

Justification for 2021/2 STC Precept Town Council meeting 26th January 2021

And See Finance Cttee Paper 15th January 2021 re proposal of 0% increase in precept.

1. STC is unusual in that it is constituted as a Parish Council yet has a large capital portfolio of 28 properties. The Town Council's finances are split between a capital account (including these properties with a book value of £6,863K) and the revenue account which covers the annual spend of the Council's services e.g., Staff and Admin costs, PCSO, individual Committee budgets, and Professional advice.
2. STC has levied a precept to the value of £120k for 4 years and for 2020/21 it was equivalent to £2.11 per week for Band D and £3.52 for Band G property.
3. Previously, using rental income from STC's 28 properties, no precept was levied and the rents subsidised its revenue account. Over many years, STC's expenditure on the maintenance of these properties, and its ability to keep pace with Landlords' legal requirements, has led to a deterioration in the condition of many, if not most. Consequently, the general condition of its properties has declined.
4. In 2018 STC recognised that it had to spend money on repairing its property portfolio and took out a loan of £300k to begin this process.
5. Over the last few years, this improvement programme has upgraded properties in the Market Place, repainted the exterior and replaced the windows of Hurren Terrace, completed H&S and Fire Risk requirements in a number of properties, and refurbished Flat 21 Market Place. Currently, refurbishments to 13, Station Road and the Casino on Gun Hill, are being undertaken.
6. Even with the precept income STC is budgeting for a net deficit on its revenue account of £55k, which will be funded from the reserves. The main components of expenditure are:

| | |
|---|------|
| <input type="checkbox"/> 50% Staff salaries and admin costs | 45k |
| <input type="checkbox"/> Admin /Software and support | 24k |
| <input type="checkbox"/> Audits/Election/donations/Covid | 14k |
| <input type="checkbox"/> Projects involving Leisure and the Environment | 42k |
| <input type="checkbox"/> Communication improvements | 7k |
| <input type="checkbox"/> PCSO | 37k |
| <input type="checkbox"/> Town Manager and 6 mth budget | 19k |
| <input type="checkbox"/> Planning Committee training/ advice | 2.5k |
| <input type="checkbox"/> Neighbourhood Plan | 1.7k |
| <input type="checkbox"/> Grounds' maintenance | 15k |
| <input type="checkbox"/> Sustainable Transport and CCTV initiatives | 33k |
| <input type="checkbox"/> Professional advice | 6k |

Within the net deficit, it is anticipated that there will be £20k revenue from Parking charges and £54k will be reimbursed from the CCF revenue Grant.

7. On Capital for 2021.22, the income budget of £245K is from the property rents, and the major budgeted costs are as follows:

| | |
|---|------|
| <input type="checkbox"/> 50% Staff salaries and admin costs | 45K |
| <input type="checkbox"/> Refurbishment and repair costs | 238k |
| <input type="checkbox"/> Legal fees/ insurance/ inspections/mgt | 78K |
| <input type="checkbox"/> Loan repayment | 36K |
| <input type="checkbox"/> Boating Lake Project | 90k |

Even with the rental income STC is budgeting for a net deficit on its capital account of £231K, which will need to be funded from reserves.

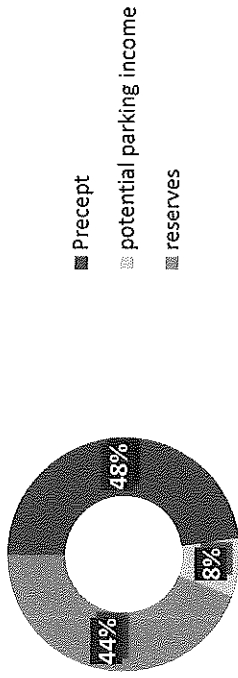
8. There are other budgets which are for specific projects e.g., Station Yard. In 2019/20 these costs amounted to £130k which were accounted for separately. Current expenditure on the Development Manager and the RUA Construction Consultants' contract will be drawn down from the CCF Grant.
9. There are also opportunities to increase income that may be developed by STC, including charging ESC rent for the camping field and investigating opportunities to levy a small visitor tax on overnight accommodation.

| Revenue Budget | | | | | |
|---|--|--|--|------------------|----------------|
| | | | Notes | <i>predicted</i> | |
| | | | 2021.22 | 20.21 | 2021.22 |
| Expenditure | | | | | |
| Salaries (split with capital budget) | | | | £45,000 | £45,000 |
| Chairs Allowance | | | paid against invoices | £0 | £2,000 |
| Town Hall running costs incl stationery/ printing/ subscriptions | | | | £9,000 | £10,000 |
| Software and Support | | | remote working IT changes/ improvements to IT | £5,500 | £8,000 |
| council modernisation practices/ remote working provision | | | | £0 | £4,000 |
| Audits | | | | £2,000 | £2,000 |
| bank charges | | | | £300 | £500 |
| Elections - | | | May-21 | £0 | £2,000 |
| training | | | | £300 | £700 |
| Civic allowances | | | | £400 | £400 |
| Civic Uniform | | | | £0 | £100 |
| Events | | | see L and E budget | £200 | £0 |
| | | | sect 137 limit is £8.32 per elector -= | | |
| Donations general budget | | | £6797 | £5,000 | £6,797 |
| Covid community projects | | | | £4,000 | £3,000 |
| Windfarm Exhibitions etc | | | | £0 | £0 |
| L and E cttee project priorities | | | | £10,000 | £42,050 |
| Communications working grp - training and assistance including social media | | | | £500 | £7,000 |
| Town mgr costs and 6 mth budget (including town website, town app, events and high street recovery programme) | | | awaiting confirmation from CCF re drawdown | £32,000 | £19,000 |
| PCSO | | | awaiting confirmation from Suffolk Police Auth | £36,000 | £37,000 |
| Planning cttee - specialist advice and training | | | | £1,000 | £2,500 |
| Play Areas | | | in L and E earliest referendum | £1,000 | £0 |
| N Plan | | | = May 2021 | £2,500 | £1,700 |

Revenue account income

| | |
|--------------------------|---------|
| Precept | 117,962 |
| potential parking income | 20000 |
| reserves | 109285 |

Budget 2021.22



Budgeted spend 2021.2022

