



Council Report
9 January 2020

1. Last year the Council agreed an increase to the precept of 2.4% in order to ensure an adequate level of reserves were maintained. Money had also been put in an earmarked fund to refurbish the Pavilion.
2. This proposed budget continues the strategy of planning for the future, by continuing to build up the building sink fund and streetlighting sink fund. New projects funded by the precept include a new storage area in the grounds workshop. FAG has also suggested an additional £15000 be built into the budget in case of unforeseen expenditure on the Pavilion refurbishment. If unspent this can be used towards a complete resurface of the Pavilion car-park the following year. It has been suggested that other projects, such as the completion of the three year streetlight replacement programme, a new tractor for the recreation ground, the woodland play area etc can be taken from existing CIL money. These projects fit the criteria and prevent a large increase in the precept. CIL money is also earmarked from previous years for the parking improvement scheme currently being investigated by Norfolk County Council.
3. The level of precept is recalculated each year in line with current projects and expenditure, to cover the difference between income and expenditure.
4. Therefore, Members of the Finance Advisory Group (FAG) are recommending to Council a precept of £300,636 for 2020/21, which is an increase of 2%. This would increase the Band D charge from £157.70 per household to £160.85, which equates to an increase of around £3.15 per annum per Band D property.
5. At 31 March 2019 the Council had funds totalling £429,581. Councils are recommended to hold a general reserve equivalent to approximately 50% of precept. Some of this money is held in earmarked reserves, ring fenced funds (CIL) and sink funds.
6. Existing CIL money and commuted S106 funds had been almost run down by the end of 2019. However £198,269 was received in CIL in Autumn 2019. Substantially more is expected in 2020/21 due to the forthcoming developments. In addition the Council is due to receive £399,920.45 from Kier / Bovis with the handover of further play areas, amenity and recreation spaces at Round House Park, which the Council will then maintain. The budget has been calculated exclusive of these ringfenced funds as these have to be spent in specific areas.



7. Assuming a precept of £300,636 is agreed, the projected income is £428,512 compared with outgoings of £566,603 (see appendix) – a deficit of £138,090, which will be taken from the general reserves. This would leave the general reserves at **£292,838 on 31 March 2021 (including the building and streetlight sink-funds).**
8. In Summary, if this budget is agreed the March 2021 year end position should be:

Total in bank account 31 March 2021	£512,441
<i>Minus current earmarked funds at 31 March 2020:</i>	
<i>CIL money</i>	£208,573
<i>Bus stop maintenance fund</i>	£11,030
<i>Commuted sums</i>	£0
<i>Sink Funds</i>	£194,108
Total in general spend	£98,730

As noted above, there should also be additional income from CIL and S106. This cannot be used for general spend. Sink funds could be used in an emergency if required as these have been earmarked by the parish council, rather than district council.

9. This budget allows Cringelford Parish Council to adequately manage all expenses. The below-inflation increase allows for a healthy reserve to be maintained to cover any emergencies or unexpected costs, without a large increase to the precept.

Sonya Blythe
Responsible Financial Officer
December 2020



Appendix.

*It should be note that the Pavilion income may decrease if refurbishment works overrun and depending on how sports groups are affected.

Budget 2020-21 (excludes CIL / Commuted sum spend)					
		PC	TWC	Pav	
Predicted Income					
Precept and Grants		300936			300936
Facility hire			101250	8980	110230
Grass cutting income		4267			4267
Sports club hire			2000	11080	13080
Misc					0
		305203	103250	20060	428513
Predicted Expenditure					
Salaries		74635	84331	31368	190334
General admin /misc /donations		34679	11156	9682	55517
Streetlighting		14601	0	0	14601
Trees, grounds and sport		6000	2000	4400	12400
Rates and utilities		0	15558	5559	21117
General repairs and		515	11500	4000	16015
Play equipment		2000	0	2000	4000
Building / streetlight sink fund		3000	38027	10000	51027
Loan repayment		0	26717	2894	29611
Projects		7500	2200	162280	171980
		142930	191489	232183	566602