



CRINGLEFORD PARISH COUNCIL

12 JANUARY 2017

BUDGET 2017/8 REPORT

1. Last year the Council agreed an increase of 8% in the precept; however due to a growth in the tax base the actual amount per household only increased by 2%, from £95.83 to 97.70 per household. The previous year an increase of 14.7% had been made.
2. This year CPC has had a thorough building survey of both The Willow Centre and the Pavilion carried out. This has brought to Council's attention a) the amount of work needed in existing buildings, particularly the Pavilion and b) the lack of "sink fund" and pre-planning in place to manage future costs over a long-term period.
3. Therefore work has been put into creating a budget which includes a 25 year fund to cover repairs and maintenance.
4. Members of FAG are recommending a precept of £215,000 for 2017/18, which is an increase of 26%. An increase in the tax base from 1740 to 1,838 means that the Band D charge increases by 19.7% to £116.98 per household.
5. At 31 March 2016 the Council had funds totalling £307997. Councils are recommended to hold a general reserve equivalent to approximately 50% of precept.
6. In addition to the precept the Council are expecting to receive a CIL payment from SNC of £11363. CIL money can be used to "support the development of their area by funding the provision, improvement, replacement, operation or maintenance of infrastructure or anything else which is concerned with addressing the demands that new development places on an area". The money has to be used within 5 years, and a report prepared showing how the money was spent.

The Council was due to receive £399,920.45 from Kier in 2016/17 with the handover of further play areas, amenity and recreation spaces at Round House Park, including the football pitch, which the Council will then maintain.

As this has not yet occurred it has not been included within the general budget. Once it is received it will be taken straight to S. 106 Reserves.

The budget has been calculated exclusive of these (and existing) earmarked funds as these have to be spent in specific areas.

7. Assuming a precept of £215000, the projected income is £304388 compared with outgoings of £434085 (see the appendix) – a deficit of £129697, which would be taken from the general reserves. This would leave the general reserves at just below the minimum level of around £98444 on 31 March 2018.
8. The majority of the increase in spending between 2016/17 and 2017/18 is due to the results of the building survey. A huge amount of works (£74600) are due during 2017/18 to bring buildings up to scratch, with a building sink fund of £48027 per year being set up for the next 25 years also. These funds will be ring-fenced for building, with a possibility that the year-one Pavilion fund will be used towards building a new Pavilion in 2018/19. In future years the outgoings will reduce by the £74600 year-one repair costs.
9. Other new / one off costs within the 2017/18 budget include a fence for the recreation ground playground, an electronic filing system for the office, a vending machine for TWC, and architect and planning costs. Other costs such as a new grounds apprentice and fencing and floodlighting for TWC football pitch will be covered from CIL / commuted sums money and so have not been included within the main budget figures.
10. In Summary, if this budget is agreed the March 2018 year end position should be:

Total in bank account 31 March 2018	£220410
<i>Minus current earmarked funds at 31 March 2017:</i>	
<i>CIL money</i>	<i>£41867</i>
<i>Playground grant</i>	<i>£4000</i>
<i>Bus stop maintenance fund</i>	<i>£15000</i>
<i>Commutated sums</i>	<i>£61098</i>
Total	£98444.50

This will include the year-one sink fund of £48027.

As noted above, there should also be additional income of £ 411283.5 from CIL and commuted sums money, which will be added to earmarked funds.

Items have already been allocated from these funds once received, such as the football field fencing and floodlighting and grounds apprentice salary.

11. This is a lower level that our reserves have been at in recent years and is slightly below the minimum recommended amount. However it is essential that the building sink fund starts and that the repair works needed are carried out. It is also important to not increase the precept any more than is necessary, which the use of £129697 of reserves will do.

Sonya Blythe
December 2016

Appendix

Budget 2017/18				
Predicted Income	PC	TWC	Pav	
Precept and grants	217201			217201
Facility hire		54933	10740	65673
Grass cutting income	3912			3912
Sports club hire		5120	11702	16822
Misc	30		750	780
	221143	60053	23192	304388
Predicted Expenditure				
Salaries	50521	66882	29461	146864
General admin - insurance, audit	2300	2728	2588	7616
Streetlighting	13140			13140
Trees, grounds and sports	6790	3000	5761	15551
Rates and Utilities (phone, water, gas)	617	16142	2501	19260
General repairs and maintenance	1000	10000	10000	21000
Play equipment	3000		1000	4000
Building Sink fund		38027	10000	48027
Year 1 building maintenance costs		7650	66950	74600
Loan repayment		26717	2894	29611
Misc / new projects	21732	8931	23754	54417
	99100	180077	154909	434086