

APPROVED Budget and Precept 2021-22

Budget of £38,165 approved by full council 20/1/21 Minutes 5.1.1.21, RR003/01
Precept of £30,051 approved by full council 20/1/21 Minutes 5.1.2.21, RR004/01

CONSIDERATIONS

1. The budget should be prudent and safe and should.
 - Provide for the necessary routine services and administration
 - Enable the Council to make developments for community benefit.
 - Mindful of the need to minimise costs and any increases with parishioners in mind
2. As government pressures to reduce Council Tax increase and more and more local services are being cascaded down to Parish Councils, setting a low precept now may give the Council greater difficulties in future years.
3. In making the budget and precept, the Finance Group have looked at the management of reserves in order to:
 - Cover the management of cash flow as the precept is paid in stages and other receipts are unpredictable (e.g., burial fees)
 - Provide for a considered amount for unpredictable outgoings
 - Provide for smoothing between years to avoid extreme variations between years
 - Begin precepting so that funds are available for projects which are known in outline but not in detail, so that all the funds do not have to be raised in a single year (i.e. bungalow replacement roof and boiler, Winkleigh Gateway signage and election fees)

RECOMMENDATION:

Having considered all the information that is available Winkleigh Parish Council set a budget of £38,165 and sets the precept for 2021-22 of £30,051

This is equating to an annual Band D household rate of £48.10, which is an annual increase of £3.01 (6.67%) (25p per month/5p per week).

The effect of the decreased tax base due to the effect of the Pandemic (see below) is £0.74p (1.65%), therefore, the council's actual budgeted precept rise is £2.27 (5.02%) per Band D household.

TAX BASE

The District Council bases the "tax base" for the parishes upon a snapshot of the number of properties eligible for Council Tax as at the end of November, after accounting for discount and reliefs (e.g., Single Person Discount, Local Council Tax Support etc.) This Tax base is finalised and approved by the full TDC meeting on the 14th December 2020.

Covid-19 Impact: Due to the current global pandemic the current council tax collection rate has fallen, this means that the collection rate for next year's tax base will be set at 97.4%, this will result in a reduction of the parishes tax base (which may be offset by new properties). This amounts to £0.74 of the £3.01 increase per Band D property.

SUMMARY

2020/21 Current Financial Year ending 31st March 2021

The current budget is £36,316 with a precept demand of £28,636, which was £1,400 (4%) increase over the previous year.

This was mainly due to the predicted annual increased costs for staff, administration, professional fees, IT and GDPR compliance

In addition:

- Winkleigh Parish Council awarded grant applications for payment during the financial year totalling £1,245.00
- The Parish Council were legally required to upgrade their website in accordance with Accessibility Regulations at considerable cost
- The Cemetery Bungalow required electrical work and contingency accrual towards boiler replacement
- The Winkleigh Parish Neighbourhood Plan additional costs no longer eligible for grant funding

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- Councillor and clerk training budget have been increased due to the number of vacancies on the parish council and the requirement to train any new councillors.

2021/22 New Financial Year (1st April 2021)

The Finance group have proposed a budget of £38,165 (5% increase of £1,849) with a precept demand of £30,051 (4.94% increase of £1,415)

This increase is primarily due to

- £2652 budget increase for the Cemetery Bungalow to allow for a possible non-repayable rent break (£1652) and accrual for replacement roof and boiler
- £1948 budget increase for grants awarded to be paid May 2021 to organisations within the Parish

With other budget heads either increasing or decreasing to a lesser extent.

A full breakdown of the budget can be found at the end of this report

CASH BALANCE.

The predicted cash balance at the end of this financial year will amount to approximately £24,030.52 of which £21,182.82 is earmarked as indicated below.

Current Account	£ 2847.70		
		Requirement for April Bills prior to receipt of precept (leaving a general working contingency of £190.26)	£2657.44
Reserves Account	£14382.82		
		Earmarked funds for Election costs	£1000.00
		Earmarked VE & VJ Day events	£1000.00
		Earmarked WPC general reserves contingency	£8741.68
		Restricted Tap Fund Grant (Footpath map)	£ 140.00
		Earmarked Gateway Signage	£1719.12
		Earmarked P3 Parish Paths Partnership	£ 413.02
		Earmarked Environment Fund	£1000.00
		Earmarked Neighbourhood Plan	£ 369.00
Bungalow Account	£ 6800.00		
		Earmarked Accrual for Emergencies and roof/boiler replacement	£6800.00

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Reserves

The level of reserves is sufficient to meet the needs of the current budget and in accordance with Winkleigh Parish Council Reserves Policy. The Reserves currently amount to 3 months running costs, as modest contingencies. The legal guidance on unrestricted reserves is 3-6 months running costs as a maximum to be held as contingency.

Risk Assessment

(Extract from current reserves policy)

In order to assess the adequacy of the general fund when setting the annual budget, the RFO will take account of the strategic, operational and financial risks facing the council.

The requirement of the level of the general fund balance for the forthcoming year will therefore be based upon a risk assessment of the council's main areas of income and expenditure and take into account any provisions and contingencies that may be required.

The main items to be considered are:

<i>Financial risk</i>	<i>Analysis of risk</i>	<i>Risk Level</i>	<i>Management of Risk</i>
Pay inflation is greater than budgeted	The cost of living increase is above the level allowed for in the estimates	Low	The RFO budgets a contingency into the staff costs budget and monitors inflation rates and anticipated cost of living increases
Contractual inflation is greater than budgeted	A general assumption is made when estimating the percentage increase on rates and utilities. This may increase above budgeted inflation. Professional and other services costs increase above estimate.	Low	The RFO budgets a contingency into the running costs/administration budget and monitors inflation rates and anticipated cost of living increases
Cemetery management income is lower than budgeted for	That a decrease in revenue is realised from estimate	Medium	The budgeted income for the cemetery is deliberately kept low, allowing for approximately 3 interments per year. Council general reserves will be used to offset any loss of income and replaced the following year

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Rental income for Cemetery Bungalow is lower than budgeted for	That a decrease in revenue is realised from estimate due to loss of tenants, property uninhabitable or other unbudgeted reason	Medium	The loss of rental income can be covered by one year from bungalow reserves but will need to be replaced if the council decide to continue to rent out the bungalow in the future
Contingent liabilities are realised	That the council becomes liable to pay contingent liabilities	Low	The council have the required public and employee liability insurances and fidelity guarantee and have extensive policies in place to guide councillors and staff

Detailed Budget figures	Actual	Actual	Budget	Forecast year-end	APPROVED BUDGET	
	2018/19	2019/20	2020/21	2020/21	2021/22	COMMENTS
STAFF COSTS	13174	14786	17604.00	17946.23	16029.01	Decrease of £1,575
Clerk Salary	10746.11	12074	11998.35	11998.35	12357.15	increment rise £0.46p = + £358.80
Clerk Overtime	incl in salary	incl in salary	2743.65	2414.32	500.00	Decreased
Clerk working from home allowance	612	612	612.00	771.86	771.86	£159.86 increase - HMRC increase during 2020
Mileage allowance	250	150	150.00	257.50	250.00	£100 increase
Chair's allowance	216	200	200.00	4.73	50.00	£150 decrease
HMRC employer Deductions	900	1300	1300.00	2079.47	1500.00	£200 increase for contingency
Training	450	450	600.00	420.00	600.00	No Change
ADMINISTRATION	1547	1910	3000	2776.50	3110.00	Increase of £110.00 = 3.6%
Election	0	0	0	0	500.00	£1000 earmarked in reserves - recommend £500 increase
Insurance	1000	850	850.00	800.31	850.00	No Change to allow for increase
Website	130	130	1120.00	1220.00	300.00	£820 Reduction due to Hosting fees only
Room Hire	207	150	150.00	0.00	150.00	No Change
Stationary	200	150	250.00	275.96	300.00	£50 increase to allow for higher ink costs

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Postage	10	10	10.00	0.00	10.00	
IT costs (device Protection/ servicing/operating system)		620	620.00	480.23	1000.00	£380 increase to allow for equipment replacement/repair accrual
RUNNING COSTS	3992	3360	3468.00	3263.68	3540.00	Increase of £72.00 = 2%
Electric to square	192	60	168.00	205.12	240.00	£72 Increase due to EDF increase of £6 per month
Street Cleaning	3000	2500	2500.00	2358.56	2500.00	Unchanged
Grass Cutting	800	800	800.00	700.00	800.00	Unchanged
PROFESSIONAL FEES	935	965	1010.00	960.00	1021.00	Increase of £11.00 = 1%
Audit internal & external	400	425	425.00	375.00	425.00	Unchanged
Data Protection Registration	35	40	35.00	35.00	35.00	Unchanged
Subscriptions	500	500	550.00	550.00	561.00	£11 increase to allow 2% fee increase
ASSETS	1500	1000	1400.00	1268.76	1400.00	Unchanged
Maintenance	500	500	500.00	756.35	500.00	Unchanged
Defib Accrual			400.00	400.00	400.00	Unchanged
Purchases	1000	500	500.00	112.41	500.00	Unchanged
GRANTS/DONATIONS	725	5275	1245.00	1275.00	3193.00	Increase of £1948.00 = 156%
Various organisations	725	5275	1245.00	1275.00		
					318.00	Parochial Church Council Clock repair
					500.00	OCDTG
					2000.00	Village Hall
					300.00	North Devon Records Office
					75.00	Royal British Legion Poppy Wreaths
CONTINGENCY		500	500.00	30.00	500.00	Unchanged
ENVIRONMENT GROUP			1000.00	1000.00		Not Required (£1000 in reserves)
NEIGHBOURHOOD PLAN			369.00	369.00		Not Required (£369 in reserves)
GATEWAY SIGNAGE		1500				Not required (£1719 in reserves)

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CEMETERY	3974	3470	3470	2904.31	3470.00	Unchanged
Business Rates	424	470	470.00	309.81	470.00	Unchanged
Grounds Keeper Contract	2500	2500	2500.00	2520.00	2500.00	Unchanged
General Maintenance/contingency	1050	500	500.00	74.50	500.00	Unchanged
BUNGALOW	2150	2150	3250	3249.74	5902.33	Increase of £2652.33 = 26%
Bungalow Gen & annual maint	150		750.00	1260.10	750.00	Unchanged
Bungalow Contingency	1000	0	1000.00	549.00	1000.00	Unchanged
Bungalow Kitchen	0.00	1000			1000.00	Bungalow Boiler replacement Accrual
Bungalow Electrics			1000.00	1000.00	1000.00	Bungalow Roof replacement Accrual
Bungalow Rental Break					1652.33	3 month rent break (possibly non-repayable) £1652.33
Bungalow Admin/letting fees	500	500	500.00	440.64	500.00	Unchanged
Bungalow General Maintenance	500	650				
TOTAL	27997	34916	36316.00	35494.22	38165.34	
			Budget	Actual		
INCOME	2018/19 Budget	2019/20 Budget	2020/21 Budget	Forecast year-end	2021/22 APPROVED Budget	Comments
Precept	20552.00	27236.00	28636.00	28636.24	30050.98	
Grants						
Other/Interest		12.00	12.00	4.69	5.00	Decrease of £7
Bungalow Rent	5945.00	6168.00	6168.00	6294.60	6609.36	increase of £314.76 = 5% on actual
Cemetery Fees	1500.00	1500.00	1500.00	1005.00	1500.00	Unchanged
TOTAL	27997.00	34916.00	36316.00	35940.53	38165.34	