East Dean & Friston
Parish Council

Date: **5th November 2020**

Title: **Report Item 8 - Preliminary consideration of the Budget and Precept 2021/22**

By: **K Larkin (Parish Clerk/RFO)**

Purpose: **To review the current year's budget and spending, and future spending plans**

Recommendations: **a) To note the Budget Monitoring Report for the first half of the financial year, with projected out-turn**
b) To review the budget heads and propose new projects and/or revisions

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The parish council has a duty to set its budget and precept for the coming financial year no later than January 2021. The process begins in November with a review of the current year's budget and spending as at the mid-point of the financial year (i.e. to the end of September 2020).

The Budget Monitoring section of the Cash Book 2020/21 is shown in the Appendix to this report (circulated separately as Report 8a). The trends are as follows:

- Revenue Income – the current projection shows a deficit of £3,418, partly because VAT cannot be reclaimed on moving the cricket square, and to a lesser extent because the cricket pavilion never opened for hire this summer, due to the Covid-19 restrictions. Revenue income is normally stable.
- Office costs – there is currently a projected underspend of £4,008 which is largely due to a reduction in the clerk's hours from 20 per week to 15 per week. However, staff annual appraisals are in progress and the salary bill should be reviewed in December. This section of the budget is generally stable.
- Professional expenses – the projected underspend is £1,528 largely due to remote meetings making hall hire unnecessary. However, it is understood that the Village Hall Trust may wish to request financial support due to loss of income during the Covid-19 closure. In 2021/22 extra provision will be needed to pay for filling councillor vacancies by election: £1,000 is Wealden's current estimate.
- Councillor expenses – there is an underspend of £1,277. Councillor allowances were introduced this year but there are now fewer elected councillors than were expected, and not all wish to claim. Even so, it is suggested that this section of the budget is

still broadly right and should be maintained: in 2021/22 the number of elected councillors should go up again.

- Revenue funding of capital projects - £16,537 was set aside but as yet none has been spent. The replacement of the East Dean Bus shelter (south side) could be a candidate, projected cost £3,550. The list of capital projects [see last page of the Appendix to this report] needs to be reviewed going forward.
- Pavilion maintenance – there is a projected underspend of £1,396 because the pavilion has remained closed. In the longer term, this should revert to normal.
- Sports and Play Grounds Maintenance – there is a projected overspend of £1,278 due to the amount of maintenance required at the play area following the annual safety inspection. A further £320 will be needed to repair the fence broken down by visitors during the closure period. The budget for next year should be reviewed.
- Other maintenance – a minimal overspend of £241 is projected, due to emergency drainage works being required at Friston Pond. Overall, the budget appears stable.
- Mowing services – there is a projected overspend of £300 due to the extra cost of sanitising the play equipment to make it safer for users. This could come from the Emergency Plan budget. The mowing contact comes up for renewal this winter for the next five year period. There may be a cost increase in line with inflation.
- Other services – there is a projected underspend of £2,396, largely due to the cancellation of the Annual Village Meeting and the proposed VE Day celebrations, plus the reduction in the Cuckmere Bus Service 41 during the Covid-19 lockdown. The parish council website is underspent by £548 and it may be that the original provision of £925 was actually too high. Otherwise, this section of the budget is stable.
- Capital projects – this section of the budget is the most in need of review. An underspend of £15,924 is projected on the Neighbourhood Plan.
- Capital funding – the promised contributions from the Gilbert Estate, the Residents' Association and the Cricket Club towards the cost of moving the cricket square have all been paid and the project is complete.

Overall, it can be seen that although the council is projected to be underspent at the end of this financial year, over the majority of basic, routine budget heads, that is because of exceptional circumstances which may or may not continue into 2021/22.

However, capital projects require closer scrutiny, in particular the Neighbourhood Plan, which could conceivably be affected by proposed changes in national planning policy militating against the value of a local Plan. This could affect the level of the precept which currently makes a contribution to capital projects.

Members are requested to review all the budget heads against the forecast figures for 2021/22 as currently projected, and to propose any revisions. This is also the time to bring forward any new projects for consideration. A revised 2021/22 budget and precept requirement will then be brought forward for the December meeting.