

HELMINGHAM PARISH COUNCIL BUDGET FORECAST FOR 2017 - 2018

Reference:

A. Accounts\Budget 2017-18/Helm Budget 2017-18 draft 0-02.xls, Sheet Budget 2017-18.

INTRODUCTION

Objectives

This document is intended to assist the Council to assess the anticipated expenditure and the resulting precept requirement for the next financial year (2017/18), which will need to be requested of MSDC by 31 January 2017.

Overview

The four tables in this document show a comparison between the budgets for the last 2 full years (2014/15 and 2015/16), the current year (2016/17) and the anticipated budget for next year (2017/18). The expenditure figures shown for the current year are shown as actual figures up to date as at 31 Oct 2016, with expenditure forecast for the rest of the year shown in a separate column, highlighted in italics.

Pages 2 to 6 of this document contain the following tables with explanatory notes:

- Table 1: Expenditure against main headings.
- Table 2: Precept and other income.
- Table 3: Reserves.
- Table 4: Summary of Figures from Tables 1 to 3 showing the impact of different precept amounts on the reserves forecast for the end of 2017/18.

Other Considerations

Increase in Predicted Expenditure

Expenditure for 2017/18 is predicted to increase above the amount budgeted for the current financial year by 24% due primarily to the following factors:

- Increase in hourly pay rate for new clerk: £ 250 *or 19% for year.*
- Increase in travel & expenses for new clerk: £ 165 *or 55% for year.*
- Possible training costs for new clerk: £ 108 *new charge.*
- New annual charge for parish website: £ 60 *new charge.*
- Audit fees for new NALC audit body: £ 100 *not spent in current year.*

Reduction in Income

At the same time the Parish Council's income for the next financial year has dropped because the central Government grant paid to District Councils to offset the impact of the reduction in the number of households paying towards parish precepts due to changes in the way that council tax benefits are paid has now been entirely phased out. This grant, which had been passed on by MSDC, had reduced to £46.42 in 2016/17 will not be paid in 2017/18.

Recommended Reserve

The recommended minimum general reserve should be at least 50% of the annual precept. The general reserve is predicted to return to this minimum against the £2,400 precept requested by the Council in 2016/17. However, the predicted 24% expenditure increases for next year will result in a £400 deficit over the year against the current precept and reduce reserves to less than 34% of the current precept by April 2018 if no changes are made.

Excessive Increase Referendums

For the last few years the government has been threatening to introduce an "Excessive Council Tax increase" procedure, which could trigger a referendum if the amount paid by households towards the precept increases significantly. The measure is being extended to town councils and larger parishes, but so far not to small parishes, although the threat remains.

ACTIONS

The Council are requested to:

- Review the predicted expenditure and income for the remainder of this year and for the next financial year, as shown in tables 1 and 2, in order to:
 - Ensure that no expenditure has been omitted or unnecessary items included.
 - Agree or identify amendments to the use of an inflation rate of 2%.
 - Agree or identify amendments to the miscellaneous income forecast for 2017/18.
- Review the General and Earmarked Reserves shown in table 3.
- Review the precept options for 2017/18 shown in columns (f) to (h) of table 4 and the resulting impact on reserves at the end of the 2017/18 financial year. Obviously any changes to forecast expenditure or increases in reserves identified by the Council will affect the impact of precept options.

CONCLUSIONS

The increase in precept agreed for 2016/17 is predicted to result in an end of year general reserve of almost £1,225.17 (51% of precept) at the end of March 2017, with no earmarked reserves. However, due to the likely increases in pay rate and associated office, travel and other expense costs for a new clerk, the current precept of £2,400 will result in an annual deficit of £416.45 over the next financial year, which will reduce the general reserve to £808.72 (34% of a £2,400 precept) by the end of March 2018.

Unless some expenditure items (primarily the S137 charitable donations) are removed, a precept increase of £500 is needed to achieve a slight surplus over the year and maintain the general reserve. A precept increase of £300 would still be needed even if all charitable donations are discontinued.

The general reserve will be £1,308.72 (45.1% of the new precept) at the end of 2017/18 if the precept is increased by £500.00 (21%) to £2,900.00.

RECOMMENDATIONS

Provided that the Council accept the expenditure and income forecasts in this document as both reasonable and complete, it is recommended that the Council increase the precept for 2017/18 by £500.00 to £2,900.00.

TABLE 1: EXPENDITURE

Table 1 shows the budgets and actual expenditure for the years 2014/15 and 2015/16 plus the budget and predicted expenditure for the current year 2016/17. Column (k) shows the proposed budget for 2017/18.

The last four rows of the table show the overrun or under spend against the budget for each year together with the percentage increase in budget and expenditure against the previous year.

Budget 2017-18 Table 1: Helmingham PC Expenditure			2014/15		2015/16		2016/17				2017/18		See Note
			Budget	Actual	Budget	Actual	Budget	To Date ⁽²⁾ First 7 Months	Last 5 Months to Yr End ⁽³⁾	Total Predicted Spend	Budget		
Serial	Description	Amount									Increase		
(a)	(b)		(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1.00	Expenditure Items	Insurance	£ 262.00	£ 254.14	£ 254.14	£ 254.14	£ 254.14	£ 266.48	£ -	£ 266.48	£ 266.48	5%	(3)
1.01		Audit Fees	£ 36.00	£ 35.00	£ 36.00	£ 42.00	£ 143.00	£ -	£ 42.00	£ 42.00	£ 143.00	0%	(1), (9)
1.02		S 137	£ 150.00	£ 200.00	£ 200.00	£ 175.00	£ 200.00	£ -	£ 175.00	£ 175.00	£ 200.00	0%	(2)
1.03		Grass Cutting	£ 125.00	£ 125.00	£ 125.00	£ 125.00	£ 125.00	£ -	£ 125.00	£ 125.00	£ 125.00	0%	(3)
1.04		Training	£ -		£ -	£ 54.00	£ -	£ -	£ -	£ -	£ 108.00	New	(4)
1.05		Clerk's Salary	£ 510.00	£ 511.60	£ 515.00	£ 1,288.51	£ 1,054.00	£ 516.78	£ 576.61	£ 1,093.39	£ 1,256.40	19%	(5)
1.06		Clerk's Expenses	£ 309.00	£ 325.06	£ 300.00	£ 136.05	£ 300.00	£ 311.55	£ 193.85	£ 505.40	£ 465.00	55%	(6)
1.07		Suf'k ACRE/CAS Subscription	£ 37.00	£ 30.00	£ 31.00	£ 30.00	£ 31.00	£ -	£ -	£ -	£ 31.00	0%	(3)
1.08		SALC Subscription	£ 121.00	£ 120.00	£ 124.00	£ 123.00	£ 126.00	£ 127.21	£ -	£ 127.21	£ 130.00	3%	(1)
1.09		Election Expenses	£ -	£ -	£ 87.00	£ 87.50	£ -	£ -	£ -	£ -	£ -	-	(7)
1.10		Hall Hire ⁽¹⁾	£ 16.00	£ -	£ 20.00	£ -	£ 20.00	£ -	£ -	£ -	£ 20.00	0%	(3)
1.11		HMRC/PAYE Agent Fee	£ 29.00	£ 28.00	£ 29.00	£ 28.00	£ 29.00	£ 28.00	£ -	£ 28.00	£ 29.00	0%	(1)
1.12		CAS Annual Website Fee					£ -	£ -	£ 60.00	£ 60.00	£ 60.00	New	(8)
1.13	Replacement Notice Board					£ -	£ -	£ -	£ -			(10)	
1.20		Totals	£ 1,595.00	£ 1,628.80	£ 1,721.14	£ 2,343.20	£ 2,282.14	£ 1,250.02	£ 1,112.46	£ 2,422.48	£ 2,833.88	24%	
2.00	Analysis	Overrun		£ 33.80		£ 622.06				£ 140.34			
2.01		Underspend											
2.02		Budget Increase for Year		-2%		8%		33%				24%	
2.03		Expenditure Increase for Year			5%		44%				3%		

Notes:

- (1) Increase based on an assumed inflation rate of 2.0%.
- (2) Leaves S137 charitable donations for 2017/18 unchanged from those made in 2014/15.
- (3) Annual churchyard maintenance donation and hall hire budget unchanged from the current year.
- (4) Assuming full costs of two SALC training days.
- (5) Based on current hours and NALC pay rates for a part time clerk on SPC 21 (mid-range of pay scale).
- (6) Estimated expenditure for increased mileage for new clerk plus £4.00 per week office expenses (current HMRC rate) and full stationery costs.
- (7) No contested election expected during 2016/17.
- (8) New annual fee for Onesuffolk parish websites introduced when SSC passed system to Community Action Suffolk.
- (9) Additional £100 added to inflation increase on audit fee paid last year to cover new external audit body fee.
- (10) Budgeted for in 2015/16 but no longer required following maintenance of existing notice board by Helmingham Estate.

INCOME & RESERVES

Table 2: Income

Income (excluding the precept) for 2017/18 in table 2 below has been based on income for the current year with the additional assumptions that:

- Bank interest will be negligible for the foreseeable future.
- The estimated VAT refund is based on the estimated VAT expenditure for this year (2016/17). This is currently limited to the VAT component on mileage claims since the current clerk has only claimed for exceptional office supplies.
- MSDC passed on the discretionary grant provided by central government to offset the reduction in houses paying council tax due to changes in the way that council tax benefits are paid. The last payment was £46.42 this year, but the grant has now been phased out and will not be paid in 2017/18.
- The transparency fund payment in 2015/16 was paid to cover the cost in training and additional clerk hours needed to set up the Parish Website to comply with the Transparency Act introduced by central government.

Budget 2017-18 Table 2: Helmingham PC Income		2014/15		2015/16		2016/17			2017/18	
		Budget	Actual	Budget	Actual	Budget	To Date First 7 Months	Last 5 Months to Year End	Total Predicted Income	Budget
Serial	Description	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1.00	Transparency Fund	£ -	£ -	£ -	£ 299.94	£ -	£ -	£ -	£ -	£ -
1.01	Bank Interest	£ -		£ -	£ -	£ -	£ -	£ -	£ -	£ -
1.02	VAT Reclaim	£ 5.27	£ 12.60	£ 5.00	£ 14.84	£ 17.44	£ -	£ 16.44	£ 16.44	£ 17.43
1.03	MSDC Discretionary Grant	£ 122.50	£ 139.25	£ 100.00	£ 92.83	£ 46.42	£ 46.42	£ -	£ 46.42	£ -
1.10	Gross Misc Income	£ 127.77	£ 151.85	£ 105.00	£ 407.61	£ 63.86	£ 46.42	£ 16.44	£ 62.86	£ 17.43
2.00	Precept	£ 1,900.00		£ 1,900.00		£ 2,400.00				

Table 3: Reserves

Reserves held by the parish are shown in table 3 below.

The Council Meeting on 4 November 2013 approved earmarking part of the reserve for the possible purchase of a new, maintenance free notice board at some time in the next few years. A brief investigation indicated that aluminium framed, maintenance-free notice boards cost in excess of £350-£400 and the reserve earmarked for replacing the notice board was increased to £400.00 in the budget for 2015/16. However, as the existing notice board was stained and refurbished by the Helmingham Estate during 2015, the Council deemed that this earmarked reserve was no longer required and the £400.00 was returned to the General Reserve at the budget meeting for 2016/17.

The last row shows the General Reserve at the start and end of each year as a percentage of the precept (the main income) for that year. It is generally recommended that Parish Councils hold a General Reserve of between 50 and 100% of their main income.

Budget 2017-18 Table 3: Helmingham PC Reserves			2014/15		2015/16		2016/17		2017/18
Serial	Description		Start of Year	End of Year	Start of Year	End of Year	Start of Year	Estimated End of Year	Predicted Start of Year
(a)	(b)		(c)	(d)	(e)	(f)	(g)	(h)	(i)
1.00	Earmarked	Notice Board (Target £400)	£ 300.00	£ 300.00	£ 400.00	£ 400.00	£ -	£ -	£ -
1.01		Earmarked 2	£ -	£ -	£ -	£ -	£ -	£ -	£ -
1.02		Earmarked 3	£ -	£ -	£ -	£ -	£ -	£ -	£ -
1.10		Total Earmarked	£ 300.00	£ 300.00	£ 400.00	£ 400.00	£ -	£ -	£ -
2.00	General		£ 497.33	£ 920.38	£ 820.38	£ 784.79	£ 1,184.79	£ 1,225.17	£ 1,225.17
2.01	General as % of Precept		26.2%	48.4%	43.2%	41.3%	49.4%	51.0%	51.0%

The Helmingham Parish Council General Reserve had been in steady decline since the start of 2010/11 and had fallen to only £274.72 at the end of 2012/13. This decline was reversed by increasing the precept by 14.5% to £1,900 that year. The General Reserve had returned to near the target 50% of precept at the start of this financial year and is predicted to maintain this level (as a percentage of the *current* precept) for the start 2017/18, but will decline sharply by the end of 2017/18 if the cost of employing a new clerk increases expenditure on salary and expenses as expected.

SUMMARY & RECOMMENDATIONS

Table 4: Budget Summary

Budget 2017-18 Table 4: Helmingham PC Budget Summary		2014/15	2015/16	2016/17 Predicted	2017/18 Predicted		
Serial	Description				Precept Option 1: No Change	Precept Option 2: Increase by £300	Precept Option 3: Increased by £500
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1.00	START of YEAR						
1.01	General Reserves	£ 497.33	£ 820.38	£ 1,184.79	£ 1,225.17	£ 1,225.17	£ 1,225.17
1.02	Earmarked Reserves	£ 300.00	£ 400.00	£ -	£ -	£ -	£ -
1.10	Total Reserves	£ 797.33	£ 1,220.38	£ 1,184.79	£ 1,225.17	£ 1,225.17	£ 1,225.17
2.00	INCOME & EXPENDITURE						
2.01	Income, excl Precept	£ 151.85	£ 407.61	£ 62.86	£ 17.43	£ 17.43	£ 17.43
2.02	Precept	£ 1,900.00	£ 1,900.00	£ 2,400.00	£ 2,400.00	£ 2,700.00	£ 2,900.00
2.10	Total Income	£ 2,051.85	£ 2,307.61	£ 2,462.86	£ 2,417.43	£ 2,717.43	£ 2,917.43
2.20	Expenditure	£ 1,628.80	£ 2,343.20	£ 2,422.48	£ 2,833.88	£ 2,833.88	£ 2,833.88
2.30	Surplus	£ 423.05		£ 40.38			£ 83.55
2.31	Deficit		£ 35.59		£ 416.45	£ 116.45	
3.00	END of YEAR						
3.01	General Reserves	£ 920.38	£ 784.79	£ 1,225.17	£ 808.72	£ 1,108.72	£ 1,308.72
3.02	Earmarked Reserves	£ 300.00	£ 400.00	£ -	£ -	£ -	£ -
3.10	Total Reserves	£ 1,220.38	£ 1,184.79	£ 1,225.17	£ 808.72	£ 1,108.72	£ 1,308.72
3.11	General Res as % of Precept	48.4%	41.3%	51.0%	33.7%	41.1%	45.1%
4.00	Percentage Precept Increase	0%	0%	26%	0%	13%	21.0%

Table 4 summarises the figures from the previous 3 tables and shows 3 options for maintaining or increasing the precept (shown in shaded cells in row 2.02). Row 3.01 in columns (f) to (h) shows the impact of these precept options on the General Reserves by the end of 2017/18.

Rows 2.30 and 2.31 show the surplus (or deficit) of income over expenditure for the current and previous two years and for each precept option for 2017/18.

Based on the forecast total expenditure of £2,833.88 for 2017/18, the precept must be increased by at least £450 to avoid a deficit and a drastic decline in the General Reserve.

The increase of £500 shown in column (h) represents a 21% increase on the current precept and a massive 242% increase in precept over the last 10 years. Much of this increase has been due to the impact of HMRC and central government legislation on small parish councils.

The risk also remains that central government might in the near future introduce automatic parish referendums for small parish councils if precepts are increased by more than a small amount. The cost of such referendums would be borne by the parish council concerned, further aggravating its budget problems.

Recommendation

It is recommended that the Council increase the precept by £500.00 to £2,900.00 for 2017/18 provided that the Council:

- Accept the expenditure forecast for 2017/18 shown in table 1.
- Does not plan any projects over the next year or following few years that would require a larger build up in reserves.

ANNEX A: SUMMARY OF BUDGETING TABLES FOR 2017-18

Budget 2017-18 Table 1: Helmingham PC Expenditure		2014/15		2015/16		2016/17				2017/18		See Note	
Serial	Description	Budget	Actual	Budget	Actual	Budget	To Date ⁽²⁾ First 7 Months	Last 5 Months to Yr End ⁽³⁾	Total Predicted Spend	Budget			
										Amount	Increase		
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	
1.00	Expenditure Items	Insurance	£ 262.00	£ 254.14	£ 254.14	£ 254.14	£ 266.48	£ -	£ 266.48	£ 266.48	5%	(3)	
1.01		Audit Fees	£ 36.00	£ 35.00	£ 36.00	£ 42.00	£ 143.00	£ -	£ 42.00	£ 143.00	0%	(1), (9)	
1.02		S 137	£ 150.00	£ 200.00	£ 200.00	£ 175.00	£ 200.00	£ -	£ 175.00	£ 175.00	0%	(2)	
1.03		Grass Cutting	£ 125.00	£ 125.00	£ 125.00	£ 125.00	£ 125.00	£ -	£ 125.00	£ 125.00	0%	(3)	
1.04		Training	£ -		£ -	£ 54.00	£ -	£ -	£ -	£ -	£ 108.00	New	(4)
1.05		Clerk's Salary	£ 510.00	£ 511.60	£ 515.00	£ 1,288.51	£ 1,054.00	£ 516.78	£ 576.61	£ 1,093.39	£ 1,256.40	19%	(5)
1.06		Clerk's Expenses	£ 309.00	£ 325.06	£ 300.00	£ 136.05	£ 300.00	£ 311.55	£ 193.85	£ 505.40	£ 465.00	55%	(6)
1.07		Suf'k ACRE/CAS Subscription	£ 37.00	£ 30.00	£ 31.00	£ 30.00	£ 31.00	£ -	£ -	£ -	£ 31.00	0%	(3)
1.08		SALC Subscription	£ 121.00	£ 120.00	£ 124.00	£ 123.00	£ 126.00	£ 127.21	£ -	£ 127.21	£ 130.00	3%	(1)
1.09		Election Expenses	£ -	£ -	£ 87.00	£ 87.50	£ -	£ -	£ -	£ -	£ -	-	(7)
1.10		Hall Hire ⁽¹⁾	£ 16.00	£ -	£ 20.00	£ -	£ 20.00	£ -	£ -	£ -	£ 20.00	0%	(3)
1.11		HMRC/PAYE Agent Fee	£ 29.00	£ 28.00	£ 29.00	£ 28.00	£ 29.00	£ 28.00	£ -	£ 28.00	£ 29.00	0%	(1)
1.12		CAS Annual Website Fee					£ -	£ -	£ 60.00	£ 60.00	£ 60.00	New	(8)
1.13	Replacement Notice Board					£ -	£ -	£ -	£ -			(10)	
1.20	Totals	£ 1,595.00	£ 1,628.80	£ 1,721.14	£ 2,343.20	£ 2,282.14	£ 1,250.02	£ 1,112.46	£ 2,422.48	£ 2,833.88	24%		
2.00	Analysis	Overrun		£ 33.80		£ 622.06				£ 140.34			
2.01		Underspend											
2.02		Budget Increase for Year	-2%		8%		33%				24%		
2.03		Expenditure Increase for Year		5%		44%				3%			

Budget 2017-18 Table 2: Helmingham PC Income		2014/15		2015/16		2016/17				2017/18
Serial	Description	Budget	Actual	Budget	Actual	Budget	To Date First 7 Months	Last 5 Months to Year End	Total Predicted Income	Budget
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
1.00	Transparency Fund	£ -	£ -	£ -	£ 299.94	£ -	£ -	£ -	£ -	£ -
1.01	Bank Interest	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
1.02	VAT Reclaim	£ 5.27	£ 12.60	£ 5.00	£ 14.84	£ 17.44	£ -	£ 16.44	£ 16.44	£ 17.43
1.03	MSDC Discretionary Grant	£ 122.50	£ 139.25	£ 100.00	£ 92.83	£ 46.42	£ 46.42	£ -	£ 46.42	£ -
1.10	Gross Misc Income	£ 127.77	£ 151.85	£ 105.00	£ 407.61	£ 63.86	£ 46.42	£ 16.44	£ 62.86	£ 17.43
2.00	Precept	£ 1,900.00		£ 1,900.00		£ 2,400.00				

Budget 2017-18 Table 3: Helmingham PC Reserves		2014/15		2015/16		2016/17		2017/18
Serial	Description	Start of Year	End of Year	Start of Year	End of Year	Start of Year	Estimated End of Year	Predicted Start of Year
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1.00	Notice Board (Target £400)	£ 300.00	£ 300.00	£ 400.00	£ 400.00	£ -	£ -	£ -
1.01	Earmarked 2	£ -	£ -	£ -	£ -	£ -	£ -	£ -
1.02	Earmarked 3	£ -	£ -	£ -	£ -	£ -	£ -	£ -
1.10	Total Earmarked	£ 300.00	£ 300.00	£ 400.00	£ 400.00	£ -	£ -	£ -
2.00	General	£ 497.33	£ 920.38	£ 820.38	£ 784.79	£ 1,184.79	£ 1,225.17	£ 1,225.17
2.01	General as % of Precept	26.2%	48.4%	43.2%	41.3%	49.4%	51.0%	51.0%

Budget 2017-18 Table 4: Helmingham PC Budget Summary		2014/15	2015/16	2016/17 Predicted	2017/18 Predicted		
Serial	Description	2014/15	2015/16	2016/17 Predicted	Precept Option 1: No Change	Precept Option 2: Increase by £300	Precept Option 3: Increased by £500
					(f)	(g)	(h)
1.00	START of YEAR						
1.01	General Reserves	£ 497.33	£ 820.38	£ 1,184.79	£ 1,225.17	£ 1,225.17	£ 1,225.17
1.02	Earmarked Reserves	£ 300.00	£ 400.00	£ -	£ -	£ -	£ -
1.10	Total Reserves	£ 797.33	£ 1,220.38	£ 1,184.79	£ 1,225.17	£ 1,225.17	£ 1,225.17
2.00	INCOME & EXPENDITURE						
2.01	Income, excl Precept	£ 151.85	£ 407.61	£ 62.86	£ 17.43	£ 17.43	£ 17.43
2.02	Precept	£ 1,900.00	£ 1,900.00	£ 2,400.00	£ 2,400.00	£ 2,700.00	£ 2,900.00
2.10	Total Income	£ 2,051.85	£ 2,307.61	£ 2,462.86	£ 2,417.43	£ 2,717.43	£ 2,917.43
2.20	Expenditure	£ 1,628.80	£ 2,343.20	£ 2,422.48	£ 2,833.88	£ 2,833.88	£ 2,833.88
2.30	Surplus	£ 423.05		£ 40.38			£ 83.55
2.31	Deficit		£ 35.59		£ 416.45	£ 116.45	
3.00	END of YEAR						
3.01	General Reserves	£ 920.38	£ 784.79	£ 1,225.17	£ 808.72	£ 1,108.72	£ 1,308.72
3.02	Earmarked Reserves	£ 300.00	£ 400.00	£ -	£ -	£ -	£ -
3.10	Total Reserves	£ 1,220.38	£ 1,184.79	£ 1,225.17	£ 808.72	£ 1,108.72	£ 1,308.72
3.11	General Res as % of Precept	48.4%	41.3%	51.0%	33.7%	41.1%	45.1%
4.00	Percentage Precept Increase	0%	0%	26%	0%	13%	21.0%

Notes

- based on 2% inflation
- allowing same charity donations as spent in 2014/15
- unchanged from last budget
- assuming one third share of two courses
- based on clerk rates increased in line with NALC pay rates SPC 21
- increased mileage for new clerk, £4.00 per week office expenses and stationery costs.
- no election expected during the year.
- new fee for onesuffolk website provision.
- Additional £100 added to inflation increase for internal auditor estimated fee for 5 year period for external auditor under new regulations
- budgeted for in 2015/16 but no longer required.