

Budget and Precept Proposal 2019-20

RFO Report and Recommendations

28th November 2018

CONSIDERATIONS

1. The budget should be prudent and safe, and should;
 - Provide for the necessary routine services and administration
 - Enable the Council to make developments for community benefit.
 - Mindful of the need to minimise costs and any increases with parishioners in mind
2. As government pressures to reduce Council Tax increase and more and more local services are being cascaded down to Parish Councils, setting a low precept now may give the Council greater difficulties in future years.
3. In making the budget and precept, the Finance Group have looked at the management of reserves in order to:
 - Cover the management of cash flow as the precept is paid in stages and other receipts are unpredictable (e.g. burial fees)
 - Provide for a considered amount for unpredictable outgoings
 - Provide for smoothing between years to avoid extreme variations between years
 - Begin precepting so that funds are available for projects which are known in outline but not in detail, so that all the funds do not have to be raised in a single year (i.e. bus stop replacement, Winkleigh Gateway signage and election fees)

SUMMARY RECOMMENDATION:

Having considered all the information that is available at present, I recommend that the Council sets a precept for 2019/20 of £27,236.00, which is an increase of £6,684.00

This is equating to a Band D household rate of £42.76 (2018/19 tax base), which is a £10.36 increase per year (86p per month/20p per week) over 2018/19. Full break down of this increase is as follows:-

SUMMARY

2018/19 The precept for 2018/19 was unchanged from 2017/18, resulting in a slight decrease in the council tax for parishioners, (due to the re-calculated tax base).

(current budget) The Overall Management costs for Winkleigh Parish Council during the current financial year is forecast to be £27,272.00.

Additionally, WPC awarded £725.00 in grants to serve the community, making total forecast outgoings to be £27,997.00.

2019/20 (next financial year) The Overall Managements costs for Winkleigh Parish Council is budgeted to be £28,141.00, which is **£869.00 increase** (3.19%) over the current year.

This is mainly due to the increased staff costs due to the Clerks pending qualification and increased administration/IT costs due to the requirements of complying with the General Data Protection Regulations 2018

In Addition:

- Winkleigh Parish Council have received grant applications totalling £7,975.00 for 2019/20 and a Resolution is pending on a total award budget forecast to be £5,275.00 (**£4,550.00 increase on 2018/19**)
- Winkleigh Parish Council have budgeted a further **£1,500.00** during 2019 towards marking the 125th Anniversary of Winkleigh Parish Council, (and/or New Village Gateway Signage which is pending approval)

The total budget outgoings are forecast to be £34,916.00, which is an increase of £6,919.00 over 2018/19

This has been marginally offset by increasing the income from the cemetery bungalow rental and cemetery fees, however, it is inherently impossible to predict how much income we will receive from internments and memorials;

Resulting in an **overall increase of £6,684.00 in the precept.**

CASH BALANCE.

The predicted cash balance at the end of this financial year will amount to approximately £18650.02 of which £16579.66 is earmarked as indicated below.

Current Account	£ 1732.35		
Reserves Account	£10012.88		
		Restricted funds for Election costs	£1000.00
		Restricted funds for Neighbourhood Plan	£1000.00
		Earmarked WPC reserves contingency	£7408.86
		Restricted Tap Fund Grant (Footpath map)	£ 140.00
		Restricted P3 Parish Paths Partnership	£ 464.02
Bungalow A/c contingency	£ 6904.79		

The forecast cash balance as of 31st March 2019, in the current bank account includes unspent but allocated budgeted payments and contingency for payments prior to receipt of the first precept payment.

Reserves

The level of reserves is sufficient to meet the needs of the current budget and in accordance with Winkleigh Parish Council Reserves Policy. The Reserves currently amount to 3 months running costs, as modest contingencies. The legal guidance on unrestricted reserves is 3-6 months running costs as a maximum to be held as contingency.

WINKLEIGH PARISH COUNCIL 2019-20 BUDGET PROPOSAL

BUDGET HEADS EXPENDITURE	Budget				Comments
	2017/18 Actual	2018/19 Budget	2018/19 Forecast	2019/20 Draft Budget	
Staff Costs	12441.00	13174.00	14603.00	14786.00	£1612 increase
Administration	2160.00	1547.00	1520.00	1910.00	£363 increase
Running Costs	3246.00	3992.00	3688.00	3360.00	£632 Decrease
Professional fees	1064.00	935.00	927.00	965.00	£30 increase
Assets Maintenance & Purchases	986.00	1500.00	1120.00	1000.00	£500 Decrease
Grants/Donations	1125.00	725.00	725.00	5275.00	£4550 Increase
Contingency	315.00	0.00	0.00	500.00	£500 increase
Winkleigh 125/Signage Project	0.00	0.00	0.00	1500.00	£1500 Increase
Bungalow	1681.00	2150.00	2018.00	2150.00	Unchanged
Cemetery Rates & Grounds Maintenance	3555.00	3974.00	3127.00	3470.00	£504 Decrease
TOTAL	26573.00	27997.00	27728.00	34916.00	

INCOME	Budget				Comments
	2017/18 Actual	2018/19 Budget	2018/19 Forecast	2019/20 Draft Budget	
Precept	20552.00	20552.00	20552.00	27236.00	£6,684 Increase
Grants	500.00	0.00	0.00	0.00	
Other/Interest	12.00	0.00	12.00	12.00	
Bungalow Rent	5644.00	5945.00	5945.00	6168.00	5% rental increase of £223pa
Cemetery Fees	1060.00	1500.00	1280.00	1500.00	30% Fee increase to offset running costs
TOTAL	27768.00	27997.00	27789.00	34916.00	

Detailed Budget figures

	2018/19	2019/20	
STAFF COSTS	13174.11	14786.00	
Clerk Salary	10746.11	12074.00	Clerk 2 x increment for qualification/HMRC contributions
Clerk working from home allowance	612.00	612.00	
Clerk Mileage allowance	250.00	150.00	Decrease Based on current year
Chairman's allowance	216.00	200.00	Decrease Based on current year
HMRC employer Deductions	900.00	1300.00	Increase due to clerk salary increase
Training	450.00	450.00	
ADMINISTRATION	1547.00	1910.00	
Election	0.00	0.00	
Insurance	1000.00	850.00	Decrease Based on current year
Website	130.00	130.00	
Room Hire	207.00	150.00	Decrease Based on current year
Stationary	200.00	150.00	Decrease Based on current year
Postage	10.00	10.00	
BT Symantec Tablet Protection		250.00	New
Microsoft Office		350.00	New
Adobe		20.00	New
RUNNING COSTS	3992.00	3360.00	
Electric to square	192.00	60.00	Decrease Based on current year
Street Cleaning	3000.00	2500.00	Reduction Based on current year
Grass Cutting	800.00	800.00	
PROFESSIONAL FEES	935.00	965.00	
Audit internal & external	400.00	425.00	increase
Data Protection Registration	35.00	40.00	Increase
Subscriptions	500.00	500.00	

WINKLEIGH PARISH COUNCIL 2019-20 BUDGET PROPOSAL

ASSETS	1500.00	1000.00	
Maintenance	500.00	500.00	
Purchases	1000.00	500.00	Decrease due to no accrual for bus shelter
GRANTS/DONATIONS	725.00	5275.00	
Football club		2000.00	To be approved
Village Hall		2000.00	To be approved
OCDTG	400.00	500.00	To be approved
CAB	250.00	400.00	To be approved
North Devon Records Office		300.00	£25pm TBA
Remembrance Wreaths	75.00	75.00	
CONTINGENCY		500.00	New
WINKLEIGH 125 ANNIVERSARY		1500.00	New
CEMETERY	3974.00	3470.00	
Rates	424.00	470.00	Increase
Grounds Keeper Contract	2500.00	2500.00	
General Maintenance/contingency	1050.00	500.00	Decrease Based on current year
BUNGALOW	2150.00	2150.00	
Bungalow annual maintenance	150.00	150.00	
Bungalow Contingency	1000.00	0.00	
Bungalow Kitchen	0.00	1000.00	
Bungalow Admin/letting fees	500.00	500.00	
Bungalow General Maintenance	500.00	500.00	
TOTAL	27997.00	34916.00	