

# Council Meeting 17<sup>th</sup> November 2014.

<b>Ditchingham Parish Council:</b>		<b>9 Months</b>	<b>BUDGET</b>	<b>F'CAST</b>	<b>BUDGET</b>
Budget forecast & Precept estimate 2014-15 (15-16)		14-15	14-15	14-15	15-16
Actual		<b>OUTTURN</b>	<b>BUDGET</b>	<b>F'CAST</b>	<b>BUDGET</b>
YR Ended		<b>9 Mths Ended</b>	<b>YR Ended</b>	<b>YR Ended</b>	<b>YR Ended</b>
31/03/2014		<b>30/09/2014</b>	<b>31/03/2015</b>	<b>31/03/2015</b>	<b>31/03/2016</b>
Fin Yr13-14		<b>Fin Yr 14-15</b>	<b>Fin Yr 14-15</b>	<b>Fin Yr 14-15</b>	<b>Fin Yr 15-16</b>
20,000	Precept	25,000	20,000	25,000	23,000
	Increase in Precept	0	3,000	0	2,750
	New Strategies	0	2,000	0	2,000
	General reserve increase	0	0	0	6,500
2,091	SN Transition monies	2,604	0	2,604	0
5	Interest	0	5	5	5
2,800	Burial fees	1,650	2,200	2,200	2,200
216	Allotments	255	275	255	275
1,159	Recreation Grounds	1,747	1,300	1,747	1,750
0	Honorarium	0	0	0	0
	Miscellaneous	0	0	0	0
598	Recycling	185	200	185	0
2,979	VAT	1,248	2,000	3,000	3,400
<b>29,848</b>	<b>Income</b>	<b>32,689</b>	<b>30,980</b>	<b>34,996</b>	<b>41,880</b>
1,305	General Reserve	10,692	11,434	10,692	10,738
3,000	Play Area	142	0	142	2,642
4,305	<b>Reserves B/ Forward</b>	<b>10,834</b>	<b>11,434</b>	<b>10,834</b>	<b>13,380</b>
<b>34,153</b>	<b>Available Resources</b>	<b>43,523</b>	<b>42,414</b>	<b>45,830</b>	<b>55,260</b>
2,869	General Admin	1,627	2,500	2,700	2,700
4,556	Clerks Employment Costs	3,394	5,000	6,000	6,000
	Clerks home office	221	1,000	500	500
	Section 137	0	0	0	0
500	Parishionner	0	750	750	750
100	Allotments	100	150	0	250
3,613	Burial Grounds	3,617	3,800	4,800 v	6,000
3,226	Village Tidy	2,286	3,000	3,500 v	4,000
0	Honorarium	0	0	0	0
2,168	Recreation Grounds	2,691	2,800	2,700 v	3,000
1,500	Increase Play reserve	2,500	2,500	2,500	2,500
0	New Strategies	0	2,000	2,000	2,000
0	Charge Against reserve	0	0	0	0
0	Play area maintenance	0	1,000	2,000 v	2,000
0	Bus Shelter	0	500	0	0
140	Miscellaneous	256	1,000	1,000 v	1,000
	Transfer to reserves	0	0	0	0
	Other estimated costs	0	1,000	1,000	1,000
1,788	VAT	1,575	2,000	3,000	3,400
<b>20,460</b>	<b>Expenditure</b>	<b>18,267</b>	<b>29,000</b>	<b>32,450</b>	<b>35,100</b>
<b>13,693</b>	<b>Reserves C/ Forward</b>	<b>25,256</b>	<b>13,414</b>	<b>13,380</b>	<b>20,160</b>
13,692	General Reserve			10,738	13,018
-2,858	Expended (Play Area)				
142	Play Area Lychgate			2,642	5,142 2,000
<b>10,834</b>	<b>Reserves (as above)</b>	<b>0</b>	<b>0</b>	<b>10,738</b>	<b>13,018</b>
904	VAT receivable (following year)	0	2,000	0	0
<b>11,738</b>	<b>Total Reserves</b>	<b>0</b>	<b>2,000</b>	<b>10,738</b>	<b>13,018</b>
2,859					
10,692	General Reserve			10,738	13,018
142	Play Area Reserve			2,642	5,142
0	Lych Gate refurbishment			0	2,000
<b>10,834</b>				<b>13,380</b>	<b>20,160</b>

The Finance and Resources (F&R) ADVISORY Committee including the Chairs of the Environment, Community, and Planning & Highways ADVISORY Committees, has reviewed the Council's income and expenditure forecasts for the remainder of the current year, and in the context of continuing the Council's strategy and policies recommend to Councillors the above noted budget for 2015-16; this budget being the key driver in establishing the requirements in the setting of the precept for 2015-16.

This budget should be read in the context of the following notes:

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Chair Ditchingham Parish Council (12/11/2014)

## Process

- This paper builds on the process established in 2012-13 where each budget line is examined for realism and adequacy. The objective of this paper before this meeting is to determine the level of precept necessary for 2015-16 considering:
  - What level of services and amenities DPC wishes (or can afford) to deliver to the village and the community on a 'status quo' basis?
  - What new initiatives (if any) should DPC support?
  - What is the impact of this 'per household'?

## Income

- Currently the only sources of income that DPC can directly influence are:
  - The Precept: This will be decided through the process of this decision. It must be determined at a level adequate to 'balance the books'
  - Cemetery (Burial fees): The Council's policy is to review these fees annually in line with national levels with local adjustments.

## Expenditure

- In considering expenditure there is very little opportunity for discretion. Identified below are the core cost pressures reconciling the 2014-15 forecast outturn with the recommended budget 2015-16:
  - General admin. (Insurance, Audit)
  - Village Safety & Tidy. (Play Area inspections & increased litter picking)
  - Clerk's salary. (Increased hours & scale and additional training)
  - Lychgate. (Create sinking fund)

**The Finance & Resources ADVISORY committee recommend a 2015-16 budget of £35,100.**

**To support this budget recommendation the Finance & Resources ADVISORY committee recommend that this Council determine a precept of £34,250 for the financial year 2015-16.**

## Notes

### Play Area Reserve

- The play area reserve was fully drawn-down in 2013-14. The Council committed in 2014-15 to fund a renewals and repairs reserve for the two locations (the Thwaite Road play area, and the Dip) at £2,500 per annum; this being the minimum figure necessary to generate an adequate reserve (on a recurring basis) for works considered likely within a 5 year time horizon.

### General Reserves

- Consistent with a general acceptance that 'comfortable' levels of reserve should approximate to 6 months precept (ie c£13,000) it is necessary to charge a one-time levy on the precept of £6,500. Without such a levy, reserves would equate to just 3 months precept and be inadequate to allow flexibility of Council's operations.

## Maintaining the status quo

- To support a continuation of existing strategy the F&R ADVISORY Committee recommend that the core precept must increase from the current level of £23,000 to £25,750.

## New Strategies

- Councillors are aware that the Council's aspirations are to pursue new strategies encouraging community participation, these aspirations however were not realised and F&R recommend that the budget 'allocation' of £2,000 (14-15) is transferred to the general reserve. Notwithstanding the treatment of 14-15 funding F&R recommend that an equivalent budget be provided for in 15-16. Councillors are therefore requested to support the inclusion of an additional line in the precept as an enabler of £2,000.

## Cost per Household

- The proposed precept of £34,250 equates to an average £45.67 per household (£0.88 per week), and an annual increase of £10.94 (just 21p per week). Clearly averages must be explained, the tax base on which the actual precept is calculated makes allowance for varying reliefs (eg for the least able to pay and empty properties) and for adjustments between Council tax bands... the effect being that the increase for properties in band A will be less and in band H more.

## SN Grant & Transition monies

- In 2013-14 the Council received a grant of £2,604 from SN arising from reorganisation of national government funding. An equivalent (albeit lesser) grant *may* be available for 2015-16. Additionally, the Council are reminded of continued [albeit possibly more remote] concerns that the Secretary of State for Communities and Local Government has indicated a preference for capping local precepts and Councillor's should again be concerned with regard to this for 2015-16 or the following year. The F&R ADVISORY Committee recommend that in the event that a grant is available this year that this is used to support reserves and not to reduce the underlying precept which could have serious ramifications for future years in terms of a [reduced] capped precept.

## Summary Proposal

	<b>BUDGET</b>	<b>BUDGET</b>
	<b>14-15</b>	<b>15-16</b>
	<b>£</b>	<b>£</b>
<b>Precept</b>		
2013-14 Actual	20,000	23,000
Increase to maintain Status Quo	3,000	2,750
New Strategies	2,000	2,000
Reserves	0	6,500
2014-15 Proposed	25,000	34,250
<b># of Households (estimate)</b>	720	750
£ per Year	£34.72	£45.67
£ per Week	£0.67	£0.88
<b># of Residents (estimate)</b>	1,714	1,774
£ per Year	£14.59	£19.31
£ per Week	£0.28	£0.37
<b>Impact of increase</b>		
<b>Baseline</b>		
Current		£34.72
Proposed (as above)		£45.67
<b>Increases</b>		
Per Household per Year		£10.94
Per Household per Week		£0.21
Per Resident per Year		£4.63
Per Resident per Week		£0.09

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