

# Avon Dassett Parish Council

## Budget Strategy

### Objective

To develop a Budget Strategy for discussion, adoption and ultimately, utilisation by the Parish Council.

### Introduction

In the past, the Parish Council has developed a budget by considering the previous year's budgets and adding and subtracting amounts for known variations resulting in an estimate of net expenditure and the annual Precept. There has been no clear public statement of the services to be provided during the year and balances have built up in Reserves and Ring-fenced funds without a clear plan to utilise them.

The Strategy will address these points, in particular giving greater transparency to what services the Parish Council is providing including new projects and services.

### Approach

1. Survey and consider the external environment. Have there been changes to Government or Local Authority controls and guidance that need to be taken into account? Have there been any significant rate changes (eg inflation), levies or new taxes?
2. Agree on an initial target objective for the budget and precept. For example, maintain at the level of the current year, increase by X% in relation to inflation, or, reduce by y%.
3. Undertake a review of each service area (Clerk, Green areas, Reading Room, Playground, Street Lighting, War Memorial, Cemetery, etc). Consider if any services should be curtailed, stopped, enhanced or started. Determine the impact on the volume of estimated resources to be consumed and prices to be applied. Compare the result with the previous year's performance and move on to the next area until all is complete.
  - a. Clerk / Administration – include salary, pensions employers contributions, training, office expenses, audit fees, election costs etc
  - b. Green areas – contract timing and variations, reimbursement etc
  - c. Reading Room – electricity, repairs and maintenance, cleaning etc
  - d. Playground – inspections, repairs, maintenance and servicing
  - e. Street lighting – electricity contract any replacements /enhancements required
  - f. War Memorial – repairs and maintenance
  - g. Cemetery – upkeep, repairs etc – consider whether fees are to be increased
  - h. Miscellaneous – to sweep up other items
  - i. Income – fees and charges, known and target income

4. Review Projects and Parish Plan implementation costs. Consider Capital and Revenue implications for part-year and full-year impact on the volume of resources to be consumed and applicable cost rates.
5. Review Grant applications and known and anticipated impact
6. Review the General Reserves, Ring Fenced Funds and Earmarked Reserves in line with the Reserves Policy. Review progress on applying Earmarked and Ring Fenced Reserves and ensure that the General Reserves held are within current guidelines. Consider either reallocating General Reserves for specific projects or to build up funds for future expenditure e.g. equipment replacement
7. Prepare an initial Draft Budget based on the above reviews and compare it to previous years and the Target Strategy set in Step 2 of this approach. Iterate service levels and assumptions or Target Strategy until they align.
8. Take to Parish Council for discussion and approval, together with an explanation of the approach taken and services to be provided.

**Implementation:**

| <b>Deadline</b>         | <b>Action</b>   | <b>Responsibility</b> | <b>Notes</b>  |
|-------------------------|---|-----------------------|---|
| 31 <sup>st</sup> August | Review the Parish Plan to establish priorities for the forthcoming year and assess the financial impact, including potential grants. Consider any part year/full year financial impact. | Projects Group        |   |
| 31 <sup>st</sup> August | Review earmarked and ring-fenced funds and review progress  | Projects Group        | Ring-fenced reserves must be used for the purpose for which they were put aside |
| 31 <sup>st</sup> August | Review level of general reserves and ensure they are consistent with the Reserves Policy  | Clerk                 |   |
| 31 <sup>st</sup> August | Consider releasing earmarked reserves for other projects where there is an underspend or if the project is not being progressed   | Projects Group        |   |

|                           |  |                |  |
|---------------------------|--|----------------|--|
| 31 <sup>st</sup> August   | Consider any potential significant cost eg street light replacements and consider. | Parish Council | Potential significant costs should be budgeted for on an annual basis and earmarked for future |
| 31 <sup>st</sup> October  | Carry out a review of the external environment                                     | Clerk          |  |
| 31 <sup>st</sup> October  | Agree on an initial target objective for the budget and precept                    | Parish Council | To be discussed at the meeting in November   |
| 31 <sup>st</sup> October  | Undertake a review of each service area  | See below      | Clerk to submit a paper to the November Board meeting  |
| 30 <sup>th</sup> November | Budget drafted and circulated.   | Clerk          | Virtual meeting to be held to resolve any issues.  |
| January meeting           | Budget to be presented to the Parish Council for formal approval                   | Clerk          |  |

### ***Review of Service Area***

| <b>Area</b>                                      | <b>Consideration</b>  | <b>Responsibility</b>        |
|--|---|------------------------------|
| Clerk – 24 hours per month (5.53 hours per week) | Are the hours sufficient to fulfil the role?<br>Could any duties be taken on by Councillors to reduce the hours?<br>Training needs? | Clerk/Chair                  |
| Election costs                                   | Is there an election due?<br>Should an annual amount be included in the budget to earmark reserves for future elections?            | Clerk/Chair                  |
| Green areas                                      | Are any contracts coming to an end?<br>Are all areas being maintained adequately?   | Councillor responsible/Clerk |
| Reading Room                                     | What repairs are needed?  | Councillor responsible/Clerk |

|                   |  |                              |
|-------------------|--|------------------------------|
|                   | Are any contracts coming to an end? Eg electricity   |                              |
| Playground        | Are repairs needed in light of the annual inspection?  | Councillor responsible/Clerk |
| Street lighting   | Is the electricity contract coming to an end?<br>Replacement of Low-Pressure Sodium lanterns with LED – should funds be earmarked for future replacements? | Councillor responsible/Clerk |
| War Memorial      | Is it in need of repair?   | Councillor responsible/Clerk |
| Cemetery          | Are there any expected repairs?  | Councillor responsible/Clerk |
| Other expenditure | Is there any other predicted expenditure?  | All                          |