

Lyneham & Bradenstoke Parish Council
DRAFT BUDGET 2020/21
EXPENDITURE

AGENDA ITEM 7.4

Expenditure	Budget 2019/20 £	Actual to 31.12.19 £	Projected 31.3.20 £	Projected at 31.3.20 £	Proposed Budget 20/21 £	Notes
Administration						
Hall hire	350	230	70	300	350	
Stationery, postage	520	105	100	205	500	
Mobile phone Clerk	---	---	110	110	120	Note 1
Subscriptions	1200	1067	---	1067	1203	Note 2
Audit	360	----	1890	1890	800	Note 3
Insurance	900	807	---	807	900	
Salary Clerk	6633	5826	2000	7826	14,415	Note 4
Training Clk & Cllrs	500	355	---	355	1500	Note 5
Website & IT support	---	679	1495	2174	1500	Note 6
Community						
Youth Work support	---	---	2340	2340	1000	Note 7
Defibrillators	---	---	675	675	400	Note 8
Newsletter	2200	---	---	---	2000	Note 9
Grants & Donations	5000	---	1629	1629	5000	Note 10
Poppy Wreaths	100	75		75	100	
Maintenance						
General Maintenance	1000	---	---	---	2000	Note 11
Play areas + inspections	1000	900	557	1457	1000	Note 12
Grass cutting contract	8500	6860	2590	9450	8500	Note 13
Trees/Hedges	2000	940	6000	6940	2000	Note 14
Churchyard	2000	2000	---	2000	2000	Note 15
Flower beds	1000	315	---	315	1000	Note 16
Public Toilets cleaning	6800	3195	3650	6845	5600	Note 17
Public Toilets water	---	230	34	264	290	Note 17
Public Toilets electricity	---	311	160	471	518	Note 17
Public Toilets maint.	---	---	---	---	150	Note 17
Village Entrance	2000	---	---	---	---	
TOTALS	42063	23895	23300	47195	52846	

Lyneham & Bradenstoke Parish Council
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INCOME

Income £	Budget 2019/20 £	Outturn at 31.3.20 £	Proposed Budget 20/21 £	Notes
Allotment rents	702	702	702	Note 18
Advertising - Newsletter	600	---	---	Note 19
S106 & CIL payments	---	---	---	Note 20
Bank Interest	40	57	70	Note 21
VAT Reclaim	---	---	1054	Note 22
TOTALS	1342	759	1826	

EARMARKED RESERVES

Earmarked Reserves are funds that the Parish Council wishes to ring fence for a particular purpose. For example, a major community project that may take several years to bring to fruition and a large pot of money to fund. Effectively, the Parish Council can save up funds for the project by putting an amount on the Precept over a number of years rather than the full amount on the Precept in one year. An example would be the Holloway footpath project. Another use of Earmarked Reserves is to ensure there is a pot of money for projects that may arise during the financial year for which a contribution is required from another organization. An example would be the contribution that Wiltshire Council requires from the Parish Council towards the new lighting at the pedestrian crossing next to MOD Lyneham main entrance. Earmarked Reserves are carried forward from year to year if only partially spent or not spent at all. There may be other projects that Councillors wish to bring forward in future years and Earmarked Reserves are always useful to have in the budget. It's a form of forward planning.

Neighbourhood Development Plan Steering Group Funds

The Parish Council earmarked a total of £11,500 for this process over two financial years - 2017/18 and 2018/19. There remains £5680 in this earmarked fund

Groundworks Grant – awarded to the NDP Steering Group towards the Neighbourhood Development Plan process. Because the NDP Steering Group is a Parish Council project the funds had to be held in the Parish Councils bank account. £1336 still held by the Parish Council.

Lyneham & Bradenstoke Parish Council

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EXPENDITURE - NOTES

Note 1 – NEW ITEM - Current spend is for purchase of Mobile phone, including £50 credit, for use by Parish Clerk. Although it is difficult to gauge it is anticipated that this should last for, say, 6 months. A mobile phone gives the public a contact phone number without using the Parish Clerk's personal landline or mobile number.

Note 2 – Subscription is for Wiltshire Association of Local Councils (WALC). Suggested that the Parish Council also purchases a subscription for the Parish Clerk to the Society of Local Council Clerks (SLCC). This would cost £126 plus £10 joining fee for the current year. This is included in the budget figure. SLCC membership not only benefits the Parish Clerk but also the Parish Council by means of being kept up to date with new legislation and how to apply it. There are also many training opportunities for both Clerks and Councillors that may not be available through WALC, although the two organisations do work together.

Note 3 – The current budget figure is for External Audit only. Until now, Internal Audit has been carried out by a neighbouring Parish Council Chairman. Whilst this is acceptable it is not best practice and it is therefore recommended that a professional Internal Auditor is appointed. The budget cost is based on the External Audit fee of £300 and Internal Audit, by the company appointed to carry out the recent Internal Audit, with an annual fee of £455 for two visits per year.

Note 4 – This is over budget for the current year entirely due to the need to appoint a locum clerk. The new salary has been calculated using the NALC/SLCC National Agreement on Salaries, dated 2004, updated to the 2019/20 salary award. Please see Parish Clerk's Report for further information.

Note 5 – 2018/19 budget figure will not be sufficient to allow for additional/further training for councillors e.g. play equipment inspection training, financial training, nor for training for a possibly unqualified Parish Clerk. Additionally, attendance at NALC or SLCC Conferences is considered to be part of Continuous Professional Development (CPD) training for Clerks and Councillors within the Local Council sector. This is why this budget has been increased to £1500.

Note 6 – NEW ITEM - Current spend includes equipment purchase and software purchase. The website proposal document shows annual cost of £795. Accounts package annual support is £183. £1500 has been budgeted in case additional software and/or support is required during the year.

Note 7 - £1000 allowed for next year but maybe need to look at other providers.

Note 8 – NEW ITEM – There has been no budget in prior years for this purpose. All three batteries have been replaced in the current year and they have a life of approximately 4 years. Replacement pads will be required in September 2020. Basic membership of Community Heartbeat is £126 per annum per defibrillator but this includes replacement pads (both time expired and post rescue) together with an annual check of the defibrillators and cabinets. Unable to check the individual prices of these items until 2nd January due to Christmas closedown. Budget figure is 3x£126 plus extra to account for any increase in costs.

Note 9 – It is anticipated the Parish Council will be in a position to produce a Newsletter later in 2020 so budgeted £2000 because website has own cost heading.

Note 10 - Budget is same as current year even though not all used. Availability of grant funding should be more widely advertised within the community.

Note 11 – General Maintenance covers allotments, Dog walking area and such items as benches, noticeboards and infrastructure other than that specifically budgeted for.

Note 12 – Routine annual inspection by RoSPA is currently 68.50 +VAT per site when carried out within their routine inspection programme. The current spend is due to the fact that no inspections have taken place since 2017 and the inspections were one-off, outside their programme. The remainder of this budget figure is for repairs and replacements.

Note 13 – Current spend includes £2100 for leaf removal and footpath clearance of overgrown grass, which was approved as a one off item at the Parish Council meeting on 10th December 2019, Minute No 8.4, plus one cut in March 2020. Budget is the same as last year so assumed to be the current contract price.

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Note 14 - £2000 included as per Minute No 8.3 of 10th December 2019 Parish Council meeting. The overspend on this budget is due to the tree survey and consequent work decided upon at the meeting on 10th December 2019, Minute No 8.2.

Note 15 – This could be applied for as a grant from the Grant and Donations budget under S137 of 1972 LGA, because Parish Councils are not allowed to fund a religious body. However, Parish Councils are allowed to fund a graveyard, so this has been budgeted for as a contribution to the church graveyard because the Parish Council does not have its own graveyard.

Note 16 – Left at current budget figure as decisions need to be made regarding the flower beds in the villages.

Note 17 – This budget has been split into three component parts for this budget figure. Cleaning contract is £5475 per annum and runs until 2021. Figures for the current year include payments that were due in the previous financial year. Water and electric are based on anticipated outturn at 31.3.20 plus 10% for any potential increases. Added a maintenance item with nominal £150.

INCOME

Note 18 – There are 39 Allotment plots all rented. The rents have not been demanded yet in the current financial year but may be collected before the end of the financial year. Each plot is £18 so income should be £702.

Note 19 – This budget heading is for advertising in the Newsletter. No budget is shown as the Parish Council needs to decide how it wants to fund the Newsletter, either out of its own funds or with the assistance of advertising.

Note 20 – It is not known whether there are any S106 or Community Infrastructure Levy (CIL) payments available, hence no budget figure.

Note 21 – The Parish Council has a current and a deposit account, the idea being that surplus funds are transferred to the deposit account attracting interest. The bank accounts have not been managed properly to date, with the deposit account holding less than the current account. This will be rectified as soon as the current Parish Clerk has access to transfer funds between the bank accounts, anticipate to be in early January 2020. Therefore, a nominal £70 has been included.

Note 22 – VAT reclaim not budgeted for last year, probably because it is almost impossible to estimate. The figure shown for current financial year will be reclaimed. It may be possible to reclaim the previous financial year VAT, if any charged, and will be investigated.

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GENERAL RESERVES – General Reserves were set at £25000 for the 2019/20 financial year and for some years prior to that. Proposed budget is £44561 for 20/21 financial year. Best practice is that General Reserves should be set at 6 months of total spend for the year. General Reserves are required in the event there is some difficulty with receiving Income e.g. Precept, so that the Parish Council can continue to function and pay its bills.

It is suggested General Reserves for 20/21 financial year should be set at £20000.

Bank Accounts – The Parish Council holds two bank accounts – Current and Deposit. Money should be moved from the Current Account to the Deposit Account when there is a surplus of funds i.e. when the Precept is received twice a year, usually in April/May and September/October.

Current Account at 30.11.19	72777.37	Projected Funds at 31.3.20	83314.88
Less uncleared cheques	<u>6211.13</u>	Less suggested General Reserve	<u>25000.00</u>
Total at 31.12.19	66566.24		58314.88
Plus Deposit Account at 30.11.19	<u>38222.64</u>	Less Earmarked Reserves	<u>11680.00</u>
Total Funds at 31.12.19	104788.88		46634.88
Less projected spend 31.12.19		Less Groundworks Grant*	<u>1336.00</u>
To 31.3.20	<u>23300.00</u>		
	81488.88		
Plus Income to 31.3.20	1826.00**	Surplus Funds Available	£45298.88
Total projected at bank at 31.3.20	£83314.88		
		Proposed Budget for 20/21	£52846.00

Earmarked Reserves (EMR) – New Item

CATG Project contributions	2000.00
Holloway Footpath project	2000.00
Bradenstoke junction lighting	2000.00
NDP funding currently ring fenced	<u>5680.00</u>
Total EMR	11680.00

*See explanation on page 4 under Earmarked Reserves – NDP Steering Group funds

** It may not be possible to collect all income before 31.3.20

TAX BASE = 1577.34 - Explanation of this term on the next page

Lyneham & Bradenstoke Parish Council
DRAFT BUDGET
PRECEPT CALCULATION

OPTIONS

Based on the above Draft Budget the Parish Council has some options, which are explained below. The Surplus Funds of £45,298.88 have arisen because previous budgets have not taken into account any unspent funds in the previous financial year. The Tax Base referred to on the previous page is a figure set by Wiltshire Council based on the number of properties in both villages. When divided into the Precept it gives the average Band D Council Tax figure for the Parish Council which is shown on the Council Tax demand. Bands A, B and C will be less than the Band D figure and Bands E, F and G will be greater than Band D. Thus Band D is the average charge. A decision also needs to be made on the level of General Reserves it would be wise to hold.

Proposed Budget 20/21 – Option 1	£52,846 includes Clerk’s salary at £14,415
Proposed Budget 20/21 – Option 2	£52,916 includes Clerk’s salary at £14,485
Proposed Budget 20/21 – Option 3	£62,759 includes Clerk’s salary at £24,328
Proposed General Reserves 20/21	£25,000
Projected Surplus funds at 31.3.20	£45,298 using Option 1 above
Projected Surplus Funds at 31.3.20	£45,228 using Option 2 above
Projected Surplus Funds at 31.3.20	£35,385 using Option 3 above

Option 1 – Precept set at the Proposed Budget figure of £52,846 above. The Band D Tax would be £33.50 per year (£52846 divided by 1577.34).

Option 2 – Precept set at Proposed Budget figure of £52,916 above. The Band D Tax would be £33.55 per year (£52,916 divided by 1577.34).

Option 3 - Precept set at Proposed Budget figure of £62,759 above. The Band D Tax would be £39.78 per year. (£62,759 divided by 1577.34).

Lyneham & Bradenstoke Parish Council
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PRECEPT CALCULATION

The Projected surplus funds could be ring fenced as an Earmarked Reserve, titled something like Special Projects Fund.

The Parish Council could contribute some of the projected surplus above (known as a Contribution from Reserves) at 31st March 2020 to reduce the Precept as follows:

Proposed Budget – Option 1 above	£52,846
Contribution from Reserves, say	£10,000 (or any other amount)
Precept would reduce to	£42,846

Proposed Budget – Option 2 above	£52,916
Contribution from Reserves, say	£10,000 (or any other amount)
Precept would reduce to	£42,916

Proposed Budget – Option 3 above	£62,759
Contributions from Reserves, say	£10,000 (or any other amount)
Precept would reduce to	£52,759

Option 1 would reduce the Band D Tax (average) to £27.16 per annum (£42,846 divided by 1577.34).

Option 2 would reduce the Band D Tax (average) to £27.20 per annum (£42,916 divided by 1577.34).

Option 3 would reduce the Band D Tax (average) to £33.44 per annum (£52,759 divided by 1577.34).

Such a contribution from Reserves could not be repeated in the 21/22 financial year and a greater increase would probably have to be applied in that year. The Band D tax in 2019/20 was £27.41 per year, with a tax base of 1534.43 and a Precept of £42,603.

These are suggestions only and Parish Councillors will have to decide how to proceed in relation to setting the Precept and what to do with the surplus funds. However, a decision about the Precept has to be made at the Parish Council meeting to be held on 14th January 2020.