

# Great Bedwyn PC Financial Committee Chair Report – 2019/20 Budget

10 January 2019

## Introduction

The purpose of this document is to present, recommend and justify the 19/20 budget for adoption by the Great Bedwyn Parish Council (“GBPC”) and also to present indicative budgets for 20/21 and 21/22. This document and the attached budgets have been prepared by the Cllr Ian Barry, Chair of the Finance Committee and acting Responsible Financial Officer (RFO).

All councillors were formally requested for their input into the 19/20 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 1<sup>st</sup> April 2019 and 31<sup>st</sup> March 2020 – 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 parish** 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:

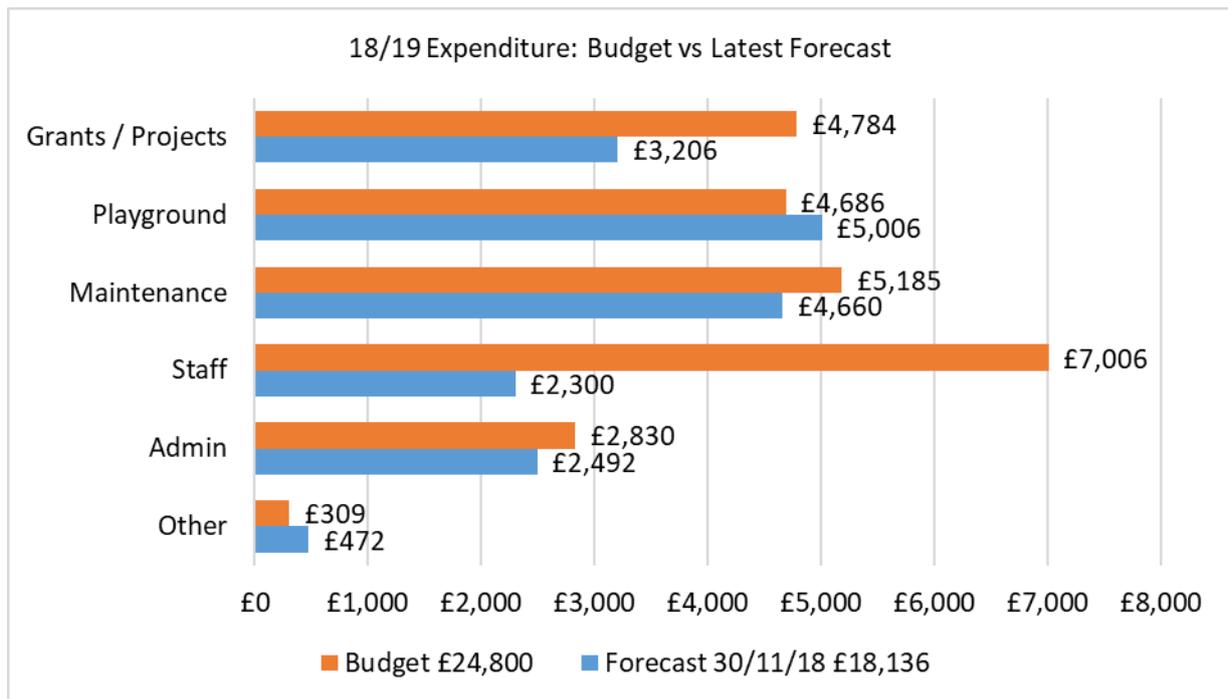
1. **That reserves must be maintained as appropriate and only where they can be justified towards specific future expenditure.** This means that excessive reserves must be reduced over time through support of regular expenditure.
2. **That regular expenditure and regular income must be balanced:** The 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.

## Current Year Summary

The 18/19 budget was set in January 2018 and although the year is not yet complete, the latest forecast as of November 2018 shows that net expenditure will be £9,309 lower than forecast. This is due to an unforeseen CIL payment of £2,645, lower staffing costs of £4,706 due to the absence of a clerk during most of 18/19 and lower grant costs of £1,222 mainly due to lower Neighbourhood Development Plan costs.

As a consequence, the reserves at the beginning of 19/20 are expected to be £36,060 which is significantly higher than their value of £28,889 at the beginning of 18/19.

The 18/19 budget differences are shown in the following graph which excludes precept and CIL.



## Budget Summary - Reserves

At the beginning of 19/20 reserves are expected to be £36,060.

Due to the reserves being higher than forecast and the significant Community Infrastructure Levy (CIL) fund, this budget proposes reducing the reserves over 2 years to £24,550 by end of 20/21 through the combination of funding of regular expenditure of £6,060 and a temporary reduction in precept by £2,000.

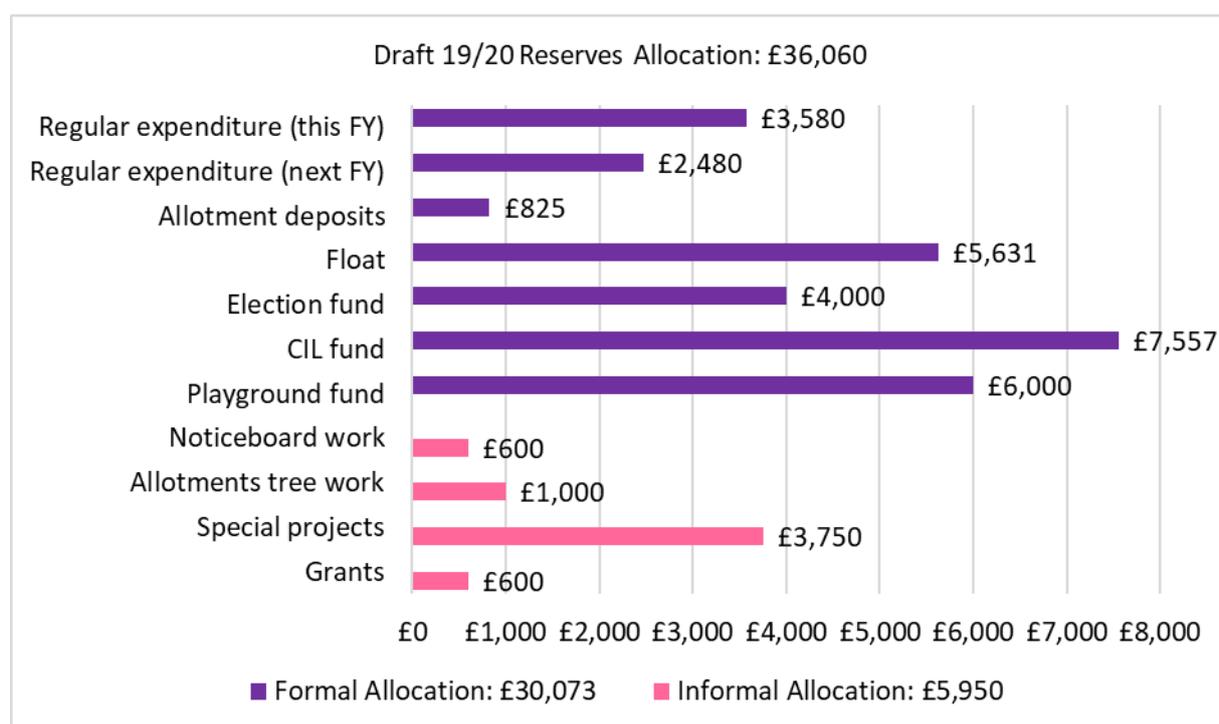
With this approach the reserves will remain healthy and in particular include a CIL fund of £7,557 which the council must spend on suitable projects within 5 years of receipt (December 2022) or return it, and a further special projects fund of £3,750.

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

<b>19/20 Formal Reserves Allocation (Draft)</b>	
Allocation towards 19/20 regular expenditure	£3,580
Allocation towards 20/21 regular expenditure	£2,480
Allotment Deposits - allotment renters' monies held by GBPC	£825
Working capital / float - based on 3 months' expenditure	£5,631
Potential election expenses	£4,000
Long-term playground equipment replacement fund – grows at £500 p.a.	£6,000
Community Infrastructure Levy (CIL) fund	£7,557
<b>Total</b>	<b>£30,073</b>

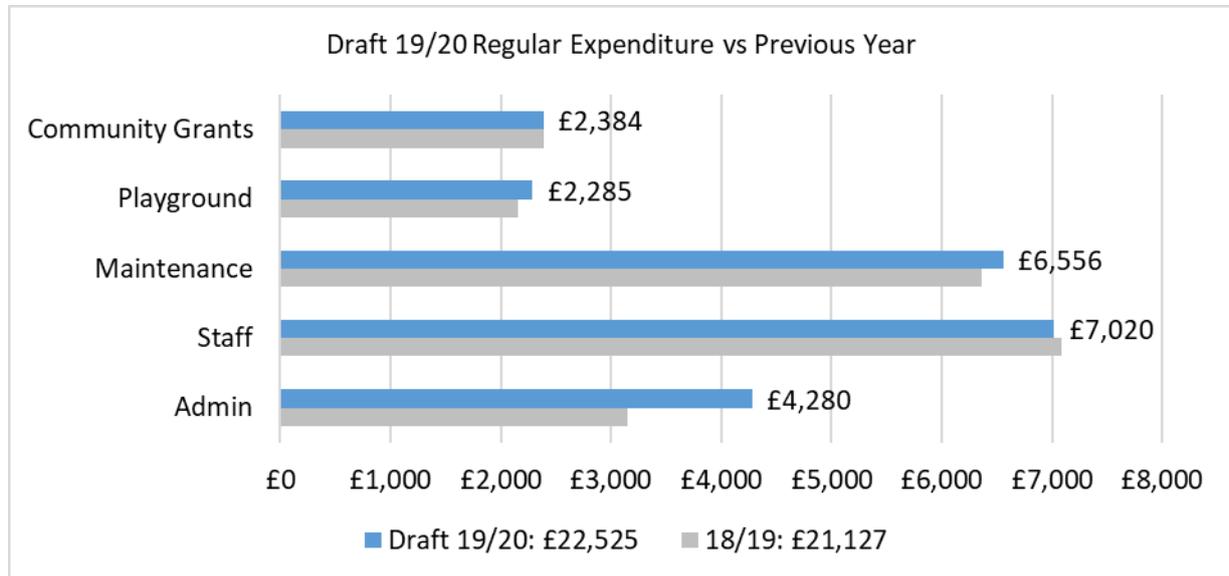
This budget proposes informally allocating the following reserves. Informally allocated reserves are not fixed and are subject to change subject to GBPC approval during 19/20.

<b>19/20 Informal Reserves Allocation (Draft)</b>	
Noticeboard work	£600
Allotments one-off tree work	£1,000
Other special projects	£3,750
Grants	£600
<b>Total</b>	<b>£5,950</b>



## Budget Summary – Regular Income & Expenditure

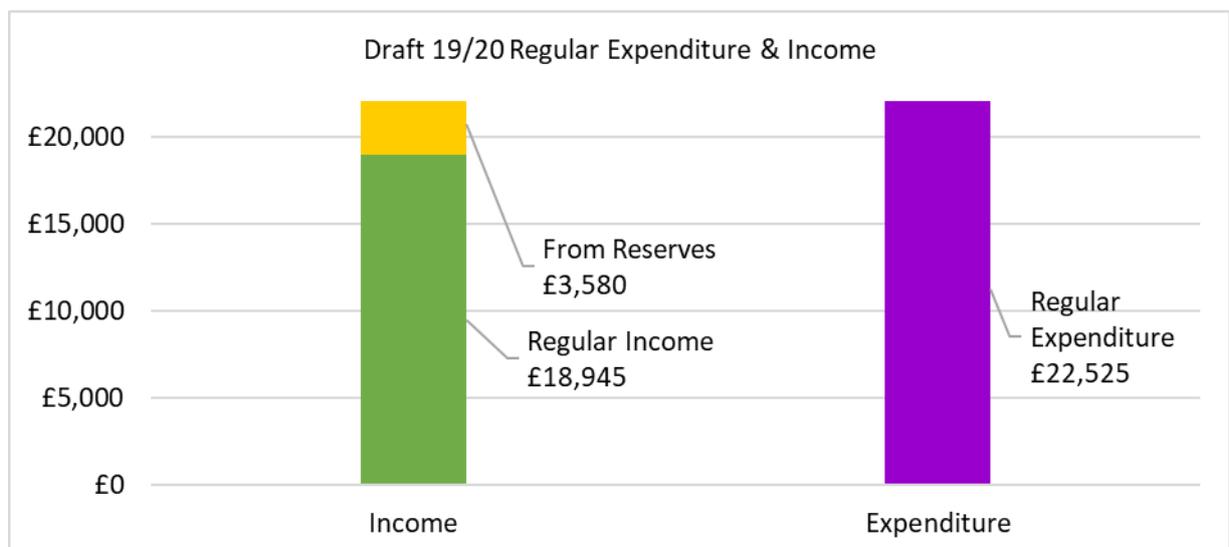
19/20 total regular expenditure is proposed to be £22,525 which is 6.6% higher than the 18/19 budget. Within this, there will be a 10.5% increase in Staff and Administration due to increased audit and staff costs. Village Maintenance & Allotments is +3.1%, Playground +5.8% and Grants static.



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. As mentioned above, during 19/20, reserves will be deliberately reduced by £3,580 in which provides a one-off regular income. To partly balance this precept will be reduced in 19/20 from £20,000 to £18,000. This is a one-off reduction of precept which is expected to return to £20,000 in 20/21 and increase to £23,500 in 21/22.

The impact of the precept reduction in 19/20 combined with an increase in the taxbase from 569.90 to 576.47 will result in an annual precept of £31.22 per band-D parish household which is a reduction of £3.87 compared to 18/19.



## 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 19/20 financial year.

Project-wise the council has a Community Infrastructure Levy (CIL) fund of £7,557 which must be spent according to specific guidelines and timeframe which presents a unique opportunity to the council. The council also has a projects allowance of £3,750 and a grants budget of £2,984 that can be used for other projects and causes that benefit the parish.

I am pleased that the council will soon appoint a Clerk and has a full complement of councillors which will allow this budget to be executed.

I recommend this budget to the council.

Ian Barry  
Great Bedwyn Parish Council Financial Committee Chair