



LEIGHTON-LINSLADE TOWN COUNCIL

Policy and Finance Committee

Date: November 2018

Title: 5 Year Financial Plan

Purpose of the Report: To provide Members with the most recent position in respects of the 5 Year Financial Plan and the proposed projects which underpins it.

Contact Officers: Mark Saccoccio - Town Clerk
Clare Cummins – Finance Officer

Corporate Objective/s	To meet the objectives as set out within the Town Council's 5 Year Plan and Objectives 2019 -24.	
Implications:		
Financial	√	Demonstrates that projects can be delivered that meet community expectations, are within budget and are able to be delivered in a timely manner
Human Resources		
Operational/Service delivery	√	The 5-year Financial Plan demonstrates that projects identified within the 5 Year Plan and Objectives (2019-24) can be delivered with a high degree of certainty
Procedural/Legal	√	
Risk/Health & Safety		

1.0 RECOMMENDATION

Should the Policy and Finance Committee be minded:-

1.1 To note the report

1.2 To note the most recent iteration of the 5 Year Financial Plan for the purposes of informing budget setting for the coming Financial Year 2019-20.

2.0 BACKGROUND

- 2.1 As an accountable public body, every reasonable endeavour should be taken to ensure that future decisions are predicated on sound financial planning. To better inform this, the 3-year (now 5 year) Plan and Objectives document was created. Its purpose to set out town council priorities and objectives over a 5-year period. This document is the subject of review. In order to underpin this, the Town Council created the 5-year financial plan.
- 2.2 The value and importance of the 5-year financial plan cannot be underestimated. For a parish operation with an annual budget in excess of £2 million and a projects list of £1,513,790 the ability to financially plan has never been so important.
- 2.3 The 5-year financial plan offers certainty and demonstrates how projects can be delivered with the minimum impact upon the precept by using its reserves. Whilst the proposed budget for the financial year (2019-20) has yet to be endorsed, it is anticipated that the precept can remain unchanged for the 7th successive year. The ability to forecast with certainty can in part be attributed to having such a tool in place.
- 2.4 As a tool, its purpose is to be manipulated and therefore subject to on-going review.

3.0 PROPOSAL

- 3.1 The decisions to review priority projects will in the first instance sit with the Political Group and beyond that, with the respective standing committees. On business case grounds, any decision made within the respective standing committees will have to be endorsed by Full Council given the budgetary implications.
- 3.2 The 5-year plan (see Attached) is ambitious and includes projects which may or may not be realised. However, certain projects have been included in order to demonstrate that they can be delivered should there be commitment from Members to do so. The purpose for creating such a plan is to demonstrate what could be achieved within the parameters of a 0% increase in the precept as well as the reserves the Town Council presently has. As a growth area, it is assumed that the council tax base will continue to increase which will reduce the financial burden on existing budgets.

Key headlines:

- £180,000 identified for the purposes of renewing safety surfacing over the coming 4 financial years.
- £180,000 identified for the provision of new play equipment over the coming 4 financial years.
- £360,000 identified for the refurbishment and creation of additional car parking at Pages Park Pavilion over the coming financial year.

- £100,000 identified for Market Town Initiatives over the coming two financial years (electronic signage installation and architectural lighting).
- £81,000 identified for Town Centre Initiatives (history trail, pigeon management, town centre wifi) over the coming two years.
- £60,000 identified for digital cctv

Since 2017, Projects Delivered to date

- £150,000 committed to Youth Promise Grant.
- £145,000 committed to the Market Town Regeneration Projects including Market Relaunch and Electronic Signage.
- £55,000 committed to the creation of a car park extension at Astral Park.
- £12,734 invested in IT.
- £41,460 committed to new safety surfacing.
- £95,000 committed to new play equipment.

The Assumptions:

- The 5-year plan assumes growth of 1% per annum in respects of the council tax base
- The 5-year plan assumes that council tax would remain the same (£149.58).
- The 5-year plan assumes precept contribution to projects will remain unchanged at £200,000 per annum.
- The 5-year plan assumes that staffing numbers will remain unchanged

3.5 Based on a “no-change” scenario, the general fund projection will leave the council exposed in the 2022/23 budget by £98,200. Best practice would recommend that the Town Council hold a general fund balance of £750,000 (which equates to 4 months running costs at £180,000 per month). In 2022/23, the general fund is projected to reduce to £658,774 which is not ideal.

4.0 CONCLUSION

4.1 As a growth area, the way the Town Council operates is changing. By having a financial plan offers certainty and demonstrates that as a public body, every reasonable financial endeavour is being taken to ensure that future financial decisions are predicated on a sound evidence base.

End.