

Report to: Council

Report from: Clerk / Responsible Finance Officer

Date: 13th December 2018

DRAFT BUDGET AND PRECEPT CALCULATION FOR THE YEAR COMMENCING 1 APRIL 2019

1. Background

- 1.1 The Council is required to set a budget each year. This should take account of the cost of all its duties, which it must discharge, and any discretionary spending it may wish to make.
- 1.2 It must also issue a precept - an order issued by one local authority to another specifying the rate of tax to be charged on its behalf. Currently, the capacity of the parish council to set its precept is uncapped (no pre-set limit). The statutory requirement for the precept to be notified to Rochford District Council is 1st February; however, we are requested to do so by 11th January 2019.

2. Draft budget for 2019/20 – assumptions and notes

- Note 1: This draft uses the same general layout as previously. It includes items from past years, so that any trends can be seen.
- Note 2: The general approach has been to assume all likely costs at the highest level but make minimal estimates of income.
- Note 3: The budget assumes inflation increases in costs of 3%, except where there evidence pointing to a different amount. Staffing costs are assumed to rise by 2%. Figures are rounded up to the nearest significant number.
- Note 4: The Council's laptop was replaced in the current year. A new laser printer is likely to be needed in 2019-20
- Note 5: The specific insurance for the Parish Hall Trustees should be paid by the Charity, not the Council (which paid it last year). The full rebuilding insurance will still be paid by BMPC.
- Note 6: Assumes 4 councillors claiming allowances throughout the year at an uplifted level of £250 (the amount is to be reviewed from 1.4.19).
- Note 7: The budget includes known costs for the May 2019 elections and for one bye-election.
- Note 8: Estimate for the replacement of 25% of the Council's street lighting stock with LED lanterns (+ disposal of old units) for each of the next 4 years.
- Note 9: Grounds maintenance costs are assumed to fall from current figures, owing to monthly inspection to be done by the clerk from 1 February. As the new grounds maintenance contract from 1.2.19 will be structured differently, so this is given a total estimated cost at line 76.

- Note 10: Council continues to hold £600 donated from the Village Fair 2017 towards new play equipment.
- Note 11: Stationery was previously several budgets across cost centres. Now combined into one.
- Note 12: Assumes a 10% increase in precept for 2019/20. We have been notified that Council Tax Support Grant will be 50% of the current year figure i.e. down to £637. It will cease altogether after 2019/20.

3. Recommendations

- 3.1 The Council is recommended to set a reserves policy which ensures that it holds 3 months' running costs in hand. On the proposed draft budget this would require a reserve of £17,097. However, owing to the need to replace the Council's street lighting stock spread over 4 years, the projected reserve at 31 March 2020 would be just £4,412. This is seriously below a prudent level and would impact on the Council's capacity to do as much in the following year. At the same time your engineering contractor has advised that the lighting stock is ageing and that from this year it will become increasingly hard and expensive to source parts. Significant long-term energy savings can be made through the introduction of new LED units.
- 3.2 Council is recommended to discuss and agree a budget for 2019/20 and to issue a precept for the year commencing 1 April 2019.

IK

6.12.18

This D R A F T dated 6.12.18

Line					7 months to	5 months to	Total		
Number			2016/2017	2017/2018	31/10/2018	31/03/2019	2018/2019	Draft budget	See
			Actual	Actual	Actual	Estimated	Projected	2019/2020	note
			£	£	£	£	£	£	
Expenditure (excluding VAT)									
Administration and core functions									
1	Accounting Software Licence		195	283	283	-	283	300	3
2	Bank Charges		780	-	-	-	-	-	
3	Christmas Hampers		450	405	450	-	450	465	3
4	Citizen of the Year		33	37	-	75	75	75	
5	Clerk Pension		-	1,445	1,347	600	1,947	1,957	
6	Clerk Pension Fine		200	-	-	-	-	-	
7	Clerk Salary incl employer's NI		9,899	8,624	4,635	4,267	8,902	9,411	
8	Data Protection		35	35	-	285	285	295	3
9	Donation to good causes		275	-	-	250	250	260	3
10	External Auditor		230	200	400	-	400	415	3
11	Hall Rental		410	160	-	-	-	-	
12	HMRC Penalty		800	-	-	-	-	-	
13	Insurance (Council, not hall)		2,285	1,859	1,809	-	1,809	1,883	3 and 5
14	Internal Audit		1,828	420	420	-	420	435	3
15	Locum Clerk/Accountancy		1,969	520	-	-	-	-	
16	Memorial Bench		400	-	-	-	-	-	
17	Mileage/Parking		275	461	110	110	220	225	3
18	Miscellaneous		485	175	160	-	100	100	
19	Newsletter		174	184	210	140	350	300	
20	Notice Boards		-	-	1,079	-	1,079	-	
21	Office Equipment		-	-	-	450	450	400	4
22	PA System		-	-	-	-	-	1,000	
23	Postage		108	146	34	100	134	140	3
24	Provision for Elections		-	-	-	-	-	5,500	7
25	Provision for legal costs		1,779	-	-	-	-	1,500	
26	Reference Books		-	-	-	-	-	130	
27	Stationery		268	311	125	125	250	400	11

This D R A F T dated 6.12.18

28	Subscriptions		260	596	549	100	649	670	
29	Telephone + Broadband		113	-	85	255	340	385	
30	Training		320	825	90	90	180	360	
31	Web Support		385	45	110	50	160	500	
Bus shelters									
32	Bus Shelter Repairs or Replacement		-	-	5,486	-	5,486	2,500	
33	Empty bins		240	268	268	-	268	-	9
Councillor allowances									
34	Councillor Allowances		425	776	351	318	669	1,000	6
Playspace									
35	Playspace - Annual Inspection		-	67	67	-	67	70	3
36	Playspace - Mow Lawn, bins and visits		1,440	2,546	1,490	1,060	2,550	-	9
37	Playspace - New equipment		0	-	-	-	-	600	10
Projects									
38	Barling in Bloom		-	-	-	-	-	350	
39	Photography Competition		-	-	-	150	150	150	
Public Works Loan Board									
40	Public Works Loan Board		-	2,500	2,562	2,562	5,124	5,277	
Street lighting									
41	Lighting - Identification		-	-	-	-	-	1,000	
42	Lighting - Power		3,148	3,060	1,821	1,300	3,121	3,250	3
43	Lighting - Repairs		915	1,870	1,035	850	1,885	1,950	3
44	Lighting - Replacement		-	-	-	-	-	9,900	8
Parish Hall									
45	Parish Hall - Alarm maintenance		-	-	-	-	-	400	
46	Parish Hall - CCTV installation		-	-	700	-	700	-	
47	Parish Hall - Cleaning Materials		-	69	24	15	39	50	
48	Parish Hall - Curtains		-	-	-	1,796	1,796	-	
49	Parish Hall - Dinghy		-	-	184	-	184	50	
50	Parish Hall - Electricity		57	481	478	500	978	1,010	3
51	Parish Hall - Fire Extinguisher servicing		-	530	-	263	263	270	3
52	Parish Hall - Gas		-	-	173	700	873	926	
53	Parish Hall - Insurance		261	575	-	-	-	-	5

This D R A F T dated 6.12.18

54	Parish Hall - Kitchen and Toilet works	-	-	-	7,689	7,689	-		
55	Parish Hall - Manager	4,320	4,320	1,800	2,742	4,542	4,794		
56	Parish Hall - Mow Lawn + trimming	470	513	300	500	800	-	9	
57	Parish Hall - Periodic/PAT Testing	-	8	-	-	-	200		
58	Parish hall - Refurbishment	-	78,773	5,024	-	5,024	-		
59	Parish Hall - Repairs	-	500	-	500	500	500		
60	Parish Hall - Water/Sewage	171	356	70	50	120	155		
Wildlife Reserve									
61	Wildlife Reserve - 3 yearly tree Inspection	-	-	360	-	360	-		
62	Wildlife Reserve - Replacement benches / tables	-	-	598	-	598	300		
63	Wildlife Reserve - Bins	647	-	343	207	550	-	9	
64	Wildlife Reserve - Fencing	-	72	85	-	85	-		
65	Wildlife Reserve - Fire Ext maintenance	-	-	32	-	32	50		
66	Wildlife Reserve - Fun Dog Show	-	-	-	-	-	250		
67	Wildlife Reserve - Legal Costs	-	27	-	-	-	1,000		
68	Wildlife Reserve - Miscellaneous	24	-	-	-	-	100		
69	Wildlife Reserve - New water supply, etc	-	-	-	25,197	25,197	-		
70	Wildlife Reserve - Petrol/Diesel	77	109	74	50	124	130	3	
71	Wildlife Reserve - Servicing	42	258	-	-	-	200		
72	Wildlife Reserve - Teddy Bear's Picnic	400	-	-	-	-	-		
73	Wildlife Reserve - Tools/equipment	-	58	-	-	-	50		
74	Wildlife Reserve - Tree surgery	-	-	-	-	-	1,000		
75	Wildlife Reserve - Water consumption	27	95	-	40	40	100		
Grounds maintenance									
76	Combined costs of mowing, bins, hedging. The actual annual costs for 2018/19 uprated for inflation, less inspection costs							3,700	9

[illegible]