

Withersfield Parish Council

Draft Budget for 2018/19

Recommendation:

Councillors are asked to:

- i) approve the draft 2018/19 budget estimate for submission to St Edmundsbury Borough Council as set out on the attached sheet.
- ii) agree to establishing an earmarked reserve for future investment on parish infrastructure
- iii) agree to an earmarked reserve from the balance of the Transparency fund to cover costs of a computer
- iv) agree that the Parish Council should not seek an increase in Council Tax rate for 2018/19

Background:

Each November Parish Councils in Suffolk are sent a precept form to enable them to prepare their estimated budget for the following financial year. The Borough Council details of the Parish Precept is calculated on the basis of the number of inhabited properties with the Parish. The precept application needs to be submitted to the Borough Council in January.

This is only the estimated or DRAFT budget as the final budget cannot be approved until the spring when the County and Borough Councils formally approve their overall budget.

The Precept and Council Tax support Grant:

This year's precept (the amount of funding the Parish Council gets from residents' Council Tax) has increased by a further £1,320 over 2017/18. This is due to more new homes at the Arboretum being completed and occupied. The number of occupied homes in the Parish has increased from 244 in 2016/17 to 279 last year and up to 325 for the calculation of next year's precept. As the Arboretum development is now complete it is unlikely that there will be any significant further increase in the tax base in coming years.

Estimated expenditure:

Having reviewed the current year's budget and projected spend, and taking account of known changes in costs in the coming year the following estimates for next year's expenditure are set out below:

Administration: £5,750 (an increase of £725 over 2017/18)

Admin hours have been increased to take account of additional workload and responsibilities.

A provision has been made to cover the costs of complying with the requirement to appoint a Data Protection Officer which could involve an outlay of as much as £800 in the first year.

A small provision has been included to cover any costs arising from the Parish Council's decision to share the costs (after taking account of income from advertising) of producing the Parish magazine. Some other minor adjustments have been made to expenses, payroll and audit budget allocations.

Whilst an increase in the amount spent on administration, this represents a reduction in the percentage of our spend on administrative functions from 50% in 2017/18 to 45% in the year to come.

Draft Admin Budget:

| Item | 2017/18 | 2018/19 | comment |
|-------------------------|---------|--------------|--|
| Clerk salary | 2500 | 3000 | Increase to cover increased workload |
| Clerk Expenses | 65 | 95 | To cover costs of printing |
| Payroll | 108 | 120 | Expected to rise in 2018 |
| Audit/Bank Charges | 120 | 140 | Cost of internal audit not yet known |
| Insurances | 575 | 595 | Allowance for inflation on premiums |
| Leases – village greens | 10 | 10 | |
| Village Hall rental | 30 | 50 | Allows for additional meetings during year |
| SALC/CAS membership | 250 | 280 | Final figures no yet known |
| Training | 600 | 500 | Has been under used in recent years |
| Web site | 60 | 60 | |
| Magazine | 0 | 100 | Provision in case advertising doesn't cover costs |
| Date Protection Officer | 0 | 800 | Provisional sum to meet cost of Data Protection officer/responsibilities |
| TOTAL | | 5,750 | |

Other: £6,900 (an increase of £2095 over 2017/18)

“Other” includes all other areas of expenditure incurred by the Parish Council, including environmental works (grass cutting) Parish projects (e.g. VAS) and maintenance of our assets.

During the year there have been some concerns over the frequency and extent of environmental maintenance works (grass cutting and strimming). An increased provision is proposed, and the Council is to consider tendering on an “outcome” basis rather than on measured inputs.

An increased budget for village projects is proposed with the intention of making funds available to support activities and services for new residents of the Parish. (for example, supporting groups of parents/residents of the Arboretum or Hanchett End to identify what services or support they want from their Parish Council.

Draft “Other” Budget:

| Item | 2017/18 | 2018/19 | comment |
|--|---------|--------------|--|
| Grass cutting/environmental | 4000 | 5000 | It is proposed we increase the amount we budget for environmental works. It is also proposed that we trial tendering by “outcome” as opposed to inputs which will put the onus on the provider to maintain to an acceptable standard throughout the year. |
| Speedwatch | 100 | 100 | A provision to cover any incidental costs incurred by Speedwatch volunteers |
| Maintenance/repairs to Parish Council assets | 100 | 300 | A provision to cover repairs to assets like notice boards or benches |
| Parish Projects | 1350 | 1500 | This provides opportunity for the Parish Council to respond to issues raised by parishioners for initiatives during the year. The Council will need to ensure it is giving full attention to the needs of all parts of the Parish when considering use of its project fund in 2018/19. |
| TOTAL | | 6,900 | |

Use of Reserves & other income:

The proposed level of expenditure will require that the Parish Council once again draws upon its reserves to the tune of £3,500 in 2018/19. This is largely to for the purposes of maintaining our Village Projects budget. Use of reserves enables the Parish Council to operate beyond the minimum of cutting the grass and managing the bureaucracy.

Each year the Parish Council's external auditors raised questions about the level of reserves held by the Parish Council (£17,500 at the end of 2016/17) They have suggested that balances more than twice the precept are excessive. With the increase in our precept in recent years, our balances are now within the "accepted" level. However, they do provide the Parish Council with the ability to invest in items of benefit to the community – e.g. the Vehicle Activated Speed sign (VAS) and the Defibrillator.

The Parish Council also benefits from occasional income from burials in the graveyard. Such income cannot be guaranteed, but has the effect of offsetting costs and each year reduces the amount that is called for from Parish Council reserves.

Earmarked reserves:

This year I am proposing that the Parish Council creates an earmarked reserve of £5,000 for investment in Parish infrastructure.

There are a number of areas where the Parish Council may be called upon to contribute towards important maintenance and improvement costs of infrastructure.

Examples of this may include further works at the recreation ground – particularly if we are to be successful in promoting its use by new residents to the parish. In addition, the Village Hall Committee is about to invest significant sums into improvements in facilities. The Parish Council may be called upon to assist with this and may wish to consider contributing based on the Village Hall promoting its availability and usage to new parish residents.

The calls on the reserve would be managed through business cases for investment being brought to the Parish Council meeting for discussion and agreement.

Transparency Fund:

Last year £691 was granted to the Parish Council to assist with compliance with transparency requirements. This year it has been used to fund a printer and web site costs. The remaining sum (£541) is for the purchase of a computer and software. It is proposed to hold this as an earmarked reserve, until such time as the Parish Council needs to purchase its own equipment (i.e. should there be a change in clerk at some point in the future)

Terry Rich
Chairman
10th November 2017