RFO Budget Prediction Report November 2024

Preparation of the Draft budget.

Parameters

1 - Draft budget prepared before Precept demand made
2 - Total Carry Forward should be no more than 75% of annual expenditure.
3 - Carry Forward should include Investment Account
4 - Each budget line to be looked at individually
5 - Inflation added to Rolling Plan

Receipts:

The only predicted incomes are the Precept, vendor income and pound parking. All other incomes, burials, donations and miscellaneous are variables. S106 and VAT have not been included as they are income/expenditure dependant.

Expenditure:

These have been blocked as Admin, Maintenance, Contracts, Section and Others.

Admin:

Newsletter which has been removed.

Maintenance:

Waste bin collection to include 660lt wheely bin and dog and litter bins;
Miscellaneous Works and Repairs to include Sarah's Meadow, Littlestock Brook and Woodland Walk along with other MW&R.

Contracts:

Tree Survey and Maintenance contract needs to be finalised.

Section Payments:

As before but as mentioned S106 is not included as we do not hold this budget.

Other Payments:

As before. I have kept the £4000 in the Other/Provisional as this is our only unspecified pot. Again VAT is not included.

Budget Predictions:

(Read with Budget Prediction Document in hand)

On present receipts and expenditure pattern we could expect a carry forward of around £30,000 in our current account and £37,500 in our investment account.
Keeping our precept at £52,000 and projecting this years figures forward we could expect an income for 2025-2026 of £57,518.
Taking each expenditure line and comparing this year's forecast against actual spending, some lines do not need to be increased as they were over budgeted. Other lines do need to be increased mainly due to higher than expected costs. Therefore an estimated expenditure for 2025-2026 is around £68,500.
Adding brought forward and receipts, minus expenditure leaves us with around £19,018 in the current account.
Add to this our investment account of around £37,500 gives us a potential carry forward of £56,518.
If our carry forward should be no more than 75% of our annual expenditure this should be £51,375. Therefore our potential carry forward is 110% of the desired amount. On this basis I have kept the precept at £52,000.

Rolling Plan 2026-2027

Receipts:

Pound parking is due for an increase in 2026-2027 of 5% (2.5%per year from 2024)
Recreation ground income and cemetery income are largely based on current figures.
Precept was originally kept at £52,000.

Expenditure:

Where lines were over budgeted or on budget I have added on average 2% inflation. Salaries appear to go up by about 3.5% per year and defib materials have gone up by over 5% this year so some adjustment has been made for these. Other expenditures have also gone up more than inflation and have been suitably adjusted.

Prediction:

With the original provisional precept of £52,000 this would have given us a carry forward of £44,699, 85% of the desired level of £52,5547, which is acceptable.

However looking further ahead to 2027-2028, to achieve a carry forward of 75% a large increase in precept, in excess of £4000, would be needed. I therefore felt it best to increase the precept more gradually at £2000 per year for 2026-2027 and 2027-2028.

Looking yet further ahead with a further increase of £2000 in the precept for 2028-2029 the carry forward could potentially by only 51%. This is a long way off and all figures are provisional so I'm happy to leave this for the moment. But the % carry forward is dropping year on year.

The bottom line is that the income to the council is less than the expenditure per annum so there will have to be an increase in precept to balance this. However we do not always spend out our predicted budget lines so to accurately predict future budget trends is a speculative exercise.

CT
12/11/2024