

Briefing Note

Budget & Precept 2021/2022

1.0 Background

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. Because the council does not hold a public meeting in December, councillors are asked to approve a budget and precept application at their meeting on 19 November 2020. This briefing note sets out the background to the budget and recommends that the council support a precept that will enable it to carry its statutory duties and projects for the next financial year.

2.0 The issues

2.1 Expenditure for 2021/22 is budgeted to be £22,227, which is a decrease of £1,995 compared to the budget set last year. The decrease is 8%.

2.2 In order to meet the day to day expenses of the parish council, I have taken into account a reduction in the Council Tax Support grant from Cornwall Council and included income that will derive from fees and charges. I have included an increase in interest from the higher deposit with Cornwall Council.

2.3 In calculating a budget for 2021/2022, the Clerk has examined all the costs incurred to date and made provision for changes, as well as including items that we may be liable for in the future. Councillors should note that earlier this year, they appointed a new contractor for ground maintenance, and the charge for this is lower than the previous contractor. This accounts for the savings made in the forecast for next year.

2.4 The Cornwall Council officer who calculates the cost estimates for elections has published this council's potential charges. They range from £810 for an uncontested election (and so the minimum charge to this council) to £4,940 if contested (where the council pays a full contribution). The officer advises that this maximum figure is a worst case scenario, and the likely figure could be much less, but will not specify how much lower.

In allocating a sum for your budget, I have discussed this with the Chair and recommend that you include a nominal sum of £810 for election expenses (so at least covering the minimum cost). If the final sum is higher than estimated, the balance can be drawn down from your reserves. At the close of business on 31 October 2020, your reserves were £86,090.

2.5 The final calculation for a budget that takes account of all these factors will require a precept which is lower than that previously levied. The proposal is that the precept be decreased to £20,383. This is a decrease of £1676 or 7.6%.

2.6 At its public meeting on 16 May 2019, councillors agreed to set an annual budget for its Community Grants (Item 50/2019A) that would be based on current demand for grants. In April 2020, councillors received applications for grants totalling £9,675 and awarded £3,600. Currently, they have received applications for £1,050. At the time of drafting this note, the remaining budget for 2020/21 is £1,400. Based on previous experience, the council might expect to receive applications totalling £5,000 each year.

3.0 Recommendations

3.1 To accept the budget calculation of £22,227 and support a decreased precept. The final calculation for the precept in 2021/22 would be £20,383.

3.2 To top up the Community Grants budget from the general reserve to a figure of £5,000, the final amount to be agreed at the April 2021 public meeting.

3.3 To maintain the current reserves with Cornwall Council.

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MENHENIOT PARISH COUNCIL

Budget 2021-22

prepared 05/11/2020

			ok Actual 2019-20	ok Budget 2020-21	ok Actual 2020-21*	draft Budget 2021-22	change
Net Expenditure			£	£			
1.00	Open spaces						
	1.1	Grasscutting	2610.00	3190.00	2320.00	2000.00	-1190.00
	1.2	Strimming	690.00	1156.00	375.00	375.00	-781.00
	1.3	Weed spraying	0.00	1006.00	125.00	125.00	-881.00
	1.4	Other expenses	2544.00	1500.00	1500.00	1170.00	-330.00
	sub total		5844.00	6852.00	4320.00	3670.00	-3182.00
2.00	General Administration						
	2.1	Salaries	12074.00	7875.00	9254.00	8613.00	738.00
	2.2	Audit fees	400.00	400.00	400.00	400.00	0.00
	2.3	Other expenses	5448.00	3740.00	3740.00	4018.00	278.00
	2.4	Fees & elections	0.00	0.00	0.00	810.00	810.00
	sub total		17922.00	12015.00	13394.00	13841.00	1826.00
3.00	Allotments						
	3.1	Rent	0.00	80.00	80.00	80.00	0.00
	3.2	Maintenance	0.00	350.00	100.00	100.00	-250.00
	sub total Expenditure		185.00	430.00	180.00	180.00	-250.00
4.00	Public toilets						
	4.1	Cleaner	0.00	2850.00	2860.00	2766.00	-84.00
	4.2	Maintenance	4880.00	300.00	150.00	395.00	95.00
	4.3	Water	2011.00	800.00	400.00	400.00	-400.00
	sub total Expenditure		6891.00	3950.00	3410.00	3561.00	-389.00
5.00	Public lighting						
	5.1	Electricity	409.00	350.00	350.00	350.00	0.00
	5.2	Maintenance	122.00	125.00	125.00	125.00	0.00
	sub total		531.00	475.00	475.00	475.00	0.00
6.00	Donations						
	6.1	Donations	766.00	500.00	2000.00	500.00	0.00
	6.2	Grants	0.00	0.00	0.00	0.00	0.00
	sub total		766.00	500.00	2000.00	500.00	0.00
6E	Neighbourhood Plan						
	6E1	Projects	506.00		2938.00		
	sub total		506.00				
	TOTAL		32645.00	24222.00	23779.00	22227.00	-1995.00

			Actual 2019-20	Budget 2020-21	Actual 2020-21*	Budget 2021-22	change
Gross Income			£				
7.00	Statutory & Discretionary						
	7.1	Council precept	20000.00	22059.00	22059.00	20383.00	-1676.00
	7.2	CTS Grant	865.00	594.00	594.00	300.00	-294.00
	7.3	Allotment rentals	264.00	265.00	265.00	265.00	0.00
	7.4	Parish paths grantsn LMP	728.00	743.00	728.00	728.00	-15.00
	7.5	Grants/VAT	1017.00	0.00	3071.00	0.00	0.00
	7.6	Fees & Other Income	60.00	61.00	5.00	61.00	0.00

	7.7	Bank interest	532.00	500.00	400.00	490.00	-10.00
	7.8	Miscellaneous	290.00	0.00	10112.00	0.00	0.00
	TOTAL		23756.00	24222.00	37234.00	22227.00	-1995.00