



East Dean & Friston P a r i s h C o u n c i l

Date: 5th December 2019

Title: Report Item 7 – Budget Development 2020/21 to 2022/23

By: Councillor Kevin Godden, Lead Member for Finance

Purpose: To invite Members to develop the Base Budget and Capital Programme for 2020/21 and subsequent two years

Recommendation: Members are asked to:

- a) Review the base budget
- b) Bring forward ideas for revenue growth or savings
- c) Bring forward capital expenditure projects
- d) Be cognisant of the impact that their plans will have on cash reserves and precept

Introduction

1. There is a requirement for the Council to prepare its budget under Financial Regulations. These regulations provide that in preparation for the budget, the Council must meet to consider the main issues that it wants to address and agree its objectives for the next year and for the medium term.
2. The Council must consider the performance in the current year, identify any problem areas that need to be addressed and any changes that it wants to make during the following financial years.
3. In terms of capital projects, the financial implications need to be considered for those projects approved and are in progress and those which are planned for the forthcoming within the medium term financial plan.

General Powers of Competence

4. The Council has sufficiently elected Councillors to allow it to hold the General Power of Competence (GPC). In summary, the GPC enables the Council to do things an individual may generally do, anywhere in the UK or elsewhere for a commercial purpose or otherwise, for a charge or without a charge, without the need to demonstrate that it will benefit the Council, its area or persons resident or present in its area.

5. A list of the Council's statutory services is included in Appendix B.

Budget Setting Process

6. In setting the three year financial plan, the Council will use the following process model to develop its budget for 2020/21 and the two following years.

Figure 1 – Budget Setting Process



Corporate Strategy

7. In essence, the financial plan will support the Council's corporate plans and strategy. The Council planned to use the development of the Neighbourhood Plan as a tool to establish its corporate plan, and in last year's budget plan, it agreed to consider a number of larger and more significant issues including Cuckmere bus contributions and private mowing costs.
8. In addition, this year the Council's priorities were reflected within its capital investment programme, which included a major refurbishment programme on the Pavilion, road safety measures in Friston, new fencing for the children's play area, works to the war memorial and its grants programme.
9. This year, other large scale topics discussed and being developed have included future road maintenance and speeding limits on the Estates road system.

Review of Base Budget 2020/21

10. A summary of the revised budget for 2019/20 and the projected outturn plus the following three years are set out in the budget forecasts included at Appendix A to this report. The budgets included are shown net of VAT.
11. These will need a detailed review by Members to agree the level of budgets and precept for next year.

Growth and Savings

- Following a review of the base budget, Members are asked to put forward their proposals for growth items and any budgetary savings that can be delivered for the next three years. Some of the budgets have been altered to reflect known changes including for example the budget for elections.

Capital Projects

- Capital expenditure is defined as expenditure made for an asset with a useful life [benefit] of more than one year that increases the value of or extends the useful life of the asset.
- Under the Council's accounting principles, it does not account for capital expenditure on a balance sheet but all expenditure is charged to revenue but the definition is important in terms of the Council approval process where capital expenditure is subject to a detailed report on the information relating to the expenditure, risk, funding etc.
- Members are asked to consider if there are any larger scale projects or items of capital expenditure that should be considered as part of the budget setting process.

Precept

The precept is the level of grant that we can raise through our tax raising powers to support our spending. Each year the Council receive a tax base for the purpose of calculating the impact of their spending from Wealden DC. Last year it was 1,000 which meant any expenditure would impact on Council taxpayers (using the average Band D property) by dividing the cost to be incurred by the tax base (e.g. £60,000 / 1000 = £60)

Use of Reserves

- The table below sets out the current forecast of cash reserves over the MTFP based upon the base projections in Appendix A. Any change to the revenue budget that cannot be met from precept will require use of cash reserves and likewise capital expenditure that cannot be funded from precepts, external grants or contributions will require support from cash reserves.

Table 1 – Cash Reserves

All £	Revised Budget 2019/20	Original Budget 2020/21	Original Budget 2021/22	Original Budget 2022/23
Balance at 31st March 2019	43,856	47,855	40,084	42,302
Revenue Use of/(Cont to) Reserves in Year	3,723	-94	-94	-94
Use of Capital Funding	276	-7,677	2,312	16,537
Balance at 31st March 2020	47,855	40,084	42,302	58,745

Summary and Conclusion

17. This budget process will allow the Council to review line by line its current and forecast budgets in order to prioritise its resources to support any growth and new capital projects that improve services to the residents of the villages. Members are asked to:

- ✓ Review the base budget
- ✓ Bring forward ideas for revenue growth or savings
- ✓ Bring forward capital expenditure projects
- ✓ Be cognisant of the impact that their plans will have on cash reserves and precept

REPORT END

Appendix 1 – Budget and Forecasts 2020/21 to 2022/23

[See Attached File]

Appendix B – Statutory Services

- Allotments
- Burial Grounds, Cemeteries, Churchyards and Crematoria
- Bus Shelters
- Bye-laws – the power to make bye-laws concerning: baths and washhouses (swimming pools), cycle parks, mortuaries and pleasure grounds
- Clocks – public clocks can be provided and must be maintained
- Community Centres, Conference Centres, Halls, Public Buildings
- Drainage – of ditches and ponds
- Entertainment and the Arts
- Footpaths
- General Spending – parish councils can spend a limited amount of money on anything they deem of benefit to the community that is not covered by the other specific responsibilities described in this list
- Gifts – parish councils may accept gifts
- Highways – lighting, parking places, right to enter into discussions about new roads and road widening, consent of parish council required for diversion or discontinuation of highway, traffic signs and other notices, tree planting and verge maintenance
- Land – acquisition and sale of
- Legal proceedings – power to prosecute and defend any legal proceedings in the interests of the community, power to take part in any public enquiry
- Litter - provision of litter-bins and support for any anti-litter campaigns
- Planning – parish councils may be notified of any planning applications for the area
- Postal and Telecommunication Facilities – power to pay a public telecommunications operator any loss sustained in providing services in that area
- Public conveniences – provision and maintenance of public toilets
- Recreation – provision of recreation grounds, public walkways, pleasure grounds, open spaces, village greens, gymnasiums, playing fields, holiday camps and boating ponds
- Rights of Way – footpath and bridleway maintenance
- Seats (public)
- Signs – danger signs, place names and bus stops signs
- Tourism – financial contributions to any local tourist organisations allowed
- Traffic Calming
- War Memorials
- Water Supply – power to utilise stream, well or spring water and to provide facilities for general use