

## **REPORT TO PICKMERE PARISH COUNCIL**

**5<sup>th</sup> November 2019**

### **AGENDA ITEM 7.3      PARISH COUNCIL BUDGET FOR 2020/21**

#### **1      Introduction**

- 1.1 It is appropriate to consider budget matters for 2020/21 at this meeting with a view to deciding upon the proposed precept for next year.

#### **2      Report**

- 2.1 Consideration of this budget has again incorporated thought being given to some of the particular issues affecting Pickmere Parish Council's operation.
- 2.2 Before going on to discuss the factors underlying the form of the proposed budget, it is pertinent to make reference to the question of the Council's need to decide on a week by week basis how it procures maintenance and other works in respect of its buildings and land. Recent Council meetings have seen the following comments made by individual residents:
- Querying why the Council's precept increased substantially some 10 years ago;
  - Stating that the Council had far too much money;
  - Suggesting that the grass at the IROS should be cut by a contractor rather than by the work of a volunteer parishioner;
  - Suggesting that maintenance of the VH grounds should be carried out by contractors rather than by parish volunteers.
- 2.3 This Council, along with other parish councils is required to manage its budget, and in doing so wishes to minimise where possible any increases in its precept demand. At the same time, the council is responsible for fulfilling its duties in the best interests of Pickmere's community as a whole, looking into the long term rather than just at the short term.
- 2.4 Among other factors, this Council has significant property holdings, unlike many other parish councils, and that complicates and makes demands upon the budgeting process, as further described below. Therefore the Council tends to conclude that where necessary works of maintenance or repair require professional input, whether because of the technical input required or because the job is relatively large, it will commission contractors to do such work. However, where the work can satisfactorily be carried out by willing volunteers – and such volunteers exist – then it will seek to utilise this goodwill and thereby avoid adding further financial burdens to the precept and hence parish residents. The principal example of this is the cutting of grass at the IROS which saves in the order of £1500-£2000 each year, which sum would otherwise have to be added to the Council's precept demand, raising it by around 10-15%.
- 2.5 Some residents may question the decisions that are made, but they are not responsible for making these sometimes difficult decisions and do not bear the burden of seeking the best overall outcomes – in the long term as well as the short - for the wellbeing of the parish community as a whole.

- 2.8 As well as the need to accommodate the benefits of volunteer work, but at the same time to make provision in case that input does not come about in the next financial year, there may be, as mentioned in last year's report on the budget, building maintenance works carried out which are commissioned and paid for by this Council, but which are subsequently the subject of financial donations by Pickmere Community Group. In part that arises from the Group's recognition of the Council permitting the Group to use the Turton Pavilion without charge for summer Sunday Afternoon Teas, which is where the majority of the Group's fundraising emanates.
- 2.10 There is no guarantee that these two types of 'donation' to the Council will occur in the new financial year.
- 2.11 Accordingly, it would not be sensible to include figures for this kind of potential expenditure in the Council's annual budget, but, to make sure they can be covered if the relevant 'donations' (donations of time or of finance) are not received, they are included in the category Contingencies.
- 2.12 This category also includes items, e.g. unforeseen and unbudgeted expenditure, for instance on unforeseen building repairs that might be required to the Village Hall or Pavilion.
- 2.13 As well as Contingency items, it is prudent to define sections of the Council's financial balances that are allocated or earmarked for particular types of expenditure. Among these are the funds identified to maintain the play area and two Clover Drive sites gifted to the Council in previous years. It was also considered prudent at this stage last year to make provision for a 'sinking fund' for the eventual replacement of the play equipment on the play area. Such equipment is extremely expensive and wholesale replacement (which will inevitably be desired at some future point) certainly could not be covered from the precept. Finally, your Council is obviously continuing to consider its strategy for the future of its built assets. Such work might well require some expenditure and therefore provision is proposed in the category of 'Earmarked Funds'.
- 2.14 The proposed budget for 2020-21 is detailed on the three spreadsheet pages and is summarised in Table 1 below. Assuming the annual precept remains at £13650, the budget is broadly in balance.
- 2.15 Tables 2 and 3 below summarise the items and expenditure proposed in the categories of Contingencies and of Earmarked Funds.
- 2.16 Table 4 below summarises how the balance of funds likely to exist at 1<sup>st</sup> April 2020 is allocated, leaving a working balance of approximately £13340. It is emphasised that all these figures are projections and there can be no guarantee that circumstances will not arise which will require some amendment of these allocations as the year progresses.

### **3 Recommendation**

- 3.1 That the proposed budget for the year 2020-21 be accepted as the basis for financial planning, together with the allocation of funds to Contingencies and Earmarked Funds, and that an unchanged precept of £13650 for the year 2020-21 be requested of CEC.

## TABLES ATTACHED TO REPORT ON ANNUAL BUDGET FOR 2020-21

**Table 1**

<b>Totals from 2020-21 Draft Budget spreadsheet</b>	
<b>Projected Budget Income 2020-21</b>	<b>£16650</b>
<b>Projected Budget Expenditure 2020-21</b>	<b>£16683</b>

**Table 2**

<b>CONTINGENCIES (outside Budget)</b>	
• Legal fees General	£1000
• VH Unforeseen building/equipment repair/replacement	£1000
• Pavilion Unforeseen building/equipment repair/replacement	£300
• IROS Grass cutting	£2000
• Miscellaneous tree work	£1000
• Cheshire Railings repair/painting	£1000
<b>TOTAL CONTINGENCY</b>	<b>£6300</b>

**Table 3**

<b>EARMARKED FUNDS (outside Budget)</b>	
• Review of assets and possible refurbishment/replacement of buildings including Planning, architectural & legal costs	£10000
• Clover Drive Play Area and two sites – remnant of maintenance fund @ 28/9/18	£7800
• Play area – sinking fund for replacement	£6000
• Election fund	£1000
<b>TOTAL EARMARKED FUNDS</b>	<b>£24800</b>

**Total Contingencies plus Earmarked funds**

**£31100**

**Table 4**

<b>TOTAL PROJECTED FUNDS AT BANK 1/4/19</b>	
Total funds at Bank 20/9/18	£51154
2018/19 Budget yet unspent	(£6710)
<b>TOTAL FUNDS AT BANK POTENTIALLY AVAILABLE FOR ALL PURPOSES AT 1/4/2019</b>	<b>£44444</b>
<b>TOTAL FUNDS AT BANK AT 1/4/2019 less Contingencies and Earmarked Funds</b>	<b>£13344</b>