

WILTON TOWN COUNCIL
Ancient Capital of Wessex

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Committee	Council
Date	8th January 2019
Subject	Budget and Precept 2019/20
Author	Town Clerk and Responsible Financial Officer

1. Purpose of report

To seek approval to set out the 2019/2020 precept and budget, in accordance with the information set out in the Responsible Financial Officer (Clerk) report. This report sets out the following matters for the consideration of the Council:

- Background information
- 2019/20 precept
- 2019/20 tax base
- 2019/20 budget
- 2019/20 balances and reserves
- Financial management arrangements
- Governance and assurance
- Recommendations
- Budget papers and supporting information

2. Background

- a. Every year, Wilton Town Council is required to set a budget for the forthcoming year and determine the amount to be charged to local council tax payers in the form of a precept collected on behalf of the Council by Wiltshire Council.
- b. In accordance with section 25 of Local Government Act 2003, this report provides members with information concerning the recommended budget and adequacy of balances and reserves to meet the financial requirements of the next financial year.
- c. Wilton Town Council is required to set its Precept in accordance with statutory requirements. The report sets out implications of setting the Councils' precept for 2019/20 and the impact it will have on Council's proportion of the Council Tax Bill.
- c. Each year, having regard to any advice received from the internal and external auditors, the Council reviews its financial management arrangements and makes any changes necessary to facilitate the effective operation and efficient delivery of its services and responsibilities.
- d. The recommendations of the Responsible Financial Officer are to be ratified by full Council at its meeting on 8th January 2019 in order to provide adequate notice to Wiltshire Council for billing purposes – deadline 25th January 2019.

3. 2019/20 Precept

- a. The base budget requirement for Wilton Town Council in 2019/20 is £209,136 before consideration of any additional growth items. This represents an increase of £4,27 on 2018/19. The Council is now asked to agree which, if any items are to be include in the budget and to determine the level of precept required.
- b. The increase proposed in the precept is due to several factors:
 - A reduction in the Council Tax Base (the number of properties eligible to pay the charge).
 - Higher than normal expenditure in 2018/19 due to unplanned repairs and maintenance which is likely to impact on reserves
 - The sequencing of R2 grant funding and the carryover of costs from 2017/18
 - The need to make provision for adequate levels of reserves
 - The programme of works and projects proposed in 2019/20
- c. The Council is reviewing its financial management arrangements to minimise overspends in the future, to strengthen its financial controls and make provision for an adequate level of reserves. Recommendations are set out later in this report.

4. 2019/20 Wilton Town Council Tax Base

- a. The Council Tax is based on a statutory calculation of the number of chargeable households in the parish and is used to calculate the Council Tax for the year.
- b. Wiltshire Council has confirmed that the 2019/20 Council Tax Base for Wilton is 1,578.48 for Band D equivalent properties. This is lower than the figure calculated for 2018/19 and the Council has asked Wiltshire Council to explain the reduction, given that new development is still ongoing at Wilton Hill.
- c. In response to the questions raised by Wilton Town Council, Wiltshire Council has reviewed its calculation of the tax base from 2015. Since that date, 434 properties have been added. This figure is slightly lower than the Property Inspector's estimates as it is adjusted to reflect part year occupation and staggered or non-achieved build. The tax base has increased by 305.27 band D equivalents over that period which suggests that the properties being built on average are smaller than Band D properties. It is unlikely that the ongoing veterans or older persons accommodation will significantly change this figure – they tend to be band A-B and often single occupancy.
- d. Notwithstanding the above, the proposed 2019/20 precept is divided by the new Tax Base of 1,578.48 to provide the Band D Council Tax figure.

5. 2019/20 Proposed Budget

- a. The budget review task group met on 13 November and 20 December to review the budget proposals for 2019/20 and included provision for projects proposed by members of the Council and the service committees.
- b. The budget process has incorporated a budget review by the Responsible Financial Officer (Clerk) and the Chair of the Council's Finance and General Purposes Committee. In addition, each Service Committee has been asked to identify its spending priorities for the forthcoming year.
- c. All budgets have been reviewed to take into consideration spending pressures, such as officer pay awards, inflation and unavoidable growth.

- d. Balancing the budget has required identifying all savings and reductions which could be made to some areas of the previous budget which were underutilised, ensuring the services provided by the Council are as cost effective as possible but robust enough to meet the requirements of the next financial year.
- e. The budget has been set in accordance with the requirements of sections 39 to 51 of the Local Government Finance Act 1992 and the Accounting and Audit Regulations. As well as being developed on the principle of maintaining existing service levels whilst keeping the required increase in Council Tax to a minimum.
- f. The draft base budget for 2019/20 is attached to this report. The following items have been included in the base budget following decisions of the service committees:
- £5,000 Neighbourhood plan
 - £2,000 Xmas lights – additional lights
 - £5,000 Office toilets - refurbishment
 - £1,250 Cemetery Chapel improvements
 - £7,500 Toilet cleaning and general maintenance contract
 - £10,000 Contribution to reserves
- g. Other items considered by the committees, but not included in the draft budget are listed below.

• Wilton History Festival	£500
• Britain in Bloom	£750
• Land purchase (R2)	-
• Eco-Town project	£1,500
• Wilton in Bloom	£750
• Wishford Road Play Area (R2)	-
• Tennis courts electricity	£2,500
• Cycle parking	£3,000
• CCTV - additional cameras	£16,000
• Electric car charging points	£10,000
• Additional dog bag dispensers	£200
• WTC branded h-viz wear	£1,000
• Street lights Castle Lane	£7,000

Members are asked to consider which items they now wish to add to the base budget. This will be presented at the meeting in order that members may assess the impact of any changes on the Precept and Band D Council Tax.

6. Balance and Reserves

- a. As outlined in paragraph 3 above, it is likely that the Council will only be able to balance its budget in 2018/19 through the use of reserves. This was necessary for the reasons stated. The anticipated level of reserves at year end is c£70,000. This represents 33% of the Council's annual revenue spend. However, £15,000 is earmarked in reserves to support the Neighbourhood Plan. Therefore, it is likely that available reserves will be £55,000 or 26% of annual spend. For this reason, a sum of £10,000 has been included in the base budget as a contribution to reserves.
- b. It is *recommended* that the Council adopts a prudent Balance and Reserves Policy, as follows:
- Maintain a general fund balance of 30% of the net budget (not including earmarked reserves) to protect against unforeseen budget pressures and possible funding cuts.
 - Set aside sufficient sums in earmarked reserves to support future investment

requirements and other specific commitments – such as the Neighbourhood Plan.

- Undertake an annual review as part of the budget setting process.
- c. As stated above, the 2019/20 budget includes provision of £10,000 to increase the Council's reserves. It is recommended that similar provision is made in each of the next two years to build up the reserves to the prudent levels suggested above. With this measure in place, the level of balances and reserves will be adequate to protect against any unforeseen revenue commitments and any shortfall in anticipated income

7. Changes to the Council's financial management

- a. The Amenities and Planning Committee has raised the issue of delegating service budgets. In the view of members, this would help to more clearly delineate the roles of the two committees, avoid duplication and increase budget accountability.
- b. At present, all expenditure must be authorised by the Finance and General Purposes Committee or full Council. This delays projects and often results in issues being discussed at multiple meetings.
- c. It would be a relatively simple matter to separate the expenditure codes into budgets for each of the service committees and this could be achieved by the start of the new financial year. It would provide each committee with its own approved service budget, regular budget monitoring reports and autonomy within the overall budget set by the Council.
- d. Removing duplication in this way, may mean that the frequency of meetings could be reduced to a two monthly cycle. At present the meeting schedule means that a lot of the officers' time is spent preparing for and administering meetings. This reduces the time available to implement the projects approved – something that has been a frustration for members in the past.
- e. It is considered that delegated budgets and improved budget monitoring would help to reduce overspends and increase budgetary discipline. At present, financial awareness is often blurred by the lack of effective budget reporting.
- f. The principle of budget devolution is relatively simple. Full Council would set the annual budget, including the service budgets allocated to each committee. The service committees would be required to operate within their approved budget and in compliance with the policies of the Council. Each service committee would keep its budget under review and develop budget proposals for future years for consideration and approval by the full Council. In cases where a committee needed or wished to significantly depart from its allocated budget, this would require approval by full Council.

8. Governance and assurance

- a. The budget has been prepared in accordance with key principles of prudence and transparency, and, subject to the recommendations set out in this report, the levels of balances, reserves and contingencies within the budget are adequate. The financial year runs from 01 April to 31 March and the proposed budget is prepared in the autumn and set in January, in advance of the new financial year and is reviewed by full council before being approved.
- b. The budget estimates the resources required to fund the services Wilton Town Council provides, its strategic aims and objectives and to also meet community and local taxpayer needs and priorities.
- c. The Precept is to be agreed and set at the full Council meeting on 8th January 2019, to ensure the deadline set by Wiltshire Council is met, for submission of the Precept Request Form. If the deadline is not met, the Council may not receive a Precept payment for the 2017/18 year.

9. Recommendations

- a. That the Council now agrees the precept for the 2019/20 financial year.
- b. That service budgets be developed for implementation from 1st April 2019 based on the principle outlined at 7 (f) above.
- c. That the Council works to achieve a budget reserve balance (net of earmarked funds) of £70,000 (30% of revenue) as set out in paragraph 6 above.
- d. That consideration be given to adopting a two monthly committee cycle as set out in paragraph 7 (d) above.

Steve Milton ACIS

Clerk & Responsible Financial Officer
Wilton Town Council