

## **TURVILLE PARISH COUNCIL**

### **2016/17 BUDGET ASSUMPTIONS (agreed 13 January 2016)**

#### **Reduction of accumulated surplus**

1. The council will continue with its policy agreed in January 2015 to reduce its expected accumulated surplus to approximately 50% of the precept by 31 March 2018. In January 2015, the council agreed to achieve this aim by maintaining the current level of precept while incurring additional expenditure of approximately £9,000 in the four year period to 31 March 2018. This expenditure would contribute to the costs of:
  - a. the removal of invasive plants on public land in the parish that has public access; and
  - b. the improvement of access to footpaths in the parish by replacing stiles by gates.
2. In March 2015, the council agreed to implement this policy by:
  - a. maintaining its precept at £6,500 for 2015/16 and assuming the same level of precept in 2016/17 and 2017/18;
  - b. contributing up to £3,000 (excluding any VAT) in each of 2015/16 and 2016/17 and up to £1500 (excluding any VAT) in 2017/18 for the removal of Himalayan balsam from Turville Heath; and
  - c. contributing £1,000 in each of 2014/15 and 2015/16 for the replacement of stiles by gates under the Chiltern Society's donate-a-gate scheme.
3. The estimated expenditure for 2015/16 includes the first year of the Himalayan balsam project and second year of replacement of stiles by gates. The agreed budget for 2016/17 includes the precept of £6,500 and the expenditure on the second year of the Himalayan balsam project. The estimated budgets for 2017/18 and 2018/19 assume a precept of £6,500 a year and the expenditure on the final year of the Himalayan balsam project.
4. As a result of these and the other budget assumptions, the council expects to have reduced its accumulated surplus (excluding the effects of CIL money – see paragraph 6 below) to half its current precept of £6,500 by 31 March 2018.

#### **Precept**

5. Since 2011/12, the council has kept its precept at £6500 due to concerns that the government may, in future, cap precepts set by parish councils in the same way that it has capped council tax set by county and district councils. While the government has indicated that it will not cap precepts set by parish councils in 2016/17, the council agreed to keep its precept at £6,500.

#### **Community Infrastructure Levy (CIL)**

6. In 2015/16 the council received its first community infrastructure levy (CIL) money (£1,930) and has been advised by WDC that it will receive further CIL money in 2016/17 of £1,650. The agreed budget for 2016/17 and the estimated budgets for 2017/18 and 2017/18 do not include any further amounts of CIL money as their receipt is conditional upon future property developments in the parish and the liability of the relevant developers to pay CIL.
7. The council has not yet agreed how, or when, to spend its CIL receipts. Therefore the agreed budget for 2016/17 and the estimated budgets for 2017/18 and 2018/19 do not include any

proposed expenditure of CIL money. In accordance with the CIL regulations, unspent CIL money is shown as a separate reserve. Any CIL monies received which have not been spent within 5 years must be repaid to WDC.

#### **Other income**

8. The budgets do not include any income from filming or other such sources as such income is conditional upon uncertain future events.

#### **Expenditure**

9. The estimated expenditure for 2015/16 reflects the likely outcome for 2015/16 on the assumption that the council incurs that expenditure which it has agreed to incur. The election costs reflect the amount which has been recently advised by WDC. The council has not yet agreed to contribute the £1,000 to the Chiltern Society donate-a-gate scheme so that expenditure is conditional upon its approval by the council by March 2016.
10. The council's major item of expenditure is for staff costs for the parish clerk. The agreed budget for 2016/17 and the estimated budgets for 2017/18 and 2018/19 assume that salaries will increase by 1% per annum and that there will be no changes in the volume of work carried out by the parish clerk, the level of the clerk's expenses and the clerk's working from home allowance.
11. Insurance: the council has a 3 year agreement which ends June 2017. The estimated budgets for 2017/18 onwards assume a 10% increase in the premium in the next agreement.
12. Grass cutting on land owned by the council in Turville is carried out in conjunction with grass cutting of land owned by the church in Turville. The costs depend on the frequency of cuts which are partly weather dependant.
13. In November 2015, the council considered a report on its assets and the need for any maintenance of those assets. No maintenance was identified. In January 2016, the council considered a further report which identified additional maintenance costs in 2015/16 (notice boards and telephone boxes) and 2016/17 onwards (bus shelters and benches).

#### **VAT**

14. The council does not have any output VAT. Input VAT is incurred on some expenditure. The amount of input VAT paid in one year is reclaimed in the following year. The payment and matching claim are usually ignored for budget purposes. However, in view of the significance of the payment and reclaim of input VAT on the Himalayan balsam project, the payments of input VAT and the receipts of the claims are included in the estimate for 2015/16, the agreed budget for 2016/17 and estimated budgets for 2017/18 and 2018/19.