**LTC Virement Proposals August 2018**

Following on from decisions which the Town Council has made and proposals that are being put before you at Full Council on the 7th August 2018, this paper aims to show the adjustments to the 2018/19 budget which allow these options.

**CCTV**

At Full Council on the 10th July, the Council agreed to spend £25,000 on CCTV. It is proposed that this figure should be transferred to the CCTV Budget from the East of England Park budget. This is possible due to the fact that construction work on the park will not start until early 2019 and there should be no maintenance costs until the Autumn of 2019 at the earliest. This would reduce the East of England Park budget from £75,000 to £50,000.

**Hamilton House Refurbishments**

The budget has been scrutinised for savings which would allow us to make an upfront payment for the refurbishment works which would then reduce the monthly outgoings during the lease period and also reduce any interest charges which the Council would pay for the above works.

Council had already agreed a deposit against works of £30,000 which is due to come from our general reserves.

A further £150,000 had been identified in the 2018/19 budget due to changes in circumstances since the budget was set. These are:

£30,000 – Staffing.

We have not been able to appoint one of the members of staff budgeted for, therefore we are able to transfer this amount from the salary budget. We will still need to engage a further member of staff so this is not a permanent change to the budget. (NB for ease in the budget this is shown as a reduction in the salary budget but is actually a reduction across the Salaries, NI and Superannuation figures to reach this amount.)

£30,000 – Apprentices

We budgeted for two apprentices for this year. Constraints with our contractor and the delay to the East of England Park mean that we have not been able to implement this aim. Again, this is a transfer for this financial year and hopefully we should be able to action in 2019/20.

£25,000 – Interim Support & Staff Costs

We budgeted £50,000 in order to build up a reserve to cover any unbudgeted staffing costs such as long-term sickness or redundancy etc as we had no provision to deal with this. By transferring an element of this at this time we could use savings in the Hamilton House repayments to increase the budget for this reserve in future years.

£5,000 – Insurance

Due to negotiations over our insurance by the Mayor and Clerk we have managed to make a significant saving in the Insurance budget whilst increasing our cover. We would propose using this saving to help finance this Hamilton House payment.

£40,000 – Budget Contingency

We reduced the Budget Contingency from £100,000 down to £50,000 in last years budget mainly due because, due to the nature of the first year of the Council’s existence, we had managed to start developing our reserves significantly. A reduced figure would still allow us to aim for the level of reserves which are recommended, just over a little longer time frame. Transferring this figure within the budget would not necessarily mean that we will not add to our reserves this year but it does mean longer term savings. Although next years budget has yet to be worked on and approved by council, we would not seek (at this time) to propose a permanent decrease in the contingency budget.

£20,000 – East of England Park

As previously noted, we will have no maintenance spend on the East of England Park this year. It is therefore proposed to transfer £20,000 from the East of England budget to the Hamilton House budget to contribute to the advance payment for the refurbishment works. This would be on top of the £25k transferred to the CCTV budget and leave the East of England budget at a level of £30k. At this stage we would not propose fully transferring the East of England budget as further grants may be sort to enhance the existing funds for the park and these may require matched funding, if council approves at such time as the grant applications come before them.

This is obviously a significant level of virement and therefore needs Full Council review and approval. Added to the £30,000 deposit this £150,000 would enable us to pay off well over half of the refurbishment costs and reduce our monthly repayments accordingly. Council would then have the option of maintaining repayments at the original level and clearing the loan earlier, making smaller monthly payments and using the saving to fund other activities or using the savings to accrue a lump sum to pay off the loan earlier.

A revised budget has been produced to allow you to see the effects of these virements. Where a figure is increasing it is in green, where it is being reduced it is in blue. The actual changes are shown in red in the Virement column.

**Recommendation**

These virements are approved and payments made.