

**Budget & Precept proposals for 2021/2022**

Please find below tables which show a comparison between last year's budget (2019/2020), this year's (2020/2021) and that anticipated for next year (2021/2022).

Actual figures are shown where possible but when estimated these are *italicised in red*.

Please note that I have included figures where necessary **for guidance only** in order to aid the process of setting the budget & precept.

**Budget v Expenditure**

- The R&AC proposes a budget for 2021/2022 of **£36,740**.
- The F&GPC proposes a budget of **£108,720** exc. Grants.
- The full PC has agreed grant expenditure of up to **£4,070**.

The Council is therefore considering a total budget of **£149,530 for 2021/2022**.

Please note these figures exclude earmarked reserves.

	<b>2019/20</b>		<b>2020/21</b>		<b>2021/22</b>
	<b>Budget (revised) £</b>	<b>Actual £</b>	<b>Budget £</b>	<b>To year end £</b>	<b>Budget £</b>
Recreation & Amenities	35,090	24,476	35,940	<i>34,750</i>	<i>36,740</i>
Admin	98,720	96,261	100,665	<i>95,672</i>	<i>108,720</i>
Grants	3,496	3,496	3,892	<i>3,540</i>	<i>4,070</i>
<b>Total expenditure</b>	137,306	124,233	140,497	<i>133,962</i>	<i>149,530</i>

**Income**

The F&GPC agreed in Nov 2008 not to project income from other sources as this usually comes from grants for projects and is offset by corresponding expenditure.

	<b>2019/20</b>		<b>2020/21</b>		<b>2021/22</b>
	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>	<b>To year end</b>	<b>Budget</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Interest	500	662	600	<i>250</i>	<i>150</i>
Grants	0	14,911	0	<i>14,677</i>	?
CIL Received	0	35,072	0	1,370	?
Income from other sources	0	780	0	<i>340</i>	?
S106 Received	0	0	0	24,250	?
ESC grant	0	0	0	0	648
<b>Total</b>	500	51,425	600	<i>40,887</i>	<i>798</i>
Precept	143,641	143,641	140,497	140,497	?
<b>Total Income</b>	144,141	195,067	141,097	<i>181,834</i>	?

Please note there is some rounding in the figures because they have been extracted from our financial software.

## Reserves held by the Parish Council

The following table shows the allocation of the PC's earmarked reserves (EMR), and its remaining general reserves. Please refer to the Financial Summary & Draft Earmarked Reserves for 2021/22 reports for the figures used.

Expenditure from earmarked reserves, of estimated **£24,220** to year end 2020/21 is **excluded** in the expenditure table above but included below.

**Proposed earmarked reserves (EMR) for 2021/22 are £167,205.** This however will change according to how much money is left in 9003 EMR Locality Budget/Grants, 9010 EMR Bike Trails Project, 9018 EMR Harry Higgins Play Area, 9019 EMR Portal Woodlands CG, 9020 EMR CIL Reserve, 9022 EMR CIL Harry Higgins PA, 9023 EMR DPC SID grant & 9024 EMR S106 Reserve because in these cases the remaining balance is carried forward, with a further £100 being added to the PWCG. If we receive any further grants that have not yet been spent, they will also be earmarked. We should bear in mind that our EMR includes a total of £36,442 in Community Infrastructure Levy (CIL) funds & £24,250 in S106 funds, both are time limited. This is inflating our overall reserves.

In recent years the Council has based its precept demand on the budget and replenishing and establishing an earmarked reserve for future projects & contingencies. The Governance and Accountability Guide for Smaller Authorities in England 2018 gives the following guidelines on reserves:

*5.166. As authorities have no legal powers to hold revenue reserves other than those for reasonable working capital needs, or for specifically earmarked purposes, whenever an authority's year-end general reserve is significantly higher than the annual precept or rates and special levies, an explanation should be provided to the auditor.*

I have not made any projections on what the PC might spend from earmarked reserves during 2021/22.

	2019/20		2020/21		2021/22	
	Start of year £	End of year £	Start of year £	End of year £	Start of year £	End of year £
General reserves	86,261	87,451	87,451	<b>104,186</b>	<b>76,901</b>	<b>?</b>
Earmarked reserves	98,824	98,381	98,381	<b>79,228</b>	<b>106,513</b>	<b>?</b>
CIL Reserve	0	35,072	35,072	<b>36,442</b>	<b>36,442</b>	
S106 Reserve	0	0	0	<b>24,250</b>	<b>24,250</b>	
<b>Total reserves</b>	185,085	220,904	220,904	<b>244,106</b>	<b>244,106</b>	<b>?</b>

## Setting the Precept

Using the above projections for expenditure, income and earmarked reserves, the PC now needs to consider at what level it wishes to maintain its general reserves in order to calculate the precept request for 2021/2022. Please bear in mind government guidance above.

I therefore give on page 5 **for consideration** three examples of how the Council might wish to set the precept & the impact on general reserves. Of course any amount can be substituted. You can see in the table below what the general reserves might be at the end of 2021/22 if all the earmarked reserves were spent, which seems very unlikely, and this might help the PC consider whether it needs to increase the precept for earmarked reserves. The threat of referendum on precepts has currently been removed but parish/town councils have been encouraged to show restraint in precept setting. For your information, for 2020/21 the PC set the precept the same as the budget, which showed as a reduction of approx. 1.95%.

Please refer to ESC Precept Request letter dated 06 January 2021. The estimated number of Band D properties is now showing the same as it did last year, i.e. 2,296.33, which is an improved position compared with the indicative tax base figures previously received.

**Example 1:** This shows the impact of keeping our precept requirement the same as for the current year, i.e. **£140,497**. This would result in a charge of **£61.18** per band D property, a **0% change**.

**Example 2:** This shows the impact on reserves if we precept for the budget of **£149,530**. The new charge would be **£65.17** per property, which would show as an **increase of approx. 6.52%**.

**Example 3 (AGREED BY RESOLUTION C2021/1u):** This shows the impact on reserves if we increase the precept to **£145,000**. The new charge would be **£63.14** per property, which would show as an **increase of approx. 3.2%**.

These are just examples to assist in the decision making process. The PC will need to decide what is most important, e.g. increasing its reserves further to cope with increasing demands or maintaining a zero or low tax increase to ease the council tax burden.

	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22 example 1</b>	<b>2021/22 example 2</b>	<b>2021/22 example 3 Resolutions C2021/1t &amp; 1u</b>
	£	£	£	£	£
<b>START OF YEAR</b>					
General reserves	86,261	87,451	<b>76,901</b>	<b>76,901</b>	<b>76,901</b>
Earmarked reserves	98,824	98,381	<b>106,513</b>	<b>106,513</b>	<b>106,513</b>
CIL Reserve	0	35,072	<b>36,442</b>	<b>36,442</b>	<b>36,442</b>
S106 Reserve	0	0	<b>24,250</b>	<b>24,250</b>	<b>24,250</b>
<b>Total reserves</b>	185,085	220,904	<b>244,106</b>	<b>244,106</b>	<b>244,106</b>
Income exc precept	51,425	<b>40,887</b>	<b>798</b>	<b>798</b>	<b>798</b>
Precept	143,641	140,497	<b>140,497</b>	<b>149,530</b>	<b>145,000</b>
<b>Total income</b>	195,067	<b>181,834</b>	<b>141,295</b>	<b>150,328</b>	<b>145,798</b>
Expenditure	(inc EMR) (159,248)	(inc EMR) <b>(158,182)</b>	<i>(exc EMR)</i> <b>(149,530)</b>	<i>(exc EMR)</i> <b>(149,530)</b>	<i>(exc EMR)</i> <b>(149,530)</b>
<b>END OF YEAR</b>					
General reserves	87,451	<b>104,186</b>	<b>68,666</b>	<b>77,699</b>	<b>73,169</b>
Earmarked reserves	98,381	<b>79,228</b>	<b>106,513</b>	<b>106,513</b>	<b>106,513</b>
CIL Reserve	35,072	<b>36,442</b>	<b>36,442</b>	<b>36,442</b>	<b>36,442</b>
S106 Reserve	0	<b>24,250</b>	<b>24,250</b>	<b>24,250</b>	<b>24,250</b>
<b>Total reserves</b>	220,904	<b>244,106</b>	<b>235,871</b>	<b>244,904</b>	<b>240,374</b>