

## **REPORT TO COUNCIL**

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**Date of Meeting:** 11<sup>th</sup> December 2019

**Title:** Budget – 2020/21

**Report of:** Clerk

### **SUMMARY:**

To consider the remaining income and expenditure for 2019/20 and to consider the setting of the level of precept for 2020/21.

### **REPORT:**

#### **Financial Reserve Levels Held**

At the start of the current financial year (1<sup>st</sup> April 2019) the Council held £52,323 of reserves. This was almost exactly the amount predicted when precept setting in December 2018. Looking at the remainder of this financial year, expenditure is likely to total approximately £57,549. This figure includes the spending of:

- Routine administrative costs, such as expenditure on the Clerk, minor postages, room rental for meetings and the internal audit.
- The spending of the grants budget, reserving only a small amount in case of emergency requests;
- The remaining pathway work at Linstock, a tree risk assessment, repairs to the Brunstock pond and routine maintenance;
- Expenditure on a replacement swing seat for Crosby play area;
- Footpath leaflets being printed.

Monies not spent on projects carried forward from previous years (only) will again be carried forward for completion in 2020/21. Remaining monies on other areas of expenditure will be subsumed into the general reserve budget.

Income expected will be a small amount of bank interest, a VAT repayment, income from the recently held training session and a very small rebate from the land registry project.

At present, based upon information available to date, the Clerk estimates that we are likely to hold approximately £51,549 at the end of March 2020. The external auditor recommends that the level of reserves held are equal to 3-12 months gross expenditure, i.e. (based on 2018/19 actual spend) between £15,791 and £63,163. The Council is therefore anticipated to hold reserves that are within the recommended thresholds.

#### **Budget 2020/21**

The Council is required to set its budget and determine the precept by 10th January 2020. Adjustments to the budget for 2020/21, recommended by the Clerk, are outlined below.

### Administrative Budget Areas to be Increased

- Clerks Gross Salary - increased to consider a likely increase in NJC scales (not yet agreed or recommendations published) This also increases employers pension payments - adjusted in line. The Clerk has reached the top of the incremental points on her spinal banding so will not receive any other increase going forward;
- Minor increases have also been made to mileage reimbursements, internal audit, training, insurances and subscriptions in line with normal annual increases or expected raises.

### Administrative Budget Areas to Remain Static/Decreased

- Misc. admin & stationery has been decreased due to reduced costs this financial year; similarly, the use of postages and telephone costs continues to decrease;
- Employers NI payments have been lower than anticipated this year therefore the budget has been very slightly reduced (still taking into account the anticipated increase in salary);
- External audit commission charges and room rent budgets remain static;
- The contingency budget (admin) has also been reduced in line with figures from this year and the website fees have been paid for two years domain charges so should be lower biennially.

### Grants

The grant budget was previously increased to £9,000. It is suggested this budget be maintained. Monies not spent by organisations awarded grants this year may be to carry forward too.

### Parish Council Services

- Grass cutting and greens maintenance is subject to change as tender information is still under consideration and will not be awarded until January 2020. An adequate figure, based on estimated information to date, is included, representing a reduction in the figure from 2019/20.
- The maintenance budget has been decreased this year due to large works being previously budgeted for that are not expected to need repeated;
- The playground inspections budget has been slightly increased in line with expected annual costs;
- The emergency planning budget has been again reduced due to repeated non-expenditure.

### Projects

A project budget is proposed below. These figures are based on assumptions made on the spending anticipated during the rest of the current financial year.

- |                              |  |
|------------------------------|--|
| • WWI Commemorations         | £40 retained to plant poppy seeds*             |
| • Summer Fair 2020           | £1,850 (plus £150 expenditure this year)       |
| • Land Registration          | £1,730 (brought forward from previous year(s)) |
| • Contingency projects       | £5,000   |
| • Community Plan Development | £2,000   |
| • Rural Play Scheme          | £1,700   |

- Interpretation Panels

£2,500 brought forward from previous year  
**£14,820**

### Income

The only guaranteed income source is the precept.

Other than the precept, a very small amount of bank interest and repayment from the Clerk's two other Councils for SLCC membership is expected. Variable income from the Houghton Fair is also accounted for. VAT returns are made regularly, and the figure is contingent upon expenditure incurred. Any other income achieved will be through grant income for specific projects, not yet applied for although this cannot be relied upon in the current financial climate.

### Level of Precept Required

If the Council agree with the budget decisions above, then expenditure will be approximately £61,175. It should be noted that administrative costs parish council services and grants amount to £46,355 without any project expenditure at all (although clearly the grants budget is negotiable).

Based on these figures, and with the healthy amount of reserves held, it is recommended that any increase in precept is not easily justifiable and therefore the precept could be maintained at current rates for 2020/21. In this case, reserves at 1 April 2021 are expected to be £37,974

### **ACTION:**

The Council is asked to consider the above budget and consider the following recommendations to make to Council to consider:-

- To accept the proposed budget for 2020/21; and
- To set the precept at £46,500 for the council year 2020/21.

\*Poppy seeds were previously given to the grounds maintenance contractor so are no longer in the possession of the Clerk. It is expected these will need to be re-purchased (approx.£9).

EXPENDITURE	Budget												
Administration	2019/20	1st Quarter	2nd Quarter	Oct	Nov	Dec	Jan	Feb	Mar	Total to date	Budget Remaining	% Spend	Budget 2020/21
Clerks Gross Salary	£ 16,163	£ 4,040.14	£ 4,040.64	£ 1,346.88	£ 1,346.88	£ 1,346.88	£ 1,346.88	£ 1,346.88	£ 1,346.88	£ 16,162.06	£ 0.94	100%	£ 16,567
Employers NI Contributions	£ 1,068	£ 259.59	£ 259.59	£ 86.53	£ 86.53	£ 86.53	£ 86.53	£ 86.53	£ 86.53	£ 1,038.36	£ 29.64	97%	£ 1,064
Employers Pension Contributions	£ 485	£ 121.23	£ 121.23	£ 40.41	£ 40.41	£ 40.41	£ 40.41	£ 40.41	£ 40.41	£ 484.92	£ 0.08	100%	£ 497
Reimbursements	£ 1,156	£ 294.78	£ 281.73	£ 79.96	£ 100.66	£ 111.46	£ 95.00	£ 95.00	£ 95.00	£ 1,153.59	£ 2.41	100%	1200
Postages	£ 50	£ 9.85	£ -						£ 16.08	£ 25.93	£ 24.07	52%	45
Audit - Commission	£ 300	£ -	£ 300.00							£ 300.00	£ -	100%	300
Audit - Internal	£ 288	£ 121.16	£ -				£ 150.00			£ 271.16	£ 16.84	94%	300
Telephone	£ 100	£ 54.00	£ -							£ 54.00	£ 46.00	54%	£ 60.00
Insurances - Council	£ 968	£ 968.81	£ -							£ 968.81	-£ 0.81	100%	£ 1,017
Subscriptions	£ 581	£ 616.02	£ -							£ 616.02	-£ 35.02	106%	£ 635
Training	£ 150	£ -	£ -			£ 194.00				£ 194.00	-£ 44.00	129%	160
Website hosting and maintenance	£ 76	£ -	£ 20.00						£ 76.00	£ 96.00	-£ 20.00	126%	60
Misc Admin & Stationary	£ 1,750	£ 280.32	£ 222.34	£ 171.71	£ 45.11	£ 79.38	£ 84.00	£ 84.00	£ 84.00	£ 1,050.86	£ 699.14	60%	1500
Contingency	£ 1,153	£ -	£ -		£ 118.50				£ 100.00	£ 218.50	£ 934.50	19%	500
<b>Grants</b>													
Section 137 - Other Bodies	£ 1,000	£ -	£ -						£ 1,000.00	£ 1,000.00	£ -	100%	£ 1,000.00
Grants to other organisations	£ 8,350	£ -	£ 1,350.00	£ 1,200.00	£ 141.35	£ 745.98			£ 4,903.45	£ 8,340.78	£ 9.22	100%	£ 7,850.00
Crosby Magazine grant	£ 150	£ -	£ -			£ 150.00				£ 150.00	£ -	100%	£ 150.00
Repayment of Grants	£ -	£ 500.00	£ 1,000.00							£ 1,500.00	-£ 1,500.00		£ -
<b>Parish Council Services</b>													
Grasscutting & Greens Maint.	£ 9,717	£ 1,261.76	£ 1,881.70	£ 795.68						£ 3,939.14	£ 5,777.86	41%	£ 8,000.00
Maintenance of Assets	£ 5,760	£ 1,910.00	£ 55.00	£ 65.00		£ 32.00	£ 400.00	£ 1,020.00	£ 1,137.72	£ 4,619.72	£ 1,140.28	80%	£ 4,500.00
Playground Inspections	£ 880	£ 200.00	£ 200.00		£ 210.00			£ 210.00		£ 820.00	£ 60.00	93%	£ 900.00
Emergency Planning	£ 100	£ -	£ -							£ -	£ 100.00	0%	£ 50.00
<b>Projects</b>													
Allocated projects brought forward	£ 9,942	£ 4,328.52	£ 610.00		£ 363.00	£ -		£ 400.00		£ 5,701.52	£ 4,240.85	57%	£ 4,270.00
Parish Plan Projects	£ 2,000	£ 468.34	£ 1,596.50							£ 2,064.84	-£ 64.84	103%	£ 2,000.00
SPAA Summer Scheme	£ 2,800	£ -	£ 1,630.50							£ 1,630.50	£ 1,169.50	58%	£ 1,700.00
Houghton Fair	£ 1,250	£ 1,385.22	£ 408.50		£ 100.00		£ 50.00			£ 1,943.72	-£ 693.72	155%	£ 1,850.00
Contingency Project	£ 4,800	£ -	£ -				£ 1,000.00			£ 1,000.00	£ 3,800.00	21%	£ 5,000.00
VAT (To be reclaimed)	£ -	£ 968.90	£ 902.91	£ 180.77	£ 145.25	£ 6.67				£ 2,204.50	-£ 2,204.50		£ -
<b>TOTAL EXPENDITURE</b>	£ 71,037	£ 17,788.64	£ 14,880.64	£ 3,966.94	£ 2,697.69	£ 2,793.31	£ 3,252.82	£ 3,282.82	£ 8,886.07	£ 57,548.93	£ 13,488.44	81%	£ 61,175.19
<b>INCOME</b>													
Precept	£ 46,500	£ 46,500.00	£ -							£ 46,500.00	£ -	100%	£ 46,500.00
CTRS Grant	£ -	£ -	£ -							£ -	£ -	0%	£ -
Grants	£ 6,000.00	£ 6,700.00	£ -							£ 6,700.00	-£ 700.00	0%	£ -
Bank Interest	£ 40	£ 33.73	£ -	£ 37.05			£ 35.00			£ 105.78	-£ 65.78	264%	£ 100.00
CPCA Grants to be repaid	£ -	£ -	£ -							£ -	£ -	0%	£ -
VAT (reclaimed)	£ 220.00	£ -	£ 1,613.66				£ 902.91	£ 332.69		£ 1,946.35	-£ 1,726.35	885%	£ -
Misc Other Income	£ 2,000	£ 14.00	£ 1,438.50			£ 30.00	£ 40.00			£ 1,522.50	£ 477.50	76%	£ 1,000.00
<b>TOTAL INCOME</b>	£ 54,760.00	£ 53,247.73	£ 3,052.16	£ 37.05	£ -	£ 30.00	£ 977.91	£ 332.69	£ -	£ 56,774.63	-£ 2,014.63	104%	£ 47,600.00

Brought forward 01.04.19	£ 52,323.05
estimated income 31.03.20	£ 56,774.63
estimated expenditure 31.03.20	£ 57,548.93
to carry forward 01.04.20	£ 51,548.75

Brought forward 01.04.20	£ 51,548.75
estimated income 31.03.20	£ 47,600.00
estimated expenditure 31.03.20	£ 61,175.19
to carry forward 01.04.20	£ 37,973.56