

# Great Bedwyn Parish Council Financial Committee Report – 2017/18 Budget

9<sup>th</sup> January 2017

## Introduction

The purpose of this document is to present, recommend and justify the 17/18 budget for adoption by the Great Bedwyn Parish Council (“GBPC”) and also to present indicative budgets for 18/19 and 19/20. This document and the attached budgets have been prepared by the GBPC Finance Committee.

The aim of the 17/18 budget is to detail the income and expenditure required to permit the GBPC to meet the needs of the Great Bedwyn parish during the period between 1<sup>st</sup> April 2017 and 31<sup>st</sup> March 2018 – in summary to:

- meet the **day-to-day running of the GBPC**, ensuring it can operate in a professional and transparent manner;
- meet (the most deserving) **grant requests** in support of community groups;
- maintain our “**open spaces**” including grass cutting, hedge trimming, gutter clearing and salting; 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, including for example the Great Bedwyn Neighbourhood Development Plan (“GBNDP”).

The budget has been prepared in line with the following three principals:

1. **That reserves must only be maintained or generated where they can be justified towards specific future expenditure.** In other words, the aim by the end of the forthcoming budget year will be that the only reserves remaining will be those that are believed to be required for future expenditure – and those categories include the long-term playground equipment replacement fund, expected one-off special activities (for example the GBNDP and others detailed below), election expenses and 3 month's working capital.
2. **That GPBC’s regular expenditure and regular income must be balanced:** That is to say that 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. Ultimately regular expenditure must be reduced where it cannot be matched by regular income.
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. Comparison's 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

Looking at reserves and anticipated one-off income and expenditure: We expect to start the year with £21,065 reserves including a VAT refund from this year of £1,286. We propose to formally allocate reserves as follows:

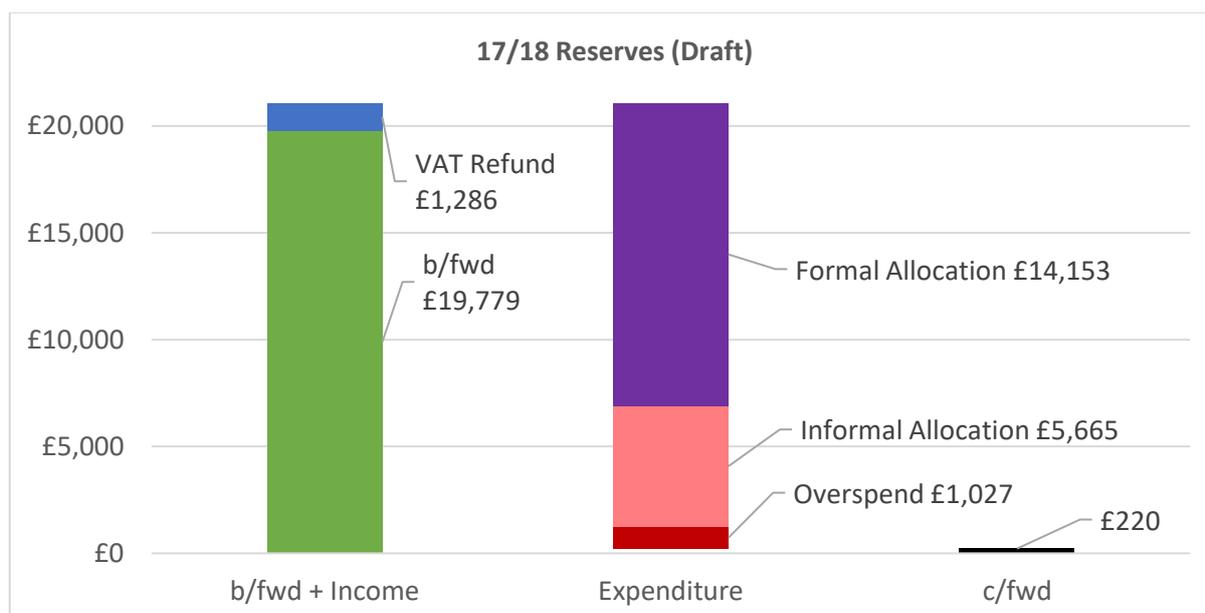
<b>17/18 Formal Reserves Allocation (Draft)</b>	
Potential election expenses	£4,000
Long-term replacement of playground equipment (fund to grow at £500 per annum)	£5,000
Working capital based on 3 months' expenditure	£5,153
<b>Total</b>	<b>£14,153</b>

After the formal allocation that leaves £6,912 reserves which we anticipate informally allocating £5665 on potential projects as detailed below. These projects are not formally allocated (save for the items marked as such); the list may alter and each item must be approved by council before proceeding:

<b>17/18 Informal Reserves Allocation (Draft)</b>	
Trial incident camera (already approved by Council)	£1,030
Councillor training	£300
Phone box conservation	£1,615
GBNDP (already approved by Council)	£1,770
Noticeboard renovation	£250
Other s.137 grants	£700
<b>Total</b>	<b>£5,665</b>

Finally, £1,027 of the remaining reserves are proposed to be allocated to the regular expenditure deficit, as will be explained later. This leaves a balance of £220 unallocated reserves to be carried forward to 18/19.

In summary all the reserves, save £220, have been allocated. In cash terms, if all the informal projects proceed, the reserve account will fall from an expected £21,065 at the end of this year to £14,373 at the end of 17/18. The overall reserves income and expenditure is indicated by the following chart.



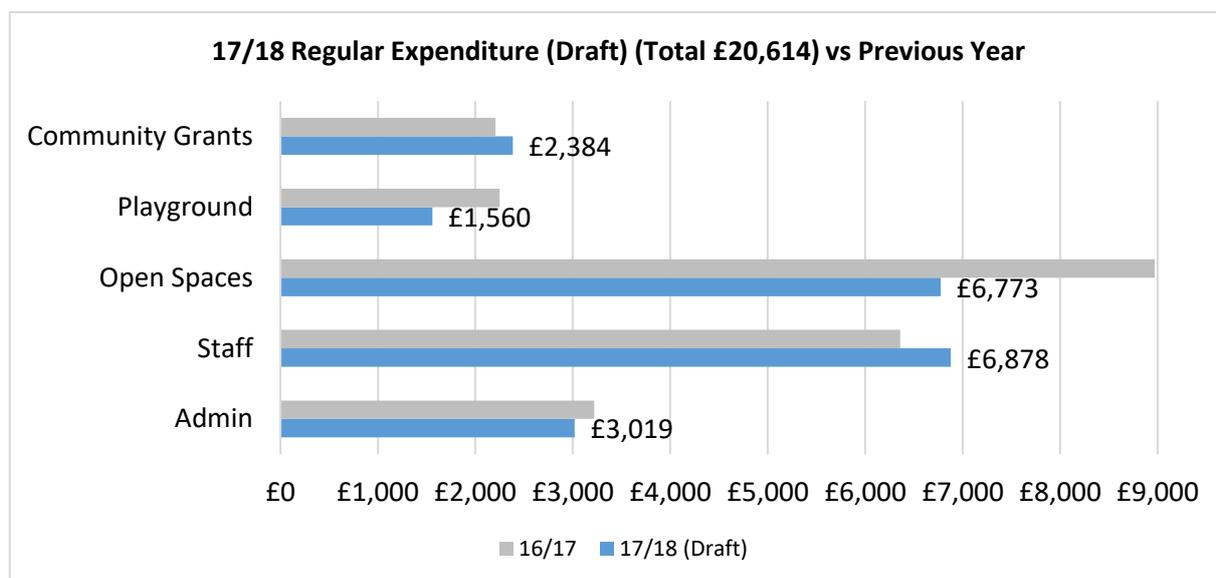
## Budget Summary – Regular Income & Expenditure

Looking at regular income and expenditure, the 17/18 budget proposes some significant cost reductions and increases in income sources in comparison to previous years:

- Reduction of meeting room hire costs through use of the school.
- Use of grants to replace expenditure (following the example of this year's fun day) for example with the council's website.
- Optimisations of village maintenance to sustain entering the Best Kept Village competition. Reduction of village maintenance costs as some of the backlog has been resolved.
- Additional regular income from some of our neighbours for whom we cut grass.

However, there are increased regular costs proposed in 17/18:

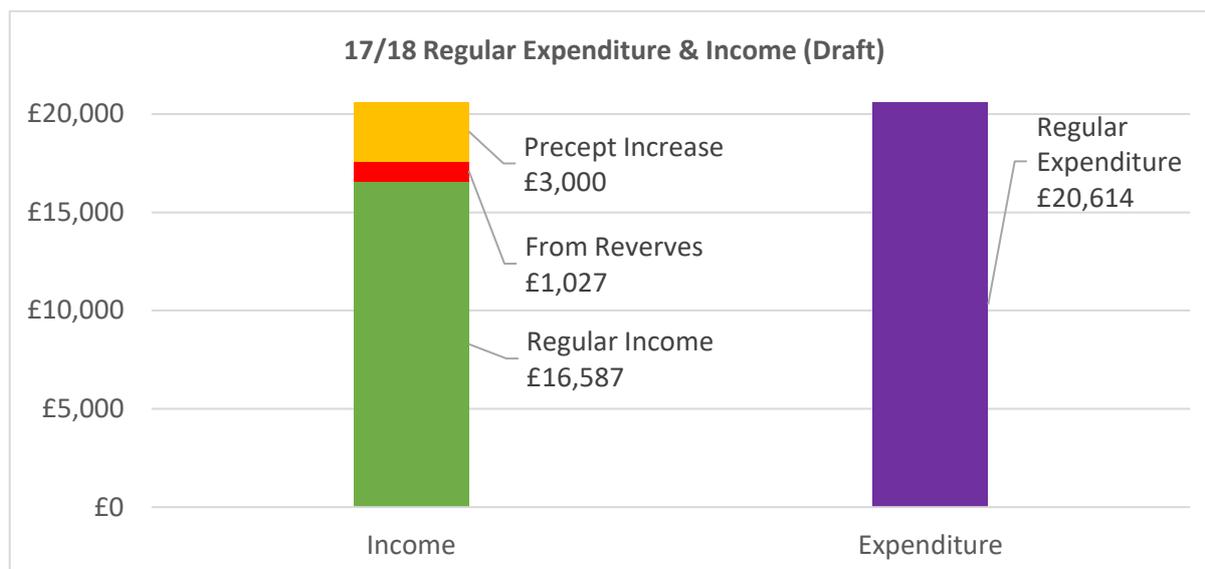
- **Staff** costs of around £500. It is necessary that we have a quality clerk in place who can ensure we operate professionally and efficiently while also meeting the increasing burden of local regulation and transparency.
- **Grants.** The support of the Youth Group and Mobility and Friendship Group are just two of the very deserving organisations who have requested our financial support. It's the financial committee's view that these organisations are in demand by the community and that GBPC is the right and only organisation that can support them.



Looking at the total picture we see regular income at £16,587 and regular expenditure at £20,614 and therefore a deficit of £4,027. This gap is very significant. In line with the principals discussed above we must generally ensure that regular expenditure is matched by regular income to remain solvent.

All the regular expenditure has been scrutinized in line with the principles discussed above and it is felt is required to be spent for the benefit of the community. Therefore, it is proposed that £3,000 of the deficit come from an increase to precept and £1,027 of the deficit to be taken from reserves. Using reserves to pay for a significant portion of the deficit is not wise as it is not sustainable. It is therefore reasonable to request such an increase in precept. This precept increase translates to an average cost increase for each household of £5.09 per annum (42p per month).

The regular income and expenditure will therefore be balanced as indicated in the following chart:



## Conclusion

In conclusion I believe this budget will enable the GBPC to meet the needs of the Great Bedwyn parish during 17/18 financial year. Despite an overall reduction in reserves and the spending of around £1,000 of reserves on balancing regular expenditure, I believe this is a prudent and sustainable budget. The creation of the financial committee, recent updates to our financial regulations and quality clerking mean that we can operate efficiently and with integrity and transparency. All the reserves are now allocated to potential expenditure which enables the council to continue to genuinely claim all possible grants from government and other bodies. While there is no general “rainy day fund” any more, the informally allocated reserves can be diverted should the council encounter any unforeseen expenses.

I am happy that the council is able to continue the good work it is doing on maintaining the open spaces as well as the playground and allotments all of which we are very lucky to have. I am pleased that we can support such a wide variety of community-benefiting organisations – from the WI to the defibrillator training – in the form of s.137 grants. I am especially pleased that we are able to support the Great Bedwyn Youth Group which is doing great work for the younger members of our community.

Doing what we can at the parish level to maintain and improve our community and fund such valuable activities is especially important while in the current environment Wiltshire Council and central government are required to reduce their support. It is regrettable but necessary that we increase the precept by £5 per annum per average household to support this good work.

I recommend this budget to the council.

Ian Barry  
Great Bedwyn Parish Council Financial Committee Chair