

## DRINKSTONE PARISH COUNCIL

Report of Finance Group meeting on 14th December 2015. To support items 7.3 and 7.4 on the agenda for the meeting of the full council on 4 January 2016

The purpose of the meeting was to finalise the budget for 2016-17 taking into account updates to costs notified since the council meeting on 7 November 2015.

We would like the council to consider the following amendments to the budget, and then to agree the precept required for the next financial year.

1. To consider an additional budget line to accommodate possible future costs for tree maintenance on the playing field

In assuming ownership of the piece of land known as the cheese wedge, the council has also taken ownership of a number of large trees. Our tree warden has assessed them, and they are not currently showing signs of rot or other structural problems. Should any work be required in future, the costs are likely to run into hundreds of pounds per tree.

We recommend that the council takes steps now to build up a reserve to cover possible future costs of tree work, which cannot be carried out by volunteers.

**We recommend an additional budget line be added, Playing Field Tree Maintenance, and that we allocate £100 per annum for the next 4 years.**

2. To consider whether we donate £50 to CAB

We have no specific recommendation to make. Any decision of the council will obviously need to be taken into account when setting the precept

3. To agree the precept for the year 2016-17

The council will require a significant rise in the precept for the coming year. Our current precept income is too low for the council to continue operating in a sustainable manner.

As we discussed at length in the summer, it was obvious that we would not be able to recruit a clerk on the salary proposed under the budget for 2015-16. We took steps to adjust that budget in order to pay an appropriate salary to our clerk.

Other costs have also increased. The charges for emptying the litter bins on the playing field, and the 5 dog waste bins in the village have increased by nearly 20%. We also have to pay a one off audit fee of £100 under new government arrangements for external audit of our annual accounts.

We will be using our reserves to offset some of the possible maintenance costs for the playing field equipment next year, in order to mitigate the increase in the precept.

Our unallocated reserves currently stand at £2666.87. It is recommended that councils hold between 6 and 12 months budgeted expenditure in the reserves. At the proposed precept level for 2016-17 we will have just over 6 months expenditure in reserve. Given the relatively small sum of money involved, this level is probably lower than is comfortable.

If the council agrees the budget for Playing Field Tree Maintenance, and a CAB donation, the precept required for 2016-17 will be £4562, and increase of £985 over last year.

This sum will allow the Council to operate sustainably, and still deliver the services to the community for which we are responsible.

It represents an increase of £3.16 per band D household per year.

**We recommend that the council sets a precept based on the budget proposals detailed in the precept budget spreadsheet, taking into account decisions made under items 1 and 2 of this report.**