

Finance and Administration Committee – 24 October 2019

Agenda Item FA1474/19

Budget 2019-20 Review

Introduction

Each year the Parish Council reviews the budget for the current year and proposes a budget for the following year. We have many on-going commitments (from year to year) and many of these are simply rolled forward (having been reviewed by the Clerk) as “business as usual”.

There is an alternative approach, sometimes called “zero based” budgeting, where every item of expenditure is examined individually and only included the following year if it can be justified.

This paper reviews the current year’s budget to identify those items of “on going” expenditure that should be considered individually in preparing a budget for 2020-21.

Discussion

The Council’s budget is presented in a spreadsheet format with items brigaded together under a number of headings. These have been developed historically and may not accurately reflect the Council’s business in a way which makes it easy to understand what is going on.

The Annex to this paper analyses the current (2019-20) budget under a number of headings to identify the main heads of expenditure and the relative size of the various sub headings in the budget statement dated 20 September 2019.

The headings for which the F&A is primarily responsible include:

- 101 – General Administration (38.3% of total budget)
- 102 – Local Democracy (5.7% of total budget)
- 107 – Grants (5.6% of total budget)
- 199 – F&A Capital and Projects (11.4% of total budget)

Recommendations

That:

- the F&A committee considers the overall shape and presentation of the budget (see Annex) and whether it adequately reflects the Council’s business
- the F&A committee scrutinises each element within its purview and decides whether to recommend any changes for next year

Cllr Andrew Gallagher & Ryan Bennett (Clerk to the Council)
16 October 2019

ANNEX ANALYSIS OF CROXLEY GREEN PARISH COUNCIL BUDGET 2019-20

POWERS AND DUTIES OF A PARISH COUNCIL

In general a Parish Council has extensive powers (things it can do as a matter of choice) but few duties (things it must do as a matter of law). Therefore what a Parish Council actually does is something for the elected councillors to decide, in consultation with their electors, the ratepayers.

FUNDING FOR A PARISH COUNCIL

The funding for a Parish Council is mainly derived from the precept (a levy imposed as part of the Council tax on all the rateable residential properties within the Parish), any income generating activities undertaken by the Council and any grants or donations it can secure.

ACCOUNTING FOR A PARISH COUNCIL

The Councillors are elected as representatives of their electors, to make decisions on their behalf, and therefore have a duty to report on their actions, particularly in regard to the expenditure of funds raised from ratepayers through the precept.

HOW DO WE KNOW WHETHER WE ARE GIVING VALUE FOR MONEY?

There are three main ways of measuring the performance of a public sector organisation:

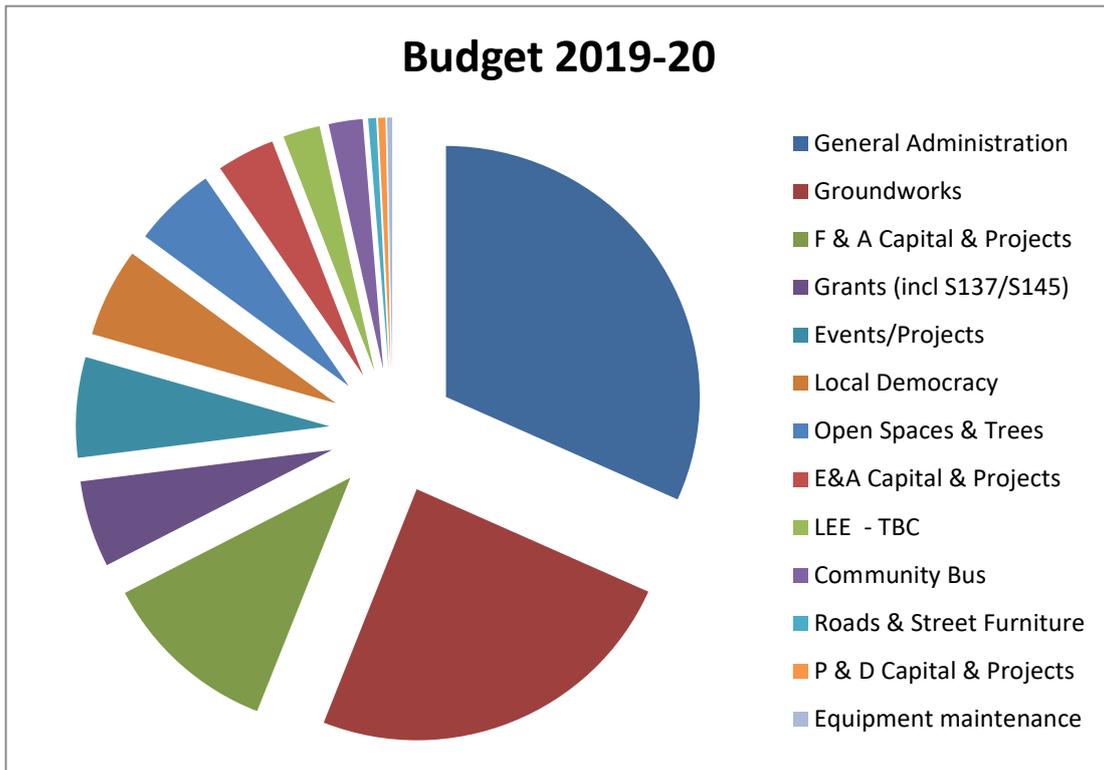
1. Inputs (identifying what resources are dedicated to performing each activity)
2. Outputs (measuring anything is produced by each activity)
3. Outcomes (identifying what changes as a result of each activity)

The first is generally the easiest to measure (for example, how much money has been spent), the second depends on whether there are any measureable outputs from the activity (for example, the length of hedge trimmed) and the third is the hardest because few activities take place in isolation and it is difficult to work out which are direct outcomes, which are indirect outcomes and which are totally unrelated outcomes from any particular expenditure or action.

WHAT ARE WE SPENDING THE BUDGET ON THIS YEAR?

The main budget heads can be ranked in descending order as below and illustrated in a pie chart (as below):

Budget 2019-20	
General Administration	£100,340
Groundworks	£76,950
F & A Capital & Projects	£36,148
Grants (incl. S137/S145)	£17,700
Events/Projects	£20,505
Local Democracy	£18,070
Open Spaces & Trees	£16,760
E&A Capital & Projects	£11,700
LEE - TBC	£7,500
Community Bus	£6,900
Roads & Street Furniture	£1,600
P & D Capital & Projects	£1,500
Equipment maintenance	£1,000
TOTAL	£316,673



Put simply, there are three main blocks of expenditure:

- General administration (38.3%)
- Groundworks (25.4%)
- Everything else (44.0%)

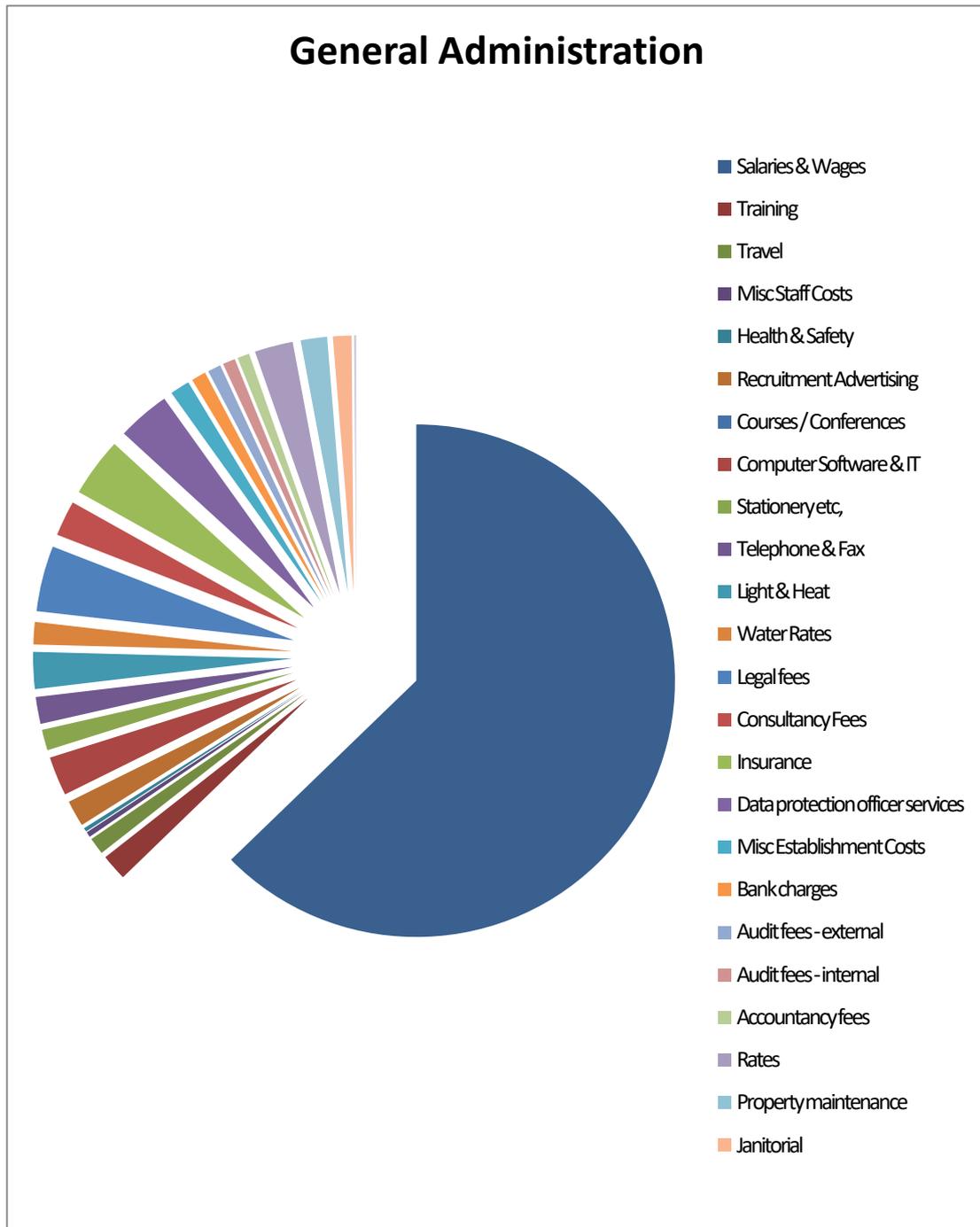
GENERAL ADMINISTRATION

The general administration budget heads can be listed (as below) and illustrated in a pie chart (as below).

General Administration 2019-20

Salaries & Wages	£76,000
Training	£2,000
Travel	£1,300
Misc. Staff Costs	£400
Health & Safety	£290
Recruitment Advertising	£2,000
Courses / Conferences	£0
Computer Software & IT	£3,000
Stationery etc.	£1,600
Telephone & Fax	£2,050
Light & Heat	£2,800
Water Rates	£1,700
Legal fees	£5,000
Consultancy Fees	£2,700
Insurance	£4,500
Data protection officer services	£4,000
Misc. Establishment Costs	£1,500
Bank charges	£1,100
Audit fees - external	£1,000
Audit fees - internal	£940
Accountancy fees	£900
Rates	£2,900
Property maintenance	£2,000
Janitorial	£1,400

Rent	£110
Grounds maintenance	£50
TOTAL	£121,240



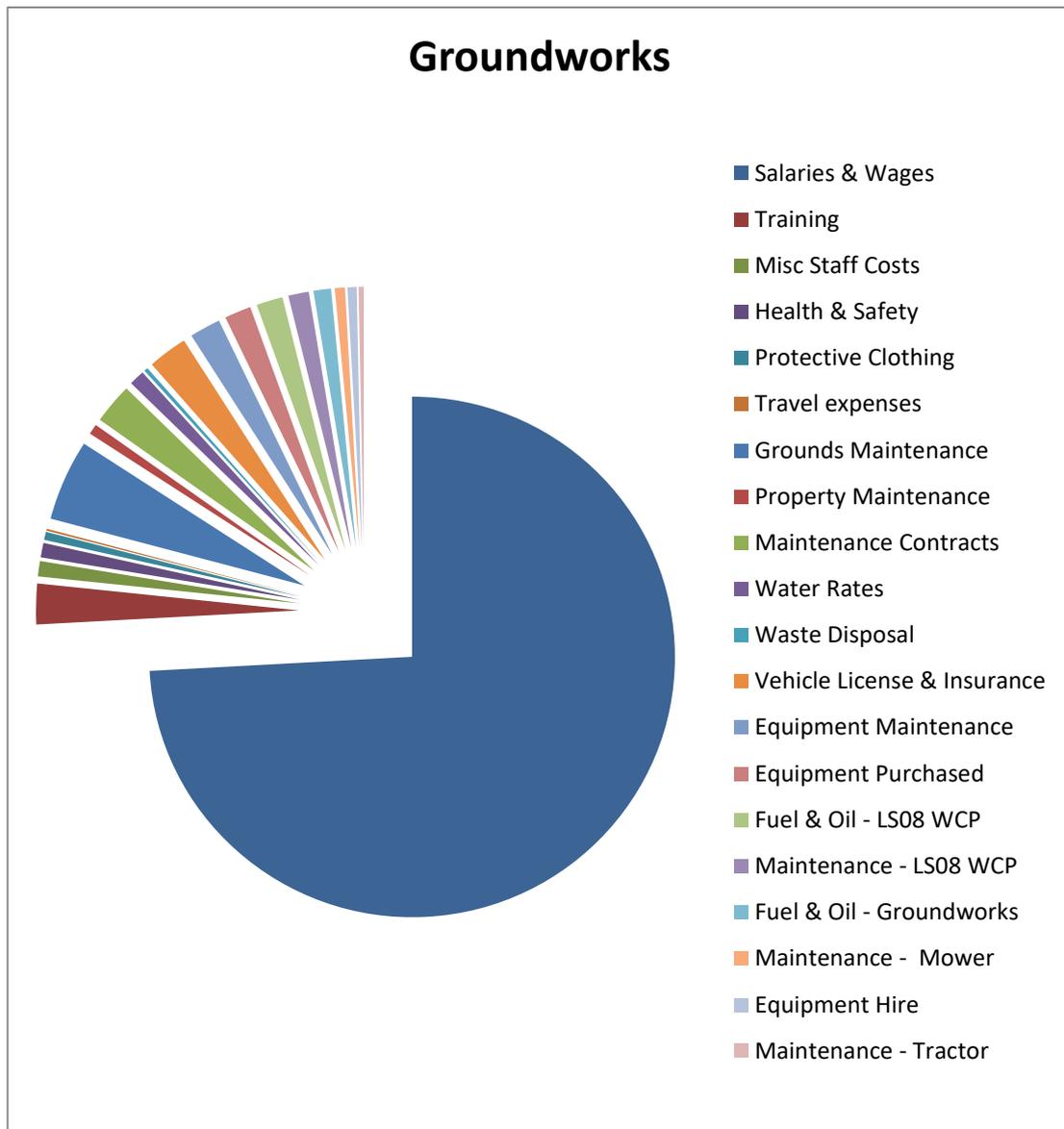
The main item of expenditure is salaries and wages, accounting for nearly two thirds of the budget (62.7%). The remaining 37.3% is divided under a large number of smaller items.

GROUNDWORKS

The groundworks budget heads can be listed as below and illustrated in a pie chart (as below)

Groundworks 2019-20	
Salaries & Wages	£58,900
Training	£2,000

Misc. Staff Costs	£750
Health & Safety	£720
Protective Clothing	£400
Travel expenses	£100
Grounds Maintenance	£4,000
Property Maintenance	£510
Maintenance Contracts	£2,000
Water Rates	£750
Waste Disposal	£200
Vehicle License & Insurance	£1,950
Equipment Maintenance	£1,500
Equipment Purchased	£1,300
Maintenance - Tractor	£1,100
Fuel & Oil - LS08 WCP	£1,300
Maintenance - LS08 WCP	£1,000
Fuel & Oil - Groundworks	£860
Maintenance - Mower	£500
Equipment Hire	£450
Maintenance - Tractor	£250
TOTAL	£80,540

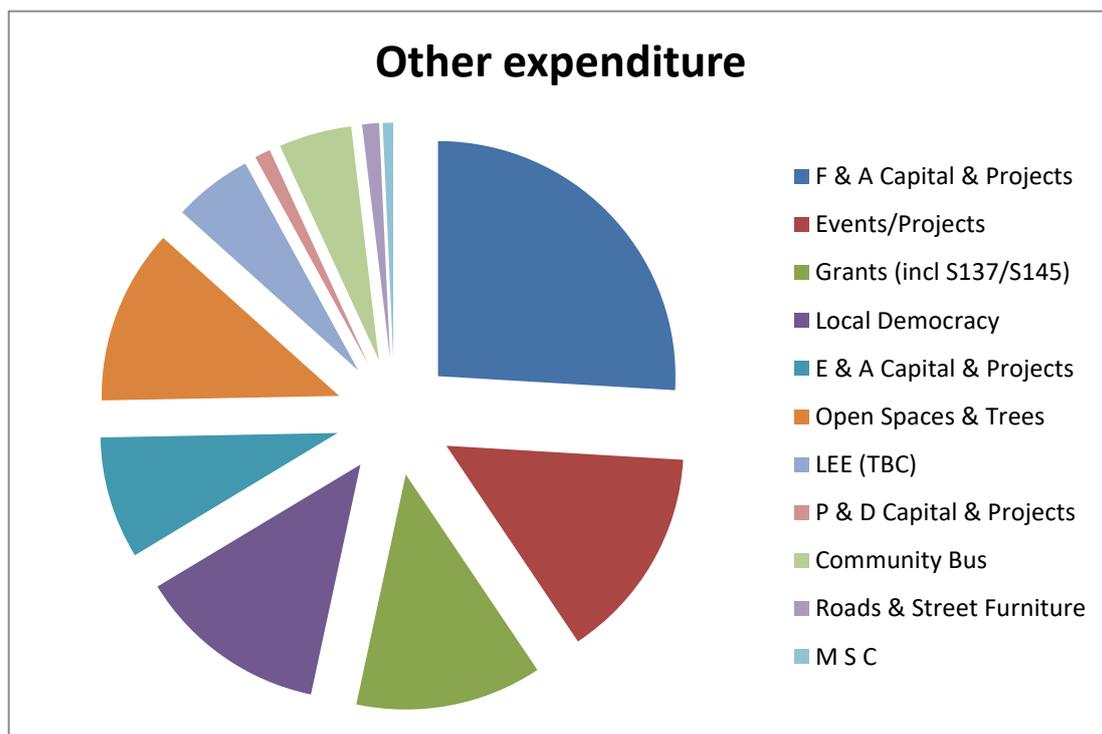


As with general administration, the main item of expenditure is salaries and wages, accounting for nearly three quarters of the budget (73.1%). The remaining 26.9% is divided under a large number of smaller items.

OTHER EXPENDITURE

Rest of the expenditure budget heads can be listed as below and illustrated in a pie chart (as below)

Other expenditure 2019-20	
F & A Capital & Projects	£36,148
Events/Projects	£20,505
Grants (incl. S137/S145)	£17,700
Local Democracy	£18,070
E & A Capital & Projects	£11,700
Open Spaces & Trees	£16,760
LEE (TBC)	£7,500
P & D Capital & Projects	£1,500
Community Bus	£6,900
Roads & Street Furniture	£1,600
M S C	£1,000
TOTAL	£139,383



The single largest item (F&A Capital & Projects) is over a quarter of the budget (25.9%). Within this the single largest item is PCSO funding (£28,500) which is about a fifth (20.4%) of the other expenditure budget.