

SWANAGE TOWN COUNCIL



Budget Report 2018/19

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1. Introduction and Budgetary Context

- 1.1 This report provides a commentary on the revenue budgets for 2018/19, together with planned capital expenditure and contributions to reserves and balances. The revenue budgets are set out in summary format in **Appendix A**. This is supported by the more detailed Estimates Book which has been circulated to Councillors, together with future projections until March 2021.
- 1.2 The broad context of this budget setting process is largely unchanged from recent years. Central government funding for local government continues to be reduced and, although the Town Council does not receive any direct government grant, the pressure is felt indirectly through proposed reductions in service by principal authorities. Interest rates remain at a historic low level, despite the Bank of England the base rate having risen by 0.25% to 0.5% in November 2017.
- 1.3 One significant change over the last year has been the upward trajectory of inflation: as of December 2017 CPI stands at 3%, compared to 1.6% a year ago. This is forecast to remain an upward pressure on Council expenditure over the lifetime of this budget.
- 1.4 Over recent years, central government has considered the extension of referendum principles to the setting of town and parish council precepts in excess of 2%. However, in its statement released in December 2017 on the provisional local government finance settlement for 2018/19, the Department for Communities and Local Government announced that it intended to defer the setting of referendum principles for 3 years. This is conditional upon ‘the sector taking all available steps to mitigate the need for council tax increases, including the use of reserves where they are not already earmarked for other uses or for “invest to save” projects which will lower on-going costs, and the Government seeing clear evidence of restraint in the increases set by the sector as a whole’.
- 1.5 The Policy, Finance and Performance Management Committee agreed a set of budget setting principles (see Table 1 below) at its meeting on 8th November 2017, and these have been incorporated in the draft budgets. The only exceptions to this are in relation to variations to the scale of charges recommended by council committees.

Table 1. List of budget setting principles, agreed November 2017

	Estimate 2018/19	Estimate 2019/20	Estimate 2020/21
Expenditure			
Employee Costs	2%	2%	2%
Pension-Employers Contribution	22% (known)	22% (known)	22% (estimate)
Inflation (CPI)	3%	3%	3%
Business Rates	2%	2%	2%
Utilities	2%	2%	2%
Income			
Fees & Charges (rounded to nearest £5)	2%	2%	2%
Council Tax Precept	2%	2%	2%

- 1.6 The draft budgets incorporate proposals made by the Council's standing committees during October and November 2017. The Policy, Finance and Performance Management Committee considered the preliminary draft budget at its meeting on 13th December 2017 and recommended it for approval by the full Council at its meeting on 22nd January 2018.
- 1.7 Subsequent to that meeting, four of the Council's working parties have met, three of which recommended amendments either to the capital programme or the list of one-off items of expenditure. These recommendations were considered at a further meeting of the Policy, Finance and Performance Management Committee held on 15th January 2018. All of these were accepted and have been incorporated into the draft budgets for final approval by full Council.
- 1.8 Members are asked to adopt the draft estimates, together with the scale of charges and capital programme, and to agree the precept to be charged to local residents for the 2018/19 financial year. The Policy, Finance & Performance Management Committee recommended that the total precept be increased by 2%, which, due to a small reduction in the tax base, will increase household bills by 2.01%.

2. Summary of 2017/18 Financial Year to date

- 2.1 In April 2017 the total Council Tax precept was increased by 2.4%, generating an additional £16,470. As a result of an increase in the tax base household bills remained unchanged. This followed a 5% increase in household bills in April 2016.
- 2.2 The Town Council entered the 2017/18 financial year with a surplus general fund balance of £808,241. The net cost of services is projected to be £609,875 compared to an estimate of £661,970. The most significant variations year to date are an increase in car parking revenue, an underspend on employee costs and deferred maintenance costs.
- 2.3 It is anticipated that £222,080 will either be appropriated to earmarked reserves or directly finance capital expenditure. Consequently, an increased surplus of £60,770 on the general fund is projected for the current financial year, exceeding the original budget projection by £34,515. This will result in an estimated general fund balance at 31st March 2018 of £869,010. Although this is well above the Council's risk assessed minimum level (see **Appendix E**), it remains solidly within the recommended range of general reserves, equivalent to a sum between three months' and one year's revenue expenditure.

3. Income Analysis

- 3.1 The following table summarises the Council's greatest sources of income during the last four full financial years, together with the probable out-turn for 2017/18 and the draft budget estimate for 2018/19. These headings, taken together with the precept, account for approximately 90% of Council income. The majority of income streams have remained stable, and are overall projected to have increased by 4.5% in the current financial year. This compares to a projected 3.6% increase at budget setting last year.

Table 2. Budgeted sources of income with an average in excess of £5,000 2013/14 – 2018/19

Budgeted Sources of Income in excess of £5,000	13/14 Actual	14/15 Actual	15/16 Actual	16/17 Actual	17/18 Probable Out-turn	18/19 Estimate
Car Parking (includes Co-Op net income; excludes market income)	526,774	504,902	540,131	572,639	570,540	530,420
Property Rental	202,555	191,755	199,505	185,400	190,180	191,680
Investment Income	172,200	182,237	181,272	161,544	185,000	150,000
Beach Hut Rents	77,375	27,147	93,048	92,377	107,500	118,000
Cemetery Charges	43,706	32,342	45,303	30,660	33,000	33,660
Private Beach Hut Sites	15,866	16,334	16,684	16,668	17,035	17,265
Putting Fees	15,296	15,135	12,686	12,795	13,665	16,300
Market Income	6,581	11,912	14,909	14,536	12,860	5,000
Heritage Toilets	10,856	11,364	8,952	10,241	10,000	-
Bowls Fees	9,758	8,983	8,760	9,165	8,915	8,880
Fishermen's Huts	8,194	8,210	8,137	8,241	8,500	9,195
TIC net income from sales and commission	8,639	7,796	5,497	3,993	8,405	9,200
Allotment Rents	7,339	7,387	7,671	7,839	7,800	7,995
TIC Advertising Boards	8,400	6,917	6,870	3,321	7,275	7,550
Beach Concessions	9,300	9,300	9,300	9,300	6,320	6,320
Tennis Fees	5,666	5,187	4,711	4,442	4,900	5,700
Boat Park Fees	39,346	30,353	1,720	35	3,200	33,000
	1,166,051	1,083,692	1,165,156	1,143,196	1,195,095	1,150,165

3.2 For a third successive year visitor numbers to the Council's **off-street car parks** improved in summer 2017, principally due to greater use of Main Beach Car Park. Total revenue over the summer was comparable with last year (up by 1%). Given this relative success in attracting visitors to use car parks in recent years, the Transport Committee, at its meeting held on 22nd November 2017, recommended that charges should be frozen for a further year.

3.3 Two changes were recommended to the tariff structure, to further increase usage. Firstly, it was agreed that charging in the Council's short-stay car parks should cease at 7 p.m. It is projected that this change will cost the Council approximately £4,000 per annum, with the aim of boosting evening visits to the town centre. Secondly, it was proposed that consideration should be given to the extension of the Council's £1 per day parking in long-stay car parks, currently in force in December, to the entire

winter period. This has a greater potential financial impact as the Council has received approximately £15,000 in income from its long-stay car parks in each of the last two winters. The success of the initiative is likely to be heavily dependent on a successful marketing campaign to drive an increase in visitor numbers to offset any loss in income.

- 3.4 The potential introduction of these changes, together with increased alternatives to parking in the council's car parks (for example, by the improvement and expansion of Norden park & ride), has led to the calculation of a reduced estimate for car parking income during 2018/19.
- 3.5 Income from **property rentals** continues to remain relatively stable. The leasing of additional properties such as the new Shore Road refreshment kiosk and the negotiation of small rent increases as a result of periodic rent reviews has largely offset the reduction in ground rent from Swanage Bay View Holiday Park that took effect two years ago.
- 3.6 **Investment income** has remained subdued in the ongoing 'lower for longer' interest rate environment, although it has outperformed budget expectations. The Council's new long-term investments with Investec and M&G have produced above-budget returns, and the dividend from the CCLA property fund in the second quarter of this year was the highest received since the Council entered the fund in 2010.
- 3.7 Despite a freeze in charges, income from **beach hut bookings** rose by 15% year-on-year, in line with budget projections. This appears to have been largely due to improved marketing by the new Visitor Services team, including the introduction of a new online availability calendar. Occupancy rates increased by 5% at the Spa and £4,500 was attributable to the introduction of the new Spa retreats. Budgeted income for 2018/19 has been increased due to an uplift in some fees and charges and the introduction of an online booking facility.
- 3.8 No income was received from the hire of grid spaces at the **Boat Park** for a third year running due to its closure to facilitate the building of a new Lifeboat Station and the collapse of retaining walls in the spring of 2017. Although they remained at a low level, income from launch fees increased following the risk-based decision to man the facility over the summer. The Council has recently agreed to carry out stabilisation works with the intention of re-opening the park in May 2018. Budgeted income for 2018/19 is below the previous years that the park was fully operational, reflecting the possibility that users may not return after such a lengthy closure period.
- 3.9 Income from activities at **Beach Gardens** is largely stable. Putting income has increased, but remains significantly below the average of £19,000 p.a. seen in the period 2009-11. Revenue from tennis and bowls fees is also broadly stable, but both down on the recent past. Income from all three activities is projected to increase somewhat in 2018/19, due to a combination of increased marketing and small increases to fees and charges. The agreement of fees with the bowls and tennis clubs in respect of their usage will have a significant impact on income in future years.
- 3.10 As a result of the **Tourist Information Centre** reopening in the newly refurbished White House at the start of the financial year stock sales and revenue from advertising boards have increased significantly, and are projected to further increase in 2018/19.

- 3.11 Income from **Swanage Market** is significantly lower than in the last two years. In the short term, negotiations are taking place with the existing market operator regarding the fee to be charged for 2018, which is the last year of the current three-year agreement. At the end of the season consideration will need to be given to a change in market day and the operation will be put out to tender.
- 3.12 The Policy, Finance and Performance Management Committee has supported a recommendation from the Public Conveniences Working Party that the Council's public toilets should be free to use, and hence if this budget is approved by full Council 2017/18 will be the last year that income is received from the **Heritage Toilets** and the public conveniences at North Beach.
- 3.13 Total income from **private beach hut site rents, allotment charges, and the rental of fishermen's huts** is largely determined by the Council's policy on increasing fees and charges. Hence, the 2% increase levied in 2017/18 is reflected in the income from these sources, although allotment income is somewhat lower due to a slightly reduced level of occupancy. A 2% increase has again been built into the 2018/19 estimates.
- 3.14 A 2% increase has also been applied to the Council's **cemetery charges**, although these fluctuate according to mortality rates and the balance between cremation and interment in any one year. Further to discussion at the General Operations Committee, the Policy, Finance & Performance Management Committee has recommended the waiving of fees for interments in the children's section, and a reduction in the fee for the purchase of exclusive rights to graves in that section from £70 to £10. Fortunately, the number of child interments is very small, and consequently this change will have almost no impact on the council's budget setting.
- 3.15 In total the revenue generated from the activities listed in Table 2 is predicted to decrease by £30,000 in 2018/19, a reduction of 2.5% largely due to changes to the car parking tariff and an anticipated decrease in investment capacity.
- 3.16 In looking to **future opportunities** to raise additional revenue, in the first part of 2018/19 attention will be focussed on the re-opening of the Boat Park and improvements to the Beach Gardens kiosk.

4. Expenditure Analysis

- 4.1 The following table summarises the Council's greatest revenue costs during the last four financial years, together with the 2017/18 probable out-turn and the 2018/19 budget estimate. These headings account for approximately 75% of Council expenditure. These costs are projected to have fallen marginally year-on-year, having increased significantly the previous year. The fluctuation is in many respects due to the variation in expenditure on one-off items of repairs and maintenance. Whilst many of the largest items of expenditure have remained static (public toilet cleaning, insurance, utilities and car park cash collection), an increase is projected during 2018/19.

Table 3. Budgeted Expenditure in excess of £15,000 2013/14 - 2018/19

Cumulative Budgeted Expenditure in excess of £15,000	13/14 Actual	14/15 Actual	15/16 Actual	16/17 Actual	17/18 Probable Out-Turn	18/19 Estimate
Employment Costs	714,374	708,682	688,201	747,993	784,630	911,700
Repairs and Maintenance	84,539	110,913	126,420	242,707	171,020	205,185
Business Rates	107,939	105,349	126,890	127,540	131,770	134,375
Utilities	64,911	71,237	65,634	66,234	63,775	64,940
Public Convenience Cleaning and Toilet Requisites	59,965	59,995	59,390	59,475	59,025	59,050
Car Parks Cash Collection/Security	26,172	27,128	26,652	31,146	27,000	27,500
Insurance	28,069	19,872	21,394	23,293	23,000	23,460
Legal and Professional Fees	36,189	25,353	20,860	9,478	22,000	22,000
RNLI Lifeguards	n/a	n/a	n/a	17,422	21,985	22,535
Seaweed Removal & Beach Raking	8,695	16,045	15,190	8,524	18,635	19,250
Youth Centre Grant	n/a	n/a	n/a	20,000	17,500	15,000
Refuse Disposal	18,077	13,836	13,394	13,949	14,000	14,200
Total Expenditure	1,148,930	1,158,410	1,164,025	1,367,761	1,354,340	1,519,195

- 4.2 The Council's largest item of expenditure is **employment costs**. The post list for 2018/19 was agreed in principle by the Personnel Committee on 6th December 2017. A comparison of the probable out-turn for the current financial year with the budget for next year shows an increase of £127,000 in the salaries and wages bill. However, there has been a significant underspend in salaries against the agreed budget of £849,935 for 2017/18, and the increase in budgeted costs is therefore in the order of £60,000. This significant increase relates principally to changes in the Operations Department, including the appointment of a new buildings maintenance supervisor.
- 4.3 The only other addition to the post list relates to the appointment of a seasonal seafront advisor. Following discussion at the Beach Management Advisory Committee, it was agreed that there was a need for the Council to have a seafront presence to advise the public on beach and seafront regulations and provide information. The budgets contain an allowance of 37 hours per week, at a cost of approximately £6,810. It is also proposed to employ **RNLI lifeguards** for a third year in 2018/19, their fee increasing in-line with an inflationary 2% increase.
- 4.4 Planned **repairs and maintenance** costs for the current financial year are significantly lower than last year, although they are due to increase once again in 2018/19. As noted above, this figure will always fluctuate dependent on the one-off works scheduled each year. A number of items that have been approved for inclusion in the budgets by the General Operations Committee, together with additional items put forward by the Operations Manager for consideration at this meeting, are set out at **Appendix B** for Members' approval, totalling £189,125.

- 4.5 **Business rate** payments to Purbeck District Council rose significantly in 2015/16 as a result of the valuation of the new Shore Road beach huts and public conveniences. As a result of the 2017 rate re-valuation, the bill has increased again in the current year, although the 3.3% increase was lower than initially anticipated a year ago due to transitional relief. It is disappointing that central government has failed to deliver the long-awaited grant of rate relief to public conveniences that would result in a considerable saving to the Town Council.
- 4.6 Since 2011 the Town Council has procured **gas and electricity** through the LASER energy buying group, and this has been very effective in limiting increases in costs, with minimal increases in cost per kWh having been realised. Council officers are looking to explore a similar arrangement for water in the coming financial year.
- 4.7 The benefits of robust procurement processes can be seen in a number of the items listed in the table above. New contracts for **public toilet cleaning** and **insurance** have led to significant savings, the latter to be re-tendered for the next three-year period this spring.
- 4.8 As in recent years, **legal and professional fees** are projected to remain a significant cost for the Council whilst new legal agreements are drawn up for many council properties.
- 4.9 The costs of **car park cash collection and security** are stable, and may reduce next year with the re-introduction of a credit card payment facility on the Council's new car park pay-and-display machines. There also remains potential for the cost of this service to be reduced, possibly through a joint procurement exercise with a new unitary council.
- 4.10 Costs for **seaweed clearance** and **refuse collection** are kept under review by the Operations Manager and it is proposed that a market testing/tender exercise be carried out for the forthcoming financial year.
- 4.11 As in previous years a sum of £10,000 has been allocated for **Grants, Donations and Contributions to Partner Organisations** in the draft budgets. Since the Town Council's adoption of the General Power of Competence in 2016 these are no longer made under Section 137 of the Local Government Act 1972. A schedule of grant requests received is enclosed with the agenda papers for the Estimates meeting.
- 4.12 A separate budget line contains payments made in support of the provision of services by third parties, such as funding for the school crossing patrol at Swanage Primary School (Mount Scar) and the grant to the Swanage and Purbeck Development Trust to support the continuation of the youth service. The cost of the school crossing patrol is estimated as £3,365 and Members are asked to confirm their willingness to continue funding of this service for 2018/19.
- 4.13 Overall, the expenditure set out in Table 3 above is expected to increase by £164,855 (12.2%) in 2018/19. This is driven largely by the increases in employment costs and repairs and maintenance, explained in paragraphs 4.2 and 4.5 above. In order to control its costs and realise further savings it is recognised that the Council will need to continue to devote resources to procurement exercises and partnership working.

Members are also asked to raise with officers any suggestions for areas to review, in order to identify future savings.

5. Reserves and Capital Programme

- 5.1 The Town Council has an obligation to ensure adequate investment is made in its property assets so that they remain fit for purpose, and to establish financial reserves to meet this expenditure. In addition to the statutory Useable Capital Receipts Reserve (containing the funds received from the disposal of the Holiday Park and other assets), the Council has established earmarked reserves as listed in **Appendix C**.
- 5.2 Following consideration by the Policy, Finance & Performance Management Committee, it is proposed that two changes should be made to the list of reserves for 2018/19. Firstly, that the Repairs and Renewals fund is redirected specifically towards funding the next phase of seafront stabilisation and enhancement works, focussing on the Spa and Weather Station Field. Emergency repairs would now be funded directly from the General Fund. Secondly, the Insurance and Contingency reserve is to be applied directly in respect of changes arising from the proposed reorganisation of local government in Dorset in May 2019. This may well see the transfer of additional services and/or property to the Town Council, or other community bodies that will require funding.
- 5.3 These reserves contained £1,247,525 as at 31st March 2017 and it is proposed that a contribution of £150,000 be made in the current financial year, £31,500 more than anticipated a year ago. The three-year capital programme shows £1,329,735 being spent from these reserves by 31st March 2021.
- 5.4 During 2017/18 £9,560 has been received to date from the District Council under the Community Infrastructure Levy on new development. Sums in this reserve must be spent within five years on either the provision, improvement, replacement, operation or maintenance of infrastructure; or anything else that is concerned with addressing the demands that development places on this area.
- 5.5 A **schedule of estimated capital expenditure for the years 2018/19 – 2020/21**, has been provided at **Appendix D**. The total cost of programmed works is estimated at £1,892,250 over the next three financial years. The largest items of expenditure identified for 2018/19 are improvements to the Bowling Green at Beach Gardens (in conjunction with Swanage Bowling Club), a grant for capital works to Swanage and Herston Football Club, a contribution towards improvements to the fisherman's huts and slipway at Peveril Point Boat Park and the stabilisation of the Stone Quay. Members are asked to approve this in order to authorise the Operations Manager to work up these priority schemes, which will be brought to full Council for final approval during the forthcoming financial year.
- 5.6 The Council will need to keep under review the best means of funding its capital programme, especially as it does not include any fully considered estimate of the stabilisation/improvement works to Sandpit Field/Spa/Weather Station Field, or the next phases of the public convenience replacement programme. If the Council wishes to preserve a proportion of the Usable Capital Receipts Reserve as an investment fund then it may have to consider borrowing or the disposal of an asset to fund such works in the future. At its meeting held on 15th January 2018, the Policy, Finance and

Performance Management Committee agreed to explore these options as part of a review of the Council's long-term financial plans during 2018.

6. Precept and General Fund Balance

6.1 Under section 50 of the Local Government Finance Act 1992 a Town and Parish Council must take the following factors into account in setting its annual budget:

- the expenditure it will incur in the year in performing its functions
- an allowance for contingencies in relation to expenditure
- the financial reserves it will be appropriate to raise for meeting its future expenditure
- the financial reserves necessary to meet a revenue account deficit for any earlier financial year
- the sums which will be payable to it for the year
- the amount of the financial reserves which the authority estimates it will use.

6.2 An assessment of the General Fund Balance should take into consideration the council's level of working balances and a risk assessment of contingencies. In terms of working balances it is generally accepted that councils should carry general revenue reserves of between three and twelve months of gross expenditure. On the basis of current projections for 2018/19 this would be a sum between £511,275 and £2.045 million.

6.3 A risk assessment in respect of financial contingencies is set out in **Appendix E**, which suggests that £309,080 of revenue funds may be called upon in a worst case scenario during the financial year. Although many risk factors are low, it remains of utmost importance that the Council's financial position is robust enough to withstand any unforeseen shocks.

6.4 In calculating the precept required to meet the obligations set out in paragraph 6.1 above, the situation was complicated three years ago by the reduction of the tax base and introduction of a Council Tax Support Grant (CTSG) as a compensatory measure, payable by the District Council out of a grant from central government. However, this grant is no longer payable. Further information regarding the tax base and precept levels can be found in **Appendix F**.

6.5 The draft budgets incorporate a 2% increase in precept in 2018/19, as recommended by the Policy, Finance & Performance Management Committee and in line with the Council's existing Medium Term Financial Strategy. This will result in an increase of 2.01% in household bills, due to a marginally lower tax base, as shown in **Appendix G**. This increase will generate an additional £14,080, which will go some way towards addressing anticipated inflationary increases in the Council's costs during the forthcoming year.

6.6 From 2019/20 onwards 2% per annum increases in total precept continue to be projected, in line with the Medium Term Financial Strategy. This would facilitate continued contributions to earmarked reserves and funding for the Council's capital programme, whilst also maintaining an anticipated general fund balance within the recommended range set out in paragraph 6.2 above. This will be reviewed as part of each annual budget setting process.

6.7 Members are asked to **adopt the Draft Estimates and set a precept level for 2018/19.**

Martin Ayres
Town Clerk and Responsible Financial Officer

January 2018

Appendix A

Income & Expenditure Account Summary

	2017/18 Revised Outturn	Estimate 2018/19	Estimate 2019/20	Estimate 2020/21
Expenditure				
Employees (all areas)	784,630	911,700	918,465	933,140
Rates (all areas)	131,770	134,375	137,090	139,845
Utilities (all areas)	63,775	64,940	66,520	68,125
Repairs & Maintenance (all areas)	171,020	205,185	96,890	90,840
Car Parks	220,380	217,000	211,920	213,640
Boat Park/Fishermen's Huts	3,100	1,500	1,625	1,750
Public Conveniences	66,095	66,835	67,190	67,545
Cemeteries	8,125	16,550	8,350	8,750
Parks & Operations	117,140	102,025	102,365	104,060
Beach Gardens	22,300	19,485	18,075	18,550
Beaches & Foreshore	50,620	58,485	53,360	54,500
Beach Bungalows	2,535	3,670	3,755	3,840
TIC	58,500	53,925	51,840	53,885
Allotments	430	600	670	740
Corporate & Central	165,265	182,285	167,410	160,065
Misc	600	430	440	450
Interest Payable & Bank Charges	6,000	6,100	6,200	6,300
Total Expenditure	1,872,285	2,045,090	1,912,165	1,926,025
Income				
Investment Interest	185,000	150,000	150,000	150,000
Car Parks	769,200	720,580	729,975	734,385
Boat Park/Fishermen's Huts	11,700	42,195	43,350	44,530
Public Conveniences	12,675	2,425	2,475	2,525
Cemeteries	33,440	34,100	34,770	35,440
Parks & Operations	99,455	92,930	93,065	93,200
Beach Gardens	33,060	39,090	39,560	40,060
Beaches & Foreshore	50,315	50,235	50,630	51,035
Beach Bungalows	108,615	119,145	121,535	123,960
TIC	24,850	26,070	26,620	27,175
Allotments	7,800	7,955	8,115	8,275
Other Buildings (inc C Park)	70,150	72,050	72,100	72,150
Corporate, DRM & Central	25,150	15,700	16,035	16,385
Misc	10,000	10,575	10,650	10,700
Total Income	1,441,410	1,383,050	1,398,880	1,409,820
NET OPERATING EXPENDITURE	430,875	662,040	513,285	516,205

Capital Expenditure Summary

Capital Expenditure	1,778,980	317,250	105,000	1,000,000
Expenditure capital in nature	35,000	310,000	160,000	0
	1,813,980	627,250	265,000	1,000,000
To Be Financed by:				
Usable Capital Receipts Reserve	1,437,165	542,250	160,000	0
Earmarked Reserves	304,735	0	25,000	1,000,000
Contributions from the General Fund	72,080	85,000	80,000	0
Total Financing	1,813,980	627,250	265,000	1,000,000

Summary - All Income and Expenditure

	2017/18 Revised Outturn	Estimate 2018/19	Estimate 2019/20	Estimate 2020/21
Expenditure				
Service Provision - I & E Account	1,872,285	2,045,090	1,912,165	1,926,025
Capital expenditure	1,813,980	627,250	265,000	1,000,000
Total Expenditure	3,686,265	2,672,340	2,177,165	2,926,025
<i>less:</i>				
Income				
Income generated from Services - I & E Account	1,441,410	1,383,050	1,398,880	1,409,820
Capital Receipts	0	0	0	0
Total Income	1,441,410	1,383,050	1,398,880	1,409,820
Net Expenditure to be financed	2,244,855	1,289,290	778,285	1,516,205
<i>Add:</i>				
Movements Required on Reserves				
Net transfer to Earmarked Reserves	150,000	157,000	162,000	50,600
Increase/(Decrease) in the General Fund	60,770	(186,010)	(22,895)	180,235
Total Financing Required	2,455,625	1,260,280	917,390	1,747,040
Financed by:				
Precept	703,950	718,030	732,390	747,040
CTSG	9,775	0	0	0
Capital Grants/Contributions	0	0	0	0
Capital Receipts	1,437,165	542,250	160,000	0
Earmarked Reserves	304,735	0	25,000	1,000,000
	2,455,625	1,260,280	917,390	1,747,040

One-Off/Extraordinary Revenue Expenditure 2018/19

<u>Service Area</u>	<u>Project</u>	<u>Estimated Cost</u>	<u>Notes</u>
The Downs Cemeteries	Wall Stabilisation and Tree works	20,000	Brought forward from 17/18
	Memorial Inspections plus database	8,000	Brought forward from 17/18
	Tree Works - Pollarding	2,000	Brought forward from 17/18
Panorama Road & Quarry Close Peveril Point	H & S Works	10,000	Brought forward from 17/18
	Road repairs, signage and line markings	10,000	Brought forward from 17/18
		<hr style="width: 100%; border: 0.5px solid black;"/>	
		50,000	
Plant & Machinery	Iseki Mower	9,000	
	Strimmers	5,000	
	Fairway Push Mower	2,000	
Depot	Radio Communication System	9,000	
Beaches	Renewal of Safety Signage	6,000	
Station	Landlord's Electrical Safety Certificate	6,000	
Festive Lights	Replacement & Maintenance of Festive Lighting	15,000	
Annexe	Repairs	15,000	
Town Hall	Consolidation of IT/Telephony Network	8,000	
	Entry System	6,000	
TIC	Entry System	2,000	
Boat Park	Barrier Entry & Non-return System	12,000	
Shore Road Beach Huts	Stools and tables	2,250	
Beaches & Foreshore	Signage	6,000	
Cemetery	Godlingston-Carpeting of Children's area	2,500	
Mermond Car Park	EVCP	3,000	
Heritage Square and Shore Road	Flags	3,125	
Beach Gardens	Tennis Table-Concrete	1,750	
Car Parks	North Beach Surface Repairs	16,000	
Public Conveniences	North Beach Car Park-Toilet pod consolidation	9,500	
		<hr style="width: 100%; border: 0.5px solid black;"/>	
		139,125	
		<hr style="width: 100%; border: 0.5px solid black;"/>	
Total		189,125	
		<hr style="width: 100%; border: 0.5px solid black;"/>	

Appendix C				
Reserves & Balances				
Revenue Reserves Summary				
	2017/18 Revised Outturn	Estimate 2018/19	Estimate 2019/20	Estimate 2020/21
The General Fund Balance (GFB)				
<i>Movements on the General Fund:</i>				
Net Operating Expenditure	430,875	662,040	513,285	516,205
Transfers to Reserves	150,000	157,000	162,000	50,600
Capital Expenditure charged to the GFB	72,080	85,000	80,000	0
	652,955	904,040	755,285	566,805
<i>To be financed by:</i>				
Precept	703,950	718,030	732,390	747,040
Council Tax Support Grant	9,775	0	0	0
	713,725	718,030	732,390	747,040
Surplus / (Deficit) for Year	60,770	(186,010)	(22,895)	180,235
General Fund Balance B f'd	808,240	869,010	683,000	660,105
Surplus / (Deficit) for Year	60,770	(186,010)	(22,895)	180,235
General Fund Balance C f'd	869,010	683,000	660,105	840,340
Earmarked Reserves				
Festive Lights	8,098	8,098	8,098	8,098
Vehicle & Plant Replacement	0	10,000	0	10,000
King Georges Play Area & Skate Park	48,017	48,017	48,017	48,017
Play Equipment-General Areas	78,904	78,904	78,904	78,904
Car Park Machines	0	5,000	10,000	15,000
Tennis Courts Refurbishment	0	0	0	3,600
Seafront Enhancement Scheme	792,040	892,040	1,002,040	2,040
Public Conveniences	0	20,000	40,000	60,000
Beach Huts	15,000	30,000	40,000	50,000
Football Club Changing Facilities	6,958	6,958	6,958	6,958
De Moulham Back Roads	31,662	33,662	35,662	37,662
Insurance & Contingency Reserve	40,000	40,000	40,000	40,000
Community Infrastructure Levy	21,594	21,594	21,594	21,594
FJ Grace Trust	30,517	30,517	30,517	30,517
IT Equipment Reserves	20,000	25,000	25,000	25,000
Reserves C f'd	1,092,790	1,249,790	1,386,790	437,390
Usable Capital Receipts Reserve				
UCRR Balance B f'd	3,896,178	2,459,013	1,919,013	1,759,013
Capital expenditure	(1,437,165)	(542,250)	(160,000)	0
Capital Receipts	0	0	0	0
UCRR Balance C f'd	2,459,013	1,916,763	1,756,763	1,756,763
Total Useable Reserves				
The General Fund	869,010	683,000	660,105	840,340
Earmarked Reserves	1,092,790	1,249,790	1,386,790	437,390
Useable Capital Receipts Reserve	2,459,013	1,916,763	1,756,763	1,756,763
Total of Reserves held by the Council	4,420,813	3,849,553	3,803,658	3,034,493

Appendix D

Capital Programme 2018/19 - 2020/21

Estimated Expenditure

Project	2017/18 Budget	2017/18 Revised Outturn	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate
	£	£	£	£	£
Public Conveniences					
Refurbishment of Main Beach	85,000	141,585			
Town Hall-Installation of DDA compliant toilets	20,000	15,950			
Refurbishment of Mermond Toilets	0	73,520			
Installation of Beach Gardens Toilets	0	81,110			
Beach Gardens					
Installation of Astroturf Playing Surface & Surround	110,000	0	112,250		
Shed/Outbuilding	15,000	0			
Recreation Ground					
Bandstand Replacement & Pathway Improvements	30,000	0		80,000	
Vehicles					
Replacement of Nissan Vehicles x 3	45,000	56,500			
Replacement of Ride-On-Mower	25,000	29,080			
Enforcement Officer Vehicle				25,000	
Depot					
Relocation	1,000,000	1,000,000			
Car Parks					
Pay & Display Machine Replacement	50,000	80,000			
Play Areas					
King George's - Equipment Replacement	20,000	20,000			
Grants - Capital in Nature					
Swanage Pier Trust	25,000	25,000			
Football Club - Contribution to Capital Works			100,000	160,000	
Parade Railings 1/3 contribution			25,000		
Institute Road			60,000		
Purbeck Business Centre Roof - Capital Contribution	10,000	10,000			
Fishermen's Slipway & Huts			125,000		
Station Approach					
Infrastructure	10,000	10,000			
TIC					
Renovation - Balance of Works	0	2,505			
King George's Field					
Skate Park Equipment	0	12,660			
Spa					
Beach Huts	0	26,070			
Stabilisation & Regeneration					1,000,000

Boat Park					
Stabilisation and new Retaining Walls	0	230,000			
Stone Quay Phase III					
Reconstruction and Bonding			205,000		
Total Capital Expenditure	1,445,000	1,813,980	627,250	265,000	1,000,000
To be finance from:					
Usable Capital Receipts Reserve	1,185,000	1,437,165	542,250	160,000	0
Earmarked Reserves	140,000	304,735	0	25,000	1,000,000
Grants/Contributions	50,000	0	0	0	0
General Fund	70,000	72,080	85,000	80,000	0
Total financing	1,445,000	1,813,980	627,250	265,000	1,000,000

Appendix E

RISK	Analysis of Risk	2018/19 Budget	Potential Impact	Quantitative Assessment of Risk
		£	%	£
Small size of the authority (in comparison to principal councils) necessitates a minimum balance of 3% of gross expenditure	Balance required to withstand budgetary problems due to relatively low asset and resource base.	2,670,090	3	80,105
Employee costs are greater than budgeted	Statutory payments increase above the level allowed for in the estimates.	911,700	1	9,115
Contractual inflation is greater than budgeted	A general increase of c.2% has been assumed on expenditure, however, costs may increase above budgeted inflation. Prices for gas/electric are fixed until Oct 2016. Prices may increase above estimated levels at this point.	1,133,390	2	22,670
Treasury management income is not achieved	That the actual interest rate that is achievable is below the rate predicted at budget setting. An overall return of 2.7% has been estimated, if this return is only 2% overall the risk will be 25% of the estimated budget.	150,000	25	37,500
Car park revenue is below forecast	That a decrease in revenue is realised from estimate. With the continued stagnation or decline in car parking revenue the risks of not meeting budget are increasing.	502,250	10	50,225
Rental income is not received	With the current volatile economic climate some lessees may not be able to meet their rental payments	249,545	30	74,865
Seasonal income is lower than budgeted	That a decrease in revenue is realised from estimate.	173,000	20	34,600
Total				309,080

Appendix F

Tax Base & Parish Precepts: The tax base is a figure that is determined by Purbeck District Council annually in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 and is the baseline for setting council tax charges. This figure is based upon the estimated number of chargeable dwellings, expressed as the equivalent number of Band D dwellings, after allowing for reliefs, discounts and non-collection. As a result of the localisation of council tax support as part of the Local Government Finance Act 2012 and the introduction of the new regulations, a significant reduction to the tax base was seen in 2013/14, a figure of 4,625.58 decreasing from 4,959.87 in 2012/13.

In order to alleviate this decrease in the tax base central government introduced a Council Tax Support Grant (CTSG), with the intention that the grant would be paid until the tax base returned to the 2012/13 base figure. This grant is paid via the billing authority i.e. Purbeck District Council, rather than to the Town Council directly. The last payment of the CTSG was made in 2017/18, however, in viewing table 1 below it can be seen that projections show that the 2012/13 tax base figure is not expected to be recovered within the timeframe of these estimates.

Table 1: Precept estimates

Precept	Actual 2012/13	Actual 2017/18	Estimate 2018/19	Estimate 2019/20	Estimate 2020/21
Precept	608,775	703,950	718,030	732,390	747,040
% Increase/Decrease	2.45%	2.40%	2.00%	2.00%	2.00%
Council Tax Support Grant	0	9,775	0	0	0
% Increase/Decrease	n/a	-50.01%	-100.00%	n/a	n/a
Precept + CTSG	608,775	713,725	718,030	732,390	747,040
Tax Base	4,959.87	4,834.9	4,834.58	4,868.4	4,902.5
% Increase/Decrease	-0.08%	2.40%	-0.01%	0.70%	0.70%
Band D Charge	£122.74	£145.60	£148.52	£150.44	£152.38
% Increase	2.54%	0.00%	2.01%	1.29%	1.29%
Actual Annual Increase	£3.04	£0.00	£2.92	£1.92	£1.94

During the setting of the revenue and capital budgets due consideration has been given to the current economic climate, together with the request from central government that town and parish councils exercise restraint and ensure that no council taxpayer sees an excessive increase in bills. Consideration has also been given to the need for the Council to increase its reserves and balances being mindful of future capital, revenue and treasury requirements. The tax base for 2018/19 has been set at 4,834.58, a 0.01% decrease from 4,834.9 in 2017/18.

Swanage - Proposed Precept 2018/19

Calculation of 2018/19 Parish Council Tax	
2018/19 Precept	£718,030.00
Divide by 2018/19 tax base	4834.58
Parish band D council tax for 2018/19	£148.52
Council Tax Increase	
Council tax for 2018/19	£148.52
Council tax for 2017/18	£145.60
Increase	£2.92
Percentage increase in council tax	2.01%
Precept Increase	
2018/19 precept	£718,030.00
2017/18 precept	£703,950.00
Increase in precept	£14,080.00
Percentage increase in precept	2.00%
Tax Base Change	
2018/19 tax base	4,834.58
2017/18 tax base	4,834.90
Change in tax base	-0.32
Percentage change in tax base	-0.01%