

Budgetary Planning Discussion

Lower Slaughter Parish Council Precept 2019/2020

Scope:

This document has been produced to aid discussions amongst the LSPC Councillors with respect to setting the financial budget and hence the Precept for the forthcoming financial year i.e. April 2019 to March 2020.

Budgetary Planning Landscape:

Budgetary planning for LSPC is undertaken in line with the following strategies:-

- To ensure we undertake our statutory obligations as Parish Councillors recognising our duty of care to the residents of and visitors to Lower Slaughter.
- To reflect and prepare for a gradual reduction in the numbers of “active” residents within the village.
- To continue the policy of Reserve Management by setting a Precept that is below the required financing level to reduce the financial reserves held by LSPC over a 10-year period.
- To maintain improved control of the village aesthetics by the continued outsourcing of grass maintenance and other activities to external service providers.
- To recognise the significant decline in volunteers prepared to maintain the allotment and plantation areas of the village.
- To continue to manage as best as possible the issues created by the increasing visitor numbers to the village.
- To ensure a sufficient financial reserve is maintained to prepare the village against financial stress in the future.

Commentary for Financial Activity in 2018/2019: (Current Period)

Significant factors to be aware of for the current financial period.

- The Precept for 2018/2019 was increased from £5,500 to £5,600 (a 1.8% increase).
- The Precept reflected a £2,000 shortfall in the financing requirements of the village in line with the on-going policy of long-term Capital Reserve Reduction.
- Incomes for the period will be ahead of budget by approximately £250. Although no contribution to the grass cutting was received from the Hotels in this period, the amount of VAT reclaimed from previous periods was higher than had been anticipated.
- Additionally allotment income has exceeded expectations due to increased activity as a result of the engagement process to develop future strategy.
- Expenditure in the period is likely to be considerably lower than had been anticipated primarily due to:-

- Our decision not to retain the services of Parish Clerk.
 - Reduced requirements for tree maintenance.
 - The deferral of various allotment and kerb repair projects.
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- The effect of a higher income and lower expenditure will result in an increase in Capital Reserve of approximately £1,000¹ against an anticipated strategic reduction of just over £2,000.

Budget Planning for 2019/2020.

In developing the budget for 2019/2020 the following commentary is provided:

Income Assumptions:

Incomes are generally in line with previous levels and allotment renewals are maintained at current levels with a 10% increase in plot rental levels.

It has been assumed that a contribution towards village grass maintenance of £250 is received from the Hotels.

Expenditure Assumptions:

General levels of expenditure are in line with previous years with appropriate inflationary increases assumed.

It is assumed that the use of Liz Dowie as a Consultant providing Secretarial Services continues through the financial period.

Although we are required to retender the grass maintenance activities and insurance provision for 2019/2020, it is assumed that these renewals are broadly in line with current expenditure levels, however additional costs to attend to the allotment area are anticipated.

Following the sad loss of Tony Frost, who undertook the role of internal auditor at no charge to the Council, an allowance of £250 has been assumed to cover these costs moving forward.

It is assumed that some tree maintenance will be required in the period and a similar figure of £1,250 has also been included to cover the outsourcing of maintenance services for the allotment and plantation area.

An allowance of £950 has also been provided to cover a range of special projects to cover further allotment improvements and kerb repairs for the church entrance area,

Detailed proposals for the 2019/2020 Financial Year are shown on the following page. The salient features of which are: -

¹ This is a forecast only based on anticipated expenditures in Q1, 2019.

Anticipated Income (excluding Precept) is anticipated to be £1,240.

The level of Expenditure covering operating expenses and an element of special projects is forecasted to be £8,995,

As such, the net financing requirement for LSPC for 2019/2020 will be £7,755.

It is therefore proposed to increase the Precept application from £5,600 to £5,700 which equates to an increase of 1.8% in terms of the overall Precept Amount, yet only a 0.40% increase in terms of the Band D Council Tax Charge.

This budgetary proposal will create a financial shortfall of £2,055 which will be financed from our Capital Reserve in line with the policy of gradually reducing the large reserve that is currently held. (£32,000).

In line with our strategic objective of providing financial resilience for the village on a long-term basis, it is also proposed to create Nominated Financial Reserves to safeguard against specific issue which are considered unique to Lower Slaughter. It is therefore PROPOSED in the f2019/2020 Financial period to create the following :-

Nominated River Bank Repair and Weir Maintenance Reserve:	£10,000.00
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Nominated Traffic Management (TRO) Reserve:	£10,000.00
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Budget Proposal:

	Budget for 2019/2020	ACTUAL for 2018/2019	Budget for 2018/2019	Budget for 2017/2018
Income				
Allotment Income	£280.00	£291.45	£190.00	
Net Contribution from/(to) Allotment	£0.00	£0.00	£0.00	-£56.00
WPD - Wayleaves	£46.00	£45.00	£39.00	
Bank Interest	£14.00	£13.25	£13.25	£13.00
VAT Recovery	£650.00	£843.78	£600.00	£600.00
Other (Hotel Contribution/grant)	£250.00	£0.00	£300.00	£500.00
Total	£1,240.00	£1,193.48	£932.25	£1,057.00
Expense				
Clerk Services (Consultancy)	£2,000.00	£840.00	£2,920.00	£900.00
Clerk Wages (R Waller)	£0.00	£544.36		
Clerk Tax & NIC payments	£0.00	£118.00		
PATA Admin charges	£20.00	£30.00		
Grass Maintenance	£2,200.00	£2,109.00	£2,100.00	£1,905.00
Insurance	£425.00	£399.01	£391.33	£375.00
GAPTC	£60.00	£55.66	£62.58	£60.00
Audit Fees (estimate)	£250.00	£0.00	£100.00	
Printing & Stationary	£20.00	£20.00	£20.00	£20.00
Postage	£20.00	£28.00	£10.00	£10.00
Salt/Grit	£100.00	£0.00	£50.00	£100.00
Tree Maintenance	£1,250.00	£345.00	£1,000.00	£2,800.00
Councillor Training Expenses	£150.00	£350.00		
Fuel for Strimmer	£25.00	£20.00	£20.00	
Water Rates (Allotment)	£75.00	£65.00	£80.00	
General Mtce	£200.00	£90.00	£250.00	£175.00
Allotment Maintenance	£1,250.00	£65.00	£80.00	
Defibrillator (training)			£150.00	£30.00
Projects				
Allotment North Boundary Repair	£400.00	£500.00	£950.00	
Kerbside Repairs	£400.00		£480.00	
Allotment South Boundary Repair	£0.00			£1,200.00
Stumpbusting	£150.00	£200.00	£200.00	£200.00
St Mary's 150 year celebration				£1,000.00
Sub Total projects	£950.00	£200.00	£1,630.00	£2,400.00
Contingency				
Total	£8,995.00	£5,779.03	£8,533.92	£8,775.00
Financing Required	£7,755.00		£7,601.67	£7,718.00
Precept Requested	£5,700.00		£5,600.00	£5,500.00