

Sibford Gower Parish Council

PARISH COUNCIL PROPOSAL (**APPROVED**)

Meeting: **SGPC Open Meeting**
Date: **Tuesday 10th December 2019**
Proposer: **Cllr David Allen (Finance Lead)**
Proposal: **2020/21 BUDGET & PRECEPT**

Background

Sibford Gower Parish Council is required, for the forthcoming financial year (2020/21):

- To prepare and approve a **Budget** in accordance with the SGPC Financial Regulations, and
- To notify Cherwell District Council of its **Parish Precept Requirement**, based on the approved Budget, by mid January 2020.

This proposal includes:

- A high level review of financial progress, and **current forecast outturn**, against the current year (2019/20) Budget
- A proposed **Budget for 2020/21**, based on analysis of historic trends, and expected future expenditure demands
- A proposed **Parish Precept Requirement for 2020/21**, based on achieving an approximately neutral year-end balance with the proposed Budget.

2019/20 Forecast

The original SGPC Budget for 2019/20 was approved by the Sibford Gower Parish Council at its meeting on 10th December 2018, and led to the requirement for a Parish Precept of £9,150. This Budget was forecast to yield a nominal surplus of £10 if all budget allowances had been spent as forecast.

The Council has broadly followed the approved 2019/20 Budget, but variances have arisen, which have increased the forecast outturn surplus to around £1,500.

The major **income variances**, which contribute to this forecast 2019/20 outturn surplus, are:

- HMRC VAT Refund: **+£ 520** [VAT refund higher than expected]
- Churchyard Burial Fees **+£ 720** [Offset by **£360** fees shared with Sibford Ferris PC]

The major **expenditure variances**, which contribute to this forecast 2019/20 outturn surplus, are:

- Clerk's expenses **-£ 250** [Expenses less than previous year]
- External audit fee **-£ 200** [External Audit exemption criteria met]
- Insurance premium **-£ 90** [Premium reduced by critical review of necessary cover]
- Election provision **-£ 250** [Provision accumulated over 4 years]
- Millennium Field extra cut **+£ 350** [Offset by **£155** shared by Town Estate Charity]

This forecast outturn surplus will lead to a net increase in reserves, which has been considered in setting the proposed budget for 2020/21.

2020/21 Budget

Following a Working Group of three Councillors held on 12th November 2019, an SGPC **Budget** totalling **£12,400** is proposed for **2020/21**.

The proposed **Expenditure Budget** for 2020/21 is based on analysis and reforecast of recent historical expenditure, plus estimates of new expenditure demands.

The major variances in forecast expenditure, compared to our 2019/20 Budget, are as follows:

- Clerk's salary +£ 150 [Assume 5% increase in NALC salary scale from April 2020]
- Clerk's expenses -£ 200 [Assume expenses continue at reduced 2019/20 level]
- External audit -£ 200 [Assume SGPC continues to meet exemption criteria]
- Training +£ 150 [Assume additional training for new Clerk]
- Church Yard & Burial Ground +£ 200 [Assume rates increase]
- Millennium Field extra cut +£ 350 [Offset by 50% contribution from Town Estate Charity]
- Sibford Gower Primary School +£ 100 [Continue with increased grant]
- Village Hall Car Park donation -£ 500 [Remove one-off grant allowance from future budgets]
- Defibrillator consumables +£ 100 [NEW: Assume annual cost commencing in 2020/21]
- Groundworks Review +£ 500 [NEW: Assume consultant fees for initial review in 2020/21]

NB No budget allowance has been made for the planned purchase of a defibrillator, as it is proposed that this project will be funded from reserves, supported if available by grant funding.

The proposed **Income Budget** for 2019/20 is based on analysis and reforecast of HMRC refunds and shared funding income, plus the recent confirmation that the CTRS (Council Tax Reduction Scheme) Grant, received from Cherwell District Council, will taper away over the next year two financial years.

The forecasts for the main sources of income in 2019/20 are as follows:

- Parish Precept Requirement: £ 9,350 [Net basic income required to achieve neutral outturn]
- CTRS Grant £ 100 [Cherwell DC confirmed 50% reduction in 2020/21]
- VAT Refund £ 600 [Received one year in arrears]
- Shared funding returns £ 1,900 [Burial Ground & Millennium Field]
- Burial Fees £ 300 [Assumes one burial in year, offset by SFPC 50% fee share]
- **Total Income Budget: £12,250**

The above income and expenditure budget proposals lead to a small forecast outturn deficit of (£150) which can be funded from reserves:

- Total Income budget £12,250
- Total Expenditure budget £12,400
- **Forecast outturn (deficit) (£ 150)**

Based on this proposed Budget, the Parish Council's underlying bank balance (excluding restricted funds) is forecast to remain within the range of 3-12 months turnover throughout the financial year, as recommended by the NALC (National Association of Local Councils).

Parish Precept Requirement

The SGPC Parish Precept Requirement for 2020/21 follows directly from the total net income required to approximately balance income and expenditure in the current year, whilst allowing for forecast changes in expenditure demands, and for a confirmed reduction in the CTRS Grant.

The proposed **Parish Precept Requirement** for 2020/21 is **£9,350**, which represents an increase of just over 2% on the £9,150 Parish Precept Requirement for 2019/20.

This Precept Requirement must be notified to Cherwell District Council by mid January 2020.

Proposal

It is proposed that:

- The Council **approves** the recommended **2019/20 Budget** of **£12,400**.
- The Council **approves** the recommended **2019/20 Parish Precept Requirement** of **£9,350** for notification to Cherwell District Council by mid January 2020.
- The Council **delegates** the SGPC Finance Lead and the SGPC Parish Clerk (RFO) to make minor adjustments to the Budget and Precept if new information arises prior to notification to Cherwell District Council, subject to Parish Council approval by email exchange.