

St. Mary Bourne Parish Council

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**Report from the St Mary Bourne Finance Committee Meeting
Held on Wednesday 9 January 2019 at 7.15pm in the Club Room, Village Centre**

Those present: The chair, David Peart, Cllrs Bridget Culley, Katie Dixon, Kevin Fullerton, Carole Whitlock and the clerk Jo Exelby.

1. Apologies for Absence: Gwen Randall

2. Declarations of Interests: None

3. Review of the third quarter spend against budget

Resolved: It was noted that the spend in quarter three shows a deficit of £17,649 compared to a budgeted deficit of £22,328, a favourable variance of £4,688. This variance is mostly made up of timing differences within the financial year.

4. Review projection for the financial year and approve virements

Resolved: The projections for the year and the reconciliation of the budgeted to projected surplus were reviewed and discussed. It was noted that full year projection shows a net surplus of £16,840 compared to a budgeted surplus of £605, a favourable variance of £16,234. The variance is made up of some permanent differences and some timing differences.

The main components of the permanent variance are:

- £661 favourable variance from changing insurance provider.
- £735 favourable variance from projected underspend on tree work.
- £22,980 favourable variance for river work – the projected NFM grant receipt of £38,670 was excluded from the budget because of the uncertainty as to how and when it would be received, as was the £14,190 cost of the Gangbridge Lane bank restoration work.
- £4,160 favourable variance from overprovision of BDBC SID deployment costs in budget.
- £3,416 adverse variance from play area work not eligible for S106 funding.
- £4,251 adverse variance in forecast VAT recovery.

The main components of the timing differences are:

- £3,832 adverse variance of unspent grants brought forward from 2017-18, to be spent in 2018-19 (£292 for street cleaning and £3,540 lengthsman grant).
- £568 adverse variance from projected costs of installing table tennis table, fitness equipment and kids adventure trail – these were excluded from the budget as it was assumed they would be complete in 2017-18.
- £1,710 adverse variance from Batsford work incurred by the parish on top of the LIF grant. This was excluded from the budget as it was assumed that the work would be complete in 2017-18.

5. Agree recommendation to full council of 2019-20 budget and precept

Resolved: The 2nd draft of the budget was reviewed, which showed budgeted spending of £137,853. It was noted that there will need to be a significant increase in precept, as discussed in the previous meeting for the following reasons:

- We have not increased our precept since 2010-11, except for 2012-13 which was increased to pay for the hardstanding, which has led to a real reduction in the Band D precept per household. During this same period our core running costs have increased from just over

£31k to just over £39k, an increase of 25.8%, and general inflation has run at approximately 20%.

- We have been very active in projects for the last couple of years and are likely to continue to be so for a few years, with Pathfinder, Open Space improvements and the Community Funded Initiatives. Whilst these are mostly funded by external funding, they do generally require an element of parish funding as part of the project. We have sufficient reserves to accommodate this, unless we are also using our reserves to pay for our day to day running.
- We have run a deficit each year since 1 April 2015, and even with the proposed precept increase, this budget still has a deficit for 2019-20 of £2,712, which is reducing our reserves.

Minor adjustments to the budget were discussed which brought the budgeted spending to £137,232. It was agreed that a precept of £22,917 should be recommended for approval to the full council on 22 January 2019. This represents an increase of 17.5%. It was recommended that there be a further increase in 2020-21, currently estimated as £26,337, an increase over 2019-20 of 15%

6. Select internal auditor for the 2018-19 audit

Resolved: It was agreed that the clerk will contact 3 auditors from the HALC list to find out about their service and fees.

The meeting closed at 8pm.

Jo Exelby
Clerk, St. Mary Bourne Parish Council
15 January 2019