

Weston super Mare Town Council

Medium Term Financial Plan

2022/23 to 2026/27



Medium Term Financial Plan

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Foreword

Welcome to Weston super Mare Town Council's (WSMTC) Medium Term Financial Plan which sets out the Council's financial strategy for the five-year period to 2026/27.

This Plan has taken on increased importance as a consequence of the recent Coronavirus virus pandemic, Brexit and challenges with the Cost of Living and increased Energy costs as one factor of the effects of the war in Ukraine which has had an impact on WSMTC services and financial situation.

Reviewing the impact on the Council's finances and adjusting our financial strategy will be vital as WSMTC looks ahead to what is likely to be a continuing challenging future.

In preparing the Medium-Term Financial Plan it is assumed that business will return to normal after the implementation and relaxing of recent restrictions following the governments roadmap out of the Coronavirus pandemic which has occurred. However, it must be borne in mind that further disruptions to services may be experienced on variants on the Coronavirus as we work through the first few years coming out of lock down.

Over coming years, the Council must deal with a number of longer-term budget pressures which are going to be faced.

These include increased pressure on the costs of running Council services, not least the unavoidable increases to staffing costs linked to planned increased in the Real Living Wage which WSMTC is committed to paying alongside the increase in fuel and general cost of living pressures in coming years.

On top of this, WSMTC faces significant potential commitments over the next few years relating to capital investment in new and current fixed asset, expenditure which will see its balances and reserves diminish.

All of these issues highlight the importance of having in place a prudent, robust, realistic, and forward-looking Medium Term Financial Plan.

This Plan aims to highlight and quantify the key financial challenges facing WSMTC over the next five years, with particular emphasis on capital investment linked to the delivery of services and PPM/EMRRP plans and the resulting fall in WSMTC balances and reserves. This financial strategy will be key to meet these challenges.

The Plan sets out a Revenue and Capital Budget forecast for the five-year period and estimates the level of Precept and council tax increase that may be required in order to balance the budget and maintain an adequate level of reserves.

Whilst the next five years will undoubtedly present WSMTC with a number of challenges, we are confident that this Medium-Term Financial Plan provides a sound strategy for the planning of WSMTC's finances and budgets over this period, which ensures that services can be protected, and which aims to keep future council tax increases to a minimum.

WSMTC is fortunate that its finances remain in reasonably good health at the present time although it does not have excess reserve levels, the implementation of this Plan

will ensure that WSMTC can build on this foundation, meet the needs of our local community, and provide value for money services to our local tax payers.

Councillor Alan Peak – Chairman of Policy & Finance Committee

Councillor Robert Payne – Chairman of Expenditure and Governance Working Party.

Malcolm Nicholson – Town Clerk

Sarah Pearse – Deputy Town Clerk Responsible Financial Officer

1. Introduction and Background

Purpose of the Medium-Term Financial Plan

This Medium-Term Financial Plan (MTFP) of WSMTC covers the five-year period from 2022/23 to 2026/27.

- 1.1 The key purpose of the MTFP is to put in place a clear and robust financial strategy for the next five years that will help WSMTC to contend with the challenges it faces, achieve its strategic aims and meet community priorities, within the limited resources available, whilst delivering value for money to the local tax payers of Weston super Mare.
- 1.2 Strategic financial planning is of particular importance during this time as we come out of the national crisis with factors such as the war in Ukraine, and the Coronavirus pandemic having caused severe economic difficulties, significantly increased national debt and potential reintroduction of austerity measures.
- 1.3 The MTFP is also important in putting in place a clear link between WSMTC's strategic aims and targets and the priorities of the local community, as set out in WSMTC's Strategy. This helps to ensure that financial resources are allocated to services in a way that supports the delivery and achievement of these aims and priorities.
- 1.4 The MTFP aims to set out the ever changing national and local financial climate within which WSMTC will be working over the next five years and highlights the key financial challenges that it faces, as well as the strategic aims that it will be aspiring to deliver, and the community priorities that it will be striving to meet.
- 1.5 It then puts in place a financial strategy to meet these challenges and ensure the delivery of strategic aims and community priorities within the financial resources likely to be available. The Plan includes indicative Revenue and Capital budgets as well as projections of the likely level of Town Council Tax and balances and reserves over the five-year period.
- 1.6 Producing the MTFP each year will help WSMTC to:
 - Demonstrate and deliver value for money in the use of public resources;
 - Ensure that a strategic approach is taken in the planning of WSMTC's future spending and finances;

- Create stronger links between WSMTC's strategic aims and the priorities of local taxpayers, and future spending decisions;
- Put in place a clear, understandable and forward-looking financial planning framework
- Make it clear how WSMTC plans its spending and who is responsible for making spending decisions;
- Ensure that it regularly reassess and review the cost of its services; and
- Ensure that the views of the community are considered in deciding where and how WSMTC spends public money.

Development of the Medium-Term Financial Plan

1.7 WSMTC has continued to grow in the last few years. The MTFP was originally developed in 2009 and was a spreadsheet numerical document only, it is believed that WSMTC now needs to adopt a more robust document relevant to its size, it is felt that the adoption of this document will meet those needs. As such going forward on an annual basis the following process should be undertaken:

- Maintaining a continuous focus on efficiency and value for money;
- Review of WSMTC's priorities based on strategic aims and targets set out in the annual budget setting process;
- Review of community priorities, informed by satisfaction surveys and full review of strategic aims and objectives;
- Reviewing the resources required to fund future service needs, including providing for any pay awards, inflation and income, managing expected changes in demand for services and identifying efficiency savings and possible budget reductions;
- Considering the costs of all new statutory requirements and any planned investment in existing services or new initiatives that have already been approved by WSMTC;
- Projecting the likely available financial resources based on target council tax increases, projected council tax base changes, use of balances and reserves, the availability of external funding, and the potential for future capital receipts and borrowing opportunities; and
- Assessing the ability of WSMTC to fund its on-going service needs, deliver its strategic aims and meet community priorities within the limited resources available;

Key Stakeholders

1.8 The MTFP is published for use by all stakeholders to help review WSMTC's finances over the medium term, understand the spending pressures it faces and how WSMTC plans and makes decisions about spending on services, and show how this links to each stakeholder's relationship with WSMTC, and in particular:

- **For Councillors and Service Managers;** to help communicate WSMTC's overall financial strategy and to improve understanding of the links to and impact on the provision of local services and level of council tax, demonstrate how WSMTC seeks to prudently exercise stewardship of public money and look after

community assets, and improve the openness and accountability of WSMTC's financial decision making; and

- **For local businesses and community organisations;** to communicate WSMTC's financial MTFP linked to the strategy and its links to and impact on the provision of local services and to provide key financial information to support the development of opportunities for partnership working and joint venture in Weston super Mare.

Financial Planning Responsibilities

- 1.9 **Service Managers;** working with the RFO and guidance of the Finance department are responsible for the review of the annual revenue budgets and capital or grant funding requirements in respect of services under their responsibility, in accordance with the Budget setting framework, and with regard to the principles set out in the MTFP.
- 1.10 **Service Managers** are responsible under the guidance of the RFO for managing, monitoring and controlling actual spend and income on the budgets under their responsibility during the year, via effective budget management, and informing the RFO of any potential problems of significant variations from the approved budgets as they occur and as necessary.
- 1.11 **The RFO** is responsible for developing and updating the MTFP and Budget framework each year and ensuring compliance with these, co-ordinating the development and setting of the annual Revenue and Capital Budgets as required, providing financial information and advice, implementing an effective system of budget monitoring and financial control, and regularly reporting financial information to WSMTC.
- 1.12 **Members of the Council** are responsible for reviewing and approving the MTFP and Budget Framework on an annual basis, considering and approving the annual Revenue and Capital Budgets as required, receiving budgetary control information, approving remedial action in respect of any significant budget variations and considering and approving capital spending decisions and additional budget requests.

Links with Other Strategies and Plans

- 1.13 WSMTC produces its Strategy and any other plans as required which may have links to this MTFP. A list of WSMTCs Strategy document and other relevant policies, and which have been considered in the development of this MTFP will be included as an Appendix to this plan.
- 1.14 It is also important that the MTFP is clearly linked to strategic aims and objectives that WSMTC is trying to achieve. These are set out in WSMTC's Annual Budget.

Consultation with the Local Community

- 1.15 The MTFP aims to be prepared considering the views of the local community and taxpayers as reflected in the strategy document, surveys will continue to be carried out in service areas and in general within each financial year.
- 1.16 WSMTC reserves the right to undertake and other surveys on budget setting processes as deemed necessary.

2. Financial Principles and Financial Planning Framework

Introduction

- 2.1 In preparing a Medium-Term Financial Plan, it is first important to establish the key financial principles on which the Plan will be based, and to put in place a financial planning framework which will provide the guidelines for the annual budget setting process.

Financial Principles

- 2.2 This Plan will be based on the overriding principle of Value for Money.
- 2.3 Achieving value for money that WSMTC receives from local taxpayers via the Town Council Tax, and subsequently spends on local services, is one of WSMTC's highest priorities. WSMTC is committed to the achievement of year-on-year efficiency savings and will have regard for this principle when setting its council tax.
- 2.4 This will be achieved by regularly reviewing services and monitoring performance to ensure that services continue to be needed and are well managed and cost effective, regularly testing the market, undertaking internal and external audit, and ensuring that all councillors and staff are aware of and are committed to achieving value for money. WSMTC will also ensure that public money is spent in consultation as required with the local community and that resources are invested in line with taxpayer's priorities going forward.
- 2.5 In order to ensure this, the following set of financial principles will be put in place for the period of this Medium-Term Financial Plan: -
- **A strong financial budgeting setting process** that enables WSMTC to take a long- and short-term view of its finances, achieving greater stability and enhancing its ability to be proactive and have the capacity to take advantage of any opportunities and contend with challenges that may arise:
 - **A level of spending that is affordable and sustainable** in the long term and which supports the effective delivery of services in line with strategic aims and the needs and priorities of the community.
 - **A prudent but realistic assessment of future revenue spending commitments, capital investment requirements, income levels, council tax base movement, and external grant funding;**
 - **A strong culture of financial management** where continuous improvement and drive for more economic, efficient and effective ways of working and use of resources is undertaken;

- **A prudent level of balances and reserves** that protects WSMTC against unforeseen budget pressures, provides sufficient resources to finance future capital investment commitments and enables WSMTC to be proactive and take advantage of any opportunities that may arise.
- **An effective and responsive finance department**, which provides sound financial information and advice to councillors and officers.

Financial Planning Framework

- 2.6 The financial planning framework (in 2.8 below) will provide the overarching guidelines for the development of the Medium-Term Financial Plan and the setting of the annual Revenue and Capital budgets as required. It should be developed to reflect the plan implementation for the financial year 2023 / 2024 and be approved in the first instance by the Expenditure and Governance Working Party.
- 2.7 The financial planning framework should be based on key financial principles set out above and will be reviewed on an annual basis.
- 2.8 The financial planning framework is set out below: -
- The Revenue and Capital budget will be produced annually as required;
 - The revenue and Capital Budget will be developed in accordance with this financial planning framework and the key principles and assumptions set out in the Medium-Term Financial Plan;
 - In allocating resources to services, priority will be given to those areas of spending that contribute to the achievement of WSMTC's strategic aims and targets, or which clearly meet community needs and priorities;
 - Budgets will be prepared on the basis of a commitment to the achievement of year-on-year savings;
 - Budget resources will be redirected from low priority to high priority service areas as and when necessary;
 - Additional budget to meet new statutory requirements and unavoidable budget growth e.g. inflation and changes in demand, will clearly be identified and fully evidenced;
 - All other requests for additional budgeted resources and investment in services will need to be fully justified and evidenced and will be subject to an appraisal process when setting the budget;
 - An annual review of budgeted expenditure and income targets in respect of all service reviews will be incorporated into the annual Revenue and Capital Budget;
 - A Capital Programme should be developed with priority given to those projects identified within and that contribute to the delivery of WSMTC's approved Strategy PPM and EMRRP schedules.
 - Council balances and reserves will be maintained at prudent levels to protect WSMTC against and unforeseen budget pressures and liabilities, and provide resources to finance future year's capital investment commitments as set out in the strategy document.

- Annual internal budget consultation will be undertaken, and feedback will be taken into consideration by the Policy & Finance Committee prior to the setting of the Revenue and Capital Budgets by Council.

3. National Issues

Coronavirus Pandemic

- 3.1 The Ongoing Coronavirus pandemic and actions taken by the Government to control the virus via various lockdown and social distancing measures have had and may continue to have, and impact on the national economy. Whilst restrictions in the UK have been lifted following the Roadmap out of Covid the outcomes over coming years (build back) may in turn still affect WSMTC's own financial situation.
- 3.2 The Government's Coronavirus Roadmap has now been implemented fully seeing a full relaxation of restrictions. However, there is still no guarantees that future risks and disruptions may not occur albeit on a much smaller scale than previously seen at the height of the pandemic.
- 3.3 Reviewing the impact caused by these lockdown and social distancing measures and adjusting WSMTC's financial position moving forward to account for 'building services back' will continue to be a consideration for this Plan.

National Economic Situation

- 3.4 The Country is now faced with many challenges following the impacts of the war in the Ukraine, the Coronavirus pandemic and Brexit which has undoubtedly had a significant impact on the UK economy with the lockdowns resulting in many businesses being required to temporarily close down and vast sums of money being spent by the Government supporting businesses and protecting jobs via initiatives such as the Job Retention Scheme, Self-Employed Income Support Scheme and Business Interruption Loan Scheme. Tax receipts are also down, whilst the benefit bill is up. In addition, (2022) the country is now facing a cost of living crisis and exceptional increases to fuel costs.
- 3.5 This is all coming at an unprecedented cost to the country and has resulted in substantial increases in public borrowing and the national budget deficit i.e. the gap between what the government spends and how much money is coming into pay for this.
- 3.6 This is likely to lead the Government needing to cut public spending and raise taxes in order to reduce the national budget deficit.
- 3.7 As the Coronavirus restrictions have lifted, alongside the rapid vaccine rollout, the UK economy is predicted to expand as consumer confidence is boosted. Unemployment had increased but now is said to be at a record low, due to other factors including people now choosing not to work for whatever personal reasons.

- 3.8 During the pandemic, the Bank of England reduced the base interest rate to 0.1%, however with the economy now expanding and inflation rates increasing we are seeing the Bank of England Base rate rise past levels seen in the last decade.
- 3.9 Economic issues could therefore have a significant impact upon WSMTC's financial planning over the next five years and the potential financial impact of the relevant economic issues is considered in more detail in the key financial assumptions set out in Section 7 of the Plan.

Government Spending reviews and Local Government Finance Settlements

- 3.10 Predicting the outcome of future Government spending reviews and Local Government Finance Settlements is almost impossible at the present time, with much being dependent upon the financial impact of the Coronavirus pandemic and also the impact of Brexit.
- 3.11 Prior to the Coronavirus outbreak, the Chancellor of the exchequer had indicated the austerity was finally coming to an end, with sustained economic growth, the budget deficit and public sector borrowing down, increased tax receipts, more people in work, and wages growth exceeding inflation.
- 3.12 The Coronavirus pandemic has undoubtedly changed everything. The Increase in national budget deficit has led to a renewed period of austerity, which will almost certainly lead to a reduction in spending. In addition, the war in the Ukraine is adding to pressure with increases to fuel costs as just one example of the effect of war.
- 3.13 Local Government finance settlements are set out in the Government's Comprehensive Spending Review (CSR) which normally covers a four-year period. Due to the Coronavirus pandemic instead of the planned four-year CSR the current budget settlement covers only months from April 2022.
- 3.14 Government funding reductions for local government have already amounted to more than 50% over the five-year period 2016/17 to 2020/21 and this has resulted in the Government Revenue Support Grant for principle authorities being largely phased out.
- 3.15 The Government has been undertaking a 'Fair Funding Review' of the relative needs and resources of local authorities and the formula for the distribution of the resources to local government. It was intended that this review would inform the Comprehensive Spending Review and Local Government Finance settlements for 2021 / 22 onwards.

- 3.16 The Fair Funding review was delayed a second time, the first due to Brexit and the second time as a result of the Coronavirus pandemic, with the then focus being to tackle the virus.
- 3.17 It was previously confirmed that the Government was planning to increase the proportion of locally collected business rates income that principle councils can retain 75%. This has now been delayed indefinitely.
- 3.18 There are no proposals within the Fair Funding Review for town and parish councils to receive a share of the business rates.
- 3.19 The Government has also to date ruled out any reform of the council tax system or revaluation of council tax property valuation bands as part of this review, it can therefore be assumed that there will be no changes to the council tax system over the life of this Plan.
- 3.20 Clearly the Government's previous Comprehensive Spending reviews have had a significant impact on principle councils, such as North Somerset Council (NSC), who have faced substantial cuts to their funding.
- 3.21 Further cuts in coming years cannot now be ruled out, especially following the funding which has been injected into the economy to protect jobs and livelihoods as a result of the Coronavirus pandemic.
- 3.22 There will undoubtedly be implications for WSMTC as a result of the future financial pressures likely to be faced by NSC.
- 3.23 These issues are discussed in more detail in the Section 4 of the Plan which covers 'Local Issues'.

Local Council Tax Reduction Scheme Grant

- 3.24 WSMTC had, up until April 2013, been relatively sheltered from the public sector spending cuts, in that it had been in the fortuitous position of not being reliant on any funding from Government in order to finance the services that it provides.
- 3.25 However, this situation changed following the localisation of support for the council tax by the Government back in April 2013.
- 3.26 This has made the outcome of the Fair Funding Review and future Comprehensive Spending Reviews and Local Government Finance Settlements of increased relevance and importance to WSMTC in terms of the future payment of this funding.
- 3.27 The Welfare Reform Act 2012 abolished the national council tax benefits system with effect from 1st April 2013, paving the way for the implementation of new Local Council Tax Support Schemes (LCTSS) by council tax billing authorities.

- 3.28 Previously, council tax benefits were administered centrally by the Government and paid to principle councils via a subsidy system. However, the new LCTSS schemes are based around a discount on the council tax bill rather than a cash payment and this had the impact of reducing the Council Tax Base and therefore the tax raising capacity of all local authorities, including town and parish councils.
- 3.29 The Government provided funding for LCTSS within the Local Government Grant Settlement, and a proportion of this funding was specifically set aside for town and parish councils to offset the losses faced from these reductions in tax raising capacity.
- 3.30 The Government has stated that it 'expects' billing authorities to pass down and appropriate proportion of their grant settlements to town and parish councils to offset the impact of LCTSS each year
- 3.31 Enquiries should be made to NSC to see if it has developed a LCTSS that provides full protection to existing claimants of council tax benefits as other councils in the UK have to ensures no claimant is worse off under the new scheme.
- 3.32 However, any scheme in place (if there is one) in previous years this did not help WSMTC who still faced a shortfall from the reduction in their own Council Tax bases. This is because the funding provided by the Government and passed down to NSC did not offset, in full, the loss in tax raising capacity faced by it.
- 3.33 The actual impact varies by council depending upon a number of factors, including benefits caseload and numbers of empty properties. However, most town and parish councils have been left facing losses, because of the overall shortfall and subsequent cuts in the LCTSS funding.
- 3.34 The likely future financial impact of the above issue is discussed in more detail in the revenue and Capital Programme Budget Forecast which is set out in section 8 of the Plan.

Referendums to Veto Excessive Council Tax Increases

- 3.35 The Government introduced legislation within the Localism Bill to provide a stronger role for the local community in determining annual council tax increase, by giving local taxpayers the power to require local authorities to hold referendums, thereby providing them with the opportunity to veto 'excessive' increases in council tax.
- 3.36 These powers replaced the previous council tax capping powers available to the government.
- 3.37 The excessiveness limit has varied up and down the years, but the core principle is believed to be set at around 1%, while local authorities providing adult social

care services are permitted to raise the council tax by an additional 2% above the core referendum limit, on the understanding that the sum raised would be invested in adult social care through an adult social care precept.

- 3.38 Any increase above the limits would still be subject to a referendum with local taxpayers.
- 3.39 Currently this legislation does not apply to town and parish councils and the Government confirmed in the 2018/19 Local Government Finance Settlement and confirmed again in the one-year finance settlement that any consideration of the extension of council tax referendum principles to higher spending parish and town councils will be deferred i.e. until the end of 2021/22. Monitoring of this will be required in the first year of this MTFP as it has still not occurred.
- 3.40 This decision was conditional upon 'the sector taking all available steps to mitigate the need for council tax increase, including the use of reserves where they are not already earmarked for other uses or for 'invest to save; projects which will lower ongoing costs', and the Government 'seeing clear evidence of restraint in the increase set by the sector as a whole'.
- 3.41 Clearly this was positive news, as it provided town and parish councils with the flexibility to raise additional Revenue Budgets resources, should they require to do so, without any restraint from the Government.
- 3.42 WSMTC has taken full advantage of this flexibility in increasing the Town Council Tax in recent years to meet service needs and continued growth in new projects, it has also used the ability to replenish general reserves prudently when additional spend has been incurred at both Weston Museum and The Blakehay Theatre.
- 3.43 There is currently no indication of the Government's intention with regard to town and parish council referendum limits for the period 2022/23 onwards.
- 3.44 It has been assumed for the purpose of this Plan that referendum principles will possibly be applied to town and parish councils with effect from 2023/24 and WSMTC will not need to limit the annual increase in the Town Council Tax to 2% or less from this year. It is however recognised that this could indeed change and as such would need to be reflected in the annual review of the plan.
- 3.45 Clearly, there would be further implications for WSMTC if referendum limit was reduced by the Government at any stage from 2023/24 financial year onwards.
- 3.46 This eventuality is considered in the Revenue Budget Forecast set out in section 8 of the Plan, and the savings target that would be required to freeze the council tax has been included in projections for 2023/24 onwards.

External Audit Arrangements

- 3.47 The Local Audit and Accountability Act 2014 and Accounts and Audit Regulations 2015 set out the statutory provisions regarding WSMTC's external audit arrangements.
- 3.48 Under the Accounts and Audit Regulations 2015, the Council is classified as being a 'smaller relevant body', defined as being a public sector body with an annual income or expenditure of less than £6.5 million.
- 3.49 Smaller relevant bodies are required by the regulations to prepare accounts and governance statements via the completion of an 'Annual Governance and Accountability Return' (AGAR) and are subject to the 'limited assurance' audit regime.
- 3.50 The external audit fee for a limited assurance audit was set by Smaller Authorities Audit Appointment Limited at £2,400 per year for the period up to 2022/23, and this level of fee has continued to be provided for in the Revenue Budget Forecast in Section 8 of this Plan.

Localism Act 2011

- 3.51 The Localism Act came into force in 2011 and contained a package of reforms to devolve greater powers, responsibilities and freedoms to local councils, community organisations, neighbourhoods and individuals.
- 3.52 The four main measures of the Localism Act are: -
- New freedoms for flexibilities for local government;
 - New rights and powers for communities and individuals;
 - Reforms to make the planning system more effective; and
 - Reforms to ensure that decisions about housing are taken locally.
- 3.53 The key measure for local councils is the freedom to act in the interest of local communities through the 'General Power of Competence'.
- 3.54 This power gives local authorities the legal capacity to 'do anything that an individual can do' rather than relying on specific powers. This power applies as long as the action is not specifically prohibited by legislation.
- 3.55 However, it is important to note that the power does not raise money.
- 3.56 Town and parish councils qualify for the General Power of Competence if they meet certain criteria. WSMTC adopted this power at the Annual General Meeting following the last elections. In theory this power will increase WSMTC's ability in future to be creative and innovative in meeting the needs of the local community should the operational capacity and financial resources be available to do so.

- 3.57 The Act has also introduced greater powers for local people and community organisations to hold the Council to account including: -
- A right to challenge takeover of services;
 - A right to bid for assets of community value;
 - A right to veto excessive council tax increases; and
 - Increased transparency over public sector data.
- 3.58 The right to challenge to take over services or bid for assets could strengthen WSMTC's ability to request to take over services from NSC should it wish to do so, and should the resources be available.
- 3.59 However, the above powers do not currently apply to town and parish councils in allowing local community organisations to approach the Council with a view to taking over its services or assets.
- 3.60 In addition, as already highlighted in paragraphs 3.45 to 3.48, WSMTC could also be required by local taxpayers, in future years, to hold a referendum to veto excessive council tax increase.
- 3.61 There has also been an increasing drive toward improving transparency in the public sector, and the Openness of Local Government Regulations and Local Government Transparency Code require the Council to publish specific information, including certain decisions taken by officers for the Council, expenditure over £500, senior officer pay, and details of council owned land. The Council already publishes all of this information on its website.
- 3.62 The final area of the Localism Act that has impact on the Council are the reforms to the planning system which are intended to provide more local control over planning decisions and make the planning system more democratic and effective.
- 3.63 The Act introduced a new right for communities to draw up a 'neighbourhood plan' which allows residents, employees, and businesses, to come together, through the Town Council if they wish, and have a say in terms of where they think new houses, businesses and shops should go, and what they should look like.
- 3.64 Local communities are able to use neighbourhood planning to grant full outline planning permission in areas where they most want to see new homes and business, making it easier and quicker for development to go ahead. This enables WSMTC to currently oppose unwanted development, but would enable an extra 10% in Community Infrastructure Levy, should WSMTC wish in the future to adopt a Neighbourhood Plan.

- 3.65 WSMTC has taken the decision not to produce a neighbourhood plan in Weston super Mare. The introduction of a Neighbour Plan could be considered in the future.
- 3.66 In overall terms, many of the principles of the Localism Act promote building on the capacity of the town councils and increasing their role in local government through decentralisation, though it does not bring with it any additional income of tax raising capacity.
- 3.67 Depending on the resources available, this could result in functions, duties and services being devolved to WSMTC in the future. It is also likely to see WSMTC having a greater role to play in working with and passing powers and services to local communities, for example, to community and voluntary organisations.

Demographic Issues

- 3.68 The MTFP will also need to have awareness of any demographic issues that may affect WSMTC's financial planning, such as the aging population, levels of unemployment, health issues, benefits dependency and deprivation.
- 3.69 All of these issues could impact upon demand for particular services, for example on income levels in respect of the Museum and Theatre and Cemeteries.

4. Local Issues

Introduction

- 4.1 As well as considering national, political, legislative, economic, and demographic issues, it is also important that WSMTC's Medium Term Financial planning process considers any local issues specifically relevant to the Weston super Mare Parish.
- 4.2 The Following section of the Plan provides details of local issues currently affecting Weston super Mare, focussing particularly on issues relating to NSC, and on WSMTC's strategic aims and targets. Section 5 of the plan will then look at community priorities.

North Somerset Council

- 4.3 The Governments Comprehensive Spending Reviews since 2010 have resulted in substantial reductions in grant funding for NSC. As a result, NSC has implemented budget reductions of approximately £50 million over the ten-year period.
- 4.4 This has resulted in many services being cut or ceased and had brought with it a significant number of job losses.
- 4.5 There is significant uncertainty over the resources that will be available to NSC over the medium to longer term due to the delayed publication of Fair Funding Review and Comprehensive Spending Review and ongoing national challenges.

- 4.6 However, the implementation of renewed austerity measures by the Government is considering highly likely and this could bring with it further cuts to NSC grant funding.
- 4.7 A deterioration in the financial situation facing NSC could impact on WSMTC in a number of ways: -
- WSMTC could receive requests for financial support from community and voluntary organisations whose funding has been reduced or cut altogether by NSC;
 - Requests may be received from NSC for WSMTC to consider taking on services or to undertake joint working;
 - There may also be occasions where WSMTC may wish to step in to safeguarding local services and facilities at risk of being cut or ceased by NSC.
- 4.8 WSMTC continues to receive requests for financial support from community and voluntary organisations (some of which are within SLA's), the need for this appears to have been heightened by the Coronavirus pandemic where they have seen cuts in other funding they previously received. WSMTC has set aside a total value of £339,792(2022/2023) to support (via SLA) initiatives such as Crime & Disorder, CCTV, Youth Provisions, Homeless support, Volunteer Action and Grounds Service support works. WSMTC has in past years made considerable savings by the abolishment of special expenses which covered some of these areas.
- 4.9 WSMTC has in recent years been working closely with NSC in discussing opportunities for joint working or development / devolvement of services. These discussions have, up to now, been based on the principle that the initiative should be beneficial to both councils and will not result in any significant additional financial liability to WSMTC.
- 4.10 To date these discussions have led to joint working initiatives such as Community Response (Crime & Disorder), Community Resilience and Health & Wellbeing initiatives (with NSC Together and the Wellbeing Collective), Climate Initiatives (Food Clubs and Fridge of Free Stuff), Old Town Quarry (Ongoing negotiation), Town Centre improvements (Bins and Street Furniture) and works with the Place Agency and Super Weston for improvements initiatives across the town.
- 4.11 For the purpose of this Plan it has been assumed that any further joint working or taking on of services will only undertake if there is no additional cost to WSMTC and as such no additional budget will be assumed in the Revenue and Capital Budget Forecast.
- 4.12 WSMTC also worked with NSC to access services such as Recreational Ground Maintenance as well as professional officer support and advice on issues such as procurement, energy management, human resources and health and safety.

- 4.13 WSMTC has been keen to explore possible funding opportunities with NSC, and have a good track record of doing so. In recent years we have obtained grant funding to benefit both Health and Wellbeing, Climate initiatives and Heritage and Cultural projects such as Know your Place and Understanding our Heritage.
- 4.14 WSMTC will continue to actively seek further funding but for the purposes of this Plan only funding that has already been confirmed will be included in the Revenue and Capital Budget Forecast.
- 4.15 Finally, NSC continues to consult with all key stakeholders on all relevant issues including proposed spending cuts, service reviews, partnership working and devolvement of services. WSMTC has been participating in these consultations as required where relevant and will continue to do so.

Council Mission and Strategic Aims

- 4.16 WSMTC adopted its Medium to Long term strategy (April 2020 – March 2030) in November 2020 following recognition of the council's growth and need to develop a more robust and 'live document'. Within this strategy WSMTC adopted the following Mission and Visions statements:

'Working with the People of our town, celebrating traditions and making Weston super Mare a greater place to live, work, visit and enjoy'

'Everforward' we will ensure our town becomes a more vibrant, prosperous, cleaner, greener, safer and inclusive place for everyone to enjoy'.

- 4.17 WSMTC also set 5 strategic pillars to support the delivery of its mission and vision. These pillars are detailed below: -
- **Weston View** – Measures to promote and better the Town.
 - **Cleaner and Greener** – Measures to improve the local environment.
 - **Healthier and Happier** – Measures to promote the health and wellbeing of local residents.
 - **A Bright Future** – Measures to support and enhance the local economy.
 - **Heritage Arts and Culture** – Measures to ensure that Weston super Mare thrives as a vibrant place for arts and culture.

- 4.18 Strategic aims are then incorporated into individual service areas team plans which are reviewed annually and adapted to meet moving aims that WSMTC wishes to see reflected in the annual review of the Strategy document.

- 4.19 This review process and incorporation into team planning helps to ensure that WSMTC continues towards the achievement of its strategic aims in 2022/23. A full copy of the Strategy is attached in Appendix.

5. Community Priorities

Introduction

- 5.1 WSMTC's does not currently have a specific Service Delivery Plan to set out the Council's strategic aims and targets for the coming year. However, it does endeavour to seek the views of the local community.
- 5.2 Consultation is undertaken with the community, service users and local taxpayers in a variety of ways including: -
- The online Satisfaction Survey which is open and active on WSMTC's website;
 - project specific surveys such as play area surveys etc;
 - meetings with the Youth Council.
- 5.3 In future years WSMTC may wish to consider expansion of how we proactively engage in specific areas such as;
- Complete review of current surveys which are limiting in what they provide assessment on.
 - development of an annual budget consultation event and online budget survey;
 - consultation with key strategic partners to review performance of SLA's and service provisions to review and further develop efficient work practices
- 5.4 Such consultation allows the views of the community and local taxpayers to be sought and then used to inform future decisions around allocation of resources, investment in services, and where any required efficiency savings should be targeted over the life of the Plan this approach would dovetail with WSMTCs adopted principles around community engagement.
- 5.5 Feedback from previous consultations, and in particular the results of the online Satisfaction Surveys have been used to improve service delivery where they provided relevant data, as such they have been included in the annual spending review process. Resulting where applicable to inform WSMTC's financial planning.

Your Town, Your Choice, Your Voice Satisfaction Survey

- 5.6 WSMTC may wish to further consider a specific satisfaction survey as it continues to grow, like sized councils have started to use this approach along the following lines to aid its financial planning– it is suggested this could be implemented during 2023/2024, working with WSMTC's Communications and Marketing Officer and Development team.
- 5.7 A comprehensive consultation exercise should be undertaken with the local community in late 2023 / 2024.
- 5.8 Open days should be held offering residents the opportunity to meet key officers and members of WSMTC and discuss any issues of interest or concern and the issue of the 'Your Town, Your Choice, Your Voice Satisfaction Survey'.

- 5.9 The survey should ask a number of questions relating to satisfaction with the various services provided by WSMTC, value for money, community involvement and priorities for investment and disinvestment, seeking to establish the priorities of the local community for the future
- 5.10 Budget consultation should also be undertaken every year prior to the setting of the annual budget. This helps provide feedback on WSMTC's annual budget proposals.

Consultation Results and Community Priorities

- 5.11 The key financial question asked within this type of survey could relate to the Town Council proportion of the council tax and whether council taxpayers felt that this provided value for money for the services provided.
- 5.12 The response could year on year provide comparison based on figures from previous years' surveys to demonstrate for example that the vast majority of council taxpayers believe that the Town Council delivers value for money services to the local community.
- 5.13 The survey could identify and rank the services most important to them i.e. where service delivery should be continued, budget cuts avoided, and future investment targeted. This could also determine where investment is most needed (both capital and revenue). This could also enable understanding of where respondents feel less money could be spent to free up finances for other things potentially. Higher priority areas and Lower priority areas.
- 5.14 Every effort should be made to continue to invest in community priorities over the period of the MTFP. However, there will be limitations on any additional investment due to the likely cuts in Council Tax Support Grant funding, falling balances, reduced availability of external grant funding, increases in staffing costs linked to the Real Living Wage, and the need to keep future council tax increases as low as possible.
- 5.15 However, this information could also be useful in highlighting the services that are most important to council taxpayers, and which should be protected from budget cuts, should revenue and capital spending need to be reduced in the future.
- 5.16 This would suggest that these are the service areas that are least important to council taxpayers and where spending reductions, if required in the future, should be targeted.

6. Key Financial Influences and Challenges

Introduction

- 6.1 This MTFP will need to address the following key financial influences and challenges: -

- the current national challenges and its impact on the economy and Government spending plans e.g. austerity measures and public sector spending cuts, inflation, interest rates and reduced consumer spending power;
- the ongoing increases in the Real Living Wage, and its subsequent impact on the local government pay scale;
- the possible extension of council tax referendum principles to town and parish councils, with effect from 2022/23;
- the implications of any new spending cuts made by NSC, which could result in increasing pressure to take over local services which have been reduced or withdrawn by NSC;
- increased requests for financial assistance from community and voluntary organisations whose grant funding has been cut;
- ensuring the funding of existing service requirements;
- delivering WSMTC's strategic aims and targets;
- meeting the needs and priorities of the local community, service users and taxpayers;
- funding any new statutory requirements and any planned investment in existing services or new initiatives;
- delivering value for money and ensuring the achievement of year-on-year efficiency savings;
- minimising any future increases in the Town Council Tax;
- working within the resources available and deciding how WSMTC's spending will be prioritised in the event of limited resources being available;
- providing for the significant future capital investment commitments facing WSMTC and ensuring the delivery of the Asset Management Plan;
- maintaining a prudent level of balances and reserves, whilst meeting the cost of this capital investment.

6.2 Many of these key financial influences and challenges are linked to the national economic situation and likely austerity measures, possible cuts to the Council Tax Support Grant, and the financial pressures faced by NSC. All of these issues were discussed in detail in Sections 3 and 4 of the Plan.

Sources of Funding

6.3 WSMTC relies heavily upon the Precept and therefore the Town Council Tax to fund the services it provides and although it does it is limited in its ability to raise additional funds, other than through the Precept and Council Tax.

6.4 In addition, WSMTC is in a position whereby it does have increased reliance on gaining external grant funding in the year to support services in 2022 /2023 this equated to approximately £108,738 per year to support its Revenue Budget.

6.5 WSMTC has a proven track record of acquiring external grant funding to support the implementation of new projects and development of existing services, to the value of £620,207 from the period 2020-2022.

- 6.6 The decision to implement a Neighbourhood Plan in the future would result in a 10% increase in Community Infrastructure Levy, from what is currently 15% to 25%.
- 6.7 WSMTC will also face increasing pressure on its spending budgets from staffing cost increases linked to the Real Living Wage, possible future employers' pension contribution increases, as well as inflation and other unavoidable budget pressures.
- 6.8 Any resulting shortfall in resources will need to be made up in the Revenue Budget via a combination of increases to the Town Council Tax, council tax base growth, savings, and budget reductions, and increases to fees and charges.
- 6.9 It is possible that the process of balancing WSMTC's Revenue Budget will become increasingly difficult over the medium to longer term.
- 6.10 At the same time WSMTC needs to be aware of the financial difficulties that continue to be faced by local taxpayers and the need to keep future increases in the Town Council Tax as low as possible. This is also important in the context of the possible implementation of the power allowing local communities to require town and parish councils to hold a referendum to veto an excessive council tax increase, from 2023/24 onwards.
- 6.11 WSMTC is also facing the prospect of needing to undertake significant capital investment in its fixed assets over the medium term and ensuring that sufficient balances and reserves are maintained to meet these commitments, is an ongoing challenge that WSMTC will need to address over the next five years.
- 6.12 This MTFP has been prepared on the key principle of aiming to maintain existing levels of service, while keeping the increase in council tax as low as possible. Prudent assumptions have been made around the impact of the various challenges faced and the key assumptions made are set out in Section 7 of the Plan.
- 6.13 A Revenue and Capital Budget Forecast is then set out in Section 8 of the Plan which highlights the likely changes to the budgets between 2022/23 and 2025/26 and the council tax increase that may be required in each year to balance the Revenue Budget.
- 6.14 This forecast will also quantify the possible savings and budget reductions that would be needed to freeze the council tax, should WSMTC wish to do so at any time over the period.

6.15 Actual options for delivering any required budget reductions and efficiency savings would need to be drawn up each year and agreed by WSMTC during the annual budget setting process.

7. Key Financial Assumptions

7.1 Summarised in this section of the Plan are the specific assumptions that have been made in planning WSMTC's Revenue and Capital Budget forecast over the five-year period in order to respond to the key influences and challenges summarised in Section 6 of the Plan.

Providing for Inflation

7.2 In order to ensure that the Revenue Budget accurately reflects future spending commitments, it is essential that WSMTC makes prudent provision for all unavoidable increases in costs that will arise from inflationary pressures over the five-year period.

7.3 Inflation has historically been a significant pressure on some expenditure budgets, particularly in relation to fuel and utilities costs.

7.4 Inflation had fallen back over the last few years, however due to increases in energy, fuel and clothing prices inflation has risen sharply over the last few months and is forecast to increase further, in December 2022 it stood at 10.1% and is projected to increase further over the course of the year.

7.5 A key principle of WSMTC's medium-term financial planning is to make provision only for unavoidable inflationary increases in budgets i.e. where there is a contractual obligation to pay the increased cost or where the increase literally cannot be avoided.

7.6 Budget provision for general expenditure such as (but not exclusively to) equipment, stationery, uniforms, training, and publicity has therefore been frozen at existing levels and the budgets will be expected to absorb any price variations year on year.

7.7 This approach encourages managers to shop around, and negotiate better deals with suppliers, and therefore ensures improved use of resources and helps WSMTC to achieve value for money.

Annual Pay Awards and the Real Living Wage

7.8 45% (2022 2023) of WSMTC's gross expenditure relates to officer pay costs and therefore annual officer pay awards and the ongoing increases to the Real Living Wage are likely to be one of the most significant cost pressures on WSMTC's Revenue Budget moving forward.

7.9 The Real Living Wage sets out the minimum hourly rate for all staff based on the cost of living and is voluntarily chosen to be paid by the employer. This current

rate has been set at £10.90 which has to be implemented in May 2023. WSMTC has resolved to apply this and any new rate increases annual in April in line with contracted staff pay increases.

- 7.10 WSMTC currently pays its staff in accordance with the National Joint Council for Local Government Services (NJC) pay scales.
- 7.11 The NJC Local Government Pay Agreement for the 2022/23 financial year has been agreed at a flat rate of £1925 per employee pro rata backdated to April 2022
- 7.12 The 2022/23 Revenue Budget assumed a pay award of 2.0% which did not fully cover the actual award made, a such a higher % provision has been suggested for future years.
- 7.13 Moving forward, further increases in the Real Living Wage will cause the headroom between the lowest local government pay rate and the Real Living Wage to erode and potentially disappear altogether.
- 7.14 Based on the 7.11 above, it is estimated that a local government pay award of 7.5 % will be required in 2023/24, and will be included in the revenue budget as an estimate.
- 7.15 If a higher-than-expected pay increase is awarded at any point over the next five years, for example following union action, a significant increase in the Real Living Wage, or the election of a new Government, then additional budget would need to be found to meet the increased cost.
- 7.16 For every 0.5% pay award above those budgeted for, WSMTC's salaries and wages budget would need to increase by around £6,000 based on 2022/2023 costs.
- 7.17 Any additional costs over the life of the Plan would be met in the first instance from efficiency savings elsewhere in the Revenue Budget and after this from General Reserves.
- 7.18 In the longer term, further expected increases in the Real Living Wage, are likely to bring about increasing compaction at the lower end of the local government pay scale, which may result in further restructure of the local government pay scale. Staffing costs increases are therefore likely to remain a key budget pressure well into the future. WSMTC has undertaken a Job evaluation 'desk top' exercise in October 2022 to ensure contracted staff are on the correct grade.

Salary Increments

- 7.19 Some Council staff are appointed on a salary grade that allows progression through the grade or successful completion of qualifications as set out in the contract of employment.
- 7.20 Full provision has been made in the Revenue Budget forecast for any salary increments that are due to such staff over the five-year period of the Plan.

Pension Costs

- 7.21 Pension costs in respect of Council employees are another significant area of expenditure. The 2020 actuarial valuation of the Avon Pension Fund set the pension contributions for employers and employees.
- 7.22 WSMTC's employer's pension contribution rate for the period 2020/2021 – 2047 / 2048 was estimated at 17.0% with an increase year on year deficit payment plan in place until 2040 / 2041.
- 7.23 The next valuation of the pension fund is due to take 31st March 2022 and will review and set the pension contributions for the period 2023/24 to 2047/48.
- 7.24 WSMTC's employer's pension contribution rate will therefore be increased to 17% until the end of 2022/23 to reflect the pension position.
- 7.25 The other issue relating to pensions that will continue to have an impact upon WSMTC's pension costs over the next few years is the Government's automatic enrolment legislation.
- 7.26 This initiative aims to ensure that all workers are enrolled into an occupational pension scheme. It requires employers to automatically enrol all 'eligible' employees into a qualifying pension scheme, although employees do have the option of 'opting out' should they wish to do so.
- 7.27 WSMTC initially implemented automatic enrolment in May 2014, and this resulted in a number of additional staff joining the Local Government Pension Scheme. It has since undertaken annual reviews via the NSC payroll service to review re-enrolment for any staff currently opting out of the Pension Scheme.
- 7.28 The Revenue Budget provides fully for the costs of all staff who are currently members of the pension scheme.
- 7.29 The Government continues to encourage workers to enrol in a pension scheme and the Council must automatically enrol all eligible new staff and existing staff whose earnings exceed the automatic enrolment threshold of £10,000, and also re-enrol all 'opted out' staff every three years, with the next re-enrolment date being May 2023. Currently there are only 3 contracted staff who are not included within the pension scheme.

7.30 This could result in more staff joining the pension scheme over the medium term. It has been assumed in the Revenue Budget projections for 2023/24 to 2026/27 that all new staff will join the pension scheme, while all existing staff who have previously opted out will remain outside of the pension scheme.

Savings from Staff Turnover and Flexible Retirements

7.31 No provision has been made within the Revenue Budget forecast for savings from staff turnover e.g. savings from reductions to working hours, staff leaving the pension scheme, posts being vacant for a period of time, new staff commencing employment on lower grades etc., unless this has already been approved by WSMTC and removed from the Revenue Budget.

7.32 It has therefore been assumed in the Revenue Budget forecast that any future savings that are achieved from staff turnover or further flexible arrangements would be available to support the Revenue Budget in the year in which they were achieved, rather than permanently removed from the budget.

7.33 These savings would be used in the first instance to fund any recruitment costs or temporary cover arrangements, with any remaining savings added to Council balances at the end of the year.

Changes to the Staffing Structure

7.34 There are not currently any approved decisions to change WSMTC's staffing structure and the Revenue Budget Forecast for 2022/23 to 2026/27 is therefore based on the existing approved staffing structure.

Premises Costs

7.35 There have been nominal increases to WSMTC's premises costs in recent years, although wherever possible WSMTC has actively worked to minimise these increases. With the purchase and change of WSMTC's main office to Waterloo Street in 2023 further efficiencies will be explored to keep costs to a minimum. for example, by working to WSMTCs Road Map to Zero by 2030 and the implementation of energy saving measure within refurbishment plans. WSMTC will continue to review its energy suppliers for gas and electricity contracts and reduce usage to achieve better value for money.

7.36 However, WSMTC still faces some potentially unavoidable increases to its premise's costs in particular with regard to energy and NNDR costs over the next few years and these have been provided for within the Revenue Budget Forecast.

7.37 In respect of gas and electricity costs, the 2022/23 Revenue Budget figures reflected the then contract rates and latest annual usage information and have been increased by 10% to provide for forecasted national increases. All of WSMTC's premises have smart metres installed to ensure accurate billing.

- 7.38 Officers will continue to work within its procurement guidelines to minimise the actual increases in each year and may set up longer fixed term contracts if this is more cost effective.
- 7.39 Water budgets have been increased by 13% per year to provide for likely inflationary (CPI) increases.
- 7.40 Business rates budgets have been increased by 13% per year in line with the expected rate of (CPI) inflation, and service agreement costs will increase in line with contractual agreements.
- 7.41 WSMTC's has two separate Maintenance budgets which are managed within the allocated allowance made by council 2022 / 2023 £ 120,000 (PPM) & £160,000 (EMRRP). WSMTC has in place a 60-year cyclical plan which is broken down into 5-year maintenance budgets, reviewed annually. The purchase of a significantly larger premises at Waterloo Street has led to a suggested increase in the overall PPM maintenance provisions for future years.
- 7.42 In addition, significant asset management works have been completed to buildings and Outside assets in recent years and continue to be planned via the Planned Maintenance Programme (PPM)& Essential Maintenance Repair and Replacement programme for Parks & Play areas. Budget over the next five years which should help to limit the call on the maintenance budgets over the next few years.
- 7.43 As a result, current budget provision for EMRRP is considered to be sufficient and has been frozen at existing levels for the life of this Plan. Whilst PPM budget provisions will see a nominal increase for additional premise in 2023 / 2024.

Insurance Costs

- 7.44 WSMTC's current five-year long-term agreement for its insurance contract unavoidable ended in July 2022 with a change of provider seeing insurance costs rise from around £15,000 to nearing £60,000. A full procurement exercise will be undertaken in Spring 2024 in readiness for the renewal of 1st July 2024. Costs will be assumed as being at the increased cost for budgeting purposes.
- 7.45 In future years' dependent on fixed rate options available an % increase in insurance premiums will be assumed as required.
- 7.46 Vehicle insurance does not form part of the long-term agreement and is negotiated annually. A 7.5% annual increase in premiums has been assumed for vehicle insurance.

Vehicle Costs

- 7.47 Vehicle fuel costs have considerably increased within 2022 / 2023 due to the demand on fuel and shortages nationally. As such considerable increased costs will be recognised based on current years' usage for the financial year 2023 /

2024 linked to changes in global oil prices. However, over the long term there has been an upward trend in prices which will need to continue to be reflected. The use of Electronic vehicles will remain under review and should be done routinely at the point of any vehicle review; however it is recognised that currently it may not be a practical solution to all of the needs of the grounds department for example

7.48 Vehicle maintenance costs also vary widely year to year but have increased with the introduction of additional services within the grounds department (Litter collection services). All council vehicles (with the exception of the ride on Mower and Tuk Tuks) are leased to help reduce maintenance on ageing vehicles. The vehicle repair budget will increase slightly in 2023 / 2024 (Due to the age of the Mower) and then aim to be frozen for the remainder of this plan.

7.49 A freeze has been assumed in council mileage rates over the period of the Plan, and it has been assumed that the mileage claimed will remain broadly at current levels to remain with HMRC tax guidelines.

7.50 The budgets for Mayors' travel costs will increase by CPI to reflect current costs.

Supplies and Services Budgets

7.51 The majority of supplies and services budgets have had CPI increases applied with the expectation that any inflationary increases are absorbed and income is increased at the same rate where applicable. This approach encourages managers to shop around, and negotiate better deals with suppliers, and helps WSMTC to achieve value for money. Examples of budgets that have been frozen include equipment, stationery, cleaning materials, uniforms, training, and publicity.

7.52 An inflationary increase has been provided for over the life of the Plan for any supplies and services where there is a contractual obligation to pay the increased cost, or where the increase cannot be avoided. Examples include machine rentals, telephones, subscriptions, computer support contracts and licences, CCTV running costs, and the bar supplies contract.

7.53 In some cases, supplies and services budgets have been reduced, for example where the budget provision is of a one-off nature, where there are known savings, or where the budget has been regularly under-utilised in the past.

Town Council Elections

7.54 The next Town Council Elections are due to take place in May 2023 and a revenue budget of £15,000 has been set aside annually in the Revenue Budgets to meet the cost for this. This is transferred to an Earmarked Elections Reserve to have adequate provision at the time of election. The EMR will stand at £41,535 at 31.03.23 as provision for May 2023.

7.55 The cost of any by-elections held during the period of the Plan would also be met from the Elections Reserve.

Members Allowances

7.56 WSMTC to date has made no provision for member's allowance as it has voted not to include one. On this basis no provision will be made for 2023/24. Further review of this should be undertaken following the elections in May 2023 with provisions then included if required in future years' budgets.

7.57 As 7.56 above, moving forward, no increase has been assumed to the Member's Allowances rate over the period of the Plan.

Income Budgets

Blakehay Theatre

7.58 The Theatre was the last of WSMTCs' service venues to reopen following the pandemic enforced closure. In addition, it underwent refurbishment works with the introduction of a fresh air ventilation system and dressing room refurbishment which was done over the closed period but did mean a longer delay in opening. The Theatre remains an area of service that still requires subsidy within the revenue budget and for 2022 / 2023 is expected to have an increase in subsidy to that forecast partly due to the delay in opening.

7.59 Since reopening the Theatre industry nationally has needed to build back and we have seen evidence of this at the Blakehay with Auditorium bookings now getting back to levels seen before closure towards the end of 2023 / 2024 and going into next year.

7.60 Community classes have increased significantly since opening but only attract a minimal income stream it is recognised.

7.61 Ticket sales to performances have seen a drop overall resulting in some of the auditorium bookings despite them being booked having to be postponed or cancelled. This is being seen nationally with the cost of living crisis leaving people with less disposable income to attend shows it is thought.

7.62 The Theatre Bar sales are down in the first half of 2022 / 2023 but have now started to pick up with increased performances booked.

Milton Road Cemetery

7.63 Cemeteries fees and charges have been subject to review by the Amenities Officer, RFO and Assistant Town Clerk Operational Services, with a view to reducing the high level of subsidy in this service area and the disparity between WSMTC's cemeteries charges and those levied by principal councils. The Cemetery remains an area of service that still requires subsidy within the revenue budget and for 2022 / 2023 due to the volume of maintenance it takes to keep the cemetery in good order as a 'open cemetery'.

- 7.64 The cemetery has been able to maintain a steady level of income in past years, due to increased provision for grave use within the existing site. This ability is however decreasing as the plots are taken and there is now very limited ability to find more. In the very near future (within the next 1-2 years) it is expected that the ability to sell full burial 'new' graves will be reduced to nil. The limited number remaining are not able to be pre-purchased which has impacted revenue ability.
- 7.65 The above will also result in a slight reduction in expenditure costs, such as grave digging.
- 7.66 It was agreed to increase cemeteries charges by inflation per year between 2020/21 and 2021/2, to move WSMTC's charges more in line with the actual cost of the service.

Weston Museum

- 7.67 The Museum prior to Closure for COVID 19 has seen a steady increase in footfall and related income. Following Café business reviews, it was recognised that Function income was needed to support the café function – this area was beginning to build steadily with income increases seen. The Museum remains an area of service that still requires subsidy within the revenue budget and for 2022 / 2023, this is not expected to change over the course of this plan although it is now showing signs of the ability to see a reduction to the value of subsidy with increased use since its reopening following refurbishment in 2017. Secondary spend initiatives and increased functions / events will be key to this within the MTFP.
- 7.68 The Café in particular has seen in 2021 / 2022 an increase in its ability to raise income following appointment of new staff. Whilst in future years it has not broken even it is now showing an upward trend which should allow this to happen. The Café remains a key part of what the Museum is about as it provides additional reason to visit by both locals and tourists.
- 7.69 WSMTC resolved to install an additional kitchen at Weston Museum in order to support both internal and external functions and service areas. **This will result in additional income from functions.**
- 7.70 Learning and Events has a heavy focus on the delivery of education to the local and wider area. Handling boxes as a result of the pandemic have seen a huge increase in demand, we are now seeing schools return to the museum to take advantage of the learning offer. This area of provision shows huge social value to the town as opposed to financial value and as such it remains a key part of the museums make up.

Old Town Quarry

- 7.71 The Old Town Quarry is still in negotiation of transfer stages with NSC and as such income to WSMTC has been recognised in years 2024 / 2025 at a prudent

level which will need full review on transfer to WSMTC. It is based on conservative estimates from the current arrangements in place (2021/2022) provide by the Civic Society.

7.72 Following further business development, it would be prudent to carry out a more in-depth annual review of income and expenditure.

Tourism Services

7.73 Tourism income has seen a reduction following WSMTC's decision to refund and remove the charge for adverting on the Visit Weston Website in 2021 / 2022 as a result of the pandemic. Charges have been reintroduced in 2022 /2023 but we are seeing a reduction in businesses signing up to Visit Weston due to the pressure they are facing with ever increasing costs to operate. In addition, businesses no longer trading which has had impact also.

7.74 The change in location from the Tropicana building has resulted in reduced ability to sell merchandise with only limited space and a change of need by the customer at the satellite VIC at the Waterpark.

Waterpark Income

7.75 The Waterpark remains consistent in terms of income ability and has returned to this level following the Covid pandemic. It remains a prominent and well used asset. The income generated is not profit making but does support the running costs associated with the park such as cleaning, general maintenance and toilet provisions.

Dog waste Collection Income

7.76 The dog waste collection service operated by the grounds department to neighbouring parishes does in turn cover the cost of our own dog waste collection (actual disposal costs). The staffing costs associated with this are absorbed within our own service delivery. Increases in fuel costs will need to be reviewed and charges for outsourced service will need to reflect this.

Investment Income

7.77 Investment income has been based on the projected level of balances and reserves as set out in the Revenue Forecast in Section 7 of the Plan.

7.78 It has been assumed that there will be a very gradual recovery in interest rates, based on the recent changes to interest rates (at October 2022) from the past rate level of 0.1% to 2.0%. a prudent level of increase will be applied in 2023/24, plus 0.50%, in 2024/25 plus 0.50% in 2025/26 and plus 0.5%% in 2026/27. It is acknowledged with the volatility of market conditions this may need to be altered considerably at the point of annual review.

Grant Funding

7.79 Grant funding has only been assumed in the MTFP projections where it is already in place or has already been approved.

7.80 No other revenue grant funding is currently receivable or had been approved at the time this Plan was prepared.

Investment in Services and New Initiatives

7.81 As outlined earlier in the Plan, WSMTC has established, via its strategic aims, targets and priorities, which will guide future investment.

7.82 WSMTC has already actively responded to the delivery of many of the aims, targets, and priorities in previous budget setting exercises and in all cases sufficient revenue or capital budget provision is already in place or is contained within this plan to enable their achievement.

7.83 Clearly, WSMTC will be constrained over the next five years in its ability to raise additional resources for investment, by the funding cuts and other budget pressures faced. In the longer term, this could actually leave WSMTC needing to deliver savings and reduce expenditure rather than make further investment in services.

7.84 Budget provision has only therefore only been included in the Revenue Budget Forecast in this Plan for existing service provision and any already approved additional commitments.

7.85 No further additional investment in services or in new initiatives has been assumed. If any new investment was required, this would need to be met from the Revenue Budget, or by reducing spending on existing services.

Annual Council Tax Increase

7.86 As highlighted earlier in the Plan, the Revenue Budget Forecast has been prepared on the principle of continuing to provide all current Council services, facilities, and events, maintaining current standards of service, and ensuring a prudent level of balances and reserves, whilst keeping any future increases in the Town Council Tax as low as possible.

7.87 This is in recognition of the 'cost of living' difficulties that may be faced by local taxpayers as a result of the COVID-19 pandemic and the austerity measures that we are now facing, as well as the possibility of council tax referendum principles being extended to higher spending town and parish councils which could be introduced at any time in the near future.

7.88 Clearly, there would be financial implications for WSMTC if a council tax referendum limit were implemented for town and parish councils by the Government at any stage from 2023/24 onwards.

7.89 The base council tax referendum limit is currently set at 2% for principal councils, but could be reduced in the coming years, if local authorities are not seen to be showing restraint in setting their council tax rates.

7.90 This eventuality is considered in the Revenue Budget Forecast set out in Section 8 of the Plan, which assumes that a 2% limit will apply between 2024/25 and 2026/27.

7.91 The forecast also quantifies the savings that would be required to restrict the council tax increase, in the event of a council tax referendum limit being implemented at 0%.

Council Tax Base

7.92 In order to calculate the possible changes that may be required to the level of council tax over the medium term, assumptions need to be made around the likely movement in the Council Tax Base.

7.93 The Council Tax Base is a calculation of the number of chargeable properties within the Parish for council tax purposes. The Council's Precept divided by the Tax Base calculates the Band D Council Tax.

7.94 The localisation of support for council tax had significant implications for the Council Tax Base calculation, and the future design of the NSC and any Local Council Tax Support Scheme could have a major impact on the Council Tax Base moving forward.

7.95 For example, if NSC chooses, in the future, to ask council tax support claimants to contribute towards their council tax liability, as many other councils in the country have already done, this would have the impact of increasing the Council Tax Base.

7.96 The Tax Base will also be influenced by the council tax benefits caseload in the Parish. An increase in caseload would reduce the Tax Base while a decrease in the caseload would increase the Tax Base.

7.97 For the purposes of estimating the Town Council Tax Base for the period of the MTFP, it is not considered prudent to make any assumptions around possible changes made by NSC the council tax benefits caseload.

7.98 The Council Tax Band D properties increased by 418.6 properties in 2022/23 However a reduction was seen to monies received per Band D this was largely as a result of the impact of the Coronavirus pandemic. Weston sites plan is envisaged to deliver many more housing units in coming years. Every existing house that was built and extended also attracts Community Infrastructure Levy.

7.99 It is likely that the Council Tax Base will continue to benefit from some new housing development over the life of the Plan.

7.100 For the purposes of the Revenue Budget forecast for the four-year period 2024/25 to 2026/27, an annual increase in the Council's Tax Base of 200 properties per year has been assumed to provide for new housing development. This would raise an additional £20,034 per year (Based on 22/23 Band D value of £100,17), to support the Revenue Budget.

Council Balances and Reserves

7.99 Within the existing statutory and regulatory framework, it is the responsibility of the Responsible Financial Officer to advise WSMTC on the level of its reserves and to ensure that there are clear protocols for their establishment and use.

7.100 In accordance with Section 25 of the Local Government Act 2003, an annual assessment of the adequacy of the Council's balances and reserves is made at the time the Council Precept is set.

7.101 This assessment is based upon a guidance note on Local Authority Reserves and Balances issued by the Chartered Institute of Public Finance and Accountancy (CIPFA), which is considered to be best practice with regard to balances and reserves (LAAP Bulletin 99).

7.102 CIPFA holds the view that a generally applicable minimum level of reserves is not appropriate. The guidance notes states that 'in assessing the appropriate level of reserves, a well-managed authority will ensure that the reserves are not only adequate but are also necessary', and that Council's 'should establish reserves including the level of those reserves based on the advice of their chief financial officer and make their own judgements considering local circumstances'.

7.103 In theory, a well-run Council with a prudent approach to setting its budget, should be able to operate with a relatively low level of general balances, which WSMTC has achieved in recent years, although these general balances will need to be supported by sufficient sums set aside in earmarked reserves to meet specific needs and fund future spending commitments.

7.104 In coming to a view on the adequacy of WSMTC's balances and reserves, account needs to be taken of the risks facing WSMTC, in terms of any significant unforeseen spending commitments or funding cuts, and also the capital investment requirements of WSMTC over the medium to long term, considering the ability of WSMTC to secure external funding via capital grants and contributions, take out additional borrowing, or generate capital receipts from sale of assets.

7.105 WSMTC held balances and reserves of £1.641 million at the end of the 2021/22 financial year.

- 7.106 Consideration should be given to introduce a Revenue Support Fund; the aim is to provide support to the Revenue Budget in the event of any significant unforeseen spending commitments or funding cuts. Furthermore, a Capital Investment Reserve to take in to consideration known upcoming projects with the redevelopment of Waterloo Street and the Old Town Quarry transfer to fund these and any future year's capital investment commitments.
- 7.107 This should be alongside the councils General Reserves & Earmarked Reserve Funds. This should be done following a review of General Reserves and Earmarked reserves and should ideally reflect a reallocation of funds rather than a further increase in current balances where possible. This provision has been included within this plan and can be seen in section 7
- 7.108 The recommended policy for balances and reserves is as follows: -
1. Maintain minimum General Reserve Balances of 3.5 months' average revenue expenditure to protect against unforeseen budget pressures and cuts to the Council Tax Support Grant funding.
 2. Introduce a Capital Reserve Fund based on estimated costs of known capital expenditure for new assets and projects.
 3. Set aside such sufficient sums in Earmarked Reserves, as is considered prudent, to support future year's capital investment requirements and other specific commitments;
 4. Undertake an annual review of the level of Balances and Earmarked Reserves as part of the budget setting process.
- 7.109 It is a key principle of WSMTC's financial strategy to limit support from Council balances and reserves to the Revenue Budget over the medium term as such support is not sustainable.
- 7.110 However, with the introduction of a Revenue Budget Support Fund it will allow unspent budget resources to be carried forward from one year to another for specific approved purposes, while the Plan also provides for the use of Earmarked Revenue Reserves to fund the one-off costs of any elections and by-elections.
- 7.111 The policy regarding support from Council Balances to the Revenue Budget may also need to be reviewed in the future, should WSMTC face significant challenges such as capping of reductions in income which support the budget.
- 7.112 It is considered that the current level of balances and reserves, taken alongside the contingency sum and contribution to capital reserves set aside in the Revenue Budget, provides WSMTC with an adequate level of resources to protect against any unforeseen spending pressures and future funding cuts, and to fund capital investment requirements in the medium term.

7.113 However, it is inevitable that Council balances and reserves will fall over the life of this Plan as capital commitments are funded.

7.114 There has been need in past years to use General Reserve balances for specific spends, such as the Museum and Blakehay refurbishments however these have been replenished via the Revenue budget and precept to keep a steady level of reserves at all times. Efficiency savings should continue to be enabled within the Revenue Budget moving forward, balances and reserves should be able to be maintained at prudent levels over the five-year period of the Plan.

7.115 However, in the longer term, WSMTC's balances and reserves are fully earmarked against future capital investment requirements, and the effect of the other Revenue Budget pressures may limit the Council's ability to replenish balances via Revenue Budget savings, which could lead to balances being significantly diminished by the beginning of the next decade.

7.116 This issue is considered in more detail in the Revenue and Capital Budget Forecast in Section 8 of the Plan.

Efficiency Savings

7.117 WSMTC is committed to ensuring that year on year efficiency savings are achieved over the five-year period of the Plan.

7.118 The need to identify and achieve efficiency savings, in order to maintain current service provision, is likely to become increasingly important over the coming years given the ongoing increases in staffing costs and other budget pressures faced, as well as the potential need to limit council tax increases over the next five years.

7.119 WSMTC has a proven track record of achieving efficiency savings on its Revenue Budget over a number of years in varying service areas.

7.120 There were a number of reasons for these saving including:

- The budgeted review of revenue budgets and allow for build back following the COVID 19 pandemic.
- The unfortunate cancellation of most of WSMTC's community events programme due to the Coronavirus pandemic.
- Significant savings in staffing costs from unfilled staff vacancies, very limited overtime and use of casual staff during the COVID 19.
- A business review of current services and staffing requirements.
- Much lower spending during lockdown periods across all services.
- Delivery of additional income generating schemes such as waste collection to other councils within North Somerset.
- A review of use of Agency staff within the Grounds services.

7.121 There have been some savings in the early part of 2022/23 due to the inability to recruit certain key job roles. This saving however has enabled the recent NJC pay award to have less of an impact on the original budget set. It should be noted that WSMTC may also have other financial challenges within 2022/23 surrounding staffing that are highly likely to absorb any savings made within this year.

7.122 Any known savings or budget reductions have been built into the Revenue Budget Forecast for 2023/24 to 2026/27 in the Plan.

7.123 As highlighted earlier in the Plan, the Revenue Budget Forecast for the four years from 2023/24 to 2026/27 sets out the savings and budget reductions that would need to be made to freeze the Council Tax.

7.124 This information has been included to provide for the eventuality of the Government limit on council tax increases being extended to larger town councils and reduced to a limit of 2% at some point after the 2022/23 financial year.

7.125 Options for delivering any required budget reductions and efficiency savings, should they be required, would need to be drawn up each year and agreed during the annual budget setting process.

8 Revenue and Capital Programme Budget Forecast 2022/23 to 2026/27

Introduction

8.1 A summary of the Revenue and Capital Programme Budget Forecast for the five-year period 2023/24 to 2026/27 will be completed following adoption of the principles of the plan and will be set out as below (example). Please note that the first year of the Plan will reflect the already approved 2022/23 Budget. A detailed analysis is attached at **Appendix A and B**.

| Budget Description | Budget 2022/2023 £ | Budget 2023/2024 £ | Estimate 2024/2025 £ | Estimate 2025/2026 £ | Estimate 2026/2027 £ |
|---------------------------|--------------------------|--------------------------|----------------------------|----------------------------|----------------------------|
| Allotments | 28,850 | 34,999 | 36,324 | 38,031 | 39,843 |
| Blakehay Theatre | 144,132 | 198,438 | 205,385 | 215,036 | 224,709 |
| Capital Projects | 175,000 | 145,000 | 145,000 | 145,000 | 145,000 |
| Civic | 147,443 | 166,024 | 165,661 | 170,641 | 176,132 |
| Community Services | 461,718 | 516,755 | 521,224 | 527,343 | 535,521 |
| Democratic Representation | 173,375 | 188,373 | 179,484 | 184,685 | 190,411 |
| Environmental | 115,154 | 92,261 | 93,168 | 94,606 | 96,638 |
| Milton Road Cemetery | 129,861 | 163,244 | 5,182 | 11,378 | 12,797 |
| Museum | 358,401 | 388,275 | 538,281 | 553,106 | 570,536 |
| Old Town Quarry | - | 5,500 | 5,608 | 5,708 | 5,820 |
| Other Cost & Income | -78,940 | 43,758 | 102,114 | 51,726 | 51,039 |
| Parks & Play Areas | 335,316 | 332,016 | 340,321 | 346,189 | 353,834 |

| Budget Description | Budget 2022/2023 £ | Budget 2023/2024 £ | Estimate 2024/2025 £ | Estimate 2025/2026 £ | Estimate 2026/2027 £ |
|------------------------|--------------------------|--------------------------|----------------------------|----------------------------|----------------------------|
| Planned maintenance | 150,417 | 153,992 | 155,143 | 157,287 | 160,382 |
| Planning | 19,386 | 22,578 | 22,141 | 23,326 | 24,580 |
| Strategic Planning | 72,585 | 63,906 | 62,601 | 64,679 | 66,972 |
| Street Furniture | 61,147 | 72,262 | 70,673 | 73,082 | 75,728 |
| Toilets | 99,280 | 79,595 | 80,497 | 82,805 | 85,490 |
| Tourism | 162,527 | 184,676 | 188,672 | 195,388 | 202,443 |
| Youth Activities | 75,733 | 84,586 | 85,684 | 86,824 | 88,556 |
| Council Precept | 2,631,385 | 2,936,237 | 3,003,163 | 3,026,839 | 3,106,432 |
| At 10/02/2023 | | | | | |

Revenue Budget Forecast 2023/24 to 2025/26

8.2 The Revenue Budget forecast summarised above has been based on the detailed assumptions set out in Section 7 of the Plan, and the following key principles: -

1. Continuing to provide all Council services, facilities and events and maintaining current standards of service;
2. Ensuring continued delivery of the Capital works programme Budgets;
3. Safeguarding a prudent level of balances and reserves;
4. Keeping any increase in council tax as low as possible between the years 2023/24 to 2026/27.

8.3 The forecast makes provision for likely future increases in costs from pay awards, pension increases, inflation, and any other unavoidable spending commitments, forecast increases and decreases in income, as well as accounting for any known savings, assumed increases in fees and charges, and council tax base growth.

8.4 Not all budget items would be subject to CPI increases or sector specific increases, as the budget is set at a fixed value, for example grants schemes or Blue Plaques.

8.5 Public Works Loan Board borrowing is not subject to CPI increase, with the interest rate set at the point of initial borrowing. Payments are made on the basis of reducing interest. Further information in Section 10 of the plan.

8.6 In overall terms, the Revenue Budget forecast shows that WSMTC may need to increase the Precept by up to £170,195 or 5.6% over the four-year period between 2023/24 and 2026/27.

8.7 Any precept increases will be required in order to fund the various spending pressures that WSMTC faces including pay and pension contribution increases, inflation on running costs, and other unavoidable increases in costs and falls in income.

- 8.8 The precept increases also reflect the importance of maintaining a contribution to reserves, which helps to facilitate the replenishment of WSMTC's earmarked capital reserves, in light of the substantial capital investment faced by WSMTC over the medium to long term.
- 8.9 The increases to WSMTC Precept over the medium term will be offset, as far as possible, from savings and reduction of under-utilised budgets, as well as assumed increases in fees and charges and council tax base growth each year.
- 8.10 There may also be savings over the period of the Plan arising from the completion of service reviews by WSMTC.
- 8.11 This may restrict the need to increase the Precept, although it is not possible to quantify any such savings and include them in this Medium-Term Financial Plan.
- 8.12 In overall terms, the Revenue Budget Forecast highlights that WSMTC may need to consider increasing the Town Council Tax by a total of 12.68% between the financial years 2023/24 and 2026/27; an average increase of just under 3.17% per year.
- 8.13 The potential increases in the Town Council Tax would therefore have regard for any Government council tax referendum limits imposed and in accordance with one of the key principles of this Plan to keep any future increase in the council tax as low as possible.
- 8.14 In real terms, this would equate to an average increase of £3.24 per year at Council Tax Valuation Band D.
- 8.15 Commentary on the key issues and financial implications in each individual year is detailed in the following section of the Plan.

2022/23 Revenue Budget

- 8.16 The 2022/23 Revenue Budget was set by WSMTC in January 2022, when an increase in the Town Council Tax was agreed.
- 8.17 The increase was approved and implemented in recognition of the aspirations to deliver specific projects and increases to varying cost centres within the revenue budget.
- 8.18 WSMTC has to date accommodated any surplus resources or need for additional funds via use of its general reserves whilst maintaining regard for the need to replenish WSMTC's balances and reserves.

2023/24 Revenue Budget

- 8.19 Next year, WSMTC faces increases in staffing costs from an assumed local government pay award of 7.5%. This increase will likely be required in order for

local government pay to keep pace with expected increases in the Real Living Wage.

- 8.20 However, these increases in costs and funding cuts will be able to be in part offset by assumed council tax base growth, increases in fees and charges, reductions in under-utilised budgets and efficiency savings.
- 8.21 In overall terms, it has been assumed that WSMTC would need to increase the Precept by around £304,852 in 2023/24. This would represent a council tax increase in the region of 10.33% next year.
- 8.22 This increase will enable WSMTC to maintain surplus resources within the contingency sum and contribution to capital reserves.
- 8.23 In real terms, this would result in a £110.52 per year increase in the Band D Council Tax.

2024/25 Revenue Budget

- 8.24 WSMTC faces further forecast budget pressures in 2024/25, as a result of expected pay awards and inflation on running costs and the additional asset at the Old Town Quarry, although these increases will be partly offset by council tax base growth and increases in fees and charges.
- 8.25 In overall terms, WSMTC would need to increase the Precept by around £16,926 in 2024/25, which, would represent a council tax decrease in the region of 0.54%.
- 8.26 In real terms, this would result in a £109.93 per year increase in the Band D Council Tax.

2025/26 Revenue Budget

- 8.27 WSMTC faces similar ongoing budget pressures in 2025/26, as a result of expected pay awards and inflation on running costs.
- 8.28 As in previous years, it is likely that these increases will be able to be partly offset by council tax base growth and increases in fees and charges, while it has been assumed that the contribution to capital reserves will remain at the value of £145,000.
- 8.29 Based on the above assumptions, it is likely that WSMTC will need to increase the Precept by around £73,676 in 2025/26, which would represent a council tax increase of 1.37%.
- 8.30 In real terms, this would result in a £111.43 per year increase in the Band D Council Tax.

2026/27 Revenue Budget

- 8.31 WSMTC faces a similar situation in 2026/27, another pay award and inflation on running costs, although again these increases will be partly offset by council tax base growth and increases in fees and charges.
- 8.32 In overall terms, it is likely that WSMTC will need to increase the Precept by up to £79,593 in 2026/27, which would represent a council tax increase in 2026/27 in the region of 1.52%.
- 8.33 In real terms, this would result in a £113.12 per year increase in the Band D Council Tax.

2027/28 Onwards

- 8.34 It is likely that by 2028/29, WSMTC may need to use up the remaining resources set aside in the contribution to capital reserves in order to offset the longer-term funding cuts and spending pressures faced and balance the Revenue Budget.
- 8.35 This could lead to a situation towards the end of the decade whereby there will be very limited surplus resources remaining in the Revenue Budget, and where all options for achieving further savings, without making cuts to services, will have been exhausted.
- 8.36 It will therefore be important that WSMTC continues the process of reviewing its services in the years leading up to the middle of the decade, with a view to determining where possible budget cuts will be made in the longer term, if required.

Overall Summary of Revenue Budget Forecast

- 8.37 WSMTC remains in good financial health with a balanced Revenue Budget, on-going savings, and strong levels of balances and reserves.
- 8.38 However, WSMTC has an increased asset based with two new assets within the 2023/2024 budget being accounted for, income generation initiatives will need to be part of the strategic aims to help keep revenue budgets at an expected level and to minimise the need to increase precept levels drastically.
- 8.39 Looking ahead, the medium-term outlook for WSMTC's Revenue Budget through to the middle of the decade is relatively positive.
- 8.40 The decision to increase the Town Council Tax by % in 2021/22 and 2022, has definitely helped contribute towards WSMTC's improved financial situation and the fact that the Coronavirus pandemic has not had as severe an impact as it could have done.

- 8.41 Working on the assumption of a % council tax increase in each of the next four financial years from 2023/24 to 2026/27, WSMTC should be able to maintain current services until at least the middle of the decade.
- 8.42 The downside of this it is highly likely that balancing the Revenue Budget will be dependent on reducing and ultimately removing the contingency sum from the budget and making year on year reductions to the contribution to capital reserves.
- 8.43 It is also apparent that the process of balancing the Revenue Budget will get progressively harder as WSMTC moves beyond the middle of the decade.
- 8.44 WSMTC also needs to try and maintain surplus resources in the Revenue Budget for as long as possible, in order to provide protection against any unforeseen budget pressures, help offset future year's budget pressures, and ensure that earmarked and capital reserves can be replenished each year to meet specific project needs.
- 8.45 These Revenue Budget pressures will need to be funded by a combination of increases to the Town Council Tax, increases in fees and charges, council tax base growth, and efficiency savings and budget reductions.
- 8.46 The Revenue Budget Forecast has been prepared on the assumption that WSMTC will be limited to a maximum 2% increase the Town Council Tax in the 2024/25 to 2026/27 financial years.
- 8.47 Beyond the end of this Medium-Term Financial Plan period i.e. from 2027/28 onwards, it is likely that WSMTC will reach a position whereby the remaining contribution to capital reserves will need to be removed, and where all options for achieving further savings, without making cuts to services, are likely to have been exhausted.
- 8.48 As a result, whilst it is likely that services will be able to be maintained until the middle of the decade, beyond this, WSMTC is likely to need to begin the difficult process of considering reductions to services and reassessing its priorities in light of the limited resources that will be available without increase being applied to the council tax.
- 8.49 Clearly the Revenue Budget projections included in this MTFP are subject to change depending upon a number of factors including: -
- the final financial impact of the Cost of Living and rises in Energy prices
 - the impact of the subsequent government austerity measures;
 - any further implications linked to 'Brexit';
 - increases in the Council Tax Base from new housing;
 - the likely extension of council tax referendum principles to large town councils;

- significant increases to the Real Living Wage and further restructuring of the local government pay scale; and
 - Government reform to local government finance;
- 8.50 These issues will need to be considered, in detail, via future budget setting processes annually, when the options for delivering any required budget reductions and efficiency savings, if these are required, would need to be drawn up and agreed.
- 8.51 It would also be advisable for WSMTC to continue with its programme of service reviews and annual appraisal of WSMTC's strategic aims and community priorities, with a view to determining which services are to be protected and which services may be subject to budget reductions in the longer term.

Capital Programme Budget Forecast 2023/24 to 2026/27

- 8.52 The Capital Programme Budget alongside provision in the Revenue Budget will aim to provide for major investment in WSMTC's assets including planned refurbishment to buildings such as roofing works and heating system replacements, replacement vehicles, plant, machinery and office equipment, and investment in community assets such as play areas.
- 8.53 A detailed breakdown of the Capital Programme Budget Forecast for the five-year period 2022/23 to 2026/27 is attached at Appendix B.
- 8.54 The forecast has been based on the capital investment requirements set out in WSMTC's strategy including the carry forward of on-going commitments from 2022/23, as well as the likely commitments for the following four years, as identified in both PPM and EMRRP plans.
- 8.55 The 2023/24 Capital Programme Budget will be estimated at £1,545,000 and will be reviewed to allow the carry forward of ongoing and delayed projects from the 2022/23 financial year considering balances unpaid for Castle batch Play area which at the time of writing this plan had not yet been paid at all.
- 8.56 The revenue budget provides for a number of projects including within the PPM and EMRRP programmes.
- 8.57 The indicative Capital Programme Budgets for the five-year period 2022/23 to 2026/27 total £2,478,270 and provide for a number of further projects including the refurbishment of Waterloo Street property and the Old Town Quarry.
- 8.58 The budget focusses on investment linked to the delivery of WSMTC's services to ensure all essential building works and replacements of vehicles, machinery, office equipment, street equipment and play equipment are kept up to date.

- 8.59 It is important to stress that the five-year Capital Programme Budget Forecast is an indicative budget and will be reviewed on a year to year and project by project basis, in line with actual needs, requirements and priorities and the actual level and availability of Council Balances and Reserves.
- 8.60 The Capital Programme forecast does not take account of any further external funding that may become available over the five-year period from external capital grants or contributions such as Community Infrastructure levy funds or Section 106 Agreement monies.
- 8.61 Any external capital funding that was secured, would provide resources over and above those shown in the MTFP.
- 8.62 WSMTC will continue to actively pursue any grants that may be available to support relevant projects. However, external funding opportunities may be limited in light of the expected public spending cuts by the Government.
- 8.63 In overall terms, the 2022/23 to 2026/27 Capital Programme Forecast identifies a total potential investment of as much as £2,478,270, and this would need to be funded, in full, from WSMTC's Earmarked and Capital Reserves, or by gaining additional grant funding.
- 8.64 If all of this capital investment goes ahead, this would inevitably lead to a significant fall in WSMTC's balances and reserves.
- 8.65 It is for this reason that an annual contribution to capital reserves was established in the Revenue Budget. This will allow WSMTC to partially replenish its balances and reserves in each year of the Plan moving forward.
- 8.66 Alongside this, it would also be prudent for WSMTC to continue its policy of undertaking only essential capital projects contained with WSMTC's strategy over the period of this MTFP and beyond, in order to preserve Council balances and earmarked reserves for as long as possible.

Council Balances and Reserves

- 8.67 WSMTC held Balances and Earmarked Reserves at the end of the 2021/22 financial year, totalling £1.641 million.
- 8.68 The Capital Programme Budget forecast for the five-year period potentially totals up to £2,478,270 million and does require annual revenue provisions to be made to increase the capital reserve from projects identified. Not doing so at the level contained in the plan would jeopardise ability to complete projects.
- 8.69 It is clear therefore that WSMTC's balances and reserves would be largely used up funding capital investment commitments over the next five years..

- 8.70 However, as highlighted earlier, the inclusion in the Revenue Budget of the contribution to capital reserves will allow balances and reserves to be replenished each year and will contribute towards maintaining balances at prudent levels over the period of this Plan.
- 8.71 Any savings that can be achieved on the Revenue Budget over the five-year period will also be used to top up balances and reserves.
- 8.72 It is difficult to accurately estimate exactly how balances and reserves may change over the five-year period due the uncertainty around the various budget pressures and the level of savings that may or may not be delivered on the Revenue Budget.
- 8.73 In order to provide an indication of the possible movement in WSMTC's balances and reserves over the five-year period, a forecast has been produced based around a scenario.
- 8.74 A detailed projection of the likely movement on WSMTC's Balances between 2023/24 and 2026/27, under the two scenarios highlighted above is attached at Appendix C.
- 8.75 The recommended policy for balances and reserves is to aim to hold a minimum General Reserve Balance of 3.5 months' average revenue supported by such balances in Earmarked Reserves, as is considered prudent, to support future year's capital investment requirements and any other specific commitments.
- 8.76 This equates to a General Reserve Balance in the region of £350,000 to £400,000 (Ideal minimum), with the remainder of WSMTC's balances set aside in Earmarked Revenue and Capital Reserves to support future year's revenue budget and capital investment commitments. There is a requirement to take this to a minimum level in year 2023/2024 to support the capital works programme, this is however replenished in the following year.
- 8.77 The projection of Balances and Reserves assumes that there will be no further purchase of assets within the five-year period.
- 8.78 The Plan does not make any provision for additional borrowing, in light of the assumed replenishment of earmarked capital reserves from the Revenue Budget, or for the use of balances to fund the early repayment or rescheduling of WSMTC's remaining outstanding loan, in light of the need to replenish balances rather than use them up.
- 8.79 Looking ahead beyond the life of the Plan, balances will continue to deteriorate as the contribution to capital reserves is eventually removed and as longer-term capital investment is financed, but it is also possible that receipts from council tax base growth may enable WSMTC to replenish its balances and reserves.

This has not been forecast within the plan. Additional borrowing could also be considered if absolutely necessary.

9 Balance Sheet Forecast

- 9.1 The Revenue and Capital Budget Forecast set out in Section 8 of the Plan will have an impact on the overall financial standing or 'net worth' of WSMTC as shown in WSMTC's Balance Sheet within the Statement of Accounts.
- 9.2 The Balance Sheet Forecast for the five-year period 2022/23 will be produced at year end and will be included as Appendix D at the 31.03.23.
- 9.3 The Balance Sheet shows that WSMTC has a healthy financial standing at the present time with a net worth, as represented by the value of its fixed assets and its balances and reserves, net of any outstanding debt, of £3,398,998 as at 31st March 2022.
- 9.4 This position will deteriorate slightly over the medium term as Council balances and reserves are used up to meet capital investment requirements and savings on the Revenue Budget fall.

10 Treasury Management Issues

Introduction

- 10.1 WSMTC has in place an approved Treasury Management Policy which provides the framework for the management and control of WSMTC's borrowing, investment, and banking arrangements.
- 10.2 The Revenue Budgets and Capital Programme Forecast set out in this Medium-Term Financial Plan could have treasury management implications for WSMTC that will need to be accounted for.
- 10.3 The potential treasury management implications for WSMTC over the next five years are considered in this section of the Plan.

Outstanding Loans / Borrowing

- 10.4 The total amount of loans outstanding to the Public Works Loans Board as at 31st March 2022 was £287,315 and relates to a loan taken out in previous years to fund both the Blakehay and Waterpark. In addition, WSMTC has taken a further loan of £200,000 for the purchase of Waterloo Street property within the year 2022/2023.
- 10.5 Assuming no rescheduling or early repayment of the existing outstanding debt, the outstanding balance on the above loans will change over the period of the Plan, Estimates as follows (to include the loan for 32 Waterloo Street taking out 2022/2023: -
 - 31st March 2023 £388,284

- 31st March 2024 £365,000
- 31st March 2025 £344,616
- 31st March 2026 £323,314
- 31st March 2027 £301,051

10.6 Annual repayment costs on WSMTC's remaining loan, including interest, amount to £45,758 for the year 2023/2024.

10.7 Annual repayments are set and fixed at the point of initial borrowing. We have not yet received the payment schedule for loan repayments for Waterloo Street, which will likely be received upon first payment (May 2023).

10.8 The Revenue Budget forecasts detailed in Section 8 provide fully for repayments and interest payable on WSMTC's existing borrowing.

10.9 It has been assumed for the purposes of the MTFP that there will not be any early repayment or rescheduling of WSMTC's outstanding loans over the period of the Plan, particularly bearing in mind the likely deterioration in WSMTC's balances and reserves over this period.

10.10 However, this position will continue to be reviewed on an annual basis when possible options for rescheduling or early repayment of debt will be assessed, considering various issues including the premiums that may be payable and the level of Council balances and reserves likely to be available to fund such a repayment.

Investments

10.11 WSMTC currently invests its reserves any other surplus cash balances held as detailed with the Treasury Investment Policy.

10.12 Investment income is credited to the Revenue Budget and varies year to year depending upon the level of balances available to invest and interest rates. Income is currently negligible following the recent interest rate cut.

10.13 The estimates included within the MTFP for investment income have been based on the existing investment methods and on forecasted levels of balances.

10.14 It has been assumed that interest rates will increase marginally over the life of the Plan as the economy recovers from the Coronavirus pandemic.

10.15 Using this assumption and the projected average level of balances and reserves available in each year, investment income would vary depending on the amounts available to invest. In addition, the ability to invest capital monies will be very short term with the allocation and timescales of the projects identified within the next 5 year period of the Plan.

Long Term Treasury Management Issues

10.16 The retention of a contribution to capital reserves in the Revenue Budget will help ensure that Council balances are replenished to a sufficient level to meet WSMTC's medium-term capital investment commitments.

10.17 Looking ahead beyond the life of the Plan, the likely need to remove the contribution to capital reserves in order to balance the Revenue Budget may lead to a reduced ability to replenish balances, but it is also possible that capital receipts from land sales and longer-term council tax base growth may offer WSMTC an alternative means of replenishing its balances and reserves in the future.

10.18 Additional borrowing could also be considered if absolutely necessary.

11 Risk Assessment

Introduction

11.1 WSMTC uses an approved Risk Management software to produce its Corporate Risk Register, which is updated on an annual basis.

11.2 Consideration should be given to the introduction of a Financial Risk register within 2023/2024 to allow all key decisions that have a financial implication made by WSMTC be subjected to a formal risk assessment where this is considered relevant whilst consideration has been given in the past a more formal robust procedure would be beneficial to financial planning.

11.3 The Corporate Risk Register covers all identified risks applicable to WSMTC and the services that it provides. The register provides full details of the risks broken down by service area, with an assessment of the impact of the risk and the likelihood of the risk occurring (low, medium or high), the controls put in place to minimise the risk, and any further actions required.

11.4 Financial risks should be identified and assessed and then included within WSMTC's Financial Risk Register. This would form Appendix G.

Links to Medium Term Financial Plan

11.5 WSMTC is subject to a range of political, economic, demographic, sociological and technological influences. Many of these factors change on a regular basis resulting in new, and sometimes unexpected, financial pressures.

11.6 WSMTC should keep under constant review the key challenges and risks impacting on its financial position. This identification and assessment of risk is an essential element of the financial planning process and a key factor in informing financial planning decisions. The key influences and challenges facing WSMTC over the next five years were considered in Section 6 of the Plan.

- 11.7 The Medium-Term Financial Plan provides for the continued inclusion of a contingency sum and contribution to capital reserves within the Revenue Budget for the duration of the Plan, albeit on a reducing basis, and with the contingency sum needing to be removed in the final year of the Plan.
- 11.8 As highlighted earlier, WSMTC's balances and reserves should be able to be maintained at prudent levels over the five-year period of the plan, partly due to this contribution to capital reserves. These balances provide protection against any unforeseen budget pressures that might arise, as well as providing resources to fund capital investment requirements. The level of contingencies, balances and reserves is reviewed annually as part of the budget setting process.
- 11.9 The MTFP and annual Revenue and Capital Budgets are developed on a prudent basis considering all known commitments and spending pressures. The key assumptions made in the MTFP Revenue and Capital Budget forecasts were set out in Section 7 of the Plan.

Key Risk Areas

- 11.10 The key risk areas over the medium term that could potentially adversely impact upon the forecasts set out in the MTFP, have been identified and are summarised below. This includes details of how these risks might be mitigated.
- 11.11 Cost of Living Crisis / Austerity Measures - The key risk facing WSMTC is the ongoing impact of the Cost of Living Crisis and potential recession forecast. Alongside this is the impact on the economy and future Government spending plans e.g. austerity measures and public sector spending cuts that will follow, as well as the impact on inflation, interest rates and consumer spending power. There are also the implications of the impact of austerity on other organisations e.g. further grant cuts for NSC resulting in services being cut and increasing pressure for town and parish councils to take over local services, and increased requests for financial assistance from community and voluntary organisations whose grant funding has been cut. WSMTC can take comfort from the fact that its current financial situation is relatively healthy, and the levels of contingencies and balances held will provide it with a strong foundation to weather the storm and offset any financial liabilities in the short-term.
- 11.12 Real Living Wage and Annual Staff Pay Awards - The Real Living Wage is expected to increase to at least £10.90 per hour in April 2023. The assumptions around pay made in this MTFP are based on the known 2023/24 local government pay award and assumed pay awards of 7.5% in 2023/24, 3.5% in 2024/25 and 3.5% in 2025/26 and 2026/27. These assumptions are based around the need for local government pay to keep pace with increases in the Real Living Wage and are considered prudent. However, there is a risk that the Government could increase the Real Living Wage by more than previously indicated or that union action could result in actual pay awards being higher than

provided for in the Plan. The Revenue Budget contingency sum provides some scope to meet any additional costs should this be the case. Check figures

- 11.13 Long-Term Restructure of the Local Government Pay Scale - In the longer term increases in the Real Living Wage beyond £10.90 per hour are likely to lead to significant erosion of differentials between pay grades at the lower end of the salary scale and may lead to a requirement to undertake a fundamental restructure of the local government pay scale and job evaluation exercise. This issue represents the key risk to WSMTC's financial planning over the longer term.
- 11.14 Inflation - There is a risk that non-staffing-based inflation e.g. in respect of energy prices, fuel, supplies and services could be higher than provided for in the MTFP. However, the assumptions made within the MTFP are considered to be prudent and the contingency sum provides some scope to meet any additional costs
- 11.15 Fall in Demand for Services and Reduced Income - The impact of the economic difficulties on usage levels in previous years, particularly in relation to the Blakehay Theatre, has caused income in respect of these facilities to fall significantly. There is a risk that income levels may fall further in the future. However, all income losses up to 2022/23 have been fully accounted for in the Revenue Budget and the Revenue Budget contingency sum provides some scope to meet any future losses.
- 11.16 Insurance Claims - A significant increase in the number or value of insurance claims would represent a financial risk to WSMTC as this would have an adverse impact on WSMTC's future insurance premiums, which would then impact on the Revenue Budget. However, WSMTC has a good recent claims history, evidenced by the fact that premiums reduced significantly on the recent renewal of WSMTC's policy. WSMTC's Risk Management Strategy also helps to minimise WSMTC's exposure to risk and this in turn should help to keep the number of future insurance claims to a minimum.
- 11.17 VAT - There is a financial penalty if WSMTC breaches the VAT Partial Exemption limit. However, this is regularly monitored and is not anticipated that WSMTC would ever breach the limit.
- 11.18 Plastic and Carbon Reduction Initiatives - WSMTC committed to reducing unnecessary single use plastics in all of its services over the next few years, whilst carbon reduction initiatives such as the move to electric vehicles are likely to increase in prominence over the medium term. There are likely to be costs associated with plastic and carbon reduction and WSMTC will need to factor this into its future financial planning. The Revenue Budget contingency sum provides some scope to meet any additional revenue costs, whilst the earmarked capital reserve for vehicles and machinery replacements provides for the costs of moving WSMTC's vehicle fleet over to electric alternatives.

11.19 General Data Protection Regulation (GDPR) - There are significant financial penalties under the GDPR if WSMTC suffers a significant loss of personal data. However, measures have been put in place to ensure WSMTC complies with GDPR and to minimise the risk of a breach occurring and the potential impact.

11.20 Council Balances and Reserves - WSMTC's balances are projected to fall over the five-year period of the Plan. However, the contribution to capital reserves set aside in the Revenue Budget will help to facilitate the partial replenishment of those balances and will help to mitigate this risk.

11.21 Capital Programme and Asset Management Plan Requirements - Making budget provision available for the potentially significant longer- term Capital Programme and Asset Management Plan requirements represents a risk to WSMTC. However, as highlighted above, the increased contribution to capital reserves, taken alongside Revenue Budget savings, fees and charges increases, and council tax base growth will help to replenish Council balances and reserves to prudent levels over this period.

Mitigating Financial Risks

11.22 In terms of managing and mitigating financial risks, in the event of an unforeseen event during the year creating a substantial budget pressure, the following list details examples of the action that could be taken to mitigate the risk:

- use of Revenue Budget Contingency Sum;
- use of Council Balances and Earmarked Reserves;
- investigation of external funding opportunities;
- income generation activity e.g. pricing review, marketing;
- enhanced approval process for making financial commitments;
- recruitment freeze;
- all non-statutory spend frozen; and
- service reviews.

Conclusion

11.23 The MTFP makes a key contribution towards the risk management process by putting in place a financial planning framework to efficiently manage WSMTC's finances, considering the key influences on its financial position and the main risks facing WSMTC.

11.24 Financial forecasts are reviewed and updated annually and regularly monitored throughout the year, as will this MTFP. The key challenges and risks that could have implications for WSMTC's financial position in the following year and over the medium term are subject to annual review.

11.25 Fortunately, WSMTC remains in a relatively healthy financial position at the present time and is therefore as well placed as it can be to meet the challenges that the next five years are likely to bring.

Medium Term Financial Plan - Appendix B

Capital Programme Budget Forecast@ 31.03.23 (to be reviewed annually)

| Project | Total Project Value | Year 2022/2023 | | | Year 2023/2024 | | | Year 2024/2025 | | | Year 2025/2026 | | | Year 2026/2027 | | | Difference | £ | | | |
|--|-----------------------|-------------------------|---|--|-------------------------|---|-------------------------|---|-------------------------|---|-------------------------|---|-------------------------|---|-------------------------|---|------------|----------|-------------------------|---|-------------------------|
| | | Wsmtc Allocated Funding | Exterior Secured / Grant Funding Required | Total Capital Funding Required @31.03.23 | Wsmtc Allocated Funding | Exterior Secured / Grant Funding Required | Estimated Spend IN Year | Total Capital Funding Required @ 31.03.24 | Wsmtc Allocated Funding | Exterior Secured / Grant Funding Required | Estimated Spend IN Year | Total Capital Funding Required @ 31.03.25 | Wsmtc Allocated Funding | Exterior Secured / Grant Funding Required | Estimated Spend IN Year | Total Capital Funding Required @ 31.03.26 | | | Wsmtc Allocated Funding | Exterior Secured / Grant Funding Required | Estimated Spend IN Year |
| Castle Batch Play Area | £ 400,000.00 | 240,000 | 160,000 | 400,000 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 400,000 | |
| Waterloo Street | £ 1,153,270.00 | 945,000 | - | 945,000 | 170,000 | 38,270 | 208,270 | - | - | - | - | - | - | - | - | - | - | - | - | 1,153,270 | |
| Old Town Quarry | £635,000 | 200,000 | - | 200,000 | - | - | - | 145,000 | - | - | 145,000 | - | 290,000 | - | 290,000 | - | - | - | - | 635,000 | |
| Unallocated Capital Monies | 290000 | - | - | - | - | - | - | - | - | - | - | 145,000 | - | - | 145,000 | 145,000 | - | - | - | 290,000 | |
| TOTAL Yearly Capital Reserve Estimates | £ 2,478,270.00 | 1,385,000 | 160,000 | 1,545,000 | 170,000 | 38,270 | 208,270 | 145,000 | - | - | 145,000 | 145,000 | 290,000 | - | 435,000 | 145,000 | - | - | 145,000 | 2,478,270 | |
| | | | | | | | | | | | | | | | | | | | Difference | £ | - |
| Capital Reserve Balances (Without Additional Funding) | | 1,385,000 | | | 170,000 | | | 145,000 | | | 145,000 | | | 145,000 | | | | | | 1,990,000 | |

Medium Term Financial Plan for the Year 2022/2023
(Updated 12/01/2023)

| Cost Code | Current Year 1 2022/2023 | | | Year 1 Year end Prediction 2022/2023 | | | Year 2 2023/2024 | | | Year 3 2024/2025 | | | Year 4 2025/2026 | | | Year 5 2026/2027 | | |
|--------------------------------|-----------------------------|----------------|--------------------|---|----------------|--------------------|-----------------------|----------------|--------------------|---------------------|----------------|------------------|---------------------|----------------|------------------|---------------------|----------------|------------------|
| | Budgeted Expenditure | Income | Net | Budgeted Expenditure | Income | Net | Actual Expenditure | Income | Net | Expenditure | Income | Net | Expenditure | Income | Net | Expenditure | Income | Net |
| Allotments | 29,249 | 400 | 28,849 | 35,399 | 400 | 34,999 | 35,399 | 400 | 34,999 | 36,729 | 405 | 36,324 | 38,438 | 407 | 38,031 | 40,255 | 412 | 39,843 |
| Blakehay Theatre | 281,798 | 137,666 | 144,132 | 227,264 | 106,686 | 120,577 | 311,808 | 113,370 | 198,438 | 320,116 | 114,731 | 205,385 | 330,341 | 115,304 | 215,036 | 341,397 | 116,688 | 224,709 |
| Capital Projects | 175,000 | - | 175,000 | 50,000 | 200,000 | - | 145,000 | - | 145,000 | 145,000 | - | 145,000 | 145,000 | - | 145,000 | 145,000 | - | 145,000 |
| Civic Support | 147,443 | - | 147,443 | 154,087 | - | 154,087 | 169,024 | - | 169,024 | 165,661 | - | 165,661 | 170,941 | - | 170,941 | 178,132 | - | 176,132 |
| Community Services | 461,716 | - | 461,716 | 501,753 | - | 501,753 | 516,755 | - | 516,755 | 521,224 | - | 521,224 | 527,343 | - | 527,343 | 535,521 | - | 535,521 |
| Democratic Representation | 173,376 | - | 173,376 | 178,703 | - | 178,703 | 188,373 | - | 188,373 | 179,484 | - | 179,484 | 184,685 | - | 184,685 | 190,411 | - | 190,411 |
| Environmental / Climate Change | 115,154 | - | 115,154 | 79,354 | - | 79,354 | 92,261 | - | 92,261 | 93,168 | - | 93,168 | 94,636 | - | 94,636 | 96,638 | - | 96,638 |
| Nilton Road Cemetery | 190,107 | 80,250 | 109,857 | 171,693 | 52,750 | 118,933 | 221,269 | 58,025 | 163,244 | 68,810 | 53,628 | 15,182 | 60,049 | 48,671 | 11,378 | 62,052 | 49,255 | 12,797 |
| Museum | 469,241 | 110,840 | 358,401 | 456,804 | 105,292 | 351,512 | 521,832 | 133,557 | 388,275 | 683,227 | 144,946 | 538,281 | 701,457 | 148,351 | 553,106 | 721,660 | 151,125 | 570,536 |
| Old Town Quarry | - | - | - | - | - | - | 15,500 | 10,000 | 5,500 | 15,728 | 10,120 | 5,608 | 15,878 | 10,171 | 5,708 | 16,113 | 10,293 | 5,820 |
| Other Costs & Income | 123,560 | 202,500 | 78,940 | 48,697 | 28,714 | 17,982 | 59,122 | 8,000 | 51,122 | 108,186 | 6,072 | 102,114 | 107,829 | 6,102 | 101,726 | 107,214 | 6,176 | 101,039 |
| Parks & Play Areas | 372,313 | 37,000 | 335,313 | 362,600 | 56,746 | 305,854 | 381,016 | 52,000 | 329,016 | 392,945 | 52,624 | 340,321 | 399,076 | 52,887 | 346,189 | 407,356 | 53,522 | 353,834 |
| Planned Maintenance | 150,418 | - | 150,418 | 149,137 | - | 149,137 | 153,992 | - | 153,992 | 155,143 | - | 155,143 | 157,287 | - | 157,287 | 160,382 | - | 160,382 |
| Planning | 19,387 | - | 19,387 | 20,591 | - | 20,591 | 22,578 | - | 22,578 | 22,141 | - | 22,141 | 23,326 | - | 23,326 | 24,580 | - | 24,580 |
| Strategic Planning | 72,585 | - | 72,585 | 59,605 | - | 59,605 | 63,906 | - | 63,906 | 62,601 | - | 62,601 | 64,679 | - | 64,679 | 66,972 | - | 66,972 |
| Street Furniture | 72,252 | 11,105 | 61,147 | 72,644 | 13,216 | 59,428 | 66,800 | 14,538 | 72,262 | 65,386 | 14,712 | 70,673 | 67,868 | 14,786 | 73,062 | 60,691 | 14,963 | 75,728 |
| Toilets | 99,280 | - | 99,280 | 91,571 | 467 | 91,104 | 79,595 | - | 79,595 | 80,497 | - | 80,497 | 82,805 | - | 82,805 | 85,490 | - | 85,490 |
| Tourism & Marketing | 202,227 | 39,700 | 162,527 | 218,984 | 13,681 | 205,303 | 209,926 | 24,500 | 185,426 | 213,466 | 24,794 | 188,672 | 220,306 | 24,918 | 195,388 | 227,660 | 25,217 | 202,443 |
| Youth Services | 75,733 | - | 75,733 | 72,548 | - | 72,548 | 84,586 | - | 84,586 | 85,684 | - | 85,684 | 86,824 | - | 86,824 | 88,556 | - | 88,556 |
| TOTAL | £ 3,230,839 | 599,461 | £ 2,631,378 | £ 2,929,423 | 577,953 | £ 2,351,470 | £ 3,358,742 | 412,390 | £ 2,946,351 | 3,425,194 | 422,031 | 3,003,163 | 3,498,436 | 421,596 | 3,076,839 | 3,584,081 | 427,649 | 3,156,432 |

| PRECEPT | Precept | Year End Prediction | Year End Prediction | Precept | Budget | Budget | Budget | Budget | Budget |
|---------|-------------|---------------------|---------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | £ 2,631,378 | £ 2,631,378 | £ 2,351,470 | £ 2,946,351 | £ 3,003,163 | £ 3,076,839 | £ 3,076,839 | £ 3,156,432 | £ 3,156,432 |
| | | Difference | Difference | Difference | Difference | Difference | Difference | Difference | Difference |
| | | Spend on Budget | 89.36% | Increase | 125.30% | Increase | 101.93% | Increase | 102.45% |
| | | | | Increase | | Increase | | Increase | |

| Reserves | Balance B/F | Increase / decrease | End of Year Balance | Balance b/f 01.04.22 | Increase / decrease | End of Year Balance | Balance B/F | Increase / decrease | End of Year Balance | Balance B/F | Increase / decrease | End of Year Balance | Balance B/F | Increase / decrease | End of Year Balance | Balance B/F | Increase / decrease | End of Year Balance |
|-------------------------|-------------|---------------------|---------------------|----------------------|---------------------|---------------------|-------------|---------------------|---------------------|-------------|---------------------|---------------------|-------------|---------------------|---------------------|-------------|---------------------|---------------------|
| Surplus Balance Reserve | | | £ 93,364 | -42633 | £ 50,731 | £ 50,731 | - 50,731 | £ 350,000 | - | £ 350,000 | - | £ 350,000 | £ 400,000 | - | £ 400,000 | £ 400,000 | - | £ 400,000 |
| General Reserve * | | | £ 493,364 | | £ 400,000 | £ 400,000 | | £ 350,000 | 50,000 | £ 400,000 | 400,000 | 400,000 | £ 400,000 | | £ 400,000 | £ 400,000 | | £ 400,000 |
| Capital Reserve ** | | | £ - | 896,868 | 173,632 | £ 1,070,500 | £ 1,070,500 | 873,039 | £ 197,461 | £ 197,461 | 142,461 | 142,461 | £ 145,000 | 287,461 | £ 145,000 | 287,461 | 145,000 | £ 145,000 |
| Earmarked Reserves *** | | | £ 1,148,458 | £ 251,590 | £ 251,590 | £ 251,590 | £ 251,590 | £ 251,590 | £ 251,590 | £ 251,590 | £ 251,590 | £ 251,590 | £ 251,590 | £ 251,590 | £ 251,590 | £ 251,590 | £ 251,590 | £ 251,590 |
| Reserve Totals | | | £ 1,641,822 | £ 1,641,822 | £ 1,309,999 | £ 1,772,821 | £ 1,772,821 | £ 973,770 | £ 799,051 | £ 799,051 | £ 799,051 | £ 799,051 | £ 145,000 | £ 939,051 | £ 939,051 | £ 939,051 | £ 145,000 | £ 1,084,051 |

* Note: General Reserve at Level at 31.03.22
 ** Suggested split of General Reserve into Capital reserves leaving only the agreed balance in General Reserves
 *** EMR Value to be reviewed at Year End 31.03.23
 *** Live document Budget for 2023/2024 to be adjusted in the year to acknowledge changes where exact figures have been received following setting of budget. These changes are only listed to accurately demonstrate future year changes. To view agreed budget for 2023/2024, click here:
[\ACCOUNTS YEAR FILES\Fin Yr 2023 2024\Final Approved Budgets\Final APPROVED budget @ 23.01.23.xlsx](#)

| Movement in Balances from 31.03.22 position as per MTFP | Movement in Balances from 31.03.23 position as per MTFP | Movement in Balances from 31.03.24 position as per MTFP | Movement in Balances from 31.03.24 position as per MTFP | Movement in Balances from 31.03.24 position as per MTFP |
|--|---|--|---|---|
| Movement from EMR to Capital Reserves @ 01.04.22 General Reserve Balance reduced @ 01.04.22 as per MTFP EMR Reduced to non capital work projects only @ 01.04.22 Surplus from General Reserves for reallocation in year to capital projects | 896868 400000 251590 93364 | G/R Balance reduced @ 01.04.23 -50000 | G/R Balance reduced @ 01.04.23 0 | G/R Balance reduced @ 01.04.23 0 |
| 1641822 | | | | |
| Increase / Decrease in Reserve Balances during 2022/2023 Surplus Reserve reduced as per resolution to support Castle Batch refurbishment | -42633 | Increase / Decrease in Reserve Balances during 2022/2023 S/R reduced to support HQ refurb | Increase / Decrease in Reserve Balances during 2022/2023 - General Reserve from Revenue | Increase / Decrease in Reserve Balances during 2022/2023 General Reserve from Revenue |
| Capital Reserve increased by Income: received 22/23 | 42633 10000 20000 30000 49999 500 | Capital Reserve increased by Movement from General Reserves from Surplus Reserve | Capital Reserve increased by Movement from General Reserves from Surplus Reserve | Capital Reserve increased by Movement from General Reserves 0 0 0 0 0 |
| Movement from 2022/2023 Rev provisions | 145000 200000 35000 50000 | Movement from 2022/2023 Rev provisions Capital Works Environmental General reserves provision | Movement from 2022/2023 Rev provisions Capital Works Environmental General reserve provision | Movement from 2022/2023 Rev provisions Capital Works Environmental General reserve provision |
| Capital Payments made in year 22/23 | -400000 -9500 | Capital Payments made in year 22/23 Castle Batch Play Area HQ Roof Works HQ Internal Refurbishment HQ Additional works (Contingency) | Capital Payments made in year 22/23 Quarry Refurb Works | Capital Payments made in year 22/23 Quarry Refurb Works |
| Movement Balance | 130,999 | Movement Balance | Movement Balance | Movement Balance |

Balance Sheet (Unaudited)**as at 31 March 2022**

| 2021 £ | | Note | 2022 £ | 2022 £ |
|-----------|---|------|-----------|-----------|
| | Fixed Assets | | | |
| | Tangible fixed assets | 5 | | |
| 1,356,929 | Land and Buildings | | 1,348,683 | |
| 190,548 | Vehicles and Equipment | | 540,667 | |
| 1,345 | Infrastructure Assets | | 8,400 | |
| 146,741 | Community Assets | | 146,741 | |
| | | | | 2,044,491 |
| 1,695,563 | | | | |
| | Current Assets | | | |
| 88,587 | Debtors | 8 | 130,417 | |
| 6,327 | Stock | | 4,522 | |
| 1,680,156 | Cash at Bank and In-hand | | 1,581,401 | |
| 1,775,069 | | | 1,716,341 | |
| | Current Liabilities | | | |
| 96,337 | Creditors and accrued expenses | 9 | 74,520 | |
| | | | 74,520 | |
| 96,337 | | | | |
| 1,678,732 | Net Current Assets | | | 1,641,821 |
| 3,374,295 | Total Assets Less Current Liabilities | | | 3,686,313 |
| | Long Term Liabilities | | | |
| 310,180 | Long Term Borrowing | 10 | | 287,315 |
| 3,064,115 | | | | 3,398,998 |
| | Financed by: | | | |
| | Reserves available to the Council | | | |
| 1,027,037 | Funds Earmarked for Future Projects | 11 | 1,148,458 | |
| | Capital Projects | | | |
| 651,695 | General Reserve | | 493,364 | |
| 1,678,732 | | | | 1,641,822 |
| | Reserves Not Available to Council: | | | |
| | Represents the Council's Net Investment in Fixed Assets less Outstanding Loans | | | |
| 1,385,383 | Capital Financing Account | | | 1,757,176 |
| 3,064,115 | | | | 3,398,998 |

These accounts have been approved by the Council.

.....
Chair, Policy and Finance Committee

Date:

.....
Responsible Financial Officer

Date: