

Icklesham Parish Council
Clerks report to Icklesham Parish Council 30th November 2020
Draft 21/22 Budget

Introduction

1. This report sets out some of the choices available to the Council in setting the budget for next year.
2. While this reports sets out various ideas to help the Council agree its budget it is important to note the Council may wish to vary or depart from these to reach a suitable budget for next year.
3. It should be noted that given the current financial climate any above inflationary rise to the precept in order to carry out new project work should be carefully considered.

Recommendations

1. The Council to set its revenue budget taking into account the recommendations of the Clerk and RFO as to essential budget items;
2. The Council to review potential new projects and prioritise which to take forward noting the effect on the base budget presented.
3. Agree the level of precept to fund the overall budget and financial activity for next year.

Current major projects

1. 2252 - To date the proposed £36,000 loan to fund the first stage of the Winchelsea Speed Calming project has not been drawn down however for the purposes of the budget the assumption has been made that this will take place during the current financial year and this is therefore shown as an income and matching outgoing in the 2020/21 budget. It is estimated that the next stage of the project would require approximately £5000 to allow a public consultation following the completion of the design work and has therefore been included in the 21/22 budget. Additionally nominal code 1405 represents the associated loan repayment for above project at £1,986 giving a total additional cost of £6,986 for the project for the 21/22 financial year¹.
2. 2405 - The works to repair the Rye Harbour mast are due to be completed in April 2021 so this costing has been taken forward to the new budget at a value of £11,000 as agreed by Council.
3. 2522 – 2522 – The works to install a new opening and gate from Jubilee Field to Monks Lane have been approved by Council and a budget to allow for initial works was included in this year's budget. An additional sum of £1000 has been included in the 21/22 budget for the next stage of works including ground works and tree clearing.
4. 2809 - Winchelsea Beach bus shelter remains as a nominal in the budget however with a zero value as per the current budget.

¹ Total project spend to date £3,508

Proposed potential new projects

The following projects have been put forward for consideration in the 21/22 budget.

	Item	Cost
1.	Fingerpost replacement at Rye Harbour	£416
2.	RHCP donation machines ²	£3400 per machine + £450 installation cost + approx. £600 per annum running costs
3.	Icklesham Recreation ground football pitch repairs ³	Quotations being sought. Lowest quotation received to date £5,641

Draft Budget proposals

There are a number of factors to note for this year's budget. Initially it should be noted that the following downward trend has taken place in relation to yearly carry forward amounts demonstrating tighter budgetary setting and control;

2017/18: £48,185, **2018/19:** £41,240, **2019/20:** £36,370, **2020/21:** £26,370

Secondly a percentage of the projected underspend of £26,370 to be carried forward from the current financial year will be taken up by the following expenditure which has been agreed by Council or is outside of our control.

Nominal Code	Item	Value
2405	Flagpole Maintenance	£11,000
2421	RHWC Cleaning (additional Covid cleaning)	£3768 in addition to current year (total £11,600)

² Should Council wish to defer purchase of a new managed coin donation machine the approximate staffing costs based on 1 x staff member and 1 x Councillor attending on average once per fortnight (allowing for seasonal changes in frequency) to empty, count and subsequently bank monies would be £1900 per annum.

³ At the time of drafting the budget two quotations had been submitted in relation to the proposed remedial works at Icklesham Recreation Ground football pitch. The first quote being from our existing grounds maintenance contractor and the second from a new contractor. A third quotation has been sought but not received at the time of writing. The second quotation although lower reported that in order to maintain the condition of the pitch once works were completed that further works would need to be carried out yearly should use of the pitch continue as it had previously. This supports the reports provided in 2018 and 2019 from the FA Institute of Groundsmanship. Given that this would represent a significant yearly budgetary commitment it is recommended that the discussions around the future use of the pitch and any commitment to maintenance spend be taken to Open Spaces Committee for further consideration before inclusion in the budget. Current maintenance allocation to the field as a whole currently sits at £1000 per year. Also of note are the previous pitch improvement works carried out in 2018 at a cost of £4,511.30. This would bring the potential 3 year total spend on this item to £10,152.30.

When setting the draft budget consideration has been taken to reduce the figure against any nominals where this can be done without impacting on the ability of the Council to carry out its day to day responsibilities. It is felt that these now sit at an appropriate level and that reducing the budget against these items further would not allow for any unexpected expenditure such as repair works or the need to replace equipment.

As it stands the current draft budget submitted for consideration **does not include** any of the proposed new projects listed above only existing projects. This however still results in a required increase to the precept of 4.22% in order to increase our income to a level which will balance our projected expenditure.

The additional impact of including each of the proposed new projects on the precept above are as follows;

Fingerpost replacement at Rye Harbour £416 = 0.36%
RHCP Coin Donation Machines – £4450 = 3.92%
Icklesham Recreation Ground football pitch repairs - £5,641 = 4.97%

Adding all of the above items to the budget would result in an overall precept increase for 2021/22 of 13.65%.

Areas for consideration

There are some areas where spend, and subsequently precept level, could be reduced without affecting day to day running and these are shown below;

1225 – Donations – This nominal was increased from £6,000 in 2019/20 to £9,000 in this year's budget. Council may wish to consider a reduction in this figure with the impact shared proportionately between the beneficiaries.

2601 – Grants to village halls – current budget stands at £6,900 as per previous years. Consideration should be given to whether this figure can be reduced.

2204 – Churchyard maintenance – Current budget stands at £3,500. Consideration should be given to whether this figure can be reduced with the impact shared proportionately between the beneficiaries.

Potential to increase revenue income

Although the Council has limited options open to it in relation to increasing revenue income it is noted that there is potential to charge for the use of the public areas such as sports pitches and it recommended that this is explored further as any new revenue streams would be an additional way to reduce the precept and also an increase to the budget for maintenance and repair of these resources.