

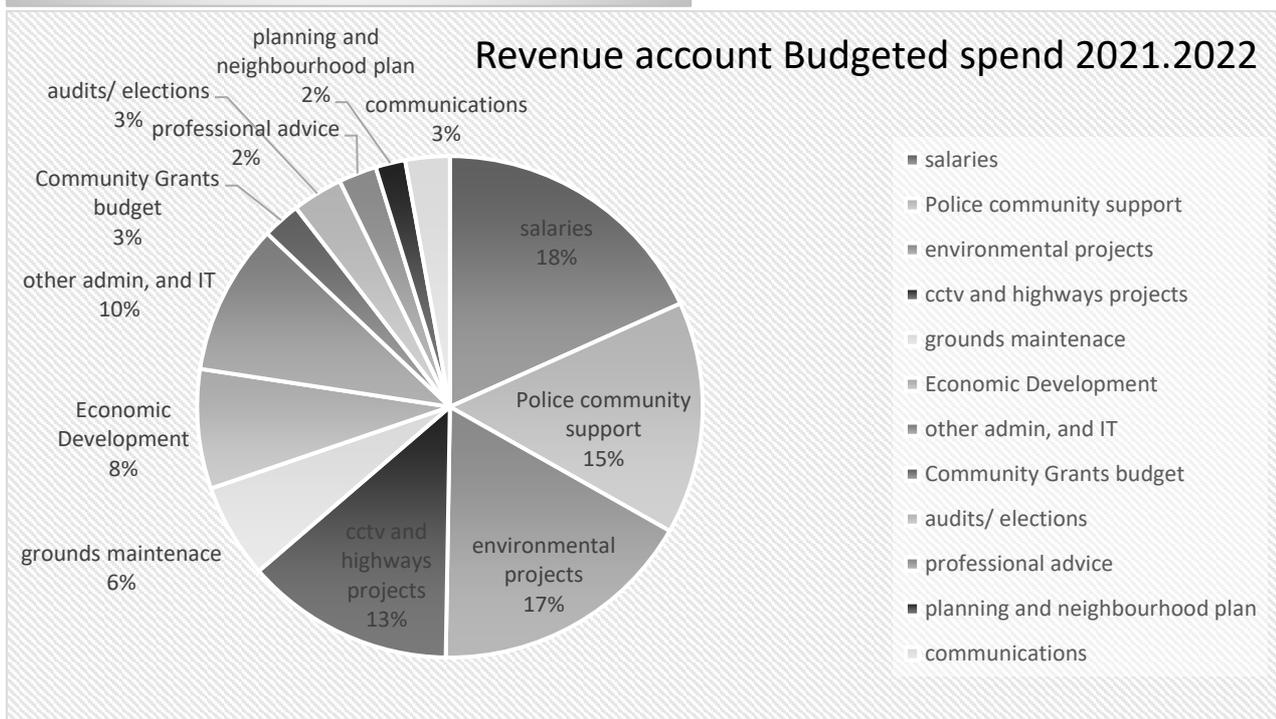
Southwold Town Council Budget and Precept 2021/2022 - from the Town Council meeting

26th January 2021

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. At the meeting it was agreed that the charge to residents will not alter for 2021/2022 – residents will see 0% increase against the charge for the Town Council.
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:

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



8. In addition to the above, on Capital for 2021.22, the income budget of £245K is from the property rents, and the major budgeted costs are as follows:

□ 50% Staff salaries and admin costs	45K
□ Refurbishment and repair costs	238k
□ Legal fees/ insurance/ inspections/mgt	78K
□ Loan repayment	36K
□ Boating Lake Project	90k

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

9. There are other budgets which are for specific projects e.g., Station Yard Regeneration project for which the costs to date have 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.