



REPORT

Ludlow Town Council

BUDGET & PRECEPT 2017/18

Full Council

30 January 2017

1. INTRODUCTION

- 1.1 This report sets out the budget considerations and process for 2017/18.

2. RECOMMENDATION

- 2.1 To adopt the action plan 2017/18
- 2.2 To approve the budget 2017/18
- 2.3 To approve a precept for 2017/18 of £450,520.00.
An increased cost to a band D Council tax bill of £26.24 per year, which equates to 50 pence per week

3. BACKGROUND

- 3.1 Ludlow Town Council's Committees and Working Groups have been considering service provision, income & expenditure, and budget strategy from September 2016 and the budget has been shaped by these decisions from committee and council.
- 3.2 The Town Council's annual budget in 2017/18 delivers funding for existing services, approved projects, and refurbishment works. Ludlow Town Council is also developing a budget and management strategy that creates resilience and flexibility for the town council in uncertain times.

3.3 **Cost Effective Service to the Community**

The Town Council is a corporate body enshrined in legislation, and is happy to embrace changes in legislation that enable it to take advantage of the digital age and the money saving possibilities this brings. Online supply of goods, email and social media communication are all regularly used by the Town Council as you would expect from a modern organization.

However, the Town Council has a responsibility to all sectors of the community and its actions and thought processes must be rooted in the reality of the community it represents, so the Town Council is mindful of its role in supporting communication with those who are not able, or choose not, to engage with computers, tablets and digital communication; and local suppliers who in turn support the local economy.

The remit and responsibilities of the Town Council are much wider and more complex than that of a single business.

3.4 Prudent financial management and cost cutting, wherever possible, is deeply engrained within the mind set of councillors and officers alike.

Ongoing measures include:

- Working within the Council's approved Financial Regulations
- Always seeking a range of comparable like for like quotations
- Active review of policies and procedures
- Introducing digital agendas
- Provision of information via the website www.ludlow.gov.uk

3.4 **Ludlow Museum at the Buttercross**

In 2016, Ludlow Town Council worked with Shropshire Council to agree a service level agreement for Ludlow Museum at the Buttercross.

Shropshire Council are the authority with the powers, resources and expertise to provide curatorial services and artefacts; and Ludlow Town Council own the Buttercross and have the power to support tourism in Ludlow so working together made Ludlow Museum at the Buttercross a reality for Ludlow.

3.5 As well as curatorial services and the artifacts for Ludlow Museum, Shropshire Council have provide a small amount of financial assistance, over a three year period, although ultimately the challenge for both local authorities is to develop, footfall and other streams of income at Ludlow Museum to establish a sustainable service at the Buttercross.

3.6 **Castle Street Toilets**

Ludlow Town Council has the power to provide local conveniences and took over the responsibility and maintenance liability from Shropshire Council in 2011 to prevent the public toilets at Castle Street & Smithfield from closing.

Local authorities provide local services that support the offer of their town, and public toilets are an important provision to support tourism in the town.

Ludlow Town Council is concerned to create a good impression for visitors. In 2016, it was agreed that the frequency of cleaning needed to be increased to meet user's needs. Members had to decide how to meet the increased cost - either increase the contribution of all tax payers or distribute some of the cost to the users of the service. The Town Council decided to distribute the costs and in July 2016, the Town Council introduced a 20p charge for use of Castle Street Toilets.

3.6 **Devolution of Services from Shropshire Council and potential financial capping for the Town Council from Central Government**

Ludlow Town Council is working within a significantly changing local authority landscape and the pace of change is fast.

The Town Council is being asked by Shropshire Council to consider running or financing local services requiring £168,470.00 annual revenue funding.

This is a very big ask. At present, Shropshire Council are still in the process of providing the detailed information that would be required to consider the matter with due diligence.

The time scale is tight.

The work load is large.

The impact on the community of Ludlow could be significant.

Function	Withdrawn Funding from Shropshire Council in 2018/19
Museum	£10,000
Assembly Rooms	£73,810
Visitor Information Service	£25,000
Outdoor Recreation Green Spaces	£17,070
Youth Centre	£31,740
Youth Activities	£10,850
Rockspring Grant	£0
Total	£168,470

Financial Capping from Central Government

The Secretary of State for Communities and Local Government, Sajid Javid made the following statement in relation to capping town and parish council's income raised by precept through the Council Tax:

Capping Town Councils

'However, last year we saw a worrying 6.1% rise in precepts by town and parish councils.

That's why, earlier this year, we consulted on extending Council Tax referendum principles to larger town and parish councils.

These councils play an important role in our civic life.

And I understand the practical considerations of scale.

So we will defer our proposals this year, while keeping the level of precepts set by town and parish councils under close review.

I expect all town and parish councils to clearly demonstrate restraint when setting increases that are not a direct result of taking on additional responsibilities.

I am also actively considering with the sector ways to make excessive increases more transparent to local taxpayers.'

Town & Parish Council are therefore expecting to be capped in the near future.

Whilst central government states it 'understand[s] the practical considerations of scale' a simple illustration really captures the problem Ludlow Town Council could potentially face. If capping is set at the same level as already exist for principle councils – Shropshire Council 2% - then the maximum Ludlow Town Council would be able to raise its primary annual source of income would be £9,010.40, which will not make much of dent in the £168,470 annual revenue spend that Shropshire Council is asking the Town Council to consider in 2018/19.

All town councils have lobbied MPs and hope that the government is listening and it really does understand the significance of difference in scale in the different tiers of local authorities.

However, when the Secretary of State for Communities and Local Government expresses concern about a 6.1% increase, which for Ludlow represent £27,481.72, and the reality is that Shropshire Council is asking the Town Council to consider services costing £168,470 per annum – there is little evidence of joined up thinking and communication across the different tiers of government.

There are other sources of funding to explore, but funding is being squeezed across the board. Innovation and new ways of working will be part of the solution. All local authorities are navigating new territory and no one has all the answers. Ludlow Town Council's fifteen councillors are part of their local community and know that there are limits to what the electorate can afford, so there is no plan for reckless spending, but there is a need for continuing honest and meaningful discussions to find a way forward that works for Ludlow.

3.7 Rising to Meet the Challenge

Ludlow Town Council finds itself in a rapidly changing landscape of public service provision. However, stability can be found in the principles and processes enshrined in law that protect the public purse and the selfless individuals who make increasingly difficult decisions on behalf of their community.

There is an election in May 2017, and those who choose to stand, and are given an electoral mandate, to represent and guide their community need a robust set of principles and processes to support them.

However, clearly more is being asked, and will continue to be asked, of the Town Council, so it would be fool hardy for the Town Council to remain static and unchanged. The town council must change by developing its

staffing structure, and the tools & equipment required to meet the challenge. Ways to create resilience and capacity within the Town Council have been address in the Action Plan for 2017 / 18 (below) and also in the main budget.

4. ACTION PLAN FOR 2017/18

- 4.1 In addition to the Service Plan, future development, projects and refurbishment for 2017/18 are outlined in the Action Plan **APPENDIX 1**

5. BUDGET

- 5.1 The budget details the Town Council's income and expenditure for 2017/18. Ludlow Town Council has reviewed all aspects of the budget and has made decisions to enable continuation of services, reasonable fees and reduction of costs where possible.
- 5.2 Historically, the Town Council has taken a long term view and accrued ring fenced funds to enable planned refurbishment at the Linney and other maintenance works.
- 5.3 The recommended budget for 2017 / 18 is attached **APPENDIX 2**.
The budget contains inflationary increases and the previous recommendations and decisions from committees.
- 5.4 **The Budget Working Group** discussed the budget on Friday 20 January and **RECOMMENDED**
- i) To approve the expenditure and income that Ludlow Town Council is committed to within the budget.
 - ii) That the electorate should not be bear the full costs of one-off property maintenance works in 2017/18
- 5.5 **Summary of the proposed budget for 2017 / 18:**

Budget Expenditure:	£812,507.00
Budget Income:	£320,707.00
Money from reserves:	£41,280.00
Precept amount:	£450,520.00
Income total:	£812,507.00