

Subject: 2017/18 Budget and Precept
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1. Object of Paper

A proposal paper discussing Blackawton Parish Council's 2017/18 budget and precept demand. These will be finalised by BPC on 4 January 2017.

2. Proposed budget and headings

Please see spreadsheet.

3. Proposed 2017/18 budget options

Two options have been prepared for consideration: Option 1 allows BPC to take actions identified by the December meeting and Option 2 allows the precept to be retained at the current level.

4. Historic context:

Review of Annual Returns shows the total precept plus Council Tax Support Grant has increased incrementally from £5,000 in 2006/07. This appears to be a response to both increased costs (most notably churchyard wall, salaries, and cemetery) and to projects to actively support the Blackawton Parish community. There has been a surplus of £6,000 in last three years, but the nett total for the current year has ranged from -£3,913 to £7,382 since 2006/07.

5. 2016/17

Salary costs were increased by £1,900 on 2014/15 due to sick-leave (£1,411), increased pay rate, and overtime.

Irregular payments were made of £3,380: churchyard steps, election, tree maintenance, cemetery inspection, cemetery signs.

Total: £4,817.22.

2016/17 Year-end forecast:

<i>brought forward</i>	£37,681.85
<i>nett forecast</i>	£-1,439.65
<i>carry forward balance</i>	£36,242.20
<i>earmarked reserves</i>	£31,424.98
<i>unearmarked reserves</i>	£4,817.22

6. 2016/17 Earmarked Reserves

The churchyard/cemetery reserves will be reduced by 2016 tree and cemetery maintenance.

7. 2017/18 Reserves

purpose of earmarked reserves - unexpected call on funds, scheduled replacement

purpose of unearmarked reserves - cash flow

7.1. Churchyard and Cemetery

- **Churchyard** - The reserve was established in response to a pattern of intermittent large expenditure. This reserve has increased from 1.5 times largest repair bill to 1.75 times over recent years (largest repair = £7,350, £11,000 to £13,000). There are eleven memorials which have been laid flat to make safe. Cost of making upright if owners not located quoted at £700.

- **Cemetery** - 21 memorials require repair. These are the responsibility of owners of memorials, however BPC is liable for risk if they are not repaired.

In the 2017/18 budget this reserve has been separated under two headings to recognise the different natures of these two entities.

The existing reserves have been allocated to the churchyard in recognition of the greater liability. £1,500 has been allocated to the new cemetery reserve as requested by the December meeting of BPC.

7.2. Community Shop "Phase 3"

The PC has allocated a reserve fund to this community asset. This has historically been increased

by £1-2,000 / year. In option 1 £1,000 is added in 2017/18.

7.3. Village Hall / Playing Field

The December meeting of BPC requested reallocation of the Village Hall reserve to the Playing Field, in recognition of the healthy financial position of the VH, and increasing the PF reserve by £500. This reserve allocation is made in Option 1 only.

7.4. Community Employment Project

Established to support Town Farm Project Proposed Community Enterprise for Managing Employment Units. Maintained but no additional allocation proposed for 2017/18.

7.5. Other

- **Computer Replacement Programme** - An allocation is made of £150/year in both options.
- **Road Safety** – Established to help fund any local grit bins which may be required and to help mitigate the potential effects of the Town Farm Project.

7.6. Earmarked reserve options

	total current reserves	2016/17 year end forecast	17/18 allocations option 1	17/18 earmarked reserves option 1	17/18 allocations option 2	17/18 earmarked reserves option 2
P3	653.65	653.65		653.65		653.65
Asset Renewals	2,502.00	2,502.00		2,502.00		2,502.00
Churchyard	11,128.00	9,908.00		9,908.00		9,908.00
Cemetery			1,500.00	1,500.00	1,500.00	1,500.00
Election Reserve	949.85	949.85		949.85		949.85
New Projects	1,210.00	1,210.00		1,210.00		1,210.00
Road Safety	2,551.48	2,551.48		2,551.48		2,551.48
Community Employment	3,040.00	3,040.00		3,040.00		3,040.00
Community Shop	6,000.00	6,000.00	1,000.00	7,000.00		7,000.00
Village Hall / Playing Field	2,700.00	2,700.00	500.00	3,200.00		3,200.00
Computer	300.00	300.00	150.00	450.00	150.00	450.00
Ex Devon/SHDC Services	1,610.00	1,610.00	300.00	1,910.00		1,910.00
TOTAL RESERVES	£32,644.98	£31,424.98	£3,450.00	£34,874.98	£1,650.00	£34,874.98

8. 2017/18 Expenditure

8.1. Playing Field Maintenance

The December meeting of BPC agreed in principle to fund the balance required by the Playing Field for necessary Maintenance. This is possibly £1,950 after DCC and SHDC grants, although additional grant funding will be sought. This allocation is made in Option 1, £1,000 is budgeted in Option 2.

8.2. Former DCC/SHDC services?

- parish lengthsman (£300)
- weed spraying (£160)
- drain clearance (£350)

TAP applications have been made for each of these services. SHDC verbally advised that Eastern Cluster TAP funds were sufficient to make all grant applications and they have not been included in the proposed 2017/18 budget.

8.3. Clerk overtime

Two weeks (eighteen hours) included in the proposed 2017/18 budget.

8.4. Inflation

Although some level of price inflation can be expected. Apart from some "rounding up" of estimate figures, no special allowance is included in the precept for inflation.

8.5. Miscellaneous

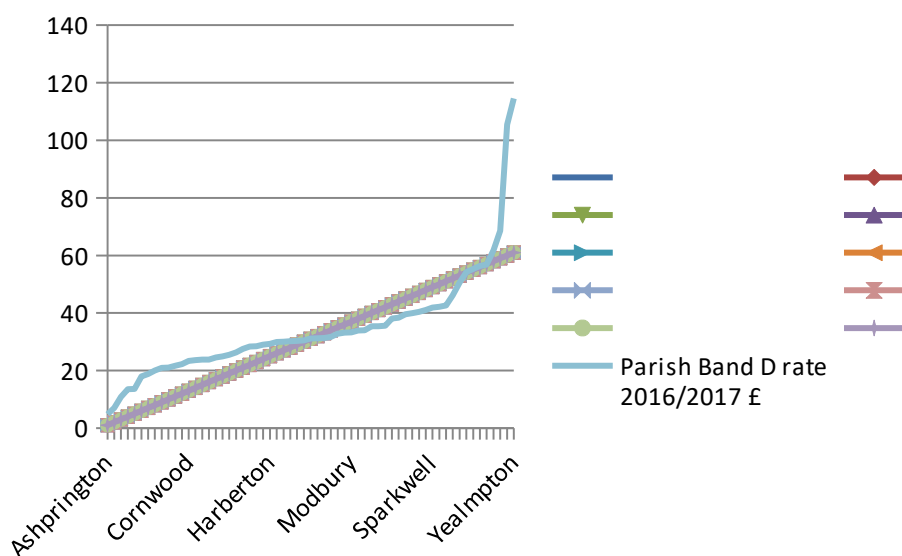
A small allocation of £300 has been made.

9. 2017/18 Budget Summary

	2017/18 budget option 1	2017/18 budget option 2
Expenditure		
Total	13,892	13,162
Income		
Total	14,260	14,260
Nett 17/18 total	368	1,098
New 17/18 earmarked reserves	-3,450	-1,650
Total	-3,082	-552

10. Precept

Graph: South Hams 2016/17 Parish Band D rate.



Range £4.81-£114.53 / Band D equivalent

Blackawton £38.09 / Band D equivalent

A £1,000 increase in the precept equates to £2.91 per Band D equivalent household.

An increase of £2,000 in the precept equates to £5.82 per Band D equivalent household to a total of £43.91.

11. Conclusion

Two alternative approaches have been presented for consideration.

Option 1 allows BPC to take actions identified by the December meeting to support community projects. It requires an increase in the precept of £2,000. This would still be expected to result in a nett deficit, but adequate unearmarked reserves of approximately £4,000.

Option 2 allows the precept to be retained at the current level.