

REPORT TO PICKMERE PARISH COUNCIL

6th November 2018

AGENDA ITEM 6.3 PARISH COUNCIL BUDGET FOR 2019/20

1 Introduction

1.1 It is appropriate to consider budget matters for 2019-20 at this meeting with a view to deciding upon the proposed precept for next year.

2 Report

2.1 Consideration of this budget has incorporated thought being given to some of the particular issues affecting Pickmere Parish Council's operation. In particular two sets of matters make budgeting more difficult.

2.2 First, there are land and property maintenance matters which in a normal situation would require formal expenditure, but where in Pickmere the relevant work has been performed in recent years by volunteering Pickmere residents. The main example is the cutting of grass at the IROS, which would give rise to an annual bill perhaps of £1500 were the current volunteer not be able to do the work next year (the actual figure has never been tested).

2.3 Second, there have been building maintenance works carried out in the last year which have been commissioned and paid for by this Council, but which have subsequently been 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.

2.4 There is no guarantee that these two types of 'donation' to the Council will occur in the new financial year, although it is felt likely that this will be the case.

2.5 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.

2.6 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.

2.7 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 is also considered prudent to make provision for a 'sinking fund' for the eventual replacement of the play equipment on the play area. One small such item of equipment has already failed and has been removed. Such equipment is extremely expensive and wholesale replacement (which will inevitably be desired at some future point) certainly could not be covered from annual funds. Finally, your Council is obviously actively considering its strategy for the future of its built assets and has recently resolved to seek quotations for the carrying out of a physical survey of these assets and for the broad costing of renovation works. Such work requires some expenditure and therefore some provision is proposed in the category of 'Earmarked Funds'.

2.8 The proposed budget for 2019-20 is detailed on the three spreadsheet pages and is summarised in Table 1 below. Assuming the annual precept remains at £13650, the budget is in balance.

2.9 Tables 2 and 3 below summarise the items and expenditure proposed in the categories of Contingencies and of Earmarked Funds.

2.10 It is believed that the recommendations of the Asset Register Working Group discussed under agenda item 8.3.1 are incorporated within the proposed budget.

2.11 Table 4 below summarises how the balance of funds likely to exist at 1st April 2019 is allocated, leaving a working balance of approximately £14400. 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 2019-20 be accepted as the basis for financial planning, together with the allocation of funds to Contingencies and Earmarked Funds, and that a precept of £13650 for the year 2019-20 be requested of CEC.

TABLES ATTACHED TO REPORT ON ANNUAL BUDGET FOR 2019-20

Table 1

Totals from 2019/20 Budget spreadsheet	
Projected Budget Income 2019/20	£16605
Projected Budget Expenditure 2019/20	£16603

Table 2

CONTINGENCIES (outside Budget)	
• Legal fees General	£1000
• VH Unforeseen building/equipment repair/replacement	£1000
• Pavilion Unforeseen building/equipment repair/replacement	£300
• IROS Grass cutting	£1500
• Miscellaneous tree work	£1000
• Cheshire Railings repair/painting	£1500
• Pavilion – Back payments for electricity	£250
• Pavilion – Back Council tax payments	£500
• Replace/repair notice and interpretation boards	£1500
• Replace VH Chairs	£1500
TOTAL CONTINGENCY	£10050

Table 3

EARMARKED FUNDS (outside Budget)	
• Review of assets and possible refurbishment/replacement of buildings including Planning, architectural & legal costs	£10000
• Play area – drawdown for maintenance	£1500
• Clover Drive Play Area and two sites – remnant of maintenance fund @ 28/9/18	£8500
• Play area – sinking fund for replacement	£3000
TOTAL EARMARKED FUNDS	£23000

Total Contingencies plus Earmarked funds

£33050

Table 4

TOTAL PROJECTED FUNDS AT BANK 1/4/19	
Total funds at Bank 28/9/18	£53186
2018/19 Budget yet unspent	(£5700)
TOTAL FUNDS AT BANK POTENTIALLY AVAILABLE FOR ALL PURPOSES AT 1/4/2019	£47486
TOTAL FUNDS AT BANK AT 1/4/2019 less Contingencies and Earmarked Funds	£14436