

Great Bedwyn PC Financial Committee Chair Report – 2018/19 Budget

11 January 2018

Introduction

The purpose of this document is to present, recommend and justify the 18/19 budget for adoption by the Great Bedwyn Parish Council (“GBPC”) and also to present indicative budgets for 19/20 and 20/21. This document and the attached budgets have been prepared by the Cllr Ian Barry, and Chair of the Finance Committee and acting Responsible Financial Officer (RFO).

All councillors were formally requested for their input into the 18/19 budget which was reviewed in the November 2017 parish council meeting.

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 2018 and 31st March 2019 – 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.

The budget has been prepared in line with the following principals 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

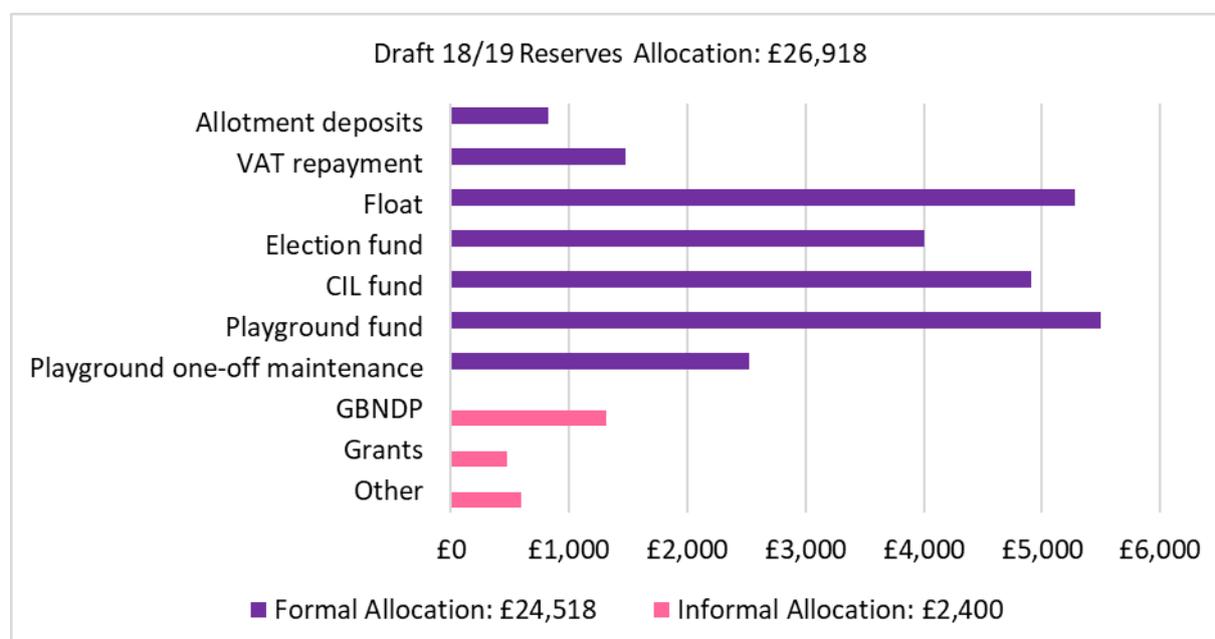
At the beginning of 18/19 reserves are expected to be £26,814, which includes a VAT refund from 17/18 of £3,187 and a Community Infrastructure Levy (CIL) grant of £4,912 expected to be received in January 2018. During the year the reserves will grow by £127 due to the regular expenditure surplus.

This budget proposes formally allocating the following reserves. Formally allocated reserves are not expected to be re-allocated during the year.

18/19 Formal Reserves Allocation (Draft)	
Allotment Deposits - allotment renters' monies held by GBPC	£825
VAT Repayment – potential VAT repayment	£1,474
Working capital / float - based on 3 months' expenditure	£5,265
Potential election expenses	£4,000
Long-term playground equipment replacement fund – grows at £500 p.a.	£5,500
Community Infrastructure Levy (CIL) Fund - to be spent by GBPC on suitable projects to be approved	£4,912
Playground posts maintenance – one-off expenditure as per minute 170.17	£2,526
Total	£24,518

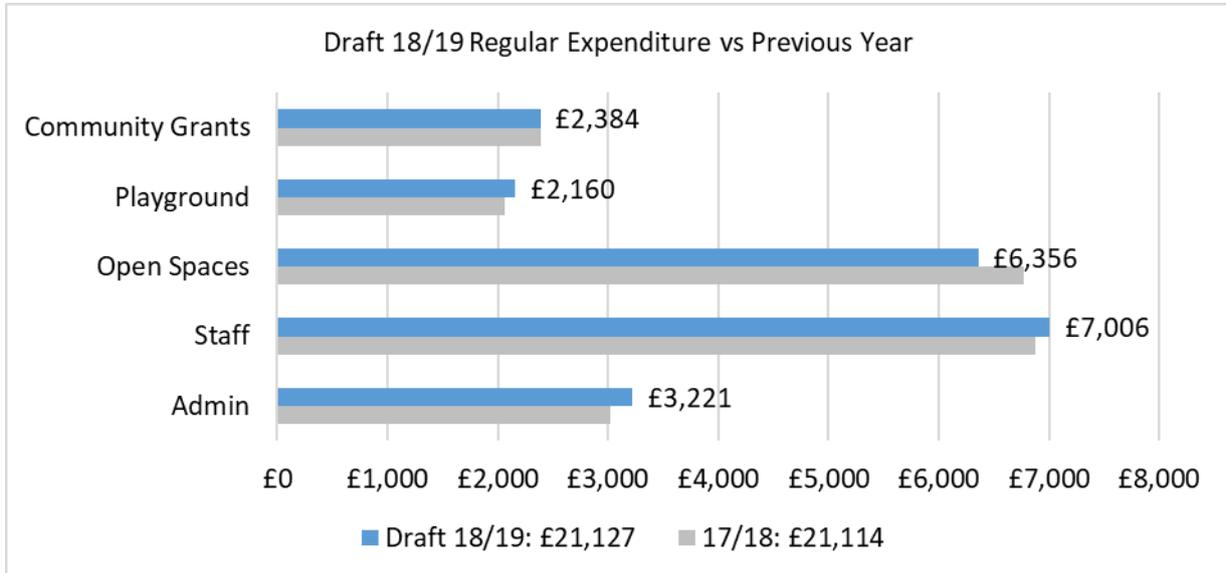
This budget proposes informally allocating the following reserves. Informally allocated reserves are not fixed and are subject to change subject to GBPC approval during 18/19.

18/19 Informal Reserves Allocation (Draft)	
Great Bedwyn Neighbourhood Development Plan (GBNDP)	£1,320
Grants	£480
Other projects	£600
Total	£2,400



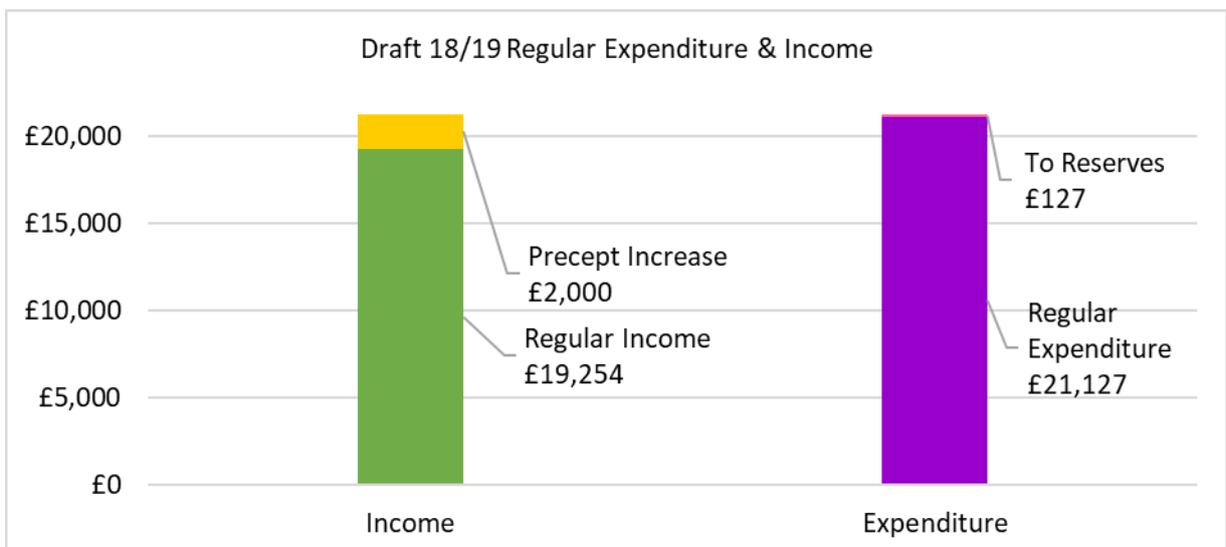
Budget Summary – Regular Income & Expenditure

18/19 total regular expenditure is proposed to be £21,127 which is 0.1% higher than the 17/18 budget. Within this, there will be a decrease of 6.7% in the open spaces budget, due primarily to the lack of availability of suitable contractors and lack of council resource to administer it. Administration is +6.7%, staff +1.9% and playground +4.9% compared to 17/18 budget due to general inflation.



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.

Regular expenditure also must be balanced by regular income. The current precept is £18,000 and other income is £1,254. Therefore there is a gap of £1,873 which must be addressed. Last year there the gap was £4,027 of which £1,027 was met from unallocated reserves and £3,000 from additional precept. This year there are no unallocated reserves and therefore a precept increase of £2,000 is proposed. This precept increase translates to an average cost increase for the band-D parish household of £2.93 per year (24p per month).



Conclusion

In conclusion I believe this budget will enable the GBPC to meet the needs of the Great Bedwyn parish during 18/19 financial year.

Staff and administration costs have been limited as far as is possible allowing the council to continue to maintain our open spaces, playground, allotments as well as support local groups with grants and donations as appropriate. Project-wise the council will continue to support the Neighbourhood Development Plan and has a small allowance that can be used for other projects that arise during the year that benefit the parish. Additionally, the Community Infrastructure Levy (CIL) fund must be spent according to specific guidelines and timeframe which presents a unique opportunity to the council.

All reserves are allocated and regular expenditure and income is balanced. While a precept increase of £2.93 per band-D parish household is required to achieve this balance, there is no need for future significant precept rises unless regular expenditure increases.

The main risk associated with this budget is the council's ability to execute it. There is currently no permanent clerk or RFO and we have 3 councillor vacancies. With less effort and expertise going into running the council, the number and complexity of projects we can support is reduced, as is the efficiency, in terms of taking advantage of grants and external support and avoiding administrative issues. If unchecked this will lead to real and perceived reduction in the benefits of the council which will lead to a reduction in its mandate. It is crucial that we secure the services of a good clerk and RFO and find more right-minded parishioners to join this council if we are to succeed.

Ian Barry
Great Bedwyn Parish Council Financial Committee Chair