

**Date:** 2 November 2017

**Title:** Report Item 7: Budget 2018/19 – First Pass

**By:** Cllr Stewart Fuller

**Purpose of Report:** To provide a first pass of the proposed 2018/19 budget and forecast for the subsequent three years

**Recommendations:** Review and comment on the figures provided

1. Following discussion of various projects and other items to be included in the budget at the 5 October PCM (Report7), this paper now provides a first pass of the proposed budget for 2018/19, together with a forecast for the subsequent three years. Items agreed at the October PCM have all been included.

2. In summary the figures are shown in the Table 1 below. For 2017/18, the Budget, spend for 6 months to September, and the expected outturn for the year are shown. The budget year is shaded. The appendix shows the detail supporting the figures in the table.

**Table 1: Summary Financials**

Year to March	2017/18 Budget	2017/18 to Sept '16	2017/18 Outturn	2018/19 Budget	2019/20 Forecast	2020/21 Forecast	2021/22 Forecast
<b>SUMMARY</b>							
<b>Receipts</b>	<b>68,885</b>	<b>52,671</b>	<b>54,103</b>	<b>60,200</b>	<b>60,200</b>	<b>60,200</b>	<b>60,200</b>
<b>Payments</b>							
Council Office	14,205	7,223	14,630	14,915	15,205	15,495	15,805
Professional Expenses	4,790	2,929	3,245	4,520	3,890	4,015	4,190
Councillor Expenses	670	196	550	775	800	825	850
Major Projects	39,000	6,845	29,750	25,095	12,500	12,500	7,500
Asset Maintenance	8,510	2,369	5,950	6,500	6,515	7,500	7,175
Services	17,010	8,287	15,495	18,270	17,720	17,990	18,970
VAT on Payments	2,000	2,878	2,000	2,000	2,000	2,000	2,000
<b>Total Payments</b>	<b>86,185</b>	<b>30,727</b>	<b>71,620</b>	<b>72,075</b>	<b>58,630</b>	<b>60,325</b>	<b>56,490</b>
<b>Surplus/(Deficit)</b>	<b>(17,300)</b>	<b>21,944</b>	<b>(17,517)</b>	<b>(11,875)</b>	<b>1,570</b>	<b>(125)</b>	<b>3,710</b>
Opening Reserves	41,644	48,057	48,057	30,540	18,665	20,235	20,110
<b>Closing reserves</b>	<b>24,344</b>	<b>70,001</b>	<b>30,540</b>	<b>18,665</b>	<b>20,235</b>	<b>20,110</b>	<b>23,820</b>

3. The budget assumes a 15% increase in the precept from April 2018 to help support the ongoing playground upgrade and other project items. This increase compares favourably with the 20% assumed for 2018/19 in last year's budget/forecast round.

4. Neither grant income nor borrowing has been assumed, either for the Playground Project or generally.

5. No PC arranged Bonfires are assumed over the budget/forecast period.

6. Reserves are close to £20k for each year-end compared with a current target of 50% of precept (ie £24k based on current precept levels, but rising to £27k with the increased precept). Based on timings of cash flows, particularly the two six monthly receipts of the precept, it is considered that £20k is a reasonable reserves figure to hold. A latter budget paper will include a proposal to amend the reserves target to this level.

## Major Projects

7. Major project work included in the appendix is replicated here.

**Table 2: Major Projects**

Year to March	2017/18 Budget	2017/18 to Sept '16	2017/18 Outturn	2018/19 Budget	2019/20 Forecast	2020/21 Forecast	2021/22 Forecast
<b>Major Projects</b>							
War Memorial	-	6,845	6,845	2,500	-	-	-
Pavilion -refurb	5,000	-	-	2,000	-	-	-
Playground Upgrade	33,000	-	22,905	13,595	10,000	10,000	5,000
Friston Build-Out	-	-	-	6,000	-	-	-
Other projects	1,000	-	-	1,000	2,500	2,500	2,500
<b>Total Major Projects</b>	<b>39,000</b>	<b>6,845</b>	<b>29,750</b>	<b>25,095</b>	<b>12,500</b>	<b>12,500</b>	<b>7,500</b>

8. The budgeted War Memorial figure of £2,500 is for refurbishing the railings. The Pavilion budget figure of £2,000 is for refurb work, primarily internal upgrades. (Note – none of the £5,000 budget for the current year has been used, hence the reduction for the budget year).

9. The quote for the playground upgrade is £34,500 and it is planned that £22,905 be paid when the equipment is received in the UK by Proludic, around Nov/Dec 2017. This will be stored until April when it will be installed; the balance of the quote of £11,595 will then be paid. A further £2,000 has been included for replacement fencing around the play area. Phase II of the Project has been assumed at a further sum of £25k spread over the forward three years.

10. The Friston Build-Out budget of £6,000 is 50% Match Funding with ESCC Highways. The latest estimate for the full works is around £10k with a number of unknowns – these have been assumed at £2k, making an overall cost of £12k to be shared 50/50.

11. The budget and forecast for Other Projects is a provision for major type items yet to be identified primarily in the forecast years. The latter amounts will be reviewed at the next budget round.

## Other Payments

12. The other payment categories as shown in Table 1 and detailed in the appendix are relatively stable and fixed in nature. Allowances have been made for inflation and growth where considered appropriate. Two items worth noting here are the mowing contract and the new Grant Scheme, both under the Services heading in Table 1.

## Mowing

13. The budget for the mowing contract is based on the current rates enhanced by 10% to reflect the fixed price nature over the past three years. Quotations are being requested for the next three year period and once received the budget figure will be updated.

## Grant Scheme

14. This is a new budget item starting in 2018/19 as approved at the October PCM. It allows for good causes to apply to the PC for financial support each year. The heading will include donations to the Charity of the Year and the match funding for the East Dean Responders. An overall budget figure of £2,000 has been included rising by £100 each year over the forecast period.

## Sensitivities

15. The major discretionary items within the budget are within the Major Projects in Table 2, particularly the Playground Project and the Friston Build-Out. These have a direct bearing on reserves and the precept increase. If there were no Phase II for the Playground and the precept held at the current level the reserves would be as shown in Table 3.

**Table 3: Revised Reserves**

Year to March	2017/18 Budget	2017/18 to Sept '16	2017/18 Outturn	2018/19 Budget	2019/20 Forecast	2020/21 Forecast	2021/22 Forecast
Closing reserves	24,344	70,001	30,540	11,450	15,805	18,465	19,960

16. The reserves in all years are considered too low, particularly the budget year. However, this could be improved by delaying the pavilion refurb (£2k) and/or the Friston Build-Out (£6k) by a year. Whilst improving 2018/19 the forecast years would still show reserves as in the table.

17. Other flexing could allow for the delay in the precept increase. However, looking for items to support this action tends to suggest that the reserves are already at a level which needs attention. They are already marginal at best and a precept increase is considered necessary. In this regard it is noted that the 2017/18 average Band D precept for all parishes/towns in Wealden is around £94 whereas ED&F is £49, being the 12th lowest of the 42 parishes/towns within Wealden.

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<b>Payments</b>							
Council Office	14,205	7,223	14,630	14,915	15,205	15,495	15,805
Professional Expenses	4,790	2,929	3,245	4,520	3,890	4,015	4,190
Councillor Expenses	670	196	550	775	800	825	850
Major Projects	39,000	6,845	29,750	25,095	12,500	12,500	7,500
Asset Maintenance	8,510	2,369	5,950	6,500	6,515	7,500	7,175
Services	17,010	8,287	15,495	18,270	17,720	17,990	18,970
VAT on Payments	2,000	2,878	2,000	2,000	2,000	2,000	2,000
<b>Total Payments</b>	<b>86,185</b>	<b>30,727</b>	<b>71,620</b>	<b>72,075</b>	<b>58,630</b>	<b>60,325</b>	<b>56,490</b>
<b>Surplus/(Deficit)</b>	<b>(17,300)</b>	<b>21,944</b>	<b>(17,517)</b>	<b>(11,875)</b>	<b>1,570</b>	<b>(125)</b>	<b>3,710</b>
Opening Reserves	41,644	48,057	48,057	30,540	18,665	20,235	20,110
<b>Closing reserves</b>	<b>24,344</b>	<b>70,001</b>	<b>30,540</b>	<b>18,665</b>	<b>20,235</b>	<b>20,110</b>	<b>23,820</b>
<b>RECEIPTS</b>							
Precept	48,110	48,110	48,110	55,325	55,325	55,325	55,325
Support Grant	400	318	318	-	-	-	-
Pavilion hires	1,000	873	1,000	1,000	1,000	1,000	1,000
ESCC - verge cutting	-	1,500	1,500	1,500	1,500	1,500	1,500
Downlands Way Maintenance	1,000	-	500	-	-	-	-
Village Hall Rent	375	-	375	375	375	375	375
Bonfire	-	-	-	-	-	-	-
Grants	16,000	-	-	-	-	-	-
Other	-	154	300	-	-	-	-
VAT on Receipts / Reclaims	2,000	1,716	2,000	2,000	2,000	2,000	2,000
<b>Total Receipts</b>	<b>68,885</b>	<b>52,671</b>	<b>54,103</b>	<b>60,200</b>	<b>60,200</b>	<b>60,200</b>	<b>60,200</b>
<b>PAYMENTS</b>							
<b>Council Office</b>							
Clerk's Salary (gross)	12,650	6,534	13,100	13,360	13,630	13,900	14,180
Employer's NICS	695	338	680	695	710	725	740
Travel Expenses	360	166	350	360	365	370	375
Office 'phone/broadband/power	250	108	250	250	250	250	260
Office equipment	100	-	100	100	100	100	100
Postage, Printing and Stationery	150	77	150	150	150	150	150
<b>Total Council Office</b>	<b>14,205</b>	<b>7,223</b>	<b>14,630</b>	<b>14,915</b>	<b>15,205</b>	<b>15,495</b>	<b>15,805</b>
<b>Professional Expenses</b>							
Insurances	1,575	1,551	1,550	1,630	1,710	1,795	1,880
Audit Fees	575	417	420	500	525	550	575
Village Hall Rent	375	375	375	375	375	375	375
Subscriptions	765	551	750	765	780	795	810
Legal fees	1,500	35	150	500	500	500	550
Election Expenses	-	-	-	750	-	-	-
<b>Total Professional Expenses</b>	<b>4,790</b>	<b>2,929</b>	<b>3,245</b>	<b>4,520</b>	<b>3,890</b>	<b>4,015</b>	<b>4,190</b>

Year to March	2017/18 Budget	2017/18 to Sept '16	2017/18 Outturn	2018/19 Budget	2019/20 Forecast	2020/21 Forecast	2021/22 Forecast
<b>Councillor Expenses</b>							
Councillors' Course Fees	350	143	350	375	400	425	450
Chair's Expenses	100	-	50	100	100	100	100
Councillors' Expenses	220	53	150	300	300	300	300
<b>Total Councillor Expenses</b>	<b>670</b>	<b>196</b>	<b>550</b>	<b>775</b>	<b>800</b>	<b>825</b>	<b>850</b>
<b>Major Projects</b>							
War Memorial	-	6,845	6,845	2,500	-	-	-
Pavilion -refurb	5,000	-	-	2,000	-	-	-
Playground Upgrade	33,000	-	22,905	13,595	10,000	10,000	5,000
Friston Build-Out	-	-	-	6,000	-	-	-
Other projects	1,000	-	-	1,000	2,500	2,500	2,500
<b>Total Major Projects</b>	<b>39,000</b>	<b>6,845</b>	<b>29,750</b>	<b>25,095</b>	<b>12,500</b>	<b>12,500</b>	<b>7,500</b>
<b>Asset Maintenance</b>							
<b>Pavilion</b>							
Pavilion -general mtce	500	-	500	500	500	1,000	1,000
Cleaner's Wages	510	282	350	500	510	520	530
Winterisation	100	-	100	100	100	110	120
Fire Extinguisher Maintenance	100	52	100	100	100	110	110
Utilities	500	155	350	500	525	550	575
<b>Total Pavilion</b>	<b>1,710</b>	<b>489</b>	<b>1,400</b>	<b>1,700</b>	<b>1,735</b>	<b>2,290</b>	<b>2,335</b>
<b>Sports Ground &amp; Play Area</b>							
General Maintenance	500	470	500	500	1,000	1,000	1,000
ROSPA Inspections	200	91	100	200	200	200	200
Safety Surface	500	-	-	500	1,000	1,000	1,000
Tennis Court Equipment	500	-	-	500	250	250	250
<b>Total Sports Ground &amp; Play Area</b>	<b>1,700</b>	<b>561</b>	<b>600</b>	<b>1,700</b>	<b>2,450</b>	<b>2,450</b>	<b>2,450</b>
<b>Other Assets</b>							
Other Village Green Assets	500	-	-	200	100	100	100
Public seats	500	-	300	500	510	520	530
War Memorial	200	-	-	100	100	100	100
Downlands Way Mtce	750	-	300	500	200	200	200
Friston Pond - Maintenance	500	-	-	500	100	500	100
Bus Shelters - cleaning/mtce	1,000	300	750	1,000	1,020	1,040	1,060
Notice Boards	1,500	-	1,500	100	100	100	100
Minor assets replacement	150	1,019	1,100	200	200	200	200
<b>Total Other Assets</b>	<b>5,100</b>	<b>1,319</b>	<b>3,950</b>	<b>3,100</b>	<b>2,330</b>	<b>2,760</b>	<b>2,390</b>
<b>Total Asset Maintenance</b>	<b>8,510</b>	<b>2,369</b>	<b>5,950</b>	<b>6,500</b>	<b>6,515</b>	<b>7,500</b>	<b>7,175</b>

Year to March	2017/18 Budget	2017/18 to Sept '16	2017/18 Outturn	2018/19 Budget	2019/20 Forecast	2020/21 Forecast	2021/22 Forecast
<b>Services</b>							
<i>Mowing</i>							
pc owned	1,210	-	-	1,330	1,330	1,330	1,460
rec	1,600	-	-	1,760	1,760	1,760	1,940
private	2,300	-	-	2,530	2,530	2,530	2,780
verges (incl Fridays)	1,900	-	-	1,950	1,990	2,030	2,070
extras	800	4,657	7,810	800	800	850	850
<i>Total Mowing</i>	<u>7,810</u>	<u>4,657</u>	<u>7,810</u>	<u>8,370</u>	<u>8,410</u>	<u>8,500</u>	<u>9,100</u>
Grant Scheme/Donations	1,000	54	750	2,000	2,100	2,200	2,300
Commercial Printing	1,200	832	1,200	1,500	1,500	1,500	1,500
Public Relations/Services	500	-	-				
PC Website & Broadband	750	50	75	1,000	500	510	520
Cuckmere Community Bus	2,500	1,245	2,500	2,550	2,600	2,650	2,700
Tree Maintenance	750	-	500	500	500	250	250
Village Events	500	379	500	500	500	500	500
Bonfire	-	-	-	-	-	-	-
Dog/litter Bins	500	180	360	500	510	520	530
Footpath Maintenance	300	-	300	300	300	310	320
Path & Highway Signs	300	390	500	300	300	300	500
General ROW Maintenance	900	500	1,000	750	500	750	750
<b>Total Services</b>	<u><b>17,010</b></u>	<u><b>8,287</b></u>	<u><b>15,495</b></u>	<u><b>18,270</b></u>	<u><b>17,720</b></u>	<u><b>17,990</b></u>	<u><b>18,970</b></u>