

# DRINKSTONE PARISH COUNCIL

## **Report of the Finance Working Group in support of items 7.3 and 7.4 on the agenda of the meeting of 2 November 2015.**

Group members: Councillors Harbutt, Schofield and Youngs

### **Item 7.3**

#### **To consider the recommendations of the Finance Working Group for adjustments to the budget for the year 2015-16**

After a gap of nearly a year, the Council has succeeded in appointing a qualified and experienced Clerk and Responsible Finance Officer (RFO). During the recruitment process it was quickly apparent that the terms we had been offering were insufficient to attract any applicants.

At the meeting in July 2015 the Council approved a much enhanced salary offer for the Clerk, and we then succeeded in recruiting a high calibre candidate.

The result of this is that the sum budgeted in November 2014 to cover the Clerk's salary is below what is needed. The Finance Working Group has examined the budget for this financial year and makes the following recommendations for reallocating funds, known as virement.

Shortfall in budget estimate for Clerk's salary            £720

We propose to vire the following budget sums to make up the shortfall:

Payroll costs	£30	the Clerk will do this as part of her job
Representative expenses	£50	included in training budget
Training	£186	
Playing field maintenance	£254	any necessary expenditure will come out of the earmarked reserves of £900
Village Maintenance	£200	no expenditure under this budget line last year
Total	£720	

We ask that the Council approves these budget adjustments

### **Item 7.4**

#### **To consider the recommendations of the Finance Working Group for the budget for the financial Year 2016-17**

##### **See spreadsheet**

During its discussion the group was aware that the precept would need to rise by a greater amount than has been the case in the past, in order to pay our Clerk a salary which reflects current pay scales for Local Government employees and for a realistic number of hours per month.

We have made every effort to lessen the impact of these increased costs by trimming other parts of the budget and using our reserves to make up any potential shortfall. In all this we have focused on protecting expenditure on the services the Council provides to the community.

We have been able to make saving in the following areas:

Budget item	2015-16	2016-17	Saving
Payroll services	30	0	30
Representative expenses	50	0	50
Training	300	100	200
*Playing Field maintenance	254	0	254
*Village maintenance	250	0	250

\*Any expenditure will be covered from the reserves

Essential expenditure on maintaining the playing field and the play equipment will be met, using the £900 that has been earmarked in the reserves for many years. Given the need to meet significant increased costs in the next financial year, we recommend drawing on these earmarked reserves.

There was no expenditure under the budget heading Village Maintenance last year, and we are unsure exactly what this is meant to cover. Any unforeseen expenditure which does not fall under any other budget heading will be met from the unallocated reserves.

## Reserves

We estimate that the reserves will stand as follows at the end of the F/y

Playingfield	£900
Elections	£0
Defibrillator	£108.83
Training	£100
Unallocated reserves	£2312
Allotments	£792.77
<b>Total</b>	<b>£4213.60</b>

It is recommended that councils carry reserves equal to between 3 and 12 months expenditure. Once the allotment reserves are taken off - they form the assets of the Allotment Charity and are thus unavailable to the Council - we have total reserves of £3420.83.

We believe these are sufficient to meet any expenditure outside what is detailed in the above budget estimates for next year.

After making what savings we can, while preserving expenditure on essential services to the community, the precept increase needed to cover next year's costs is £774.

We ask that the council approves this budget

**Finance Working Group October 2015**