

2017 to 2018 Municipal Year Draft Budget

The draft budget has come through the Asset Management and Policy and Finance Committees.

The main item to note is that the budget has had a few cost centres moved, to clarify that they come under the devolved authority of the Asset Management Committee. These include: -

Asset Improvement,
Tree Contingency,
Tree Planting, and the new cost of
Vermin Control

The anticipated in-house provision of grounds maintenance has added £75k to the salaries costs representing 3 full time roles including a Facilities Manager, but has saved a similar sum from Asset Management primarily for the contract costs for the maintenance of the Fryern and Hiltingbury recreation grounds.

The anticipated training costs have risen by just under £2k to ensure the safe operating of grounds maintenance equipment.

Legal costs have been increased by £1k to cater for potential further asset transfers of a couple of play areas that are anticipated, and possibly a couple of countryside areas.

Insurance costs have increased by £2k to reflect the general and on-road insurance of the new equipment for grounds maintenance.

In the 2016-17 budget the overall expenditure costs were put at £524,540, for 2017-18 these are anticipated to be £525,950 an increase of 2.68% this is funded through the increase in the net Tax Base of 85 dwellings.

Expected income levels are being kept level at £43,500 as it is anticipated that the Hiltingbury Pavilion extension will possibly go ahead and remove that from being an income provider for 6 months of the coming year. Income levels at Fryern Pavilion are continuing to grow to offset any potential income reduction elsewhere for instance at 3rd quarter end ytd hall hire at Fryern was at £18,856, up £3,136 i.e. at 120% of budgeted receipts.

The tennis key cards have provided an income stream, with 320 families having taken up the scheme to date.

Reserve Funds

These are certainly not at a level where reductions in their growth could be seen as an opportunity to shave a few pennies off the Precept needed.

The current balance of the **General Fund** is at approximately 27% of a year's expenditure (without any Asset Improvement Fund being precepted) this is the very minimum level it can be at.

In my independent view there can be no reduction to **Asset Improvement Fund** income levels, with consideration being given to a potential Hiltingbury Pavilion extension and bringing grounds staff in-house from April 2017, and with the capital expenditure of

approximately £80k (64% of precepted fund receipts) committed to in this final quarter of the year.

The current Asset Improvement Fund balance at year end, and after internal transfers, is expected to be only **£150-157k**, an increase of the residual £45k from above.

The **Election Fund** is adequate to cover unexpected parish by-elections where the Parish Council would bear all the costs and complies with the levels suggested by EBC, no addition to this would be considered prudent by Internal Audit.

Contingency

This is for unforeseen or emergency costs that might occur in the year. At £32,000 this represents a 6.6% risk management fund which is just about adequate for the size of the Parish. There are thoughts of Cuckoo Bushes and Hiltingbury Lakes transferring. If Cuckoo Bushes transfers in the coming municipal year, the budget and resources will cope especially as some monies from special expenses will transfer too. Hiltingbury Lakes would doubtlessly take longer to go through due diligence and a transfer next year is unlikely.

Play Areas

This fund also needs to continue at its present level of income. Although there was a very successful refurbishment project 2016-17 seeing a wholly additional (and very popular) piece of play equipment for Lincoln's Valley, along with improvements to West Moreland Way and significant expenditure at Pennine Way. It is intended to prioritise Cox Row, Suffolk Drive and Mead Road, within the rotation of sites, for new equipment in the coming year.

Therefore, as your Responsible Finance Officer I make a recommendation that this council agrees to a 0% increase in Council Tax, maintaining a Band D Council Tax of £50.27 which represents:

Precept:	£457,487.66	
CTSG:	£ 22,916.09	(Council Tax Support Grant)
Total:	<u>£480,403.75</u>	