

Budget discussions

A note for the re-convened Finance Committee 22/1/2020

At the meeting of the finance committee we looked at two things, the forecast for income and expenditure for the current year and the budget for next year.

In the notes below, S106 income and expenditure is excluded

Forecast for 2019-2020

The overall forecast expenditure for 2019-2020 was £222,803 and the income forecast was £189,995. Comparing these with budgeted income and expenditure and looking at the effect on balances, this is summarised below

	Budget 2019-2020	Forecast 2019-2020
Balances b/fwd at 1/4/2019	211,856	211,856
Spending 2019-2020	-242,784	-222,803
Income (excl. precept) 2019-2020	13,490	27,111
Precept 2019-2020	162,884	162,884
Balances c/fwd at 31/3/2020	145,446	179,048

Thus the balances in the general fund at 31/3/2020 are forecast to be **£33,602** greater than originally planned.

Budget for 2020-2021

We reviewed the expenditure budget at the Finance Committee and have proposed total expenditure of £266,647. A detailed breakdown of this is separately sent out.

Setting the precept

The precept in 2019-2020 was £162,884 representing a band D tax of £84. As always, I have compared this with some of the local South Cambridgeshire parishes

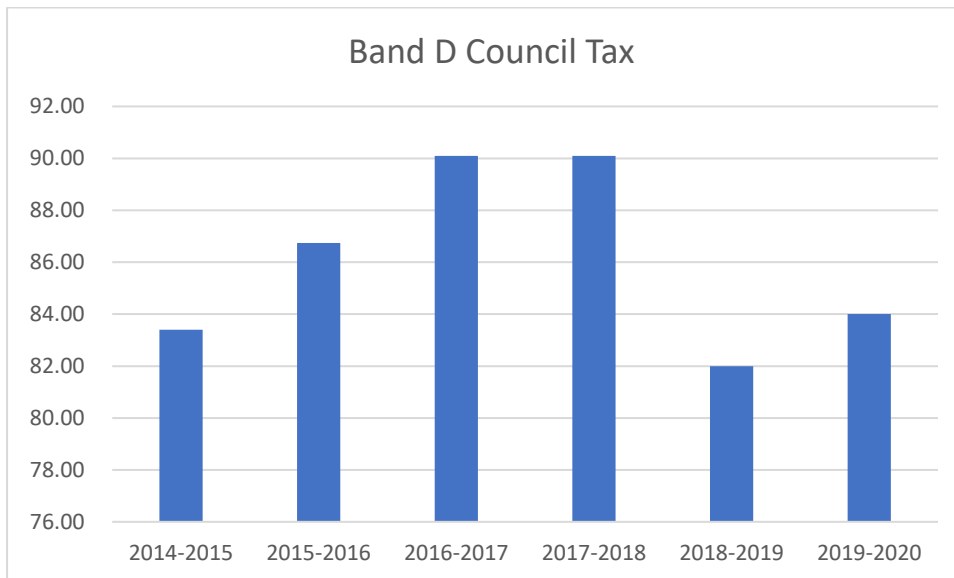
Parish	Band D
Cottenham	121.98
Histon / Impington	109.50
Horningsea	102.05
Waterbeach	84.00
Fen Ditton	77.47
Milton	74.60
Landbeach	65.09

Thus, locally we sit in the middle of parishes close to us. We also sit at position 78 out of the 102 parishes in South Cambridgeshire which puts us just in the top quartile of parishes. The third quartile boundary is £83.

Because of the increased number of houses in Waterbeach, our Council Tax base has increased from £1,939.1 to £2,005.6. This means that, if we kept our Band D figure the same, the precept would go up from £162,884 to £168,470. Various Band D figures and their associated precept are shown below

Band D	Change from 2019-2020	Precept	Change
£82	-2.4%	£164,459	£1,575
£84	-	£168,470	£5,586
£86	2.4%	£172,482	£9,598
£88	4.8%	£176,493	£13,609

To put this in context, here are the levels of Band D Council Tax for Waterbeach over the last few years. We had a big reduction in 2018-2019 due to a large increase in the tax base. In 2019-2020 we are still only just above the 2014-2015 level.



Final precept proposal for 2020-2021

The Finance committee discussed this and would like to recommend that the precept for 2020-2021 is based on a Band D figure of £84, unchanged from 2019-2020. The overall summary of this budget is added to the table above as follows

	Budget 2019-2020	Forecast 2019-2020	Budget 2020-2021
Balances b/fwd.	211,856	211,856	179,048
Spending	-242,784	-222,803	-266,647
Income (excl. precept)	13,490	27,111	10,530
Precept	162,884	162,884	168,470
Balances c/fwd.	145,446	179,048	91,401

The plan envisages the unallocated balances dropping quite substantially. However, it is not appropriate to hold large balances unless there are clear reasons, and borrowing for capital projects is still very cheap with interest rates at less than 2.5%.