

Budgetary Planning Discussion:

Lower Slaughter Parish Council Precept Financial Period 2021/22

[Updated following further discussions at the PC Meeting 20210118]

Scope:

This document has been produced to aid discussions amongst the LSPC Councillors with respect to setting the financial budget and hence the Annual Precept for the forthcoming financial year i.e. April 2021 to March 2022.

Budgetary Planning Landscape:

Budgetary planning for LSPC is undertaken in line with the following strategies:-

- To ensure we undertake our statutory obligations as Parish Councillors recognising our duty of care to the residents of and visitors to Lower Slaughter.
- To continue to recognise the gradual reduction in the numbers of “active” residents within the village (leading to increased reliance on external service providers).
- To maintain improved control of the village aesthetics by the continued outsourcing of grass maintenance to external service providers.
- To recognise the increased maintenance requirements within the allotment area arising from a decline in the number (and requirements) of allotment holders.
- To continue to manage as best as possible the issues created by the increasing visitor numbers to the village.
- To ensure a sufficient financial reserve is maintained to prepare the village against financial stress in the future.

Commentary for Financial Activity in 2020/2021: (Current Period)

Significant factors to be aware of for the current financial period.

- The budget for 2020/21 was predicated on outgoing expenses of £9,000 and income (excluding Precept) of £2,795 resulting in a financing requirement of £6,205.
- The Precept requested for 2020/21 was £5,800 on the expectation that a small reduction in the level of reserves would arise (£405).
- However, because of the COVID pandemic, no income has been received from grants or filming donations, whilst additional expenses have been incurred to support the move to conducting Parish Council meetings by remote means.
- The significant time incurred in preparing for and participating in a major Planning Enquiry resulted in higher than anticipated activity for the Parish Clerk during the financial year.
- The expansion of the external grass maintenance services to the allotment area also resulted in an increased spend in this financial period.

As a consequence of the reduced income and increased expenditure, 2020/21 is likely to see an overspend of approximately £2,300 which will be financed through a higher than anticipated contribution from the financial reserves of the Parish Council.

The predicted year end outcome is indicated in the second column of the spread sheet included at the end of this document.

Budget Planning for 2021/2022

In developing the budget for 2021/2022 the following commentary is provided:

Income Assumptions:

incomes are generally in line with historic levels and allotment renewals are increased at a rate of 10% per annum in an attempt to move towards an income level that reflects the real costs of maintaining the allotment area.

It is assumed that recovery of VAT incurred in 2020/21 is permitted and successful.

Whilst this has been difficult to predict in the past it has been assumed that additional income from grants, hotels and/or filming to the value of £500 is received in the financial period.

Expenditure Assumptions:

Save as further described below, general levels of expenditure are in line with previous years with appropriate inflationary increases assumed.

It is assumed that Parish Clerk activity is an average of 20 hours per month.

Costs for Grass maintenance activities have been increased to £3,300 to reflect the additional scope of works required to include the allotment area.

The provision for Audit Fees remains increased due to the need to secure a new Internal Auditor and due to the loss of ability to claim exemption from the limited assurance review. (Options to reduce the costs of the Internal Audit will be pursued.)

It is assumed that some tree survey activity will be required in the period and a figure of £500 has been provided for this.

Only a minor allowance has been provided for special projects within the village as these costs will be taken from the Village Projects (Filming) reserve or the River Maintenance Reserve as appropriate.

A detailed proposal for the 2021/2022 Financial Year is included at the end of this document the salient features of which are: -

Anticipated Income (excluding Precept) is anticipated to be £1,612

The level of Expenditure covering routine operating expenses and general maintenance is forecasted to be £9,901.

As such, the net financing requirement for LSPC for 2021/22 will be £8,289.00.

It is therefore proposed to increase the Precept application by £800 from £5,800 to £6,600 which equates to an increase of 16.3% in terms of the overall Precept Amount and an increase for a Band D property from £35.15 to £41.72. (Tax Base 2021/22 = 158.2)

This budgetary proposal will create a financial shortfall of £1,689 which will be financed from our general Capital Reserve.

To support this approach, and to recognise the requirement to address the flood alleviation issues for Lower Slaughter, the following reallocation of Financial Reserves is proposed.

Category of Reserve	Current Position	Proposed Position	Change
Earmarked for Weir Repairs/Flood Mgmt.	£10,000.00	£15,000.00	+ £5,000.00
Earmarked for TRO Management	£10,000.00	£10,000.00	£0
Earmarked for Village Projects	£39,240.02	£32,240.02	- £7,000.00
General Unallocated Reserves	£2,971.28	£4,971.28	+ £2,000.00

Lower Slaughter Parish Council

Budgetary Proposal for 2020/2021

	Budget for 2021/2022	Outcome for 2020/2021	Budget for 2020/2021	Budget for 2019/2020	Budget for 2018/2019	
Income						
Allotment Income	£300.00	£293.00	£280.00	£280.00	£190.00	
WPD - Wayleaves	£12.00	£11.98	£35.00	£46.00	£39.00	
Bank Interest	£15.00	£19.00	£30.00	£14.00	£13.25	
VAT Recovery	£785.00	£733.00	£950.00	£650.00	£600.00	
Other (Hotel Contribution/grant)	£500.00	£0.00	£1,500.00	£250.00	£300.00	
Total	£1,612.00	£1,056.98	£2,795.00	£1,240.00	£932.25	
Expense						
Secretarial Services (Consultancy)	£0.00	£0.00	£2,000.00	£2,000.00	£2,920.00	
Clerk Wages	£3,360.00	£3,900.00	£0.00	£0.00		
Clerk Home Allowance	£216.00					
Clerk Expenses	£362.00					
Clerk Tax & NIC payments	£0.00	£0.00	£0.00	£0.00		
PATA Admin charges	£80.00	£95.00	£45.00	£20.00		
Grass Maintenance	£3,300.00	£3,282.00	£2,000.00	£2,200.00	£2,100.00	
Insurance	£480.00	£460.00	£480.00	£425.00	£391.33	
GAPTC	£63.00	£59.10	£60.00	£60.00	£62.58	
Audit Fees (estimate)	£400.00	£380.00	£350.00	£250.00	£100.00	
Printing & Stationary	£60.00	£20.00	£20.00	£20.00	£20.00	
Postage	£40.00	£28.00	£50.00	£20.00	£10.00	
Salt/Grit	£50.00	£0.00	£100.00	£100.00	£50.00	
Tree Maintenance	£500.00	£0.00	£1,000.00	£1,250.00	£1,000.00	
Councillor Training Expenses	£100.00	£250.00	£150.00	£150.00		
Fuel for Strimmer	£20.00	£20.00	£25.00	£25.00	£20.00	
Water Rates (Allotment)	£70.00	£65.00	£70.00	£75.00	£80.00	
General Mtce	£300.00	£90.00	£150.00	£200.00	£250.00	
Allotment Maintenance	£300.00	£65.00	£1,000.00	£1,250.00	£80.00	
Defibrillator (training)					£150.00	
River Management Consultancy			£750.00		£150.00	
Projects						
Allotment Shed Removal		£850.00				
Allotment Boundary Repair				£400.00	£950.00	
Kerbside Repairs				£400.00	£480.00	
Allotment Works						
Stumpbusting				£150.00	£200.00	
Sub Total projects		£0.00	£500.00	£950.00	£1,630.00	
Contingency	£200.00		£250.00			
Total	£9,901.00	£9,564.10	£9,000.00	£8,995.00	£8,533.92	
Financing Required	£8,289.00	£8,507.12	£6,205.00	£7,755.00	£7,601.67	change
Precept Requested	£6,600.00		£5,800.00	£5,700.00	£5,600.00	13.79%
Balance from Capital Reserves	£1,689.00	£2,302.12	£405.00	£2,055.00	£2,001.67	
grant	0		0	0	0	
tax base	167		165	163.7	161.5	change
Band D charge	£39.52		£35.15	£34.82	£34.67	13.50%