established during the past year.

It mirrors both our Place Plan and our Corporate Plan, which Full Council have already adopted, converting the written words of both documents into the financial numbers needed to deliver our aspirations.

Both known and anticipated calls for additional funding from the community during the recovery year have been allowed for in reserves and to take account of a safe, prudent approach to financial matters within RTC an adjustment to reserves is being recommended.

There are three options contained in Appendix A for levels of reserves at the end of the 2022-23 financial year and the RTC staff and financial officer recommendation is to adopt option 3 which provides for General Reserves of £260,000 as at the 31st March 2023 and a Band D Council Tax of £153.24 (an increase of 2.5% or seven pence per week based on the current years taxbase). The taxbase for the 2022-23 financial year has yet to be announced but should be available by the time of the Full Council budget consideration, any changes would have a minor impact on the Band D Council Tax figure.

The Financial Strategy Group confirmed the aspiration to achieve future general reserves of £300,000 (in line with approved guidance). They were also mindful of likely inflationary pressures with the increase in the annual inflation reaching 5.1%.

At this difficult time, unprecedented in our lifetimes, the most effective recovery will come from direct investment in our community, and it falls upon us, as Councillors, to take the difficult decisions to ensure we have the capacity and financial stability to enable that to happen. The strength, health, prosperity and resurgence of Ryde is dependent on us collectively at this important moment in time.

A Charter for Ryde

Ryde Town Council is committed to supporting and enhancing the health, well-being and economy of Ryde for the benefit of residents, local businesses and visitors, within a culture that makes best use of our heritage and the beauty of Ryde and conforms to the Biosphere Principles.

In order to achieve this, we will, to the extent that our powers and functions permit, seek to:

- 1. Maintain and improve the availability and quality of public services for our residents, including:**
 - physical infrastructure;
 - sustainable transport;
 - affordable housing;
 - social services.
- 2. Protect, enhance, support and celebrate our rich environment, including:**
 - our natural environment;
 - our green spaces;
 - our architectural heritage;
 - our cultural and artistic strengths.
- 3. Promote and support the local economy, including the development and diversification of appropriate and sustainable:**
 - employment opportunities;
 - retail and industrial development;
 - tourism activity.
- 4. Protect and promote the interests of all residents, including groups with specific needs such as :**
 - children and young people;
 - the elderly;
 - those with disabilities;
 - those on low incomes.
- 5. Improve the efficiency, effectiveness and accountability of governance in the town by:**
 - constantly monitoring and reviewing our own policies and procedures;
 - promoting and supporting local community organisations;
 - working in partnership with other organisations, including public sector bodies, the business sector and community groups.

Purpose

To provide background information to the Committee to assist Members in considering the base budget and precept for the 2022-2023 financial year. The Full Council will be required to set a legal budget and precept at its meeting on 31 January, unless the Isle of Wight Council set a different timetable.

The Town Council is well placed to support the local community going forward by promoting the town as a visitor destination and by supporting local organisations to recover from the effects of the pandemic.

This paper will set out budget options for members. Whilst formulating these options we have considered the needs of the Town Council to deliver the objectives stated in the Corporate Plan and the need for the Council to support the local economy and community to recover from the pandemic.

1. Background

- 1.1 The current precept on the local taxpayer is £1,209,600, which represents a Band D Council Tax of £149.56 per annum.
- 1.2 In September 2020 the Council adopted a Corporate Plan for the years 2020-2025. The budget options as presented in this report reflect the key objectives agreed in the Corporate Plan.
- 1.3 The Corporate Plan agrees that the Council undertake some commercial activities to create revenue going forward. During the first few years of the plan these projects will require initial investment members are asked to consider the appropriate level of investment in these projects are a success and to ensure income generation in the future.

2. Budget Setting Process

- 2.1 Options will be provided within this report for members to agree, they take into account the current levels of service, contracts awarded, the objectives in the Corporate and Place Plans and previously approved decisions.
- 2.2 The Council undertook Public Consultation in December 2021. Participants were asked to consider the Council's budget and services, outline budgeting priorities and asked whether they would be happy to pay an increased precept for services. The results are to be presented to the Finance Committee at their meeting on the 18th January 2022.

The results of the consultation can be viewed [here](#).

3. Reserves- Current

The current forecast levels of reserves are detailed below. These figures contain restricted reserves such as the funding from the former Ryde Youth Service, monies not spent in the current financial year that are committed to future years and provision for election costs plus the 'general reserve' provision. The current year's budget provided for General Reserves of £240,000 as at the 31st March 2022 and the Council has previously agreed to aspire to setting General Reserves at £300,000 in the future, given all new service undertakings and associated risks.

Earmarked	2021/22
Staffing	£12,000
Elections	£11,000
Youth service	£13,500
Capital – St Thomas Church	£86,000
Total	£122,500

Combined	2021/22
General Reserves	£240,000
Earmarked Reserves	£143,553
Total Reserves	£ 383,553

4. Reserves- Proposed 2022/23

Earmarked

The following amounts listed below are agreed expenditure that has not been incurred in the current financial year, it has also been agreed that the underspend in this year's salary budget be carried forward next financial year.

Earmarked	Proposed 2022/23
Staffing	*£12,000
Elections	£6,000
Youth service	£13,500
Network Ryde	*£ 9,000
Ryde Harbor	*£11,000
Public Realm	*£5,000
Capital – St Thomas Church	£86,000
HSAZ	Forecast** £99,000
Appley Tower	£40,000
Total	£281,500

* Carried forward underspends from 2021/22 to be spent 2022/23

** Underspend from total project agreed to be carried forward.

General Reserves

Budgeted reserves are £240,000 as at 31st March 2021. The Council has previously agreed to aspire to general reserves of £300,000 in future years and Appendix A details options for increasing reserves in the 2022-23 financial year.

4.1 Managing Risk

The Council should carefully consider increasing the levels of general reserves for the upcoming financial year. The Council has recently committed to several large projects, with the funding for some of the projects not yet secured.

The following projects have recently been agreed by the Town Council, however at the time of compiling the budget options and this report some of the financial implications still remain uncertain. The Council should consider increasing the level of general reserves to mitigate against some of the uncertainties and risk associated with the recent or upcoming acquisitions.

Having taken account of the following it is recommended that the level of reserves held by the Council is a minimum of £240,000 for the year 2022/23.

Vectis Hall

The hall was purchased for the sum of £125,000 and financed by a loan from the Public Works Loan Board after receiving borrowing approval from the Ministry of Housing, Communities and Local Government (now renamed as the Department of Levelling Up, Housing and Communities). Capital Investment in the hall has been identified as a priority by the Financial Strategy Group.

Ryde Harbour

There is still some uncertainty regarding how the COVID-19 pandemic has affected the Harbour's income and whether this will have an effect in the long term. The business plan has been adjusted to allow for a projected occupancy of 80% and the income for the Beachfront business has been amalgamated into the business plan. There will be a cost saving in terms of staffing and running cost for both businesses if they are managed as one entity. Staff and management costs can be shared giving flexibility and better continuity of service for customers and staff. The Isle of Wight Council has now passed their final hurdle with regards the transfer of the Harbour and Ryde Town Council have started preparing for the takeover by already starting staff training and setting up Health and Safety systems and Financial systems ready to start at hand over on 1st April 2022. There may be a reduction in visitor numbers for the first financial year due to COVID -19 restrictions, but the permanent berths numbers should not be affected.

The Town Council has agreed as part of its Ryde Harbour Business Plan, to apply to the Government for a borrowing approval of £190,000 for Harbour improvements including new finger berths, re-decking of the existing pontoons, new electrical outlets and lighting on the pontoons. A further £60,000 to be borrowed for the creation of a new storage facility alongside the Appley Park toilets and repairs to the Lifeguard Station. This borrowing approval was agreed at the extraordinary meeting of the Council held on 21st December 2021. The interest payments on the £190,000 will not affect the budget as it is included in the harbour's costs however the interest on the £60,000 for repairs to the Lifeguard station and the provision of an additional storage facility at Appley Toilets is included in the budget calculations.

St Thomas' Heritage Centre

The building was purchased in January 2021 for £200,000 and a Public Works Loan Board loan of £286,000 was taken out to finance both the purchase and the cost of refurbishment and improvement works. Grant funding was also achieved and there is currently £86,000 contained in an earmarked reserve for capital investment in the building.

5. Budget Commitments

5.1 Grants

The Town Council budget as presented includes total grant funding of £25,000 for Community and Marketing Grants funding. In addition, the Town Council also contains annual ongoing funding for significant town events to the following organisations:

- New Carnival Company £5,500
- Ryde Arts Festival £5,000
- Harp on Wight £2,700
- Wight Wave Beach Soccer £8,000
- Isle of Wight Bus Museum £5,000
- Ryde Carnival Association £9,000
- Classic Car Event £5,000

Members are asked to consider these requests along with existing annual funding commitments.



5.2 External Organisation Funding

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

- Footprint Trust - Warmer Home initiatives £8,000
- Gift to Nature – Countryside Sites in Ryde £10,000
- Aspire - Annual funding of £15,000.
- Community Connectors £30,000

Previous contributions to the Waterside Community Trust have been towards running costs. No such request has been made in respect of the 2022-23 financial year but the Trust request that consideration be given to this sum being granted to support two specific projects costing £10,000 each.

Additional Requests 2022/23

The previously agreed three-year funding of £15,000 per annum to Aspire ends in the current financial year.

A funding request of £58,700 for 2022-23 has been received from Aspire in respect of a continuing service inclusive of the Community Connector service which has a current budgeted contribution of £30,000.

At this stage the budgeted contributions for 2022-23 have been kept at £15,000 and £30,000 respectively ie a total of £45,000 to be payable to Aspire.

5.3 Services

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.

- Beach Cleaning £40,000.
- Summer and Winter Planting/Watering £35,000
- Beach Safety and First Aid £21,500
- Marketing Projects £29,000
- Public Conveniences £70,000

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 included in the budget options outlined.

- Lighting, Christmas trees, sockets and unmetered supply £25,000
- Skatepark £20,000
- Allotments £7,200 (Net of income)
- Network Ryde £191,400
- Flagpole £200
- Ryde in Bloom £3,500
- Memorial Wreaths/Poppy Appeal £300

5.4 Contributions towards Isle of Wight Council Delivered Services

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) £17,900
- Playground Equipment £24,000

These budget lines have been carried forward into Appendix A.

The Grounds Maintenance service is assumed to be continued at a cost of £40,000.

5.5 Planning Matters/HSAZ

The Planning Committee has oversight of the following budgets, which are included in Appendix A for the 2022-23 financial year:

Public Realm	£20,000
HSAZ	£26,000
Planning Enforcement	£10,000
Greening Ryde	£5,000

Any underspend on HSAZ has been previously agreed as being carried forward to the subsequent financial year.

6. Income and Growth

The Corporate Plan adopted in September 2020 confirmed the intention to move into commercial operations with the view of income generation.

£50,000 has been included in the 2022-23 budget for further business opportunities. This, alongside an increase in grant funding income, will allow the Council to invest in new commercial services to create income in the future.

6.1 Events

The BDM would like to build on some of the successful events held in Ryde in previous years. The primary aim of these events would be to raise the profile of Ryde, attract visitors and bring in additional income.

We are currently exploring a wide array of potential events in Ryde. Once we have calculated the expected income and profit we will bring these to Council for approval. These costs will be met from the existing marketing budget.

7. Officer Recommendation

Taking the above into account the RFO and Clerk recommend the adoption of option 2 and an Annual Band D Council Tax of £153.24 (based on the current years taxbase)



APPENDIX A

	2021/22	2021/22	2022/23
FINANCE COMMITTEE		Rereforecast	Draft
ADMINISTRATION	Total budget	Budget	budget
	£	£	£
Salaries	279,800	300,200	325,800
Employers NI	19,400	18,400	31,700
Pension contributions	44,900	54,000	76,600
Payroll Admin	1,500	1,700	1,800
Mileage Allowances			1,500
HR Advice	10,000	11,880	5,000
Kickstart Placements	2,010	2,010	0
Salary reserve C/F	41,135		0
kickstart admin	10,000	10,000	0
TOTAL	408,745	398,190	442,400
OVERHEADS			
IT Support	6,000	8,590	6,500
Mayors Honararium	100	300	300
Newsletter	8,000	4,450	3,000
Training	2,000	2,000	2,500
Broadband & Phone	4,000	4,100	4,000
General Admin & Supplies	12,000	21,700	20,000
Members Computer Supplies	200	0	200
Official Notices	2,000	1,500	2,000
Audit	2,300	2,300	2,500
Subscriptions	2,000	1,400	2,000
Van			2,000
Insurance	4,000	4,200	4,000
Professional Indemnity	6,100	6,100	6,100
Website	1,000	1,200	1,000
Room Hire	500	1,200	1,200
Elections	10,000	14,400	5,000
TOTAL	60,200	73,440	62,300
GRANTS & CONTRIBUTIONS			
Community Grants	21,000	21,000	25,000
Marketing Grants	15,000	15,000	0
Community Connector	20,000	30,000	30,000
Ryde Carnival Association	0	0	9,000
Appley Tower	40,000	40,000	0
St Johns Wood	0	0	40,000
New Carnival Company	5,500	5,500	5,500
Classic Car	5,000	3,400	5,000
Ryde Arts Festival	5,000	5,000	5,000
Wave Beach Soccer	8,000	8,000	8,000
IW Bus Museum	10,000	7,000	5,000
Harp on Wight	2,700	2,700	2,700
Aspire	15,000	15,000	15,000
Community Rail Partnership	2,000	2,000	0
Countryside Sites	10,000	10,000	10,000
Waterside Community Trust	20,000	20,000	0
Waterside Splashpool	10,000	0	0
Warmer Homes	8,000	12,800	8,000
Town Marketing	29,000	23,400	29,000
TOTAL	226,200	220,800	197,200
TOTAL COMMITTEE BUDGET	695,145	692,430	701,900

FACILITIES & ASSETS COMMITTEE**BEACH SERVICES**

Appley Steps	200	200	200
Beach Safety	21,500	21,500	21,500
Lifeguard Station	1,200	1,635	0
Beach Cleaning	40,000	38,000	40,000
Additional Bin Collection	3,000	3,000	3,000
TOTAL	65,900	64,335	64,700

RYDE HARBOUR

Pre purchase reports	15,000	15,000	11,000
Year 1 Running	0	0	8,000
TOTAL	15,000	15,000	19,000

ST THOMAS CHURCH

Electric	1,000	1,000	1,000
Heating	1,000	1,000	1,000
Renovations	9,303	6,800	0
Business Rates	1,700	0	1,700
Water	1,000	0	1,000
Loan repayments	14,300	12,200	12,200
Security			4,600
TOTAL	28,303	21,000	21,500

VECTIS HALL

Security	1,000	470	200
Insurance	1,000	1,000	1,000
Repairs	15,000	3,800	0
Loan Charges	6,600	0	6,600
TOTAL	23,600	5,270	7,800

LIND STREET

Rent	24,200	24,200	25,000
Rates	4,200	4,200	4,200
Gas	1,500	1,800	1,500
Electricity	1,500	0	1,500
Water	500	0	500
Cleaning	4,000	3,000	4,000
Facilities Management	5,000	5,000	5,000
TOTAL	40,900	38,200	41,700

OPEN SPACES

Allotments	7,200	3,100	7,200
Decorative Lighting	25,000	25,000	25,000
Environmental Officer	17,300	17,300	17,900
Flagpole	200		200
Hanging Baskets/planting	34,100	32,000	35,000
Island Games Water Feature	200		0
Memorial Wreath/Plaque	300	300	300
Park Services	38,300	38,300	40,000
Playground Equipment	24,000	24,000	24,000
Public Conveniences	72,000	72,000	70,000
Ryde in Bloom	4,500	100	3,500
Skatepark	20,000	16,800	20,000
St Johns Wood Maintenance	0	0	15,000
Loan Costs - Lifeguard Station & Toilets			3,400
TOTAL	243,100	228,900	261,500
Network Ryde	181,000	172,500	191,400
TOTAL COMMITTEE BUDGET	597,803	545,205	607,600

ACQUISITIONS & COMMERCIAL			
Seed Funding	50,000	45,500	50,000
Deckchairs	5,000	1,200	-16,000
Beach Front Storage	0	0	5,000
Ryde Theatre	36,000	10,000	0
Lind Street Phonebox	0	0	2,500
TOTAL COMMITTEE BUDGET	91,000	56,700	41,500

PLANNING COMMITTEE			
Public Realm	25,000	20,000	20,000
HSAZ	100,000	100,000	26,000
Planning Enforcement	18,500	10,000	10,000
Public realm Security			1,300
Greening Ryde	5,000	5,000	5,000
TOTAL COMMITTEE BUDGET	148,500	135,000	62,300

TOTAL	1,532,448	1,449,335	1,413,300
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OTHER INCOME			
Precept	1,209,600	1,209,600	1,209,600
PWLB Loan Vectis Hall	125,000	125,000	
other income			
Earmarked Reserves			
Bank Interest	2,000	2,000	2,000
Total	1,336,600	1,336,600	1,211,600
Other income	109,241	109,241	0
Total	1,445,841	1,445,841	1,211,600

BALANCES B/F	493864.5	493864.5	538,530
Expenditure	1,532,448	1,449,335	1,413,300
Income	1,494,000	1,494,000	1,211,600
BCF	455,417	538,530	336,830

General Reserves Options	Precept Increase	Band D	Band D Increase	Annual Band D Increase
	£	£	%	£
£ 231,329.50	-	149.56	0.0%	-
£ 261,053.00	29,723.50	153.24	2.5%	3.68
£ 280,000.00	48,670.50	155.58	4.0%	6.02

Earmarked Reserves Details	Value
Elections	£6,000
Capital	£86,000
Youth Services	£13,500
Salaries	£12,000
Harbour	£11,000
NWR	£9,000
Public Realm	£5,000
HSAZ	£99,000
Appley Tower	£40,000
Total	£281,500