

## TH AND HC DRAFT BUDGETS: CLERK'S NOTES

### Reserves

Members will recall that during last's budget setting process I advised that, because of the Council's land and property acquisition plans, the General Reserve would become depleted and there would be a need to vire (transfer) monies to the General Reserve. That time has come. However, the forecast TH and HC deficits (caused by expenditure additional to that set out in the adopted TH and HC 2017-18 budgets) have necessitated a 'brutal' approach for Members' consideration.

RTC's reserves (total cash holding) are forecast to roughly halve by March 2018. The reserves had been built up slowly over decades and their depletion will mean that RTC is less able to respond to a need/desire for unplanned expenditure – for example, purchasing another small parcel of land which RDC designates for disposal.

### Heritage Centre

The reasons for the larger than anticipated 2017-18 forecast deficit are explained within the HC Manager's Budget Notes (*Louisa will be present at the Council meeting*).

Given the prevailing circumstances upon Louisa's appointment, during this year RTC accepted that there was likely to be a deficit by March 2018 (extent unknown) and agreed that preparations should continue to ensure that the Centre was prepared to maximise sales in 2018-19.

The Draft 2018-19 HC Budget provides for a modest surplus and reduces staff costs (by decreasing substantially winter opening times) – but provides for the Centre to be fully stocked to trade in 2019-20.

It is suggested that, given the resources that have been allocated already towards preparing for next season, this plan should proceed but that the trading performance should be reviewed monthly from April 2018 – with a major review in early September (when it is likely that it will be known if the sales target will be met).

*Note The option of converting the HC into a charitable entity is looking less likely. An assessment will be presented to the next PRGP meeting.*

It should be noted also that the surpluses/deficits reported by the HC do not represent the true cost of running the Centre: the Town Hall funds separately 'repairs to the fabric of the building' – which average £3,000pa.

It is suggested also that it would be helpful to clarify RTC's approach to the HC. It was established originally primarily as a public service – providing visitor information (which benefits the local economy) but it also has an educational function which benefits both visitors and residents.

Although, to protect Council Tax payers, the overall aim should be to try and ensure it is (at least) cost neutral - by running it in a 'business-like' manner – it should be acknowledged that most information centres are subsidised by local government. Where this is no longer the case, in the main, those centres affected have closed. The number of centres that have managed to continue independently is tiny.

There is an economic argument for RTC being prepared to (continue to) subsidise the public services provided at the HC – and it would be useful to have a discussion about this and the acceptable extent.

(In one year shortly after the current Town Clerk was appointed the HC made a surplus of £27,000; however, this was at a time when it received grant funding from RDC of £52,000.)

## **Town Hall**

The Draft TH 2018-19 Budget provides for an estimated Band D increase of 29p/week.

This is considered necessary to meet known upcoming expenditure needs (eg Skate Park, Christmas Festival 2018, Town Hall repairs) without needing to deplete further RTC's General Reserve. Without such an increase RTC will be find itself in a weaker – and less flexible – position.

The forecast TH deficit may be reduced a little if savings can be made on legal fees; however, it should be noted that no allowance has been made in the event of accommodation rental payments not being received.

Although no formal announcement has been made (may be as late as January), NALC has the impression from the DCLG that parish/town councils will not be subjected to the Excessive Council Tax Referendum Regulations in 2018-19 – ie they will be free to precept without restriction.

*Note Members might like to bear in mind that they will be invited to agree the subsequent budget (2019-20) in an election year – with Town/Parish Council Elections taking place in May 2019.*