Newmarket TOWN COUNCIL

Medium Term Financial Plan

Newmarket Constitution

Document Number NTC13.1

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1. Overview

The aim of the Council's financial strategy is to manage its finances in accordance with the Council's Financial Regulations. The Medium-Term Financial Plan (MTFP) sets out the financial projections, considerations, pressures and issues for the Council for the four-year period 2021/22 to 2024/25. Each year the Plan will be updated, taking into consideration any new issues emerging and the continual alignment of funding with priorities determined by Council through its Corporate Strategy and business planning. The forecasts are linked with the Council's Treasury Management Policy.

The Medium-Term financial position will be dominated by the priorities in Council's Corporate Strategy which in turn takes account of the Newmarket Vision and the Neighbourhood Plan, and public engagement. As development takes place in accordance with the emerging West Suffolk Local Plan, the Council Tax base will increase steadily which will in effect provide for increased precept without increasing the charge unacceptably on individual homes.

Localism and austerity have been placing more emphasis on local communities helping themselves and raising more physical and financial resources locally. The Localism Act 2011, has given a wider role and increased powers to local councils, a number of which will require additional local funding. Government grant reductions for the principal authority will undoubtedly result in local service reductions which the Town Council may feel obliged to take up.

2. Objectives

The objectives of the Medium-Term Financial Plan (MTFP) are:

- to enable the Council to take a strategic approach, when planning its' finances;
- to enable the Council to allocate resources to achieve its priorities;
- to enable the Council to understand its key financial pressures and likely long-term implications of its decisions;
- to identify future financial impacts of both policy decisions and external factors so that risks can be managed;
- to control precept rises and identify external funding;
- support the delivery of value for money services;
- to ensure good use is made of assets;
- to maintain the General Reserve at or above the desired level;
- to provide for future financial demands;
- to facilitate good financial management;
- to provide transparency in respect of the planned use of public funds.

3. Assessment of Financial Risks

The Town Council's Risk Assessment process identifies and mitigates for risks associated with:

- Any inaccuracies in the forecast
- Difficulty in predicting costs for new projects
- Difficulty in predicting amount of additional income
- Low and uncertain investment income

4. Guidelines

The following guidelines lie at the core of the plan:

- Maximise external funding opportunities in all areas
- Maximise the benefits of partnership working
- Review income opportunities
- Join with others when possible for procurement
- Maximise efficiencies to keep costs down

A central tenet of this plan is the introduction of annual contributions to a Rolling Capital programme. This will allow a flexible fund to be used on both internal capital items such as IT equipment or outside provisions such as play equipment or High Street regeneration. An indication of how it may build up, (with no call on it in early years) is shown in the Budget Projections table below. Annual contributions commenced from 2020/2021.

Budget setting will be undertaken in accordance with the following principles:

- effective management of public funds;
- adherence to effective systems of financial management and reporting;
- maintenance of a level of spending which is both affordable and sustainable;
- realistic assessment of future spending commitments and levels of income;
- obtaining value for money at all times;
- maintaining a prudent level of balances and reserves.

5. The Financial Year 2021/22

Council approved a budget for 2021/2022, sufficient to maintain community actions and services without increasing the precept. The financial impact of COVID-19 on residents was an important consideration in this decision-making process.

Venue charges have been reduced from April 2021 in an attempt to encourage bookings, by community groups in particular. This will require monitoring throughout the year to assess the impact on revenue.

A further provision has been made from 2021/22 for a new Neighbourhood Plan Committee Budget, with spending plan for public realm and town improvements.

At the time of budget setting, the effects of the Coronavirus pandemic and Brexit on local government were still unfolding.

6. Borrowing

The Town Council currently holds 4 fixed term Public Works Loan Board loans, maturity dates and year end value (20/21) are show in the following table:

Advance date	Maturity date	Principal Balance	Year End Value
21/12/2009	21/12/2034	£84,690	£119,275
05/02/2010	21/12/2034	£275,504	£378,483
01/11/2010	21/06/2035	£374,795	£531,096
26/11/2018	21/06/2037	£152,107	£163,986

7. Forecasting Assumptions and Statements

Some assumptions (within inflation limits wherever possible) have been made in preparing this forecast

Fixed costs over which the Council have little control such as office costs are increased in line with inflation (currently very low) or actual predicted cost.
Staffing cost increases will be in line with national pay awards and the Town Council's incremental point policy for the next 5 years; HR budgeting will reflect this.
A further provision has been made from 2021/22 for a new Neighbourhood Plan Committee Budget, with spending plan for public realm and town improvements.
Increases in expenditure will inevitably necessitate appropriate increases in the General Reserve and a minimum level is included.
There will be additional income from the Venues, as their use is developed and promoted and that some of this could be used for staff overtime payments or casual staff as needed for events. The likely increased income has not been quantified.
Venues development and improvement will come from Rolling Capital Fund (RCF).
Any new bus shelters would be funded through the RCF.
Refurbishment of the Clock Tower will come from the existing Ear Marked Reserves.
There is a need for the Council to borrow to part fund long term projects. It is believed there is adequate flexibility in provisions to accommodate such eventuality as well as scope for above inflation precept increases.
There is little prospect of support grant directly from Government or a share in increased business rates for the Town coming to the Town Council although NALC are currently lobbying hard for this to happen.
Through CiL, the Neighbourhood Portion share due to a Town Council with a made Neighbourhood Plan amounts to 25% of the levy collected from development. West Suffolk Council have not yet agreed a CIL policy. No income of this kind has been included in the calculations.
Funding for additional open space would come from CIL or s106 contributions with commuted sums for maintenance.
Local funding opportunities will continue at a similar level, but we will continue to strive for grants and sponsorship.
Demand for grants from community organisations are likely to increase, as other funding reduces and needs increase. Partnership working is an important part of the Council's strategy.

8. Budget Projections to 2024/25

EXPENDITURE	2019/20 BUDGET	2020/21 BUDGET	2021/22 BUDGET	2022/23 BUDGET	2023/24 BUDGET	2024/25 BUDGET
F&P Insurance	12,180	12,400	10,000	10,300	10,618	10,936
F&P Legal Expenses	8,000	13,750	10,000	10,300	10,618	19,936
F&P Grants	6,000	8,000	8,000	8,240	8,487	8,652
F&P PCSO	34,000	34,000	34,000	36,000	38,000	38,000
F&P - Other Expenditure	55,186	108,053	96,645	99,545	102,531	105,607
F&P EXPENDITURE	**115,366**	**176,203**	**158,645**	**164,385**	**170,254**	**174,131**
LS PWLB Loan Repayments	88,919	88,919	89,864	89,864	89,864	89,864
LS Memorial Hall R&M	11,000	15,480	4,000	4,120	4,244	4,372
LS Memorial Hall Costs	26,206	36,710	30,130	31,034	31,965	32,924
LS Arts and Entertainment	26,314	32,474	42,300	43,569	44,877	46,224
LS Memorial Gardens	43,013	22,805	26,805	27,610	28,439	29,293
LS Cultural Exchange	3,500	3,500	3,500	3,605	3,714	3,826
LS Severals Facilities	10,159	10,632	10,100	10,403	10,716	11,038
LS EXPENDITURE	**209,111**	**210,520**	**206,699**	**210,205**	**213,819**	**217,541**
HR - EXPENDITURE	**168,850**	**184,000**	**174,000**	**179,220**	**184,597**	**190,135**
D&P/NP - EXPENDITURE	**4,000**	**3,000**	**10,000**	**10,300**	**10,618**	**10,936**
CS Outside Services SLA	79,891	72,716	74,878	77,125	79,439	81,823
CS Town Planting	6,050	7,050	7,600	7,828	8,063	8,305
CS - Cemetery R&M	25,440	26,902	29,255	30,133	31,037	31,969
CS Gravedigging	13,500	12,000	11,500	11,845	12,200	12,566
CS Cemetery SLA	9,240	10,071	10,540	10,856	11,182	11,518
CS Streetlighting	11,000	11,500	16,500	16,995	17,505	18,030
CS Christmas Lights	25,000	23,000	26,500	26,500	26,500	26,500
CS Other Expenditure	29,484	35,827	32,872	33,859	34,875	35,922
CS EXPENDITURE	**199,605**	**199,066**	**209,645**	**215,141**	**220,801**	**226,633**
TOTAL EXPENDITURE	**696,932**	**772,789**	**758,989**	**779,251**	**800,089**	**819,376**
INCOME						
F&P-Precept	565,779	665,114	665,114	679,376	698,624	716,273
F&P - Other Income	1,254	1,125	1,075	1,075	1,075	1,075
F&P INCOME	**567,033**	**666,239**	**666,189**	**680,451**	**699,699**	**717,348**
LS Hall Hire Income	41,120	21,000	7,500	10,000	10,300	10.618
LS Severals Hire	8,120	8,150	5,000	6,000	6,180	6,366
LS Other Income	7,750	5,750	15,200	15,200	15,200	15,200
LS INCOME	**56,990**	**34,900**	**27,700**	**31,200**	**31,200**	**31,200**
HR INCOME	**0**	**0**	**0**	**0**	**0**	**0**
D&P/NP INCOME	**2,000**	**0**	**0**	**0**	**0**	**0**
CS Cemetery Income	59,066	57,500	50,500	53,000	54,590	56,228
CS Other Income	14,150	14,150	14,600	14,600	14,600	14,600
CS INCOME	**73,216**	**71,650**	**65,100**	**67,600**	**69,190**	**70,828**
TOTAL INCOME	**699,239**	**772,789**	**758,989**	**779,251**	**800,089**	**819,376**
Income / Expenditure	*2,307*	*0*	*0*	*0*	*0*	*0*

Change in Precept	15,605	99,335	0	14,262	19,248	17,649
Band D Equivalent Change	2.88	15.15	3.74	2.64	3.58	3.27
				NB:	estimated	
Minimum General Reserve	88,463	124,846	138,563	142,378	147,190	151,602
Rolling Capital and EMRs	228,425	409,027	350,000	350,000	350,000	350,000
Total Equity	**316,888**	**533,873**	**488,563**	**492,378**	**497,190**	**501,602**