

Finance Report and Precept Proposal

V1.0 13/1/20

1 Overview

The attached spreadsheet “Financial report and Precept calculation Dec 2019 (1_2)” includes:

- The figures for the 3rd quarter and forecast
- A proposed budget from the meeting of the Finance Working Group on 7/12/19
- Forecast reserves at 1/4/20 and 31/3/21

See section 4 for a detailed guide to the spreadsheet.

2 Financial Report for the 3rd quarter

As can be seen from the forecast, most budget items are within limits. The only items outside limits (variance of more than £200 and more than 15% of revised budget, as shown in column M) are:

- Payments
 - General admin – admin costs lower than expected
 - Grants and donations – fewer applications than forecast
 - Printing and publication – only 2 rather than 3 Rooksdown Reporters published
 - Professional fees – Main Hall did not materialise
 - Repairs and Maintenance – extra salt ordered
- Receipts
 - Grants and donations – includes contributions from RCA and HCC for defibrillator
 - Allotment receipts – due to late handover, 2 lots of fees received this year (50% 2019, 100% 2020)

This gives a balance of £5.6K transferred to reserves.

3 Precept

The precept proposed by the Finance Working Group after its meeting on 7/12/19 and subsequent email discussions is **£33,943**, keeping the council tax per Band D household the same as last year, ie **£18.20**.

3.1 Finance Working Group meeting 7/12/19

3.1.1 Attendees

- Paul Mahoney
- Paul Lovett
- Douglas How
- Martin Whittaker

3.2 Summary

The Group discussed the document “Precept calculation Dec 2019 (1_3).xlsx”, showing the current financial situation.

The Clerk asked the Group to take note of the following:

- The tax base for Rooksdown (ie the number of new council taxpayers) was forecast to BDBC to increase by 80 Band D equivalent dwellings in 2019/20.

- It was not clear if the Litter Grant would be paid again in 2020/1 [post meeting note: this has now been confirmed as the same as the current year]
- It may be advisable to assign a reserve for election expenses, as it was expected that the BDBC budget would require a contested election to be paid for. However, the suggestion from BDBC was that it would be precepted in the year following the election and could be precepted for at that stage.
- The LIF reserve for the Pocket Parks was no longer required but would be replaced by a Bus Shelter reserve.
- The council tax rate for the current year (per Band D equivalent house) was £18.20.

The group then discussed individual budgets for receipts and payments from the revenue account. Once these were agreed, the balance required to be covered by the precept was £33,685, requiring an unchanged council tax rate of £18.20 (per Band D).

The Finance Working Group therefore proposed a precept for 2020/21 of £33,685.

Post meeting note:

Since the meeting took place there has been some refinement of the figures. These have been reported to the WG members but no changes to the proposed precept have resulted. However, the tax base figure has now been finalised by BDBC at 1865 rather than the 1851 used in the original calculations. Keeping the council tax figure the same gives an increased precept of **£33,943**. Members of the group have agreed to propose this revised figure as the precept.

4 Notes on spreadsheet

4.1 Overview

There are two sheets:

- Revenue account
- Reserves

The revenue account deals with the day to day business of the council. The reserves account deals with larger sums held for particular purposes, usually over more than one year. They are kept separate to stop the large movement in the reserves obscuring the smaller amounts in the revenue account.

4.2 Sections of the spreadsheet

The first sheet is for the revenue account:

Section A - the current situation:

- Revised Budget is the one originally agreed, but as modified during the year
- Actual is what we have actually spent/received as of end of 3rd qtr
- Transfer to reserves: where we have agreed to pay something out reserves, eg allotment costs, or receive a sum for reserves, eg RCA loan repayment or s.106 money, this is transferred to/from the revenue account and taken out/put into reserves so it doesn't affect the day-to-day finances
- Variance: the difference between what we've actually spent and what we should have spent at this stage.

Section B – End of Year Forecast:

As above, but for the whole year to end April 2020. This also shows the original "Approved Budget" as well as the revised one.

Variance shows the performance against the approved and revised budgets, with overspends/under-receipts in red

Section C – Suggested budget for next year:

This is the Clerk's forecast of what we will actually spend if things carry on as they are. It doesn't include any new projects or areas of expenditure.

Section D – What the precept means

- The number of houses in Rooksdown has gone up. Therefore if the council tax per house stays the same the amount collected will rise.

The second sheet is for the reserves:

Section E – assets at the beginning of next year

- Takes the opening balance at the beginning of the year...
- ...adds in what we will have received from the RCA loan payback and s106 for the allotments...
- ...plus the forecast surplus for the year...
- ...to give total cash assets

E1 – expressed in terms of reserves

- The council can't just hold cash, it needs to justify what it's for.
- This is done by "earmarking" it for specific reserves, eg "Community Buildings" for the Main Hall when it comes on stream.
- The General Reserve should be the amount we could spend in 3-6 months of normal operation, ie about 7-15K

E2 – Forecast increase in reserves

- We expect to get more s106 for the allotments.
- The only other increase is from any surplus we make during the year, depending on how we set the precept.

E3 – Forecast expenditure from reserves

- Shows what we are likely to spend, ie Main Hall, fencing, allotments, bus shelters.
- If we spend £10K on bus shelters this would bring the General Reserve down to £7K which within limits.

E4 – Forecast Reserves

- Summarises how each reserve will move during the year.

Martin Whittaker

Clerk and RFO