

Leominster Town Council

MEDIUM TERM FINANCIAL PLAN

2019-2022

1. BACKGROUND

- 1.1 The Parish of Leominster is the largest Market Town in Herefordshire, apart from Hereford city. It serves a population of approximately 11,700 people and has around 5,700 dwellings.
- 1.2 The County of Herefordshire is one of the most sparsely populated counties in England and covers an area of 842 square miles. Its population in 2017 was around 191,000. The growth of the population between 2001 to 2017 was 9%, 3% below the national average.
- 1.3 Statistics relating to Leominster can be found by following the link below:
https://factsandfigures.herefordshire.gov.uk/media/47974/id2015_locality_profile_leominster_v10.pdf
- 1.4 Due to a reduction in Government funding to local authorities, Herefordshire Council will have made savings amounting to £96.2 million between 2010 and 2021. The consequences of these savings have meant that town and parish councils throughout the County have had to take on more responsibilities with no funding support.
- 1.5 As part of the 2010 Spending Review, the Coalition Government announced its intention to localise the Council Tax Benefit from 2013/14 and to reduce expenditure on this benefit by 10%. Since 1 April 2013 local authorities in England have been responsible for administering their own Council Tax Reduction Schemes. As a result of these changes, each local authority was required to deduct from its tax base the proportion that had previously funded the existing Council Tax Benefit Scheme, expressed in terms of how many chargeable dwellings it equated to. For Leominster, the effect of this recalculation was a tax base reduction from 4165.37 band D properties in 2012/13 to 3383.20 band D properties in 2013/14. Additional information on the 2013/14 changes to Council Tax Benefit is available at:
<http://researchbriefings.files.parliament.uk/documents/SN06672/SN06672.pdf>
- 1.6 Although the Town Council receives no external funding from Central Government, it does have the power to raise a local tax to help fund the services it delivers, and this is known as the precept.
- 1.7 In 2019/20 there will be further funding reductions, with no financial support from Herefordshire Council for the Lengthsman scheme (aimed at maintaining C & U roads, including pothole repairs) or the P3 footpath maintenance scheme. If these works are to continue, then funding will have to be provided by the Town Council.
- 1.8 Leominster Town Council took the decision to take on additional services in 2014 and has been proactively delivering a range of services over the past four years.
- 1.9 These additional responsibilities have included the maintenance and running of two public conveniences, maintenance of various open spaces within the

town, verge cutting, street cleaning, play area maintenance and improvements, and the delivery of a Tourist Information Centre.

- 1.10 This Medium Term Financial Plan (MTFP) outlines the plans Leominster Town Council is putting in place to consolidate its services and continually improve them, without having to increase its precept by more than the rate of inflation over the next four years. It acknowledges that the precept has increased over the past four years to help fund many additional services.
- 1.11 The Town Council has a number of key priorities. These are as follows:
- to ensure that local services are retained and continue to be delivered to a high standard;
 - to support the growth of the local economy by investing in the town and working with key strategic partners;
 - to provide those who work, live and visit Leominster with access to high quality facilities and infrastructure.
- 1.12 The Town Council's Corporate Plan 2019-2022 outlines some of the Council's achievements over the past four years and identifies its key objectives for the next four years. They will be challenging, but this Plan is designed to provide a robust financial framework to ensure that high quality services continue to be delivered within a tight financial framework.

2. MEDIUM TERM FINANCIAL PLAN

- 2.1 This plan will cover the remainder of the 2018/19 financial year and the next four years up until 31st March 2022. It is the Town Council's first Financial Plan and has been produced to enable it to maintain financial stability, improve the delivery and efficiency of its services, invest in both services and infrastructure, and demonstrate value for money.
- 2.2 Whilst principal authorities continue to reduce services, the Town Council will continue to increase the number of services it delivers. It will seek to continue to support local organisations and the business community, whilst focusing on investing in areas that contribute to the value of Leominster, such as the Grange open space, Sydonia Park and Ginhall Green.
- 2.3 The demand for services will continue to grow, especially as the town is set to increase in size by over 40% by 2031, according to the Herefordshire Core Strategy and the Leominster Area Neighbourhood Plan (LANP).
- 2.4 An additional 2,300 dwellings are planned, adding to the existing 5,700 dwellings. The majority of these, a minimum of 1,500, will be provided in the Southern Urban Extension on land south of the A44 Barons Cross and Monkland Road. A further 425 dwellings are planned for the Baron's Cross site off Cholstrey Road. The remainder of the dwellings will be built within the current settlement boundary of the town.

- 2.5 All these additional residents will require health services (including doctors and dentists), play areas, open spaces, community centres, shops and supermarkets, as well as a wide variety of other services.
- 2.6 The Town Council has committed itself to ensuring that open spaces and play areas will not only be provided by the Town Council, but well maintained in the future.
- 2.7 The MTFP has been set within the Town Council's current financial parameters, with a projected increase in the Tax Base of just 1%. If the development identified within the Herefordshire Core Strategy and the LANP is achieved, then it is expected that the additional services required will be adequately funded by the significant increase in the size of the Tax Base.
- 2.8 The Tax Base is the calculation carried out by Herefordshire Council to identify the number of dwellings in a locality if all houses were valued within the "D" Council Tax Band. 78% of Leominster dwellings are currently valued in Council Tax Bands A, B and C, so the number of D Band dwellings is significantly lower than the total number of dwellings within Leominster. The 2018/19 Tax Base for Leominster was 3,606.38 D band dwellings.
- 2.9 Over the past four years, the Tax Base has increased on an average of 1.19% per year, as outlined in the table below. However, the previous two years have seen a smaller increase due to stagnant growth. Therefore, as previously indicated, it is considered prudent to only project an increase of 1% to the tax base.

Year	2014/15	2015/16	2016/17	2017/18	2018/19
Tax Base (D band dwellings)	3,439.26	3,476.54	3,525.99	3,565.36	3,606.38
Percentage Increase	0.00%	1.08%	1.42%	1.12%	1.15%

- 2.10 By investing in the town and its environs, Leominster Town Council hopes to encourage visitors and business investors to view Leominster as a destination of choice. The Town Council will continue to work with Herefordshire Council to implement the Transport Plan currently being developed. This includes plans for a major investment into the town centre public realm.

3. THE REVENUE BUDGET

- 3.1 The MTFP summarises the Town Council's financial planning for the next four years (2019 to 2022). There are still a number of unknowns within the budget, including the levels of income generated by projects currently being delivered.
- 3.2 The Town Council has carried out a review of its staffing structure in order to ensure that it has the capacity to deliver the services and projects identified, as well as providing support for local organisations within the town that have been affected by ever reducing external funding opportunities.

- 3.3 The MTFP will continue to be updated as financial parameters are better understood. However, using the current information available, the following assumptions have been made:
- Inflation forecasts suggest that inflation will increase in 2019 to 2.7%, and will further increase to 3% by 2022
(<https://www.statista.com/statistics/374890/retail-price-index-rpi-forecast-united-kingdom-uk/>)
 - The MTFP has used an annual inflationary increase of 2.5% as its base for the majority of the expenditure that the Council does not have control of, in order to support its intention not to increase its precept by more than the rate of inflation over the next four years;
 - However, for the 2019/20 budget, a maximum precept increase of up to 10% was agreed by Council at its meeting in September 2018 to enable it to meet the growing demands for it to deliver additional services. The current projected precept increase for 2019/20 is 4.65%, based on the Tax Base assumption outlined below;
 - The growth in Leominster's Tax Base for the next four years has been set at 1% for the purposes of the MTFP;
 - Salary increases have been set at 2%;
 - The interest rates payable on the Council's two existing outstanding loans reduces each year as the capital sum is paid off;
 - The additional loan proposed will remain static for the length of the loan, which will be taken out for a fifteen (15) year period.
- 3.4 Moving forward, Leominster Town Council will set its annual budget, precept and investment programme as set out in the policy below:
- Future precept increases from 2020/21 to 2022/23 financial years, will not exceed the rate of inflation, in line with the Retail Price Index (RPI), as at September of each year;
 - Any surplus, once revenue costs have been calculated and set in the budget, will be placed in the Capital Investment programme;
 - Any deviation of this policy will need to be formally approved by Full Council.
- 3.5 Any amendment to this Policy will be placed before Full Council for consideration and amendment as appropriate.
- 3.6 Based on the above assumptions, the projected precept for the next four years will be as follows:

Funding Assumptions	2018/19	2019/20	2020/21	2021/22	2022/23
Council Tax	£484,632	£512,222	£525,028	£538,153	£551,607
Tax Base	3606.38	3642.44	3678.87	3715.66	3752.81
Band D Council Tax	£134.38	£140.63	£142.71	£144.83	£146.98
		£532,339	£542,986	£553,845	£564,922
Cost per week	£2.58	£2.70	£2.74	£2.79	£2.83
Actual Increase		4.65%	1.49%	1.49%	1.49%

- 3.7 The following table indicates the revised Leominster Town Council revenue expenditure budget for 2018/19, alongside the projected increases in the until 2022/23, based on a 2.5% inflationary increase:

	Budget	Budget	Budget	Budget	Budget
Cost Centre	2018/19	2019/20	2020/21	2021/22	2022/23
Administration	£30,000	£30,900	£31,673	£32,464	£33,276
Salaries	£282,463	£288,640	£295,856	£303,252	£310,834
Corporate Management	£11,590	£12,940	£13,264	£13,595	£13,935
Democratic Services	£10,000	£15,000	£11,559	£11,848	£12,144
Grants	£51,000	£49,000	£50,225	£51,481	£52,768
Corn Square	£52,572	£56,534	£56,988	£57,468	£57,973
Tourist Information	£26,100	£21,500	£22,038	£22,588	£23,153
Open Spaces	£46,820	£35,000	£35,875	£36,772	£37,691
Allotments	£3,500	£3,500	£3,588	£3,677	£3,769
Markets/Events	£3,150	£2,400	£2,460	£2,522	£2,585
Public Conveniences	£28,350	£17,300	£17,733	£18,176	£18,630
Capital Investment - PCs	£0	£0	£0	£0	£0
Economic Development	£31,150	£32,290	£33,097	£33,925	£34,773
Capital Projects	£15,000	£10,000	£0	£0	£0
Loan for Projects	£13,472	£15,968	£15,968	£15,968	£15,968
Planning & Highways	£4,000	£5,000	£5,000	£5,000	£5,000
TOTAL	£609,167	£595,972	£595,322	£608,736	£622,499

- 3.8 There are a number of areas where there will not be an increase and these are reflected in the above figures. The specific cost centres are as follows:
- Election costs will reduce to £3,000 in 2020/21;
 - The Corn Square Loan reduces annually;
 - As from 2020/21 there is no capital allocation. The amount to be included will be the difference between revenue expenditure and income, as outlined below;
 - The travel fund allocation remains at £5,000 throughout the plan period.

- 3.9 The table below outlines the projected revenue income, subject to paragraph 3.10:

	Budget	Budget	Budget	Budget	Budget
Cost Centre	2018/19	2019/20	2020/21	2021/22	2022/23
Income Administration	£492,832	£0	£0	£0	£0
Income Corn Square	£33,000	£30,000	£30,425	£30,861	£31,307
TIC Income	£40,550	£26,750	£27,419	£28,104	£28,807
Open Spaces Income	£7,785	£5,000	£0	£0	£0
Allotment Income	£5,000	£5,000	£5,000	£5,000	£5,000
Income Markets/Events	£27,000	£17,000	£17,000	£17,000	£17,000
Toilet Income	£3,000	£0	£0	£0	£0
TOTAL	£609,167	£83,750	£79,844	£80,965	£82,114

3.10 There are a number of areas where there will not be an increase in income and these are reflected in the above figures. The specific income centres are as follows:

- P3 annual refund of £5,000 ceases in 2020/21;
- Allotment rents will not be increased over the period of this MTFP;
- Market income has not been increased over the Plan period and will be budgeted at £17,000 per annum;
- Herefordshire Council has reached a decision not to transfer the Bus Station toilets to the Town Council, therefore the income generator from the café space has been deleted.

3.11 The table below indicates the potential surplus of income over expenditure, based on the percentage increases outlined in paragraph 3.3:

	Budget	Budget	Budget	Budget	Budget
	2018/19	2019/20	2020/21	2021/22	2022/23
Total Expenditure	£609,167	£595,972	£595,322	£608,736	£622,499
Total Income	£609,167	£83,750	£79,844	£80,965	£82,114
Balance	£0	£512,222	£515,478	£527,771	£540,385
Funding Assumptions	2018/19	2019/20	2020/21	2021/22	2022/23
Council Tax	£484,632	£512,222	£525,028	£538,153	£551,607
Difference (capital)	£0	£0	£9,550	£10,382	£11,222

3.12 Capital funding of approximately £10,000 per annum would be available from 2020/21 based on the current projections. A sum of £10,000 has been allocated in 2019.20 towards the capital fund.

4. THE CAPITAL BUDGET

4.1 The following capital investment programme has been adopted by Leominster Town Council and forms the basis of the Public Works Loan Board loan request that was agreed at the Extraordinary Meeting of the Council held on 29th October 2018, A loan of £200,000 has been requested to be paid back over a period of 15 years:

PROJECT	COST
Secret Garden (provision of basic infrastructure)	£56,950
Central Car Park toilet refurbishment (with 5% contingency)	£34,188
Development of Grange Open Space (including Grange Toilet refurbishment)	£90,860
Interpretation & Signage	£9,000
Depot/Equipment	£20,000
TOTAL	£210,988

4.2 The investment programme outlined in the table above aims to:

- Develop potential income generating projects as a priority to help offset the cost of the PWLB loan in the future, once completed and fully operational;

- Invest in the town infrastructure to help provide economic support for local retail and tourism businesses, through the refurbishment scheme for the public conveniences and improved signage and interpretation;
- Continue to enhance the green open spaces within the town;
- Refurbish the play equipment in Grange Park;
- Underpin the existing infrastructure to help deliver high quality maintenance of all open spaces in the town.

4.3 The entire investment programme will be funded through borrowing via the PWLB, grants and the capital receipt received from the sale of 17 West Street.

4.4 The table below indicates the projected housing development for Leominster and those which already have planning permission:

SITE	ALLOCATION
Southern Urban Extension	1,500
Other sites	800
TOTAL	2,300
SUMMARY OF COMPLETIONS FOR THE PARISH OF LEOMINSTER(NET)	
2011/12 (Dwellings completed)	50
2012/13 (Dwellings completed)	15
2013/14 (Dwellings completed)	23
2014/15 (Dwellings completed)	14
2015/16 (Dwellings completed)	15
2016/17 (Dwellings completed)	11
TOTAL	128
Dwelling Required (Core Strategy)	800
Dwellings completed since 2011	128
Permissions granted to date	634
Additional Dwelling Required by 2031	38

4.5 Based on the 2018/19 D Band of £134.38, and the fact that the current Tax Base represents approximately 63% of existing dwellings (5,700 current dwellings and a Tax Base of 3,606.38), 1,449 new D Band valued properties will raise an additional £194,716 by 2031 without any further Band D increase.

4.6 Any additional income will be used to help fund additional services, mainly within the new housing estates. It is likely that the principal additional responsibility will be grounds maintenance and the upkeep of new play areas.

5. BORROWING

5.1 The total gross outstanding debt of the Council as at 15th January 2018 was £475,000.01. Interest rates are 2.35% and 2.52% respectively for the original £350,000 and the £150,000 loans. Further payments totalling £14,036 were made on 15th July 2018 which reduced the total outstanding debt to £469,297.63.

- 5.2 A loan of £200,000 has been requested to undertake the investment programme developed by the Town Council as part of its ongoing commitment in the Parish. The total outstanding investment is projected has been estimated to be £210,988. This excludes the grant application to the LEADER funding programme for signage, which amounts to £32,259. If this grant funding request is declined, then the £9,000 allocated by the Town Council will be used to provide priority signage within the town. At the same time alternative grant funding bodies will be approached and applications submitted.
- 5.3 The remaining amount of £10,988 will be provided from the Town Council's reserves.
- 5.5 The Town Council will complete the holiday flat investment using part of the remaining capital receipt received from the sale of 17 West Street. That receipt currently stands at £78,488.

6. INVESTMENTS

- 6.1 Interest rates are currently very low and the Council has none of its funds currently invested. This will be reviewed once the capital programme has been delivered.
- 6.2 The base interest rate has increased from 0.5% to 0.75% in recent weeks, which may affect interest returns. It remains the Council's primary objective to keep its capital secure and to minimise risk.

7. RESERVES

- 7.1 As at 31st October 2018 the Council's balances and reserves were as follows:

Current Year Fund	£188,896
General Reserves	£95,358
Earmarked Reserves	£110,575
Capital Receipts Reserves	£78,488
Total Balances	£473,317

- 7.2 The Council has built up Earmarked and Capital Receipts reserves of £189,063. These reserves include an allocation of £9,500 towards potential election costs in May 2019 of approximately £16,000, if contested elections are held in all four wards. An additional sum of £6,650 has been included in the 2019/20 budget to meet any election costs.
- 7.3 The table below indicates the Town Council's Earmarked Reserves and movements as at the end of the 2017/18 financial year on 31st March 2018:

Allocation	Balance 1st April 2017	Added During Year	Spent During Year	Balance 31st March 2018
Elections	£9,500			£9,500
CCTV	£4,500			£4,500
Town Centre Enhancement	£20,000			£20,000
Equipment Programme	£8,775			£8,775
Play Equipment	£16,000			£16,000
Public Conveniences	£51,800			£51,800
Capital Receipts Reserve		£168,488	£90,000	£78,488
	£110,575	£168,488	£90,000	£189,063

7.4 In future it is proposed that a revised project funding allocation system is put in place. Investment into the Town Council's estate will be reviewed every quarter by the Finance & General Purposes Committee, and amended as required.

8. BUDGET RISKS

8.1 The Town Council will assess the most substantial risks regarding the implementation of the budget for each financial year, and implement reasonable mitigation where required. Risks will be monitored throughout the year and reported to the Finance & General Purposes Committee.

8.2 The budgets proposed do have minimal contingency allocations. If these prove to be insufficient then use of reserves will be required.

8.3 The main risks identified at present are as follows:

- A continuing reduction in financial support from Herefordshire Council;
- A contraction of available grant funds that the Town Council can apply to;
- The contraction of the grant support service currently provided by Herefordshire Council;
- A significant reduction in income generating operations such as the Friday Market and the retail element in the Tourist Information Centre;
- A continual increase in costs, especially with regard to energy, water and business rates;
- A continued pressure to take over and deliver non-statutory services;
- The potential future requirement to deliver elements of low priority statutory services on behalf of the principal authority.

9. CONCLUSION

9.1 The Town Council's Medium Term Financial Plan sets out a robust framework through which planned services and investment can be delivered. It aims to ensure that:

- Revenue expenditure is fully covered by income, including precept, income generation and grant funding;

- Capital expenditure is allocated to ensure that there is continued and sustainable investment in Town Council services, especially its public conveniences, open spaces and play areas;
- Town Council reserves are maintained and increased to help fund future investments and meet unforeseen expenditure.

10. APPENDICES

Appendix One: Net Revenue Budgets for the next four years up until financial year 2022/2023.

Appendix Two: Capital Investment Programme.

Appendix Three: Risk Assessment.

MEDIUM TERM FINANCIAL PLAN BUDGETS – 2018/19 TO 2022/23

		Budget	Budget	Budget	Budget	Budget
101	<u>Administration Central Costs</u>	2018/19	2019/20	2020/21	2021/22	2022/23
4012	Software, IT and support	£5,500	£6,000	£6,150	£6,304	£6,461
4014	Website	£500	£1,000	£1,025	£1,051	£1,077
4016	Photocopier	£2,500	£2,700	£2,768	£2,837	£2,908
4019	Recruitment	£250	£500	£513	£525	£538
4020	Advertising	£1,000	£1,000	£1,025	£1,051	£1,077
4025	Miscellaneous	£0	£0	£0	£0	£0
4027	Equipment	£800	£1,000	£1,025	£1,051	£1,077
4030	Telephone	£5,500	£5,000	£5,125	£5,253	£5,384
4035	Postage	£750	£700	£718	£735	£754
4040	Printing & Stationery	£1,500	£1,800	£1,845	£1,891	£1,938
4048	Subscriptions	£3,000	£3,000	£3,075	£3,152	£3,231
4050	Insurance	£6,200	£6,200	£6,355	£6,514	£6,677
4900	Contingency/Data Protection	£2,500	£2,000	£2,050	£2,101	£2,154
	Total	£30,000	£30,900	£31,673	£32,464	£33,276

		Budget	Budget	Budget	Budget	Budget
101	<u>Income Administration</u>	2018/19	2019/20	2020/21	2021/22	2022/23
1076	Precept	£484,632	£0	£0	£0	£0
1090	Bank Interest	£200	£0	£0	£0	£0
1500	Miscellaneous	£0	£0	£0	£0	£0
1100	Event Income	£8,000	£0	£0	£0	£0
1100	Grant Income	£0	£0	£0	£0	£0
	Capital Receipt/S106 Play Area	£0	£0	£0	£0	£0
	Total	£492,832	£0	£0	£0	£0

		Budget	Budget	Budget	Budget	Budget
103	<u>Salaries</u>	2018/19	2019/20	2020/21	2021/22	2022/23
4000	Administration Salaries	£117,558	£101,600	£104,140	£106,744	£109,412
4000	Environmental Salaries	£98,012	69,600	£71,340	£73,124	£74,952
4000	Tourism & Events Salaries	£60,653	34,500	£35,363	£36,247	£37,153
4000	Caretakers/Cleaners	£0	8,600	£8,815	£9,035	£9,261
4000	Markets	£6,240	6,240	£6,396	£6,556	£6,720
4000	Percentage increase (2%)	£0	5,700	£5,843	£5,989	£6,138
4000	NI Employer Contributions	£0	16,800	£17,220	£17,651	£18,092
4000	Pension Contributions	£0	45,600	£46,740	£47,909	£49,106
	Total	£282,463	£288,640	£295,856	£303,252	£310,834

		Budget	Budget	Budget	Budget	Budget
105	<u>Corporate Management</u>	2018/19	2019/20	2020/21	2021/22	2022/23
4008	Travel & Subsistence	£1,000	£2,200	£2,255	£2,311	£2,369
4010	Conferences/Training	£2,500	£2,500	£2,563	£2,627	£2,692

APPENDIX ONE

4025	Miscellaneous	£0	£0	£0	£0	£0
4125	Bank Charges	£750	£800	£820	£841	£862
4130	Accountancy/Corporate Gov	£2,000	£2,200	£2,255	£2,311	£2,369
4131	Internal Audit Fees	£600	£600	£615	£630	£646
4132	External Audit Fees	£1,600	£1,500	£1,538	£1,576	£1,615
4135	Legal & Professional	£1,000	£1,000	£1,025	£1,051	£1,077
4140	Employment/Health & Safety	£2,140	£2,140	£2,194	£2,248	£2,305
	Total	£11,590	£12,940	£13,264	£13,595	£13,935

		Budget	Budget	Budget	Budget	Budget
110	<u>Democratic Services</u>	2018/19	2019/20	2020/21	2021/22	2022/23
4200	Elections	£2,500	£6,650	£3,000	£3,075	£3,152
4210	Mayor's Allowance	£4,000	£4,000	£4,100	£4,203	£4,308
4211	Mayor Making	£500	£750	£769	£788	£808
4212	Civic Events	£1,500	£1,500	£1,538	£1,576	£1,615
4215	Civic Regalia	£500	£1,000	£1,025	£1,051	£1,077
4220	Civic Officers	£1,000	£1,100	£1,128	£1,156	£1,185
	Total	£10,000	£15,000	£11,559	£11,848	£12,144

		Budget	Budget	Budget	Budget	Budget
115	<u>Grants</u>	2018/19	2019/20	2020/21	2021/22	2022/23
4230	Events Fund	£5,000	£5,000	£5,125	£5,253	£5,384
4235	General Grants	£12,000	£12,000	£12,300	£12,608	£12,923
4236	Community Centre	£10,000	£8,000	£8,200	£8,405	£8,615
4237	Grange Court	£7,000	£7,000	£7,175	£7,354	£7,538
4238	Youth Services	£9,000	£9,000	£9,225	£9,456	£9,692
4239	CAB Grant	£8,000	£8,000	£8,200	£8,405	£8,615
		£51,000	£49,000	£50,225	£51,481	£52,768

		Budget	Budget	Budget	Budget	Budget
125	<u>Corn Square</u>	2018/19	2019/20	2020/21	2021/22	2022/23
4180	Cleaning	£500	£2,500	£2,563	£2,627	£2,692
4181	Window Cleaning	£700	£700	£718	£735	£754
4182	Electricity	£4,400	£4,200	£4,305	£4,413	£4,523
4183	Gas	£3,900	£3,900	£3,998	£4,097	£4,200
4185	Business Rates	£11,000	£11,000	£11,275	£11,557	£11,846
4186	Water Rates	£1,500	£1,500	£1,538	£1,576	£1,615
4187	Repairs & Renewals	£1,200	£3,000	£3,075	£3,152	£3,231
4188	Fixtures & Fittings	£1,000	£2,000	£2,050	£2,101	£2,154
4700	Loan Repayment (£350k)	£19,680	£19,254	£19,076	£18,903	£18,734
4700	Loan Repayment (£150k)	£8,692	£8,480	£8,392	£8,307	£8,225
	Total	£52,572	£56,534	£56,988	£57,468	£57,973

		Budget	Budget	Budget	Budget	Budget
125	<u>Income Corn Square</u>	2018/19	2019/20	2020/21	2021/22	2022/23
1400	Room Rentals	£3,500	£1,500	£1,538	£1,576	£1,615

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1400	Secret Garden	£3,500	£2,500	£2,563	£2,627	£2,692
1400	Holiday Let	£12,000	£13,000	£13,325	£13,658	£14,000
1400	Office Lets	£14,000	£13,000	£13,000	£13,000	£13,000
	Total	£33,000	£30,000	£30,425	£30,861	£31,307

		Budget	Budget	Budget	Budget	Budget
130	<u>Tourist Information</u>	2018/19	2019/20	2020/21	2021/22	2022/23
3000	Cost of Sales	£18,000	£15,000	£15,375	£15,759	£16,153
3010	Cost - Coach Trips	£8,000	£6,500	£6,663	£6,829	£7,000
4126	Credit/Debit Charges	£100	£0	£0	£0	£0
	Total	£26,100	£21,500	£22,038	£22,588	£23,153

		Budget	Budget	Budget	Budget	Budget
130	<u>Tourist Information Income</u>	2018/19	2019/20	2020/21	2021/22	2022/23
1010	Commission	£7,100	£1,600	£1,640	£1,681	£1,723
1510	Coach Trips	£12,000	£6,500	£6,663	£6,829	£7,000
1511	Books & Maps	£7,000	£5,300	£5,433	£5,568	£5,708
1512	Cards	£1,700	£1,200	£1,230	£1,261	£1,292
1513	Souvenirs	£7,000	£5,500	£5,638	£5,778	£5,923
1514	Food/Drink	£2,000	£4,000	£4,100	£4,203	£4,308
1515	Craft	£2,500	£2,400	£2,460	£2,522	£2,585
1516	Advertising	£1,000	£250	£256	£263	£269
1518	Bed Booking	£250	£0	£0	£0	£0
	Total	£40,550	£26,750	£27,419	£28,104	£28,807

		Budget	Budget	Budget	Budget	Budget
201	<u>Open Spaces</u>	2018/19	2019/20	2020/21	2021/22	2022/23
4006	Uniforms	£750	£1,000	£1,025	£1,051	£1,077
4025	Miscellaneous	£0	£0	£0	£0	£0
4027	Equipment	£2,500	£2,500	£2,563	£2,627	£2,692
4187	Repairs & Renewals	£2,500	£3,000	£3,075	£3,152	£3,231
4300	Maintenance	£5,000	£6,000	£6,150	£6,304	£6,461
4301	Open Spaces Maintenance	£12,000	£0	£0	£0	£0
4305	Play Areas	£1,000	£1,000	£1,025	£1,051	£1,077
4310	Priory Churchyard	£100	£0	£0	£0	£0
4311	Millenium Green	£100	£0	£0	£0	£0
4312	P3 Scheme	£6,870	£3,000	£3,075	£3,152	£3,231
4313	Lengthsman Scheme	£5,000	£5,000	£5,125	£5,253	£5,384
4320	Vehicle Maintenance	£2,000	£2,000	£2,050	£2,101	£2,154
4321	Vehicle Fuel	£2,500	£2,500	£2,563	£2,627	£2,692
4350	Street Cleaning	£500	£500	£513	£525	£538
4351	Waste	£4,000	£6,000	£6,150	£6,304	£6,461
4355	Tree Maintenance	£2,000	£2,500	£2,563	£2,627	£2,692
	Total	£46,820	£35,000	£35,875	£36,772	£37,691

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		Budget	Budget	Budget	Budget	Budget
	<u>Open Spaces Income</u>	2018/19	2019/20	2020/21	2021/22	2022/23
1110	P3 Scheme	£5,285	£5,000	£0	£0	£0
1111	Lengthsman Scheme	£0	£0	£0	£0	£0
1420	Grants	£0	£0	£0	£0	£0
	Resident Services	£2,500	£0	£0	£0	£0
	Total	£7,785	£5,000	£0	£0	£0

		Budget	Budget	Budget	Budget	Budget
203	<u>Allotments</u>	2018/19	2019/20	2020/21	2021/22	2022/23
4025	Administration	£500	£500	£513	£525	£538
4184	Ground Rent	£1,500	£1,500	£1,538	£1,576	£1,615
4186	Water Rates	£500	£500	£513	£525	£538
4300	General Maintenance	£1,000	£1,000	£1,025	£1,051	£1,077
4308	Grasscutting	£0	£0	£0	£0	£0
	Total	£3,500	£3,500	£3,588	£3,677	£3,769

		Budget	Budget	Budget	Budget	Budget
203	<u>Allotment Income</u>	2018/19	2019/20	2020/21	2021/22	2022/23
1120	Allotment Rents	£5,000	£5,000	£5,000	£5,000	£5,000
	Total	£5,000	£5,000	£5,000	£5,000	£5,000

		Budget	Budget	Budget	Budget	Budget
205	<u>Markets/Events</u>	2018/19	2019/20	2020/21	2021/22	2022/23
4000	Salaries	£0	£0	£0	£0	£0
4020	Advertising	£1,000	£1,000	£1,025	£1,051	£1,077
4021	Promotion	£1,000	£1,000	£1,025	£1,051	£1,077
4027	Equipment	£500	£0	£0	£0	£0
4048	Subscriptions	£400	£400	£410	£420	£431
4182	Electricity	£250	£0	£0	£0	£0
	Total	£3,150	£2,400	£2,460	£2,522	£2,585

		Budget	Budget	Budget	Budget	Budget
205	<u>Income Markets/Events</u>	2018/19	2019/20	2020/21	2021/22	2022/23
1402	Market Income	£22,000	£17,000	£17,000	£17,000	£17,000
1500	Miscellaneous	£5,000	£0	£0	£0	£0
	Total	£27,000	£17,000	£17,000	£17,000	£17,000

		Budget	Budget	Budget	Budget	Budget
	<u>Public Conveniences</u>	2018/19	2019/20	2020/21	2021/22	2022/23
220	Central Area					
4180	Cleaning	£4,200	£4,500	£4,613	£4,728	£4,846
4182	Electricity	£750	£750	£769	£788	£808
4185	Business Rates	£1,750	£1,750	£1,794	£1,839	£1,885
4186	Water Rates	£1,600	£1,700	£1,743	£1,786	£1,831
4300	Maintenance	£0	£0	£0	£0	£0

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225	The Grange					
4180	Cleaning	£4,200	£4,500	£4,613	£4,728	£4,846
4182	Electricity	£850	£1,100	£1,128	£1,156	£1,185
4185	Business Rates	£1,550	£1,500	£1,538	£1,576	£1,615
4186	Water Rates	£1,500	£1,500	£1,538	£1,576	£1,615
4300	Maintenance	£0	£0	£0	£0	£0
230	Westbury Street					
4180	Cleaning	£4,200	£0	£0	£0	£0
4182	Electricity	£1,650	£0	£0	£0	£0
4185	Business Rates	£3,100	£0	£0	£0	£0
4186	Water Rates	£3,000	£0	£0	£0	£0
4300	Maintenance	£0	£0	£0	£0	£0
	Total	£28,350	£17,300	£17,733	£18,176	£18,630

		Budget 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23
235	Capital Investment - Toilets					
4360	Toilet Management	£0	£0	£0	£0	£0
4700	Loan Repayments	£0	£0	£0	£0	£0
4710	Capital Fund	£0	£0	£0	£0	£0
	Total	£0	£0	£0	£0	£0

		Budget 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23
	Public Convenience Income					
1500	Rental	£3,000	£0	£0	£0	£0
	Total	£3,000	£0	£0	£0	£0

		Budget 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23
250	Economic Development					
4023	Newsletter	£1,200	£1,440	£1,476	£1,513	£1,551
4047	Market Towns Forum	£100	£0	£0	£0	£0
4370	Leominster in Bloom	£5,000	£5,000	£5,125	£5,253	£5,384
4375	CCTV	£10,850	£10,850	£11,121	£11,399	£11,684
4380	Festive Lights	£14,000	£15,000	£15,375	£15,759	£16,153
	Total	£31,150	£32,290	£33,097	£33,925	£34,773

		Budget 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23
260	Capital Projects					
4027	Equipment	£10,000	£0	£0	£0	£0
4305	Play Areas	£5,000	£10,000	£0	£0	£0
4710	Capital Fund	£0	£0	£0	£0	£0
	Total	£15,000	£10,000	£0	£0	£0

		Budget 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23
260(a)	Loan for Projects					
4700	Loan Repayment (£200k)	£13,472	£15,968	£15,968	£15,968	£15,968
	Total	£13,472	£15,968	£15,968	£15,968	£15,968

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		Budget	Budget	Budget	Budget	Budget
300	<u>Planning & Highways</u>	2018/19	2019/20	2020/21	2021/22	2022/23
4240	Travel Fund	£4,000	£5,000	£5,000	£5,000	£5,000
	Total	£4,000	£5,000	£5,000	£5,000	£5,000

		Budget	Budget	Budget	Budget	Budget
	<u>TOTALS</u>	2018/19	2019/20	2020/21	2021/22	2022/23
	Total Expenditure	£609,167	£595,972	£595,322	£608,736	£622,499
	Total Income	£609,167	£83,750	£79,844	£80,965	£82,114
	Balance	£0	£512,222	£515,478	£527,771	£540,385

CAPITAL INVESTMENT PROGRAMME

<u>Projects Reserve</u>	2017/2018 Balances	2018/2019 Budget	2019/2020 Budget	2020/2021 Budget	2021/2022 Budget	2022/2023 Budget	Total Balances
Proposed Contribution from PWLB	£0	£0	£200,000**	£0	£0	£0	£200,000
Estimated Contribution from Grants	£9,447*	£32,259**	£0	£0	£0	£0	£41,706
S106 Contributions	£0	£30,229*	£0	£0	£0	£0	£30,229
Proposed Contribution from Precept	£189,063	£17,250	£16,650	£9,550	£10,382	£11,222	£254,117
Available for Projects	£198,510	£79,738	£216,650	£9,550	£10,382	£11,222	£526,052
Proposed Projects							
General Earmarked Reserves	2017/2018 Balances	2018/2019 Budget	2019/2020 Budget	2020/2021 Budget	2021/2022 Budget	2022/2023 Budget	Total Balances
Elections (General Reserve)	£9,500	£2,500	-£10,000	£3,000	£3,075	£3,152	£11,227
Capital Receipts Reserve	£78,488	£0	£0	£0	£0	£0	£78,488
Finance & General Purposes							
CCTV	£4,500	£0	£0	£0	£0	£0	£4,500
Town Centre Enhancement	£20,000	£0	£0	£0	£0	£0	£20,000
Environment & Services							
Equipment Rolling Programme	£8,775	£10,000	£0	£5,000	£5,000	£5,000	£33,775
Play Equipment	£16,000	-£39,442	£10,000	£4,550	£5,382	£6,222	£2,712
Public Conveniences	£51,800	£0	£0	£0	£0	£0	£51,800
Grange Open Space/toilet refurbishment	£0	£0	-£90,860	£0	£0	£0	-£90,860
Central Car Park toilet refurbishment	£0	£0	-£34,188	£0	£0	£0	-£34,188
Interpretation & Signage	£0	-£32,259	-£9,000	£0	£0	£0	-£41,259

APPENDIX TWO

Depot/Equipment	£0	£0	-£20,000	£0	£0	£0	-£20,000
							£0
Communications & Events							
Development of the Holiday Flat	£0	-£30,000	£0	£0	£0	£0	-£30,000
Development of the Secret Garden	£0	£0	-£56,950	£0	£0	£0	-£56,950
Total Expenditure	£189,063	-£89,201	-£210,998	£12,550	£13,457	£14,374	-£70,755
Balance at Year End	£198,510	-£9,463	£5,652	£22,100	£23,839	£25,596	£266,234

* This indicates external funding already received.

** This indicated funding, including the PWLB, which is still awaiting confirmation.

GOVERNANCE AND MANAGEMENT RISK REGISTER

Ref	Strategic Risks	Potential Impact	Probability	Severity	Control Actions	Officer
RR1	Lack of forward planning and budgetary controls	<ul style="list-style-type: none"> • Lack of direction • Lack of prioritisation • Poor service delivery • Poor service development • Poor financial planning • Poor financial controls • Inefficient spending • Budgetary overspends 	M	H	<ul style="list-style-type: none"> • Review Council's corporate strategy; • Continue regular financial reports; • Quarterly budgetary reviews to be undertaken; • Regular quarterly financial healthchecks by external consultant. 	Clerk (RFO)
RR2	Insufficient resources to meet obligations due to shortfall in the annual budget, in balances and any loan options	<ul style="list-style-type: none"> • Failure to meet Council's objectives • Inability to deliver services • Inability to invest in Council infrastructure • Major project slippage • Key projects not delivered 	M	H	<ul style="list-style-type: none"> • Ensure adequate budgeting and precept setting process in place • High level of budgetary controls and frequent monitoring in place • Forward planning in place • Estimates obtained regarding potential costs of projects and service delivery • Build contingency into projects 	Clerk (RFO)
RR3	Sustained poor performance or perceived/actual operational failures causes loss of confidence in Town Council	<ul style="list-style-type: none"> • Poor service delivery • Loss of staff morale • Loss of residents' confidence • Loss of Councillor confidence • Loss of key personnel • Community governance review • Breakdown of working relationship with community groups 	M	H	<ul style="list-style-type: none"> • Regular staff performance reviews • Regular service area reviews and reporting • Clear roles and responsibilities of both staff and councillors • Regular reports submitted to Council and Committees • Complaints procedure 	Clerk (RFO)
RR4	Failure to deliver improvements throughout the Town Council owned and managed estate	<ul style="list-style-type: none"> • Reduction in level of service delivery • Poorly maintained buildings and equipment • Health & Safety concerns • Inability to carry out management, repairs and maintenance of estate 	M	H	<ul style="list-style-type: none"> • Development of realistic achievable projects • Continuous investment programme into equipment and buildings • Continuous training for staff and councillors 	Clerk (RFO)

APPENDIX THREE

					<ul style="list-style-type: none"> • Develop office procedures • Develop budgetary procedures • Ensure clear policies adopted • Ensure decisions made and recorded 	
RR5	Staff and/or Councillor issues	<ul style="list-style-type: none"> • Loss of key personnel • Loss of Councillors • Fraud • Poor performance • Staff and Councillor ill health • Misconduct • Lack of training • Lack of knowledge • Conflicts of interest • Poor communication between staff, councillors and residents 	M	H	<ul style="list-style-type: none"> • Robust training and support for staff and councillors • Robust internal audit system in place • Regular staff reviews • Update job descriptions • Succession planning in place • Proactive staff and councillors prepared to accept challenges • Operate open and transparent governance • Avenues for feedback from service users and residents 	Clerk (RFO)
RR6	Changes in operational environment, financial cutbacks and legislation catches the Town Council unaware.	<ul style="list-style-type: none"> • Council operates illegally • Council unable to react to changes in circumstances resulting in loss or reduction in service delivery • Health and safety issues • Litigation • Additional devolved services leading to being under resourced • Asset transfers • Allotment lease not extended • Significant local service reduction due to austerity • Unintended consequences of policy decisions from Central Government, Herefordshire Council or the Town Council 	L	H	<ul style="list-style-type: none"> • Regular training undertaken by staff and Councillors • Regular review of legislative changes through SLCC and NALC • Regular policy reviews • Up to date Standing Orders • Up to date Financial Regulations • Proactive budgeting and financial management • Build up reserves • Encourage flexible working practices • Continued membership of NALC and SLCC • Regular reviews of current leases/agreements 	Clerk (RFO)

APPENDIX THREE

RR7	Major operational interruption prevents Town Council from delivering services (Business continuity)	<ul style="list-style-type: none"> • Council becomes non-operational through fire, damage etc • Back-up files and records lost, stolen or damaged • Equipment suffers damage • Severe weather conditions • Property damaged or stolen 	M	H	<ul style="list-style-type: none"> • Adequate insurance cover in place • Develop Emergency Plan and emergency response protocol • Fitted fire alarms • Contingency funding in budget/reserves for replacement and repairs • Robust back-up system of storage of important files and records 	Clerk (RFO)
RR8	Town Council organisational culture results in low productivity, poor performance and lack of innovation	<ul style="list-style-type: none"> • Poor staff morale • Poor councillor morale • Poor processes in place • Poor direction and focus • Poor management of operations • Poor administrative operations, processes and protocols • Loss of residents trust and confidence • Breakdown of working relationship with community groups and organisations 	H	H	<ul style="list-style-type: none"> • Review Corporate Plan with clear focused corporate objectives • Clear service delivery targets • Clear staff targets and staff monitoring/review process in place 	Clerk (RFO)
RR9	Catastrophic failure of Council's IT systems	<ul style="list-style-type: none"> • Loss of computer records • Loss of important data • Loss of important financial information • Loss of service delivery 	M	H	<ul style="list-style-type: none"> • Off-site back-up facility in place • Adequate insurance in place • Business continuity plan in place • Continued investment in IT infrastructure. 	Clerk (RFO)
RR10	Unable to meet the new requirements relating to the General Data Protection Regulation	<ul style="list-style-type: none"> • Undertake Data Audit • Adopt Data Protection Policy • Adopt Data Breach procedure • Adopt SAR • Appoint DPO 	M	M	<ul style="list-style-type: none"> • Data audit completed • Policies adopted by Council in March 2018 • DPO not now required 	Clerk (RFO)