

COTHERSTONE PARISH COUNCIL

Budget 2019/20

Author Responsible Financial Officer
Meeting date 9 January 2019

1. Introduction

The Parish Council must submit its official precept request for 2019/20 to Durham County Council by 25 January 2019.

Councillors considered at the November meeting whether any new projects should be budgeted for and whether any work in the current year should be discontinued or revised.

The Clerk/Responsible Financial Officer has prepared a draft budget based on councillors' discussion at the November meeting and the following principles:

- Currently, and for the next two years, there is no government restriction on any parish council precept increase;
- Parish Council policy creates the budget which delivers those policies, and the budget then determines the precept;
- Budget is made up as follows:
 - expenditure for the year
 - plus reserves for future expenditure and previous deficit
 - less income receivable during the year
 - less any planned use of reserves;
- The precept (total resource in cash terms) is divided by the Parish Council's taxbase to determine the Band D council tax to be levied. Individual households pay different amounts dependent on the tax band of the property ie. Band A is 6/9 of Band D, Band B is 7/9 etc. For 2019/20 the taxbase for the parish is 270.9. This is a slight decrease from 2018/19, the impact of which is to 'share the precept' between slightly less households;
- General reserves are the non-earmarked balance of Parish Council funds, which operate as a working balance to manage cash flows and to provide a contingency to cushion the impact of emerging or unforeseen events or emergencies. Council auditors suggest that the level of general reserves is between 25% and 100% of annual expenditure;
- Reserves can be earmarked for various uses (eg. elections, cemetery, allotments, Neighbourhood Plan, noticeboards/signs). For the year 2018/19 reserves were earmarked for election costs (£2,000), cemetery (£3,000), Neighbourhood Plan (£3,000) and Allotments (£2,000). A further £1,677 was ringfenced for the Neighbourhood Plan from current year spending and £547 was ringfenced for defibrillator costs; and
- Quarterly reports of expenditure against budget have been presented to councillors, as part of Parish Council meetings open to the public, for monitoring purposes.

2. A draft budget for 2019/20

A spreadsheet setting out the draft budget is at Appendix 1. Also shown on the spreadsheet is the proposed financing of the budget (from reserves, non-precept income and precept) and suggested earmarking of reserves.

The spreadsheet includes a commentary on the outturn prediction for the 2018/19 year, based on actual year-to-date expenditure as at 30 November and a note on the basis of the cost estimate for each budget line for 2019/20.

At the meeting on 9 January, councillors will have the opportunity to discuss the draft budget and its implication on setting the precept to deliver it. A working model will be available to enable councillors to ask 'what if ...' questions and see the impact of various revisions.

Recommendation

Councillors consider the presented draft budget for 2019/20 and its implication on precept setting and make revisions in order to agree a final budget and set the precept for 2019/20.

Appendix 1: Proposed budget for 2019/20

Cotherstone Parish Council

BUDGET PROPOSAL 2019-20

EXPENDITURE		ACTUAL 2017/18	BUDGET 2018/19	ACTUAL 2018/19 YTD end October	PREDICTED OUTTURN 2018/19 (based on YTD end October)	COMMENTARY ON OUTTURN PREDICTION	PROPOSED BUDGET 2019/20	BASIS OF COST ESTIMATE FOR 2019/20
Administering the Parish Council	Clerk salary		£2,169	£1,157	£2,207	one-salary-point increase 1/10/18 due to CILCA qualification	£2,271	With increments to NJC SC:P16 due to CILCA, then annual increment April 2019, (4.5hpw) and 2019 pay scale (£9,705sh)
	Insurance		£347	£347	£347	annual payment	£365	Long term agreement so only increase in tax
	Training and development		£250	£45	£169	Cemetery management and contribution to Clerk's CILCA study time	£260	£200 clerk, £30 councillor x 2
	Membership subscriptions		£100	£142	£142	Contribution to SLCC membership not budgeted for	£150	2019/20 CDALC/NALC = 16.99p per elector (£84.61+£17 magazine), SLCC slight increase allowed for
	Registrations / licences		£0	£35	£35	ICO data registration not budgeted for	£40	New fee basis from Information Commissioner's Office
	Clerk's office expenses		£75	£38	£75	£18.75 invoiced after each quarter end	£93	Broadband (£4.25pm, paper £1.50pm, Dropbox £2pm)
	Audit		£200		£0	Certified exempt from limited assurance review on 17/18 accounts	£0	Internal audit offered FOC. External audit likely to be zero as expenditure likely to be <£25k
	GDPR Data Protection Officer		£350		£0	Not required by Regulation	£0	PC not required to appoint a Data Protection Officer
	Advertisements / notices		£75		£75	Tender notice for grass cutting tenders	£80	Assume 1 x notice in Teesdale Mercury
	Postage		£10	£17	£25		£25	As for 2018/19 expenditure
	Travel & Subsistence - clerk		£50		£0		£50	Assume two trips to Durham
	Travel & Subsistence - councillors		£0		£0		£50	Assume two trips to Durham
	Miscellaneous		£60		£34		£75	
	VAT to be reclaimed			£13	£31		£50	
	Website, hosting and email		£140	£120	£120		£60	Maintenance/support to be taken in-house as Clerk's responsibility. Hosting fee £60
Stationery		£0	£66			£0	Day-to-day stationery covered through Clerk's office expenses	
		£0	£3,826	£1,980	£3,259		£3,569	
Services / amenities provision	Grass cutting - Greens/Klondike		£1,440	£1,080	£1,200	one more cut only	£1,440	As for 2018/19
	Grass cutting - Cemetery		£960	£720	£800	one more cut only	£960	As for 2018/19
	Grass cutting - miscellaneous/additional		£100		£85	J&G Gill - 2 cuts at The Hagg, bramble hedgecutting at The Hagg	£100	As for 2018/19
	Allotments - Klondike wall repairs		£196	£196	£196	No change	£0	No work identified
	Village Hall room hire		£140	£84	£146	Room hire increased 1/9/18 to £15 per hire	£150	Based on 10 meetings @ £15
	Bus ehelter		£0		£130	Based on lowest tender received October 2018	£0	
	Cemetery works		£50				£50	As for 2018/19
	Contributions and support		£650		£650	£500 to Village Hall, £150 to Play@Cotherstone	£700	As for 2018/19, with increase of £35 to each (first in
	Neighbourhood Plan		£0	£1,678				
Section 137 donations			£17	£17	No change	£20		
		£0	£3,553	£3,758	£3,224		£3,420	
TOTAL EXPENDITURE		£0	£7,379	£5,738	£6,483		£6,989	

INCOME		ACTUAL 2017/18	BUDGET 2018/19	ACTUAL 2018/19 QUARTER 1	PREDICTED OUTTURN 2018/19 (based on Q1)	Commentary on outturn prediction	PROPOSED BUDGET 2019/20	BASIS OF COST ESTIMATE FOR 2019/20
Non-precept income	Cemetery			£75		all income achieved		Cannot be predicted
	Wayleaves		£35	£38	£1,171	all income achieved plus new Openreach one-off payment for The Hagg	£38	Includes assumption of £1133 taken as one-off payment for The Hagg Openreach wayleave
	HMRC VAT Refund for 2018/19		£115	£115	£115		£20	Nominal sum based on expenditure at YTD October 2018
	Hearse House rents		£156		£156		£156	No increase
	The Close allotments rents		£64		£64		£64	No increase
	Klondike allotments rents		£60		£60		£60	No increase

	Grants		£0					
	Bank interest		£0					
TOTAL NON-PRECEPT INCOME		£0	£430	£229	£1,566		£338	
NET EXPENDITURE (total expenditure less total non-precept income)		£0	£6,949	£5,509	£4,917		£6,651	
FINANCED BY								
	<i>reserves brought forward at start of year</i>	<i>£17,211</i>	<i>£17,562</i>		<i>£17,562</i>		<i>£19,455</i>	
	<i>reserves carried forward at year end</i>	<i>£17,562</i>	<i>£17,424</i>		<i>£19,455</i>		<i>£19,615</i>	
Use of reserves		-£351	£139		-£1,893		-£160	providing reserves of £19,615 at YE19/20 comprising £2k election, £4.5k cemetery, £4k allotments, £457 defibrillator and general reserves of £8,658
PRECEPT		£6,810	£6,810		£6,810	all income achieved, Band D equivalent £24.98	£6,811	A stand-still position.
		£6,459	£6,949		£4,917		£6,651	