

**Budget Setting 2019/20 Report from Budget Working Party.**

**Parish Council Current Financial year**

North Mundham Parish Council budget working party have reviewed the current budget and have provided the parish council with an estimate of the end of year spending for the full council expenditure. It is noted that the Parish Council undesignated reserves for the current financial year are insufficient. The recommendation is that the parish council holds a minimum of six months of the precept in the undesignated reserves which should be 18,275.05 at the end of the current financial year. If the estimated year end spending is correct then the parish council will only hold 5,668.66 in the undesignated reserves, which is an increase on the previous year.

Therefore, although the parish council had put funds in the budget for a number of areas to be assigned to the designated reserves at the end of the financial year the working party is recommending that the following budget codes are **not** put into the designated reserves and therefore assists with the building up of the undesignated reserves:

Budget Code	Item	£
45	Bus Shelter Improvement	1,000.00
48	Playground equipment reserves	2,000.00
50	Village Hall Building Reserve	1,800.00
52	Village Hall Car Park Reserve	500.00
53	Asset Maintenance Reserve	1,100.00

Without this action the parish councils undesignated reserves will be in deficit.

The following codes at the end of the financial year **are** to be vired into designated reserves:

Budget Code	Item	£
16	Routine Election Expenses	500.00
41	Runton to Marsh Lane footpath	5,000.00

**2019-2020 Parish Council Budget**

The working party has prepared a draft strategic action plan for 2019-20 and the working party asks that members review the plan and consider any additional items that need to be added to the plan; in particular any items that require budget funding.

The working party have prepared a draft budget for 2019/20.

The working party is recommending a payment holiday for the designated reserves as listed below:

- Bus Shelter improvement
- War Memorial
- Playground Equipment Replacement
- Village Hall Rebuilding
- Village Hall Improvement
- Village Hall Car Park
- Asset Maintenance

The working party is recommending that the precept request is increased by 2% with 10,000.00 of the request being used to increase the undesignated reserves, which will address the shortfall. This will provide a larger than the minimum requirement for six months undesignated reserves but the next paragraph provides an explanation on the reasons for this outcome.

The biggest financial risk for the parish council in the current financial year and 2019/20 is the production of the neighbourhood plan and the need to have the plan ready for consultation by June 2019. The Parish Council currently has 7,250.00 in the designated reserves, however, it is likely that a significant proportion, if not all the funds will be spent by the end of the current financial year. The Parish Council are able to apply for grant funding up to 8,000.00 however, any unspent funds at the end of each financial year needs to be returned and reapplied for; so the grant applications will need to be carefully managed. In addition, each grant application can only be spent on the specific item applied for e.g. consultants, advertising, room hire etc. you are not able to submit a grant application stating in preparation of the local plan.

The Parish Council will no longer receive the council tax grant which in the current financial year amounted to 1,113.23. Therefore, the precept request will need to cover this grant and this may have a significant impact on the reporting of our precept request by Chichester District Council. The District Council have not yet provided the parish council with any information on the council tax base for the financial year ended 2019/20. The 32 new houses within the parish may help with the taxbase but it depends entirely on when the cut off date is for the inclusion of them in the calculation of the council taxbase.

Councillors are asked to review the proposed budget 2019/20 and the recommendations for the proposals for the assigned reserves.

### **Village Hall Management Committee Current Financial Year**

The budget working party have reviewed the current budget and have provided the parish council with an estimate of the end of year spending for the Village Hall Management Committee

expenditure. It is noted that the Village Hall Management Committee undesignated reserves for the current financial year are sufficient, as they currently hold over six months income.

The following codes at the end of the financial year are vired into designated reserves:

Budget Code	Item	£	Designated Reserve
16	Guttering	2000.00	Village Hall Maintenance Reserve

### 2019-2020 Village Hall Budget

The biggest risk for 2019/20 budget is the village hall caretaker/booking secretary. The current contract expires on 31<sup>st</sup> March 2019; however, the Parish Council has the option on the recommendation of the village hall management committee to extend the contract for a further two years. The contractor has the option to submit new fees for the contract and notification of this will be required if the parish council opts to extend the contract. If the current contractor opts not to accept the offer to extend the contract, then the village hall management committee will be required to give serious consideration on the form of the contract and will need to obtain three quotes.

The Village Hall Management Committee are recommending an increase in the advertising budget and the replacement of five internal doors and the external double doors in the small hall.

The budget working party will review the budget again once the information on the taxbase has been received from Chichester District Council and any recommendations received from the parish council. The working party will also review the village hall budget subject to any recommendations received from the Parish Council and the submission of village hall caretaker/booking secretary variation of contract notice.

The Parish Council will be required to approve the budget and precept request at the full council meeting on 8<sup>th</sup> January 2019.