

Budget proposals for 2020/2021

Please find below tables which show a comparison between last year's budget (2018/2019), this year's (2019/2020) and that anticipated for next year (2020/2021).

Actual figures are shown where possible but when anticipated these are *italicised* and **emboldened**. 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 budget for 2020/2021 is **£35,940**.
- The F&GPC Administration budget is **£100,665** exc. Grants.
- The full PC agreed grant expenditure of up to **£3,892**.

The Council therefore considered & agreed a total budget of **£140,497 for 2020/2021 (Resolution C2020/1h)**.

Please note these figures exclude earmarked reserves. The Portal Woodlands budget was moved into an earmarked reserve, so I am no longer showing it here for simplicity.

	2018/19		2019/20		2020/21
	Budget (revised) £	Actual £	Budget £	To year end £	Budget £
Recreation & Amenities	37,326	29,582	35,090	<i>26,572</i>	<i>35,940</i>
Admin	103,270	88,844	98,720	<i>98,088</i>	<i>100,665</i>
Portal Woodlands	3,234	632	0	<i>0</i>	<i>0</i>
Grants	1,826	1,826	3,496	<i>3,496</i>	<i>3,892</i>
STOP! campaign	0	0	0	<i>3,000</i>	<i>0</i>
Total expenditure	145,656	120,884	137,306	<i>131,156</i>	<i>140,497</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.

	2018/19		2019/20		2020/21
	Budget	Actual	Budget	To year end	Budget
	£	£	£	£	£
Interest	450	634	500	<i>650</i>	<i>600</i>
Grants		3,125		<i>14,241</i>	
CIL Received				35,072	
Income from other sources		3,600		<i>440</i>	
Total	450	7,359	500	<i>50,403</i>	<i>600</i>
Precept	143,000	143,000	143,641	143,641	?
Total Income	143,450	150,359	144,141	<i>194,044</i>	?

Reserves held by the Parish Council

The following table shows the allocation of the PC's earmarked reserves (EMR), and its remaining general reserves.

Expenditure from earmarked reserves, of estimated **£34,675** to year end 2019/20 is **excluded** in the expenditure table above but included below.

Proposed earmarked reserves (EMR) for 2020/21 are £133,450. This however will change according to how much money is left in 9008 EMR Neighbourhood Plan Plus, 9003 EMR Locality Budget/Grants, 9010 EMR Bike Trails Project and 9019 EMR Portal Woodlands CG because in these cases the remaining balance is carried forward, with a further £200 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 now includes £35,072 in Community Infrastructure Levy (CIL) funds, which must be spent within 5 years. This is inflating our overall reserves; I have left it in but perhaps for the future an overall review of our earmarked reserves is needed.

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 on earmarked reserves during 2020/21.

	2018/19		2019/20		2020/21	
	Start of year £	End of year £	Start of year £	End of year £	Start of year £	End of year £
General reserves	73,033	86,261	86,261	98,196	79,848	?
Earmarked reserves	88,641	98,824	98,824	115,102	133,450	?
Total reserves	161,674	185,085	185,085	213,298	213,298	?

Setting the Precept

Using the above projections for expenditure, income and earmarked reserves (which of course may well be changed), the PC considered at what level it wished to maintain its general reserves in order to calculate the precept request for 2020/2021, bearing in mind government guidance above.

The Finance & General Purposes Committee (F&GPC) considered 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 2020/21 if all the earmarked reserves were spent, which seems very unlikely, to help the PC consider whether it needed to increase the precept for earmarked reserves. The F&GPC recommended Example 3 below as it could see no justification for increasing the general reserves in light of the level of earmarked reserves for future projects.

The threat of referendum on precepts has currently been removed but parish/town councils are encouraged to show restraint in precept setting. For your information, the PC made no increase in precept for 2019/20.

The estimated number of Band D equivalent properties has reduced from 2,302 to 2,296 (rounded), i.e. by 6 properties.

Example 1: This shows the impact of keeping our precept requirement the same as for the current year, i.e. **£143,641**. This would result in a charge of **£62.55** per band D property, an increase of 14 pence, which would show as an **increase of 0.22%** on the 2020/21 Council Tax bills against the Parish element.

Example 2: If we wished to keep the tax charge the same (i.e. **£62.41** per Band D property), to show as a **0% change** on the council tax bill, we were advised that we could set a **£143,317** (rounded) precept.

Example 3 (RECOMMENDED & AGREED): This shows the impact on reserves if we precept for the budget of **£140,497**. The new charge would be **£61.19** per property, which would show as a **reduction of approx. 1.95%**.

These were just examples to assist in the decision making process. The PC needed 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 in case of referendums being imposed.

	2018/19 £	2019/20 £	2020/21 example 1 £	2020/21 example 2 £	2020/21 example 3 (Resolutions C2020/1h & 1i) £
START OF YEAR					
General reserves	73,033	86,261	79,848	79,848	79,848
Earmarked reserves	88,641	98,824	133,450	133,450	133,450
Total reserves	161,674	185,085	213,298	213,298	213,298
Income exc precept	7,359	50,403	600	600	600
Precept	143,000	143,641	143,641	143,317	140,497
Total income	150,359	194,044	144,241	143,917	141,097
Expenditure	(inc EMR) (126,948)	(inc EMR) (165,831)	(exc EMR)(140,497)	(exc EMR)(140,497)	(exc EMR)(140,497)
END OF YEAR					
General reserves	86,261	98,196	83,592	83,268	80,448
Earmarked reserves	98,824	115,102	133,450	133,450	133,450
Total reserves	185,085	213,298	217,042	216,718	213,898

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