

# KINGSTON PARISH COUNCIL

Chairman: Councillor Mrs J Rowland

## COUNCIL MEETING 8 NOVEMBER 2010

### Report No 10

#### ITEM 10: BUDGET REVENUE ESTIMATES FOR FY 2011-12

(A Discussion Paper by the Clerk)

#### Recommendation:

That the Council **RESOLVES** to:

- (a) Note this report;
- (b) Endorse the core assumptions set out in paragraph 3 of this paper.
- (c) Agree the draft budget estimate set out at Appendix A to this paper as providing the basis of the Precept for FY 2011-12
- (d) Instruct the Clerk to make adjustments in accordance with the Council's discussion and to present a final version for approval at an Extraordinary Meeting on 29 November 2010.

#### Background

1. By any standard the current financial year, when measured in terms of financial performance, has been extraordinarily successful. The Council has overseen two major capital project (traffic calming and the construction and fitting out of the new Community Pavilion) and has continued to meet its responsibilities as reflected in the approved 2010-11 budget and Precept. This has been a huge financial undertaking, and as a result there is a need to look at the next financial year as a period of financial consolidation; an opportunity to capture efficiency gains through continued rigorous financial scrutiny and control of expenditure, especially as attention returns increasingly away from capital to revenue expenditures.

2. In the prevailing economic climate the Council should continue its efforts to keep costs under tight control and to extract maximum benefit from every pound spent in order to continue to providing services to the community especially against a Consumer Price Index (CPI) inflation forecast of 2.7% for the next financial year and the enormous financial pressures on County and district authorities that may result in lower levels of service provision.

3. In framing the draft budget revenue estimates the following core assumptions have been adopted:

- a) Town and Parish Council elections will be held in May 2011. Whilst a more equitable charging system has been introduced for 2011 whereby councils pay proportionately to the election costs they incur, Lewes District Council has estimated that the maximum charge for KPC will be £2200. This maximum figure is based on what has been described as a worst case scenario where only six Town and Parish Councils are contested; if this figure increases the estimated costs will be lower. The final figure will not be known until after the elections on May;
- b) The availability of new premises at the Pavilion, with its excellent meeting facilities and IT/Broadband connections afford the Parish Council the opportunity to reduce administrative overheads and, importantly, to avoid the prospect of having to incur costs

of some £2,000 in hiring serviced office space for storage and meetings. Cash savings can be generated by requiring the Clerk to the Council to work primarily from the office in the Kingston Pavilion. Whilst this will not preclude the Clerk from working from home when appropriate, the assumption reflected in the draft budget is that no allowances will in future be paid, as in the past, for maintaining office systems from home;

- c) The availability of IT/Broadband connections in the Pavilion to support community activities also affords a valuable opportunity to enhance the role of the Community Pavilion as an information exchange portal. To help promote communication and information exchange there is a need to look across the board at important but comparatively low cost measures, to enhance the accessibility, user-friendliness and navigability of the Parish Council website and its links to other web-sites to the overall advantage of the community;
- d) The Council will pursue its plan to provide a newly re-surfaced children's play area at The Green during the course of the next financial year. A provisional budget estimate of £11,000 has been assumed but this is subject to change as the scope of the project becomes more clearly defined and the outcome of competitive tendering is known. Accumulated funds of some £16,000 have been set aside for this project, and the assumption is that no additional funds will be required from the 2011-12 budget to support the project;
- e) The PWLB loans to support the traffic calming and Pavilion projects will require funds to meet the annual costs of servicing the loans. The PWLB has indicated that it is content for the Council to use the balance of funds (£13,000) to service the interest payments on the traffic calming account (No: 495420) until those funds have been exhausted. The PWLB has yet to consider a request to reduce the loan balance of the Pavilion PWLB loan account; the draft budget assumes that half-yearly interest payments will need to be met, for 2011-12 from the Precept;
- f) The only income expected during FY2011-12 is £510 from Kingston Tennis Club for its rent of the Council's tennis courts and £156 from the Football Club; and,
- g) Costs associated with any further capital improvements to the Pavilion will be met from the Pavilion account and make no demands on the revenue budget, and that costs of administering as well as operating and maintaining the Pavilion will, as now, be met from the revenue budget.

4. The effect of applying these assumptions is to produce a total net revenue funding requirement of £33,461. Despite the fact that the Council has had to make provision of £2,200 for the May 2011 elections, the estimated funding requirement is still some £2000 less than the current in-year forecast of outturn of expenditure and last year's approved budget. Rounded up to a figure of £33,500 the estimated net funding requirement, if approved, would represent an increase of £6,000 over this year's Precept of £27,500 (FY2010-11). The effect on the Council Tax payment for a Band D property would mean a cost of approximately £77.00 compared to £63.18, an increase of £13.82. (These illustrative figures are subject to detailed confirmation by Lewes District Council). It should be pointed out that the estimated net funding requirement makes no provision for contingencies and that, with a reserve of only £15,000 estimated to be available from April 2011, leaves virtually no margin for unprogrammed or unforeseen urgent requirements.

**P H Tipple**  
**Clerk to the Council**

## DRAFT REVENUE BUDGET PROPOSAL FY 2011-12

(Figures are £ exclusive of VAT)

Expenditure	Budget 2010-11	Forecast Outturn 2010-11	Budget Estimate 2011 – 2012
<b>Administration</b>			
<b>Salaries &amp; Allowances</b>			
Chairman's Allowance	250	250	250
Clerk's Salary	7687	5358	5866
Clerk's Office Allowance	440	154	NIL
Training	1200	80	1200
Clerk's Gratuity/LGPS	1348	2833	NIL
HMR&C NICs	385	344	385
<b>Administrative Overheads</b>			
Office Equipment & Stationary	500	500	500
Publications	150	0	150
Postage	120	60	60
Travel & Subsistence costs	360	400	400
Subscriptions	459	459	475
Audit Fees	715	2285	2285
Communications/IT	730	287	287
<b>General Operating Costs</b>			
Council Meeting Expenses	300	120	120
Council Insurance Premium	2200	2067	2130
Donations	150	70	70
Council web-site	1400	500	500
Publicity	750	0	500
Grass Cutting	2100	3043	3125
Dog waste Collection	438	260	450
Play Inspection Area	126	126	126
Tree Works	1600	653	1600
Other Works	400	135	400
The Pavilion – O&M	0	3156	5156
PWLB Interest Payments <sup>1</sup>	11898	12064	11766
Elections	100	0	2200
Set Aside – Tennis Courts <sup>2</sup>	850	850	850
Sub-Totals	36656	36050	40851

<sup>1</sup> Account No: 495420 (Traffic Calming) and Account Nos: 495736/496129 (Pavilion) incur interest payments of £6724 and £5042 respectively in FY2011-12. Interest payments on the Traffic Calming loan will be met over the next two years from the money set aside in the accumulated reserve. From FY2013-14 interest charges will need to be met from the Precept.

<sup>2</sup> The set aside will be matched by the Kingston Tennis Club and the proceeds transferred to the Tennis Courts accumulated fund.

**APPENDIX B**

**BUDGET AND PRECEPT 2011-12**

Explanatory Notes

<b>Expenditure Item</b>	<b>Explanation of Variances</b>
Chairman's Allowance	Unchanged
Clerk's salary and allowances	NJC scale, point 25, £11.18 per hour x 40 hours per calendar month x 12 months. No provision for office allowance, telephone/internet connections from home. Contingency of £500 for possible overtime working during the year.
Training	CILCA training for Clerk and training for Councillors
Clerk's Gratuity/LGPS	Defer contribution to the Clerk's gratuity fund until FY 2012-13
HMR&C Nis	Unchanged
<b><i>Administrative Overheads</i></b>	
Office Equipment & Stationary	Unchanged from previous years. Includes provision (£150) for new secure filing cabinet.
Publications	Unchanged
Postage	Increased use of IT and email correspondence, and use of 2 <sup>nd</sup> class post wherever possible.
Travel & Subsistence costs	Maintain forecast of outturn figure on grounds of realism.
Subscriptions	No change
Audit Fees	Realism adjustment compared to 2010-11 budget
Communications/IT	Realism adjustment
<b><i>General Operating Costs</i></b>	
Council Meeting Expenses	Greater use of Kingston Pavilion for Council meetings

Council Insurance Premium	Estimated cost incorporates realism adjustment for pay & price increase in line with CLI
Donations	Assumes donations to Sussex Air Ambulance (£50) & Sussex Playing Fields Association (£20)
Council web-site	Assumes modest improvements to web-site.
Publicity	Reduced expenditure
Grass Cutting	Estimated cost incorporates realism adjustment for pay & price increase in line with CLI
Dog waste Collection	No change.
Play Inspection Area	No change. Health & Safety and Duty of Care require independent monthly and annual inspections.
Tree Works	No change
Other Works	Provision for possible repairs to play equipments and public notice boards
The Pavilion – O&M	Includes latest projection of O&M costs based on expenditures to-date and assessed maintenance and administrative needs.
PWLB Interest Payments	Charges are in line with those published by the PWLB
Elections	New requirement. Worst case scenario. Maximum estimate from LDC
Set Aside – Tennis Courts	Assumes that Kingston Tennis Club continues its annual contribution of £850.