

Sonning Common Parish Council

2014/15 Budget and Precept Briefing December 2013

SUMMARY

This document has been prepared in support of the Finance Committee's recommendation that the Precept demand for 2014/15 should be set at £99,000.

The position is summarised in the table below and the full detail is in the body of this report. The sections that follow are:

1. ANTICIPATED OUTTURN FOR CURRENT YEAR - 2013/14
2. THE PROPOSED 2014/15 BUDGET
3. SETTING THE PRECEPT
4. IMPACT ASSESSMENT

1. ANTICIPATED OUTTURN FOR CURRENT YEAR – 2013/14 based on actuals up to 2 December 2013.

Position Summary 02.12.13	£££s	Detail behind this table is in this paper.
Cash at NatWest	26,159	This sets out the actual cash position at 2/12/2013.
Cash at Unity trust	41,057	
Total Cash at banks	67,216	
Forecast Income to Year end	11,230	This is mostly a £10K Government grant towards NDP costs.
Year end position	78,446	Spend to Year end is as set out in the spreadsheet and comments in it.
Less Spend to Year end	40,558	
First net position	37,888	Policy is to hold a reserve of £30K to be able to meet unforeseen problems.
Less policy reserve	30,000	
Net position	7,888	VAT refund is available when required.
VAT refund held over	5,704	
Total to carry over	13,592	Available for next year – see section .

NOTES ON THE OUTTURN:

Included in the outturn are some actual (A) or expected (E) expenditures that total £44,459. These include:

- Neighbourhood Plan net of grant: £4,888 (A + E)
- Allotments Projects: £10,863 (A)
- Youth Club: £6,000 (E)
- Skatepark net of donations: £10,308 (E)
- Hedges and Fences: £5,714 (A)
- CCTV Installation: £1,825 (A)
- Play Area maintenance (M A Way): £4,951 (E)

43% of budgeted income went on projects of immediate or longer term value to the community over and above the ongoing works to keep the village looking clean, tidy and cared for and carrying out the statutory obligations on the Parish Council. The actual distribution of expenditure is shown below.

2. THE PROPOSED 2014/15 BUDGET.

Income:

Including the proposed £99,000 Precept and the support grant of £2,957 to offset the reduction in the Band D base, the budgeted income next year is £201,782. Of this, £85,755 is grant income expected for the Skatepark which is fully offset by spending on the project. Without that grant, the 'real' income is £116,027 which also includes an anticipated £5,000 grant for the NDP.

The detail is:

Income	2013/14 Budget	2013/14 Outturn	2014/15 Budget	Change
OCC Grass Cutting grant	2,828	2,905	2,828	0
Private Grass Verges	1,750	2,558	1,750	0
Street Cleaning Grant SODC	2,895	1,487	2,895	0
Allotment Rentals	1,012	654	1,015	3
Bank Interest	30	46	60	30
Precept	82,500	82,500	99,000	16,500
Support grant	3,793	*3,793	*2,957	-836
Waste Wheeler	522	780	522	0
Widmore Pond	0	800	0	0
Misc Income inc NDP grant	330	**10,000	**5,000	4,670
Skatepark	1	2,305	85,755	85,754
Income	95,661	107,828	201,782	106,121

* Support Grant paid by SODC to offset changes in the Band D equivalent tax base. It is not guaranteed for future years.

** NDP grants of £10K this year and £5K next year.

Details by Cost Centre are on the following pages. Please note that the column headed Y/End F'cast is our best estimate of the spend up to the year end. That headed Budget Change refers to the change between the 2013/14 Budget and the 2014/15 one.

Administration.

The proposed budget for next year is £48,375 against this year's forecast of £46,492. The detail is:

Administration	2013/14 Budget	2013/14 Outturn	2014/15 Budget	Change
Clerk Salary - Net	13,500	11,187	12,000	-1,500
Other Office Salaries - Net	8,080	7,211	9,000	920
PAYE/NI expenses - all staff	6,800	11,197	9,600	2,800
Training - staff & members	500	228	500	0
Stationery	150	46	150	0
Printer consumables	1,600	1,169	1,600	0
Staff Pension Contribution	3,500	3,336	3,000	-500
Postage	100	79	100	0
Petty Cash	100	90	100	0
Staff Travel	150	30	150	0
Members Travel	200	83	200	0
Telephone/Broadband	500	675	750	250
Website costs	950	795	950	0
Alpha Accounting System	210	317	230	20
Office/Meeting/Rent	2,600	2,809	2,600	0
Legal/Audit/Bank	400	400	500	100
General Insurance	4,315	4,315	4,315	0
Chairman's Expenses	100	92	100	0
Memberships	500	430	500	0
SC Magazine pages	1,200	1,200	1,200	0
Office Equipment/Expenses	400	673	700	300
Allotments software	120	130	150	30
Administration	45,975	46,492	48,395	2,420

Cleanliness & Tidiness.

The forecast for this year end is £21,430 whilst the proposed budget for next year is £21,800. The detail is:

Cleanliness & Tidiness	2013/14 Budget	2013/14 Outturn	2014/15 Budget	Change
Street Cleaning Equipment	150	145	150	0
Grass Cutting	4,500	5,075	5,000	500
Street Cleaning - Wages	7,000	7,120	7,700	700
Street Cleaning - Contract	500	832	700	200
Winter works	600	600	600	0
Hedges and Fences	1,800	5,714	4,500	2,700
Seats Bins and Signs	300	384	400	100
Wood Lane Close/Triangle	0	0	0	0
Bus Shelter	0	17	50	50
Health Centre	0	0	200	200
Dog Hygiene Bins	210	318	350	140
Waste Wheeler	820	875	950	130
Traffic Calming	0	0	0	0
Footpaths Maintenance	1,200	350	1,200	0
Cleanliness & Tidiness	17,080	21,430	21,800	4,720

Facilities.

Forecast outturn is £26,432 against a budget of £19,300. The Year End forecast includes £4,000 allocated but not yet spent for works on Margaret Allwright Way if approved. The 2014/15 budget includes £15,000 for the Village Hall. The detail is:

Facilities	2013/14 Budget	2013/14 Outturn	2014/15 Budget	Change
Contingency	500	949	1,000	500
Allotments maintenance	1,000	1,042	1,500	500
Allotments projects	11,000	10,863	500	-10,500
Lighting and Renewal	0	0	300	300
Widmore Pond	1,750	2,273	500	-1,250
Graffiti & Vandalism	500	175	500	0
Millennium Field	0	0	0	0
Arboricultural work	0	645	1,500	1,500
Play Area Equipment	0	0	3,000	3,000
Play Area Maint & Inspection	1,000	4,951	1,250	250
Village Hall	1,200	876	15,000	13,800
Carpark - CCTV	50	1,825	450	400
Horticultural	600	858	900	300
Miscellaneous Grants	1,500	1,900	2,500	1,000
S 137 Payments	200	75	200	0
Facilities	19,300	26,432	29,100	9,800

Projects.

Forecast outturn is £33,624 against budget of £27,540. The detail is:

Projects	2013/14 Budget	2013/14 Outturn	2014/15 Budget	Change
Youth Club Grant	6,000	6,000	8,000	2,000
Skatepark	14,140	12,613	85,755	71,615
Library	100	0	100	0
Public Conveniences	300	123	300	0
Neighbourhood Plan	7,000	14,888	8,000	1,000
Projects Totals	27,540	33,624	102,155	74,615

Key items are:

- The step increase in the Youth Club grant from £6,000 to £8,000 was approved during the year.
- £85,755 for Skatepark is the other side of the grant described under Income, above.
- £8,000 is included towards the completion of the Neighbourhood Development Plan and its approval. We expect to receive grants of up to £5,000 towards this cost but cannot yet be certain of them

Reserves.

Emergency reserves of £30,000 are held in an interest bearing bank account.

3. SETTING THE PRECEPT.

The table below summarises the overall situation based on a £99,000 Precept. By netting the Skatepark out of both Income and Expenditure it shows the underlying position better as those funds are not available for any other purpose.

Summary of proposed budget			
	Gross	Less Skatepark	Net
Income	201,782	-87,555	114,227
Expenditure	201,450	-87,555	113,895
Net position	332		332
Surplus/Deficit(-)	332		332
Brought forward	13,592		13,592
Surplus/Deficit(-)	13,924		13,924

It shows that without the £13,592 surplus currently forecast for this year end, the increased precept would only have a margin of error of £332 (less than one third of one percent) available across the whole budget without 'surgery'.

Even with the addition of the surplus from this year there is little room to address any of the other projects that are being discussed such as traffic works, remodelling the Green Lane/Wood Lane corner, additional works on the Village Hall, resurfacing public areas and so on let alone to build up funds towards major facilities such as a sports hall.

For information the current year precepts of eight large villages are shown below. The Tax bases are italicised as the numbers are from the previous year.

Village	Tax Base	Precept	Change
Benson	1,706	£116,890	-2,280
Chalgrove	1,028	£95,000	+3,000
Chinnor	2,267	£263,321	+6,779
Cholsey	1,337	£86,581	+2,393
Goring	1,698	£85,593	same
Sonning Common	1,648	£82,500	+16,500
Watlington	1,197	£81,873	-4,232
Wheatley	1,673	£104,609	same

Before reaching its recommendation for a precept of £99,000 the Finance Committee considered a number of factors including:

- That the 2013/14 Precept level of £82,500 has only just proved sufficient.
- Council's wish to remain proactive and to be able to fund new projects of benefit to the village whilst being aware of the possibility of future capping.
- The need to fund the budget as agreed.
- The precept levels of other large and well served villages, above, some of whom are actually smaller than Sonning Common.

All of these considerations fed into the recommendation now being put to Council for a precept of £99,000.

4. IMPACT ASSESSMENT.

The table below shows how the proposed £99,000 precept would affect homes in each Band. At the Band D level, usually used in all considerations of Council Tax, homes in Sonning Common currently pay £53.75 per annum, £4.48 per month or £1.03 per week.

The Precept of £99,000 translates into a Band D charge of £63.90 per annum, £5.33 per month or £1.23 per week. On a weekly basis this will add 19p to the Band D household's costs.

The effect on each band is shown along with the changes that will be felt by taxpayers with Band D and the changed cost per week highlighted.

Band	Homes	Yearly	Weekly	Monthly	+week	+month	+Year
A	85	42.60	0.82	3.55	0.13	0.56	6.77
B	125	49.70	0.95	4.14	0.15	0.66	7.90
C	140	56.80	1.09	4.73	0.17	0.75	9.02
D	390	63.90	1.23	5.32	0.19	0.85	10.15
E	427	78.10	1.50	6.51	0.23	1.03	12.41
F	313	92.30	1.77	7.69	0.28	1.22	14.67
G	114	106.50	2.04	8.87	0.32	1.41	16.92
H	1	127.80	2.45	10.65	0.38	1.69	20.31