

Great Bedwyn Parish Council Financial Committee Chair Report: 2020/21 Budget

8 January 2020

Introduction

The purpose of this document and the attached spreadsheet is to present, recommend and justify the 20/21 budget for adoption by the Great Bedwyn Parish Council ("GBPC") and also to present indicative budgets for 21/22 and 22/23. This document and the attached spreadsheet have been prepared by the Cllr Ian Barry, Chair of the Finance Committee.

All councillors were formally requested for their input into the 20/21 budget.

The aim of this budget is to detail the income and expenditure required for GBPC to meet the needs of its parish during the period between 1st April 2020 and 31st March 2021 – in summary to:

- meet the **day-to-day running of the PC**, ensuring it can operate in a professional and transparent manner;
- meet (the most deserving) **grant requests** in support of community groups;
- **maintain our parish** including grass cutting and hedge trimming; maintain the **playground** – including formal inspections, maintenance and allocation towards eventual playground equipment replacement; and manage/maintain the **allotments**;
- represent the community in all appropriate matters, including importantly in **planning**; and
- fund certain **special activities** as required by the parish.

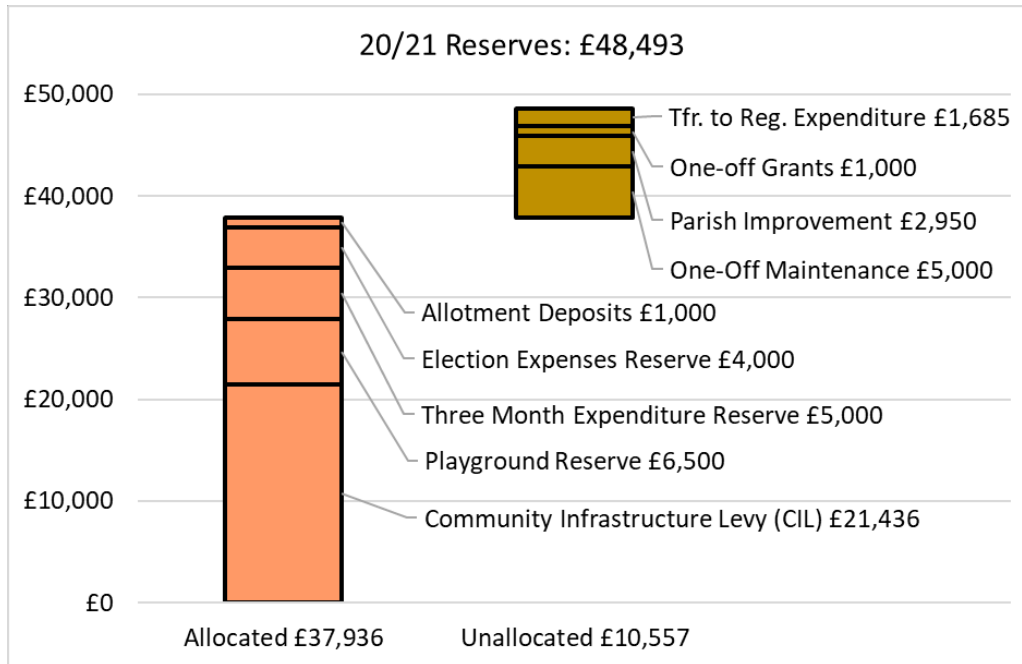
The budget has been prepared in line with the following principles which are unchanged from 17/18:

1. **That reserves must be maintained as appropriate and only where they can be justified towards specific future expenditure.** This means that excessive reserves must be reduced over time through support of regular expenditure.
2. **That regular expenditure and regular income must be balanced:** The council must ensure it does not commit to regular expenditure that cannot be afforded by its income. If regular income can be acceptably increased, then it should be to match justifiable regular expenditure. Equally, regular income should be reduced (ideally returned to the taxpayer via lower precept) where it is superfluous.
3. **That all income and expenditure be extensively reviewed.** Requested expenditure must be extensively reviewed for fit with the council's remit, demand from the community and value for money. Comparisons with past expenditure have been made and differences scrutinised. Alternatives to funding by GBPC must be considered for all major items. Income sources should be evaluated to ensure they are maximised.

Budget Summary - Reserves

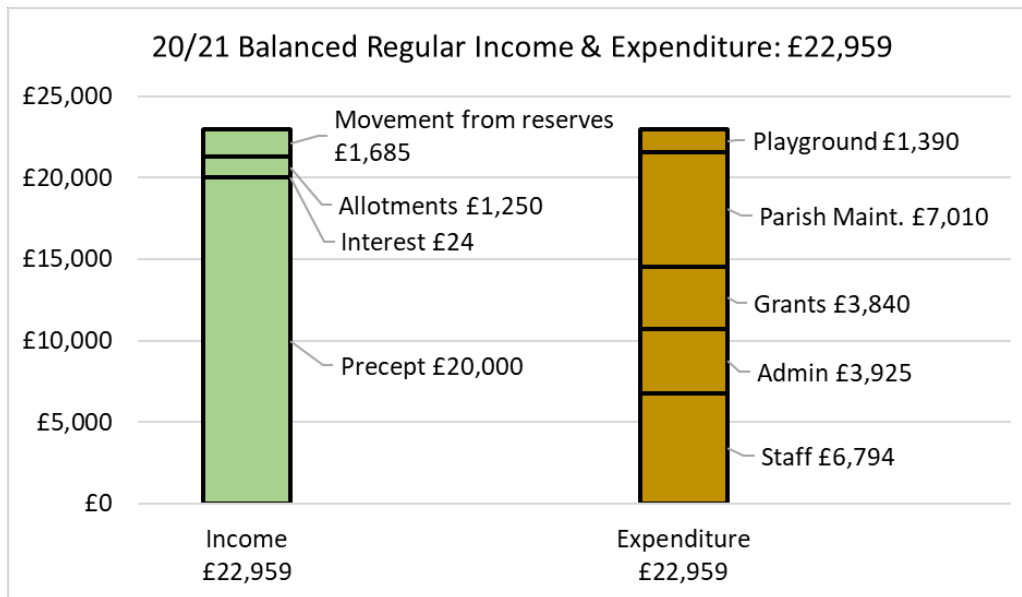
At the beginning of 20/21 reserves are expected to be £48,493.

In line with the budget principles, this budget proposes formally allocating £37,936 of the reserves – formally-allocated reserves are not expected to be spent or re-allocated during the year – and proposes spending £10,557 of the reserves, including transferring £1,685 to support regular expenditure.



Budget Summary – Regular Income & Expenditure

In line with the budget principles 20/21 regular expenditure is balanced with income.



The income is formed from a precept of £20,000, allotment income of £1,250 (including bad debt) and reduction in reserve of £1,685. Regular expenditure is 1.9% higher than previous year and a breakdown of this is shown in the subsequent 'Combined Expenditure' section.

The proposed regular expenditure has been scrutinized in line with the principles previously discussed and it is required to be spent for the benefit of the community.

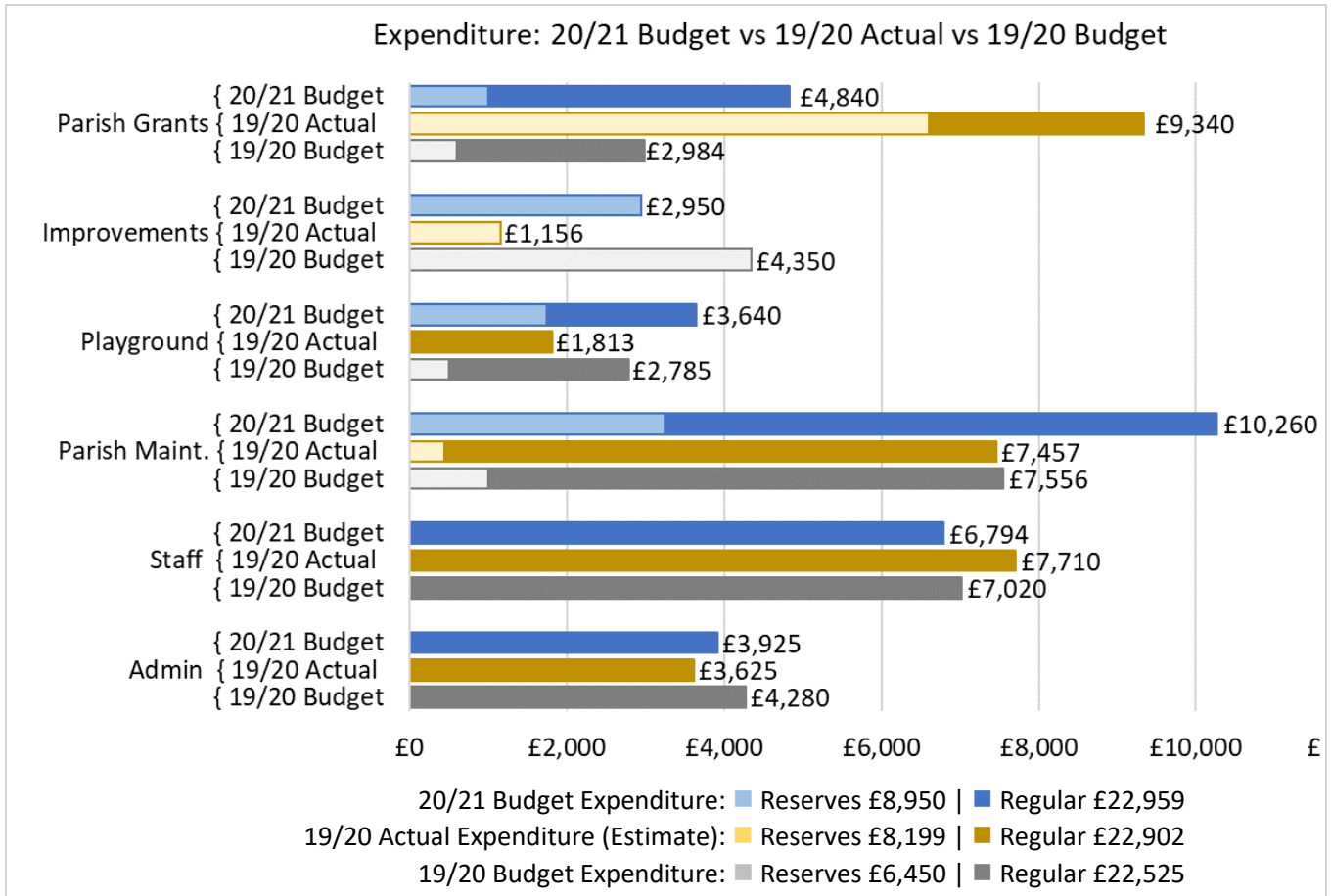
In line with the budget principles, as much of the reserves as possible, after meeting the parish's spending requirements, are transferred to regular expenditure, in order to minimise the precept. As forecast in last year's budget, precept will be returning to £20,000 in 20/21 (it was reduced from £20,000 in 18/19 to £18,000 in 19/20). It is forecast that the precept will increase to £21,500 in 21/22 and £23,000 in 22/23.

The impact of the precept change combined with a decrease in the taxbase from 576.47 to 575.53 will result in an annual precept of £34.75 per band-D parish household which is an increase of £3.53 compared to 19/20.

Combined Expenditure

This year we present a combined view of expenditure across both regular and reserves, giving a clearer picture of budget expenditure across all categories.

The combined view for the forthcoming year (in blue) is compared with the current year actuals (in yellow) and the current year budget (in grey).



- Overall, 20/21 regular expenditure (£22,959) is consistent with the 19/20 actuals (£22,902) and budget (£22,525).
- Overall, 20/21 reserve expenditure (£8,950) is higher than 19/20 actuals (£8,199) and the 19/20 budget (£6,450). This is predominantly due to an increase in parish grants.
- During 19/20 parish grants are forecast to be higher than budget due predominantly to the expected expenditure of £6,000 on the Village Hall boiler. Parish grants have also increased in general during 19/20 compared to budget at the expense of improvement projects. This supports an increase in the parish grant budget from £2,984 to £4,480 in 20/21.
- One-off maintenance is increasing in 20/21 by £2,750 to predominantly cover allotments.
- £2,950 is identified for improvement projects such as traffic speed management and noticeboards. This is down from £4,350 in last year's budget, £3,200 of which was not spent.
- Regular expenditure presented above is approved in line with the approval of this budget. Reserve expenditure presented in the above graph is unallocated; it requires agreement subsequent to the approval of this budget and may be spent on other items.

Conclusion

In conclusion I believe this is a prudent budget that will enable the GBPC to meet the needs of the Great Bedwyn parish during 20/21 financial year.

The Parish Council has a Community Infrastructure Levy (CIL) fund of £21,436 which must be spent within 5 years according to specific guidelines which presents a unique opportunity to the council. The council may also receive further CIL payments in the order of £40,000 due to the development of Tottenham House. Such additional CIL payments have not been considered in this budget.

I recommend this budget to the council.

Ian Barry

Great Bedwyn Parish Council Financial Committee Chair