

SHOTLEY PARISH COUNCIL

Budget 2020/2021- Supplementary Information

This supplementary information has been produced in order to assist councillors in their first year of office and is, for this reason, slightly more detailed and comprehensive.

For relevant legislation and further information on Local Government Finance, please refer to the attached Guide.

“Legislation is clear that every councillor is responsible for the financial control and decision making at their council. The Local Government Act 1972 (Sec 151) states that “every local authority shall make arrangements for the proper administration of their financial affairs...” and the Local Government Act 2000 requires Full Council to approve the council’s budget and council tax demand. However, it is recognised that councillors may well not be financial experts and so legislation also requires that every council has a named ‘Responsible Financial Officer’.

The Responsible Financial Officer: Whilst section 151 of the Local Government Act 1972 makes clear that the council is responsible for the overall financial administration of the council, a key way in discharging this function is the requirement that councils secure that one of their officers has responsibility for the administration of those affairs”.

Notes to members:

- The Shotley Parish Council operates a “Receipts and Payments” basis and the financial year runs from 01 April to 31 March.
- Central Government has confirmed there will be no precept referendum for 2020-2021.
- If the proposed budget is approved, it will result in an overall projected **Receipts of £81,851**, overall projected **Payments of £90,523**, which means that a potential amount of **£8,672 will be drawn from General reserves**.
- With regards to the projected financial position at year-end (31 March 2020), see below illustration:

Bank balances 9 January 2020:	Current a/c: £85,578.04 Deposit a/c: £43,242.31 Tracker a/c: £316.37	£129,136.72
Add projected receipts by y/end	£0	£0
Minus projected payments by y/end	£16,931.59	-£16,931.59
Total bank balances at year end:		£112,205.13
Represented by:		
Earmarked reserves		£35,500.00
CIL funds		£4,061.36
General reserves		£72,643.77

SHOTEY PARISH COUNCIL- Budget Variances

Cost Centre:	Designation:	Variance:	Explanation:
Receipts:			
1176	Precept	+£3,691	Tax base increased by 3%, therefore this represents a 6% increase overall in real terms but will be displayed as a 3% on the tax bill
1178 <i>New</i>	CIL	£3,000	Estimate- Equivalent of 1 x 3no. bed dwelling
1191 <i>New</i>	Neighbourhood Plan Grants	£10,000	Estimate- based on Locality funding of £9,000 + Other £1,000
1192 <i>New</i>	VE/VJ Day	£500	Estimate- based on County Council Locality, neighbouring parish, other-conditional to financial transactions going through SPC accounts
1199	Miscellaneous Income	-£2,500	Coastal Partnership Grant- moved to code 1300 (below)
1300	OSA Grants	£2,500	Coastal Partnership grant- if successful
Total:		+£17,191	
Payments:			
4000, 4006, 4007	Clerk's staff costs, NI, tax, pension	+£1,770	£1,500 pension costs which had not been budgeted for in prior year; £270 in terms of salary and HMRC
4206	Legal and specialised costs	-£3,000	Decline in real risk of legal challenge, difference to be moved into earmarked fund
4207 <i>New</i>	Neighbourhood Plan	£10,000	Based on the assumption that funding will be successful
4225	Hire of meeting room	-£500	Based on 16 annual meetings, as specific cte/wg costs will be posted to their account (NP/Play areas)
4230	Insurance	-£1,511	Based on actual assets/liabilities, subject to delivery of capital project changes in the future (p/areas, coastal erosion)
4234 <i>New</i>	VE/VJ Day Events	£700	Assuming SPC grant £200, plus £500 third party funding, conditional to financial transactions going through SPC accounts
4235	Web hosting /development	-£300	No upgrades planned for the year
4270	Election costs	-£3,000	Assuming one election is "called" rather than co-option in the case of a casual vacancy.
4050	Warden contract	+£220	Provision of 2 additional litter/dog bins
4055	Shotley warden salary	+£189	Living wage increase from 01.04.2020
4306 <i>New</i>	Play areas regeneration project	£1,000	Capital expenditure not expected in next financial year but provision for initial research / survey / venue hire /printing costs recommended
4307 <i>New</i>	Orchard project	£120	Initial funding only and conditional to financial transactions going through SPC accounts
4316	Sea defences inspection	£450	In line with insurance requirements, visual checks carried out by SPS CIC
4336	Allotments	-£200	Provision for waste disposal reduced as Chelmondiston tip used instead of skip
4345	Heritage Park	+£500	Provision for materials needed by Com. payback team (see agreed schedule)
4347	SPS CIC	+£2,050	Overall budget: £2,500 Coastal partnership funding and £50 approved monthly maintenance allowance from SPC
4350	Public Toilets	-£500	In line with projected expenditure
Total:		+£7,988	Overall Impact - Receipts over Payments: +£9,203

Prepared by: D Bedwell (RFO) - For meeting to be held 16 January 2020.