

Briefing Note

Parish Budget & Precept 2021/2022

1.0 BACKGROUND TO BUDGET & PRECEPT

1.1 The Parish Council is required to agree a budget for the coming year and make application to Cornwall Council to collect a precept before 31 December 2020. This briefing note sets out the options considered by Councillors in order to agree a budget, a level of reserve along with the level of Precept to be charged. This note and the table below, which analyses net income and expenditure, describes the Council's budget for next year and highlights the management of residents' council tax receipts. Along with the budget and actual analysis for 2019/2020, an estimate for the current year 2020/2021 is provided.

1.2 Councillors voted to approve the Parish Council budget at the Public Meeting 28th October 2020 (Resolution item 609(G))

2.0 THE BUDGET

2.1 Councillors have reviewed the projected costs for 2021/2022. Estimated expenditure has been calculated as **£24,500** which is broadly as existing, with the increase of £2,200 required to fund the cost of the local Elections in May 2021 for which the Parish Council should Precept for this estimated expenditure. The following amounts have been maintained, and alterations are listed.

1. The cost of grass cutting is unaltered within the existing Contract conditions, although the Contract will be out to tender shortly and a new Contract will commence 1st April 2021.
2. Provision to meet Legal fees arising from the renewal of the Recreation Field lease is reduced and replaced with Loan repayments to the Public Works Loan Board commencing 20th December 2020.
3. The Grants & Donations fund is maintained at **£250** and **£275** respectively.
4. A Budget for projects arising from consultations with Councillors is calculated as **£2,750** and the Assets sums insured values increased to **£9,165**.

	Budget 2019-20	Actual 2019-20	Estimated 2020-21	Budget 2021-22
Gross Expenditure				
General & Administration				
Salaries	4,000	3,000	3,310	3,750
HMRC	0	741	760	686
Postage & Admin	400	521	263	350
Elections & Adverts	0	0	0	3,000
Training & Expenses	1,200	1,098	776	800
<i>sub total</i>	5,600	5,360	5,109	8,586
Contracts				
Legal & Website	650	1,177	1,730	550
Grass cutting	4,250	3,537	3,515	4,250
Dog bin cleansing	0	0	0	700
Insurance	1,000	892	709	1,000
Rent	2,150	2,170	0	0
Public Works Loan Board	0	0	2,732	5,464
Maintenance & Equipment	200	296	516	500
<i>sub total</i>	8,250	8,072	9,202	12,464
Projects & miscellaneous				
Grants & Donations	650	325	600	300
Newsletter printing	300	822	75	400
Miscellaneous projects	4,750	6,506	100	2,750
<i>sub total</i>	5,700	7,653	775	3,450
Total	19,550	21,085	15,086	24,500
Gross Income				
Council precept	14,600	14,600	16,000	20,000
CTS grant	164	164	160	160
Total	14,764	14,764	16,160	20,160
Vat recovery actual / estimate	0	1,665	685	0
Net Surplus / (Deficit)	-4,787	-4,657	1,759	-4,340

3.0 RESERVES

3.1 Councils have no legal powers to hold Revenue Reserves other than those for reasonable working Capital needs or for specifically Earmarked purposes. The General fund balance will be maintained at a level based upon a financial Risk Assessment carried out annually by the Responsible Finance Officer (RFO) when setting the Budget for the forthcoming year. Cash holdings at 31st March 2020 were **£20,690**.

Parish Councils maintain best practice by holding the equivalent of six months Precept income as a contingency against uneven cash flow or delayed payment. For this purpose the Parish Council review its Financial Reserves Policy and also the Financial Risk Assessment.

Any surplus on the Reserve above the required balance may be used to fund Capital expenditure, or possibly can be appropriated to Earmarked Reserves or used to limit any increase in the precept. These are deemed to be internal financial controls and Council Minutes will record a virement of budgeted amounts following approval and resolution at a Public Meeting.

3.2 Councillors have made proposals to fund Projects valued at **£2,750**. This is in addition to ring fenced Earmarked Reserves currently to the value of **£8,225**. Details of Earmarked reserve amounts may be viewed on the Council website www.botusfleming.org.uk

4.0 THE PRECEPT

4.1 Parish Councils may raise a 'Precept' amount on the Council Tax bills produced by their local billing Authority (Cornwall Council). This is the only source of Tax Revenue available to this and many other Parish Councils. 2021 is also a year when local Elections are run.

4.2 By setting aside **£8,225** of earmarked reserves, the Parish Council propose to increase the Precept (currently standing at **£16,600** for 2020/2021) to the Precept level amount of **£20,000** for the next Financial year 2021/2022.

4.3 The cost to a Band D property will be an increase from £49.95 in the current year to estimated £62.43, representing a 25% increase due purely to Local Election costs.

5.0 THE OPTIONS

5.1 At the Public Meeting on 28th October 2020, Councillors were asked to vote on three separate resolutions: to accept the Budget as presented, to agree the proposal for Contingency and Earmarked Reserves for the balance, and to agree the Precept for 2021/2022.

5.1 The budget for 2021/2022 (including Project costs) reflects the cost of providing Council services and is calculated at **£24,500**.

5.2 The level of Contingency Reserve will vary according to the Precept that has been agreed. The proposal is for 6 months equivalent Precept income, which is **£10,000**. Earmarked reserves will form the balance of funds available for Council Projects.

5.3 The Precept based on these proposals is **£20,000**.

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