

Report from the Responsible Financial Officer ('RFO') to the Corporate Governance Committee ('CGC') — 10 January 2024

This report includes the RFO's direction to the CGC regarding the proper administration of Stanway Parish Council's financial affairs.

Items for review and action

1. Payments List (Appendix 1)

The Payments List is colour-coded as follows:

- in yellow are proposed payments for more than £50;
- in blue are proposed payments to new suppliers; and
- in red are requests for payment which, in the reasonable opinion of the RFO, relate to liability for expenditure incurred other than in accordance with the Financial Regulations.

The CGC:

- should resolve to authorise each proposed payment highlighted in yellow or blue (per 21.4 of the Financial Regulations), provided it is satisfied that in each case all applicable requirements of the Financial Regulations have been met; and
- should resolve to decline each request for payment highlighted in red.

Uncoloured items on the list relate to:

- payments of less than £50 (already approved per 21.5 of the Financial Regulations);
- payments by Direct Debit or Standing Order (already approved per 22.4 of the Financial Regulations respectively); and
- payments made by Corporate Debit Card and therefore already incurred without opportunity for further approval, and, as such, are provided as information for the CGC to note.

2. Bank Reconciliation (Appendix 2), Uncashed Payments (Appendix 3) and Uncashed Receipts (Appendix 4)

The accounting records do not reconcile with the bank statements as of 31 December 2023. As in previous months the balance of the Business Savings Account with Barclays Bank UK PLC does not accord with the accounting records and paperwork, presumably due to credit interest credited to the account but not advised to SPC by Barclays.

The lists of 'Uncashed Payments' and 'Uncashed Receipts', which support the reconciliation report, represent creditors and debtors respectively and reflect the delay between accounting entries and bank transactions.

3. Virements

The following virements are proposed:

- £2,000 from the General Reserve for the capital expenditure on a new lawnmower.
- £2,000 from 31 (Grounds Maintenance) to 57 (Burial Ground) for 'urgent' tree works at Comb Field.

The CGC may wish to resolve to approve other virements as would be prudent taking account of financial performance for year to date against budget and reserves, and anticipated expenditure for the remainder of the 2023–24 financial year.

4. Cash Investments

More than £63,000 held by Nationwide Building Society and more than £71,000 held by Barclays Bank UK PLC has been inaccessible since May 2021 and October 2022 respectively. Every attempt so far to recover the money has been fruitless and, as such, it is deemed at risk of permanent loss. The RFO restates his recommendation that SPC ought to commence legal proceedings to recover its money.

5. Budget 2024–25 (Appendix 8)

The budget and the precept are matters reserved for ‘full’ council (per 1.4 and 6.2 of the Financial Regulations). The CGC should review the draft budget for the 12 months commencing 1 April 2024 and consider any amendments before it is debated at Council on 25 January 2024.

Items for review and noting

1. Interim Management Accounts as of 31 December 2023

Summaries of Receipts and Payments (Appendices 5 and 6)

Material variances in the Revenue Account against budget (i.e. greater than 15 percent or £1,000) are highlighted in red.

The Capital Account shows capital expenditure of £75,489 against capital income of £66,386. The difference of £9,103 was met from reserves.

Reserves (Appendix 7)

The General Reserve of £210,184 meets the applicable threshold per 7.4 of the Financial Regulations.

2. Large Capital Projects

There are no projects planned for the remainder of the 2023–24 financial year with expenditure of more than £50,000.

Appendices

- 1. Payments list**
- 2. Bank reconciliation**
- 3. Uncashed payments**
- 4. Uncashed receipts**
- 5. Summary of receipts and payments — revenue account**
- 6. Summary of receipts and payments — capital account**
- 7. Reserves**
- 8. Budget 2024–25 financial year**

1

Stanway Parish Council PAYMENTS (AWAITING AUTHORISATION) LIST

Voucher Code	Date	Minute	Bank	Cheque No	Description	Supplier	VAT Type	Net	VAT	Total
369	Office Supplies & Consumabl	12/12/2023	1. Unity Trust XXXXXC	DEBIT CARD	Office consumables	Amazon EU S.a.r.L. UK Branc	S	33.32	6.66	39.98
369	Office Supplies & Consumabl	12/12/2023	1. Unity Trust XXXXXC	DEBIT CARD	Office consumables	Amazon EU S.a.r.L. UK Branc	S	4.16	0.83	4.99
370	Grounds Maintenance	15/12/2023	1. Unity Trust XXXXXC		Waste collection	TBS Hygiene Ltd	S	286.25	57.25	343.50
372	Training, Professional Fees &	21/12/2023	1. Unity Trust XXXXXC		Membership subscription	Society of Local Council Clerk	X	288.00		288.00
373	Grounds Maintenance	28/12/2023	1. Unity Trust XXXXXC		Grounds maintenance	Dines Agri Services	X	515.20		515.20
373	Burial Ground - All Expenditu	28/12/2023	1. Unity Trust XXXXXC		Grounds maintenance	Dines Agri Services	X	800.00		800.00
383	Communications and adverti:	30/12/2023	1. Unity Trust XXXXXC		Advertising	Regional Life Ltd	S	40.00	8.00	48.00
384	IT Hardware & Software (inc	01/01/2024	1. Unity Trust XXXXXC	STANDING ORDER	IT software and support	Saint IT Ltd	S	99.00	19.80	118.80
385	IT Hardware & Software (inc	01/01/2024	1. Unity Trust XXXXXC	STANDING ORDER	IT software and support	Saint IT Ltd	S	176.61	35.32	211.93
386	Streetlights - ex. Electricity	02/01/2024	1. Unity Trust XXXXXC	STANDING ORDER	Streetlights maintenance	A&J Lighting Solutions Ltd	S	127.30	25.46	152.76
387	Tools and Consumables	02/01/2024	1. Unity Trust XXXXXC		Maintenance consumables	Ernest Doe & Sons Ltd	S	103.34	20.65	123.99
390	Community Safety	02/01/2024	1. Unity Trust XXXXXC		Defibrillator electrodes	Active Med Supplies Ltd	S	117.95	23.59	141.54
391	Office Supplies & Consumabl	03/01/2024	1. Unity Trust XXXXXC		Office equipment	Amazon EU S.a.r.L. UK Branc	S	51.38	10.28	61.66
Total								17,009.78	207.84	17,217.62

2

Stanway Parish Council

Prepared by: _____
Name and Role (Clerk/RFO etc)

Date: _____

Approved by: _____
Name and Role (RFO/Chair of Finance etc)

Date: _____

	Bank Reconciliation at 31/12/2023		
	Cash in Hand 01/04/2023		164,732.04
	ADD Receipts 01/04/2023 - 31/12/2023		462,175.65
			626,907.69
	SUBTRACT Payments 01/04/2023 - 31/12/2023		319,352.90
A	Cash in Hand 31/12/2023 (per Cash Book)		307,554.79
	Cash in hand per Bank Statements		
	Petty Cash	03/05/2023	0.00
	5. Nationwide XXXXX419	21/07/2023	31,709.86
	4. Nationwide XXXXX427	21/07/2023	31,571.29
	1. Unity Trust XXXXX053	31/12/2023	174,829.78
	3. Barclays XXXXX528	19/12/2023	66,841.80
	2. Barclays XXXXX152	19/12/2023	5,124.23
			310,076.96
	Less unrepresented payments		2,291.22
			307,785.74
	Plus unrepresented receipts		1.00
B	Adjusted Bank Balance		307,786.74
	Error A does NOT equal B		
	ERROR IS	£-231.95	

3

Stanway Parish Council
Uncashed payments\transfers out (All banks)
(Upto 31/12/2023)

Voucher	Date	Cheque No.	Description	Total	Bank
311	19/10/2023	DIRECT DEBIT	Bank charges	8.00	2. Barclays XXXXX152
367	09/12/2023	DIRECT DEBIT	Telephone and broadband	171.55	1. Unity Trust XXXXX053
369	12/12/2023	DEBIT CARD	Office consumables	44.97	1. Unity Trust XXXXX053
370	15/12/2023		Waste collection	343.50	1. Unity Trust XXXXX053
371	21/12/2023		Lock	80.00	1. Unity Trust XXXXX053
372	21/12/2023		Membership subscription	288.00	1. Unity Trust XXXXX053
373	28/12/2023		Grounds maintenance	1,315.20	1. Unity Trust XXXXX053
383	30/12/2023		Advertising	48.00	1. Unity Trust XXXXX053
Total-----				2,299.22	

4

Stanway Parish Council
Uncashed receipts\transfers in (All banks)
(Upto 31/12/2023)

Voucher	Date	Cheque No.	Description	Total	Bank
51	19/12/2023		Wayleave	1.00	1. Unity Trust XXXXX053
			Total-----	1.00	

5

Summary of Receipts and Payments

Cost Centre Group - Revenue Account (Between 01/04/2023 and 31/12/2023)

A1 Revenue Income

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
1	Precept	353,793.00	353,793.00					(0%)
2	Wayleaves	1.00	1.00					(0%)
6	Credit Interest	75.00	316.28	241.28				241.28 (321%)
53	Community Events	300.00	1,512.01	1,212.01		15.00	-15.00	1,197.01 (399%)
55	Burial Ground	4,000.00	2,693.00	-1,307.00				-1,307.00 (-32%)
77	All Other Revenue Income		150.00	150.00				150.00 (N/A)
SUB TOTAL		358,169.00	358,465.29	296.29		15.00	-15.00	281.29 (0%)

B1 Staff

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
8	Salaries (inc. employee's tax, NI				140,000.00	93,898.53	46,101.47	46,101.47 (32%)
9	Employers' NI Contribution					9,211.96	-9,211.96	-9,211.96 (N/A)
10	Home Working Allowance				936.00	702.00	234.00	234.00 (25%)
11	Employers' Pension Contribution				37,937.00	23,935.61	14,001.39	14,001.39 (36%)
13	Training, Professional Fees & St		770.00	770.00	4,350.00	4,677.50	-327.50	442.50 (10%)
14	Travel & Subsistence				596.00	278.56	317.44	317.44 (53%)
SUB TOTAL			770.00	770.00	183,819.00	132,704.16	51,114.84	51,884.84 (28%)

B2 Office & IT

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
17	Office Supplies & Consumables				2,970.00	1,351.07	1,618.93	1,618.93 (54%)
20	Telephone & Broadband		163.40	163.40	3,465.00	1,807.21	1,657.79	1,821.19 (52%)
22	IT Hardware & Software (inc. sup				5,510.00	3,326.92	2,183.08	2,183.08 (39%)
SUB TOTAL			163.40	163.40	11,945.00	6,485.20	5,459.80	5,623.20 (47%)

B3 Banking & Finance

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
38	Bank Charges				220.00	205.20	14.80	14.80 (6%)
79	Capital Repayments				16,000.00	16,000.00		(0%)
80	Debit Interest				5,162.00	5,162.00		(0%)
SUB TOTAL					21,382.00	21,367.20	14.80	14.80 (0%)

B4 Professional Services

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
24	Internal Audit				1,650.00	1,505.00	145.00	145.00 (8%)
25	External Audit				840.00	1,050.00	-210.00	-210.00 (-25%)

Summary of Receipts and Payments

Cost Centre Group - Revenue Account (Between 01/04/2023 and 31/12/2023)

40 Professional Fees		7,700.00	1,809.00	5,891.00	5,891.00 (76%)
SUB TOTAL		10,190.00	4,364.00	5,826.00	5,826.00 (57%)

B5 Other Admin

Code Title	Receipts			Payments			Net Position
	Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
21 Communications and advertising				1,750.00	1,535.00	215.00	215.00 (12%)
36 Insurance				6,100.00	6,321.04	-221.04	-221.04 (-3%)
37 Subscriptions				1,700.00	1,496.99	203.01	203.01 (11%)
75 Chairman's Allowance				220.00		220.00	220.00 (100%)
78 Room Hire		58.00	58.00	198.00	15.00	183.00	241.00 (121%)
998 Uncategorised Expenditure					564.25	-564.25	-564.25 (N/A)
999 Accounting Adjustment					0.01	-0.01	-0.01 (N/A)
SUB TOTAL		58.00	58.00	9,968.00	9,932.29	35.71	93.71 (0%)

CA1 Grounds

Code Title	Receipts			Payments			Net Position
	Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
27 Buildings & Car Parks				8,500.00	7,196.32	1,303.68	1,303.68 (15%)
30 Play Areas				6,000.00	957.80	5,042.20	5,042.20 (84%)
31 Grounds Maintenance		267.25	267.25	22,000.00	12,360.06	9,639.94	9,907.19 (45%)
52 Tools and Consumables				1,500.00	249.51	1,250.49	1,250.49 (83%)
94 Maintenance Vehicle				7,489.00	610.36	6,878.64	6,878.64 (91%)
SUB TOTAL		267.25	267.25	45,489.00	21,374.05	24,114.95	24,382.20 (53%)

CA2 Streets

Code Title	Receipts			Payments			Net Position
	Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
50 Streetlights - ex. Electricity				6,000.00	4,260.20	1,739.80	1,739.80 (29%)
81 Street Furniture				3,800.00	1,762.46	2,037.54	2,037.54 (53%)
84 Streetlights - Electricity				24,000.00	6,762.86	17,237.14	17,237.14 (71%)
96 Footpaths				1,500.00		1,500.00	1,500.00 (100%)
SUB TOTAL				35,300.00	12,785.52	22,514.48	22,514.48 (63%)

CA3 Burial Ground

Code Title	Receipts			Payments			Net Position
	Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
57 Burial Ground - All Expenditure				3,200.00	2,513.55	686.45	686.45 (21%)
SUB TOTAL				3,200.00	2,513.55	686.45	686.45 (21%)

Summary of Receipts and Payments

Cost Centre Group - Revenue Account (Between 01/04/2023 and 31/12/2023)

CS1 Community Services

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
54	Community Events - Expenditure		18.00	18.00	4,675.08	2,325.81	2,349.27	2,367.27 (50%)
70	Grants (all)				5,000.00	1,560.00	3,440.00	3,440.00 (68%)
91	Community Safety				5,000.00	4,519.15	480.85	480.85 (9%)
104	Community Services - other expi		30.00	30.00	324.92	329.91	-4.99	25.01 (7%)
SUB TOTAL			48.00	48.00	15,000.00	8,734.87	6,265.13	6,313.13 (42%)

Summary

NET TOTAL	358,169.00	359,771.94	1,602.94	336,293.00	220,275.84	116,017.16	117,620.10 (16%)
V.A.T.		36,017.71			8,482.76		
GROSS TOTAL		395,789.65			228,758.60		

6

Summary of Receipts and Payments

Cost Centre Group - Capital Account (Between 01/04/2023 and 31/12/2023)

A2 Capital Receipts

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
3	Capital Grants and other Donatic		1,000.00	1,000.00				1,000.00 (N/A)
4	CCC Grants	53,000.00	54,000.00	1,000.00				1,000.00 (1%)
5	Other Grants	44,500.00	6,127.00	-38,373.00				-38,373.00 (-86%)
7	LCTS Adminstration Subsidy	5,259.00	5,259.00					(0%)
SUB TOTAL		102,759.00	66,386.00	-36,373.00				-36,373.00 (-35%)

Q Capital Expenditure

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
200	Community Services - environm				1,500.00		1,500.00	1,500.00 (100%)
201	Community Services - other new				12,000.00		12,000.00	12,000.00 (100%)
202	Car park extension				52,000.00	52,557.08	-557.08	-557.08 (-1%)
203	Soakaway				19,000.00	19,069.50	-69.50	-69.50 (-0%)
204	Car park resurfacing				30,000.00		30,000.00	30,000.00 (100%)
205	Electric vehicle charging point				1,000.00		1,000.00	1,000.00 (100%)
206	Air conditioning				5,000.00	3,862.00	1,138.00	1,138.00 (22%)
207	Jansma Park				10,000.00		10,000.00	10,000.00 (100%)
SUB TOTAL					130,500.00	75,488.58	55,011.42	55,011.42 (42%)

Summary

NET TOTAL	102,759.00	66,386.00	-36,373.00	130,500.00	75,488.58	55,011.42	18,638.42 (7%)
V.A.T.					15,097.72		
GROSS TOTAL		66,386.00			90,586.30		

7

Stanway Parish Council
Reserves Balance up to 31st Dec 2023
2023-2024

<u>Reserve</u>	<u>OpeningBalance</u>	<u>Transfers</u>	<u>Spend</u>	<u>Receipts</u>	<u>CurrentBalance</u>
Earmarked					
Office Equipment	2,000.00				2,000.00
Specialist Fees (legal, accountir	1,500.00	4,500.00			6,000.00
Car Park	5,000.00	1,000.00			6,000.00
Workshop & Store	1,000.00	1,000.00			2,000.00
Planning	1,500.00				1,500.00
Village Halls & Community Cent	7,743.00	6,757.00			14,500.00
Footpaths	1,000.00	9,000.00			10,000.00
Trees & Open Spaces	2,500.00	2,500.00			5,000.00
Notice Boards	1,000.00				1,000.00
Streetlights	2,000.00	3,000.00			5,000.00
Staffing	20,000.00	5,000.00			25,000.00
Vehicle	500.00	-500.00			0.00
Community Safety	1,000.00				1,000.00
Elections	3,000.00	1,000.00			4,000.00
Burial Grounds	2,500.00	-500.00			2,000.00
Outdoor Gym	500.00	3,500.00			4,000.00
Bus Shelters	1,745.00	3,255.00			5,000.00
Playground Equipment	10,000.00	2,000.00			12,000.00
Jansma Park					0.00
Total Earmarked	64,488.00	41,512.00			106,000.00
TOTAL RESERVE	64,488.00	41,512.00			106,000.00
GENERAL FUND					210,183.66
TOTAL FUNDS					391,045.66

8

STANWAY PARISH COUNCIL

BUDGET

**FOR THE 12 MONTHS PERIOD
COMMENCING 1 APRIL 2024**

Introduction

This budget sets out Stanway Parish Council's income and expenditure plans for the 12 months period beginning 1 April 2024 and the Medium Term Financial Plan ('MTFP') for the following five years.

Background

Legislation Stanway Parish Council ('SPC') is a precepting authority. It receives part of its income from indirect taxation collected from electors in the ward by Colchester City Council as part of Council Tax, known as the 'precept'. SPC has a legal duty to ensure income covers operating costs and, because it generates negligible income from business activities, it relies on the precept to fund revenue expenditure. Members and officers also each have a personal fiduciary duty to exercise regularity and propriety in the use of public funds.

Macroeconomic Conditions Gross Domestic Product has fallen to around 0.4% and is forecast to slow still further in 2024; headline inflation is 3.6% and is predicted to remain above the Bank of England's 2% target until at least Q3 2025; interest rates are high (the base rate is at its highest level in 15 years); the labour market is slowing; higher interest rates are impacting the housing market, with transactions down 16% on 2022; and corporate insolvencies are approaching the level following the 2008 'financial crisis'. These and other factors impact on the costs incurred by SPC to deliver services.

Population Over the past twenty years the population of Stanway has grown by nearly a third to around 9,700 residents. Developments already approved at Catchbells, Fiveways Fruit Farm and Wyvern Farm will create a further 1,000 new homes in Stanway by 2027.

Tax Base Despite the new homes and growing population a reduced tax base (used by Colchester City Council to allocate the precept) for 2024–25 leads to a higher than expected rise in the proportion of the precept allocated to each household.

Volatility and Deficits Funding deficits in three of the last five years (and eight of the last 20 years) eroded reserves, restricted growth, negatively impacted liquidity and created financial stress. In April 2023 SPC commenced a programme of financial discipline, which will continue into 2024–25 and beyond, to restore reserves and build economic resilience.

Budget Process

SPC sets expenditure budgets within the context of priorities identified by members which determine the financial resources required to meet operational requirements. For 2024–25 the Staffing Committee, Corporate Services Committee and Corporate Assets Committee formulated preliminary budgets that were reviewed and refined by the Corporate Governance Committee. The costs of future plans, reserves and financial contingencies were included and the resulting precept was calculated in line with the formulae set out in the Local Government Finance Act 1992.

Robustness of Forecasts and Estimates

Budget estimates for 2024–25 are predictions of spending and income made at a point in time, based on service needs and known expenditure patterns. Expenditure budgets reflect the need to maintain certain service levels, but it is a demand-led budget and inevitably entails a degree of judgement. There are also assumptions within the budget forecasts as summarised below.

Revenue Income The budget includes targets for income reflecting updated charges and estimates of demand for services. Although the assumptions lead to prudent income forecasts, there is a risk of income volatility. The General Reserve provides some contingency in case of material shortfalls in income.

Borrowing The capital programme exceeded capital receipts during 2006–07, and required borrowing to support SPC’s priorities and ambitions. Further capital expenditure may require raising funds through loans.

Inflation Cost estimates within the MTFP include assumptions for increases in pay, utilities, contracts and general prices for goods and service. The MTFP assumes an average 2% inflation increase year-on-year which is considered a reasonable estimate, slightly below short term economic forecasts but in line the Bank of England’s long term target.

Gifts and Donations For the purposes of creating a balanced budget, income from gifts and donations ignores the potential proceeds of Mrs Jansma’s estate, which in any event would be moved immediately to an Earmarked Reserve and, as such, has no immediate impact on budgeting and financial planning for 2024–25.

Revenue Expenditure

Revenue expenditure are the day-to-day running costs of providing services, many of which are outsourced (discussed further below) which makes some costs volatile and unpredictable.

Staff Costs In common with other local authorities, SPC's wage bill (along with associated liabilities for National Insurance and pension contributions) is the single largest overhead. However, unlike many UK workers who saw pay rise by an average of 8.2%, SPC awarded a pay increment in April of less than inflation (average of 5.7%) and similar below inflation increases are anticipated in future years.

Outsourced Services SPC outsources many key services. The Community Assets Committee oversees provisioning, service delivery and supplier performance. Despite periodic retendering, costs across the board have risen over the past three years by a factor many times greater than inflation. For example, over the period 2020–23, the bill for grounds maintenance rose by 28.6%, and streetlights by 60.4%. Further price increases are expected for 2024–25. Looking beyond the next financial year, Jansma Park (currently anticipated to be operational in 2025–26) will lead to a further uplift in maintenance costs, although by how much depends very much on the facilities to be delivered there.

Financing costs Interest and bank charges represent the third largest overhead. The loan taken in 2005 will not be repaid until 2030, but there could be benefits to early repayment including a saving on debit interest of around £10,000 over the next five years.

Insurance Insurance costs have risen in recent years, and are expected to rise again in 2024–25. The acquisition of the land which will become Jansma Park will bring further insurance costs which are included.

Professional Services SPC pays solicitors, accounts, auditors and other advisers for support and advice. Some costs are unavoidable (such as audit fees); others are discretionary.

The revenue expenditure budgets for 2024–25 are summarised as follows:

Staff	£200,758
Office & IT	£10,000
Banking and Finance	£20,750
Professional Services	£36,200
Other Administrative Expenditure	£13,400
Grounds	£35,700
Streets	£26,500
Burial Ground	£2,500
Community Services	£18,500
Total	£364,308

A breakdown for each accounting cost code is provided at Appendix One.

Capital Expenditure

Capital expenditure is the long-term investment in infrastructure and assets, like buildings, parks, sports grounds and other facilities.

Capital expenditure is also the money spent to refurbish and repair assets (such as vandalised playground equipment) and to replace them when they reach end of life. During the past year, for example, SPC spent more than £75,000 to extend the car park at Tollgate Hall, replace the surface rainwater soakaways to the existing car park and install air-conditioning to parts of Victory Hall.

However, the unpredictable nature of an asset's lifespan means capital expenditure is difficult to plan and varies significantly from one year to the next.

Over the next 2–3 years SPC expects to incur significant costs to transform 10 acres of arable farmland into Jansma Park. A notional figure of £200,000 is included for 2024–25 reflecting the costs of the preliminary stages of the project.

The capital expenditure plans for 2024–25 are as follows:

Bus shelter corner Holly Rd & Wheatfield Rd	£10,000
Jansma Park	£200,000
Total	£210,000

However, these costs will not be incurred unless there is matching capital income from grants, gifts or loans and, as such, have no impact on the overall budget or precept.

Revenue Income

SPC charges individual consumers for some of its services through fees and charges, with the remaining expenditure funded through the precept.

The budgeted revenue income for 2024–25 is summarised as follows:

Burial Ground	£4,000
Community Events	£1,000
Credit Interest	£750
Wayleaves	£1
Subtotal	£5,751
Precept	£363,589
Transfers to reserves	(£5,032)
Total	£364,308

Income from business activities and events SPC expects to derive a small income from business activities and community events, which offsets the precept. In practice, the burial ground is SPC's only source of regular income, but it is unpredictable and varies by as much as 300% year-on-year.

Precept As a precepting authority, SPC has a legal duty to ensure the precept is sufficient to cover the costs of delivering services. Based on the revenue expenditure budget for 2024–25 and the Earmarked Reserves, the required precept is £363,589. This represents a year-on-year uplift of 2.77% compared to 2023–24. Owing to the lower tax base decided by Colchester City Council, the average impact per household (usually referred to as the 'Band D Equivalent') is slightly higher — rising by 2.94% from £81.35 to £83.75 per annum — though still comfortably below inflation.

Capital Receipts

Capital expenditure is funded either from forward planning and the accumulation of an Earmarked Reserve for a specific project (discussed later) or from other capital receipts such as grants and gifts.

Jansma Park Funding costly projects requires careful planning and management to avoid overspend leading to persistent deficits. Notional figures are included to match capital expenditure and create a balanced budget; however, these figures must be regarded as placeholders.

Grants Aside from the Local Council Tax Subsidy, no other grants are predictable. Notional figures are again included and must be regarded as placeholders.

Capital gifts and donations It is impracticable to predict voluntary gifts and donations; accordingly they are not included in the budget.

Loans There are no plans to take out further loans in 2024–25.

The budgeted capital income for 2024–25 is as follows:

LCTS Administration Subsidy	£5,259
City Council Grants	£1,000
All other Grants	£203,741
Capital gifts and donations	£0
Total	£210,000

Reserves

Reserves refer to the money held by SPC to meet future planned expenditure and as a contingency against unexpected financial stresses.

General Reserves SPC has a legal duty to maintain sufficient liquidity to fund its ongoing operations and has committed to maintaining a reserve equivalent to 25 per cent of its expected revenue expenditure. Based on the figures for 2024–25 this means it must maintain a reserve of not less than £91,000 throughout the next financial year.

Earmarked Reserves As a discretionary matter SPC also allocates reserves to meet identified future capital expenditure. Broadly speaking reserves are (1) for outlay deemed too great to finance through the precept in a single year; (2) to replace assets at end of life; or (3) to reinstate assets impaired due to a foreseeable event that has uncertain timing (such as criminal damage or a storm).

The earmarked reserves for 2024–25 are as follows:

Burial Grounds	£2,750
Bus Shelters	£5,500
Car Park	£6,600
Community Safety	£3,000
Elections	£4,000
Footpaths	£10,000
Jansma Park	*£200,000
Maintenance Machinery	£1,000
Notice Boards	£3,000
Office Equipment	£2,200
Outdoor Gym	£6,000
Planning	£1,500
Play Equipment	£24,000
Specialist fees (Legal, etc)	£6,000
Staffing	£40,000
Streetlights	£6,000
Grounds	£5,500
Vehicle	£3,000
Village Halls	£25,000
Workshop and store	£3,000

* The reserve for Jansma Park is an arbitrary figure based on an estimate of the proceeds from Mrs Jansma's estate gifted to SPC. The figure may be higher or lower, depending on the sum received and has no impact on the budget for 2024–25.

Medium Term Financial Plan 2025–27 to 2029–30

The MTFP summarises estimates of costs and funding, and the impact of SPC’s plans for the medium to long-term. The MTFP balances the financial resources required to deliver SPC’s plans and SPC’s strategies. The plan also considers the financial climate at both the local and national level together with available resources and budgetary pressures.

The MTFP summarised below is for a five-year period.

	Financial year commencing 1 April				
	2025	2026	2027	2028	2029
Revenue Expenditure	363,000	378,000	389,000	400,000	411,000
Funded by:					
All other revenue	6,000	6,000	6,000	6,000	6,000
Resulting precept	357,000	373,000	383,000	394,000	405,000
Capital Expenditure	100,000	50,000	0	20,000	0
Funded by:					
Reserves	0	0	0	20,000	0
Grants	100,000	50,000	0	0	0
Loans	0	0	0	0	0
Budget Surplus (Deficit)	0	0	0	0	0

Appendix One — Revenue Expenditure budget for each Cost Code

Staff			
Salaries (inc. employee's tax, NI & pension)	146,700		
Employers' NI Contribution	12,300		
Home Working Allowance	950		
Employers' Pension Contribution	35,208		
Training, Professional Fees & Subscriptions	5,000		
Travel & Subsistence	600		
Office & IT			
Office Supplies & Consumables	1,900		
Telephone and Broadband	2,300		
IT Hardware & Software (inc. support)	5,800		
Banking and Finance			
Bank Charges	300		
Capital Repayments	16,000		
Debit Interest	4,450		
Professional Services			
Internal Audit	1,600		
External Audit	1,100		
Professional Fees	33,500		
Other Administrative Expenditure			
Communications and advertising	1,700		
Insurance	10,000		
Corporate Subscriptions	1,500		
Chairman's Allowance	200		
Grounds			
Buildings & Car Parks			10,000
Play Areas			6,000
Grounds Maintenance			17,500
Tools and Consumables			1,000
Maintenance Vehicle			1,200
Burial Ground			2,500
Streets			
Streetlights - ex. Electricity			6,000
Street Furniture			4,500
Streetlights – Electricity			15,000
Footpaths			1,000
Community Services			
Community Events – Expenditure			6,000
Grants (all)			5,000
Community Safety			4,000
Community Services - other expenditure			500
Road Safety			3,000

Appendix Two — Full Budget

Revenue Expenditure			
Staff	£200,758		
Office & IT	£10,000		
Banking and Finance	£20,750		
Professional Services	£36,200		
Other Administrative Expenditure	£13,400		
Grounds	£35,700		
Streets	£26,500		
Burial Ground	£2,500		
Community Services	£18,500		
Subtotal	£364,308		
Capital Expenditure			
Bus shelter corner Holly Rd & Wheatfield Rd	£10,000		
Jansma Park	£200,000		
Subtotal	£210,000		
Total Budgeted Expenditure	£574,308		
Revenue Income			
Burial Ground			£4,000
Community Events			£1,000
Credit Interest			£750
Wayleaves			£1
Precept			£363,589
Subtotal			£369,340
Capital Income			
LCTS Administration Subsidy			£5,259
City Council Grants			£1,000
All other Grants			£203,741
Capital gifts and donations			£0
Subtotal			£210,000
Total Budgeted Income			£579,340
Transfers to Earmarked Reserves			(£5,032)
<u>Budget Surplus (Deficit)</u>			<u>£0</u>