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## ***FILKINS AND BROUGHTON POGGS PARISH COUNCIL***

### ***BUDGET PRECEPT REPORT 2021/22***

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#### **1. Purpose**

1.1. The Parish Council is required to set out a budget and Precept for 2021/22, in accordance with the information set out by the Responsible Financial Officer [RFO].

#### **2. Background Information**

2.1. Filkins and Broughton Poggs Parish Council agrees a budget annually for the next financial year and submits a Precept request to Oxfordshire County Council.

2.2. In accordance with section 25 of the Local Government Act 2003, this report provides members with information concerning the recommended budget and adequacy of balances and reserves, to meet the financial requirements of the next financial year.

2.3. Filkins and Broughton Poggs Parish Council is required to set its Precept in accordance with statutory requirements. The report sets out implications of setting the Council's Precept for 2021/22 and the impact it will have on the Council's proportion of the Council Tax Bill. Note: This is a provisional budget and will be further refined in light of revised costs for example of subscriptions and our Street Light replacement programme.

#### **3. 2020/21 Proposed Budget**

3.1 A provisional budget has been prepared, as attached. This includes a comparison for 2019/20, the budget for 2020/21 and the projection for 2022/23. It is noted that the precept raised covers only immediate regular or foreseen expenses for the Parish Council. If extra maintenance/refurbishment projects are undertaken it may be required to raise the precept or use the Council's reserves.

The key changes/issues proposed are as follows:

### 3.2. Expenditure

- We will continue with our Street Light replacement programme and look to replace another 2 in 2021/22
- Groundsman has been employed from March to September annually

### 3.3. Income

- The Parish Council has taken over responsibility for the grass cutting within the village boundaries. This does not include the splays on the A361. A grant will now be payable to the Parish Council annually.

### 3.4. Expenditure

<b>Cost Centre</b>	<b>Summary of Changes for 2021/22</b>
<b>E01 Salary &amp; Expenses</b>	There will be a national incremental salary increase in April 2022 of approx 2%.
<b>E02 General, Fees &amp; Insurance</b>	General expenditure and services increase to cover CLP expenses
<b>E03 Utilities</b>	2 street lights to be replaced
<b>E04 Grounds &amp; Maintenance</b>	Limited changes in this cost centre with regards grounds maintenance just the increase in Groundsman's expenses. Small budget has been included to address any tree works in Hardcastles Field/Vale Wood Cemetery – works will be carried out to trim the fir trees at the entrance and upgrade the path.
<b>E05 Miscellaneous</b>	No change.

## **4. 2021/22 Precept Calculation**

4.1. Each parish forecasts how much money it is going to need the following year. This is then divided by the number of properties in the parish that fall into Band D Council Tax bands.

4.2 The amount required to be raised by way of Council Tax to meet the expenditure of this Town/Parish during the year 2021/22 will be:

1	Town/Parish general expense (Budget)	£18,500
2	Town/Parish council election expenses (pre-populated)	None
3	Cash requirements ('Old' Precept) (line 3 = line 1+ line 2)	£18,500
4	Less: Town/Parish grant awarded	£ 0
5	Town/Parish precept for tax setting purpose (line 5 = line 3 – line 4)	£18,500
6	Proposed precept 2021/22 (from line 5)	£18,500
7	Tax base	£215.14
8	Band D Tax - Please divide line 6 by line 7(line 8 = line 6 / line 7)	£85.99
9	Previous Year Band D Tax	£82.35
10	Tax rise (line 8 – line 9) / line 9 x 100	£3.64

## **5. Balance & Reserves**

5.1. Sections 32 and 43 of the Local Government Finance Act 1992 require local authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement. However, there is no specified minimum level of reserves that an authority should hold and it is the responsibility of the RFO to advise the Council about the level of reserves and to ensure that there are procedures for their establishment and use. It is stated by our External Auditor that a minimum of 1 years precept should be kept in reserve.

5.2. The 2021/22 budget includes contingency provisions to provide protection against any unforeseen revenue commitments and a shortfall in anticipated income.

5.3. It is recommended that the current level of financial reserves is agreed as follows:

- (a) Set aside sufficient sums as general reserves to support any major unforeseen spending pressures.
- (b) Even at times when extreme pressure is put on the Council's finances the Council must keep a minimum balance sufficient to pay one month's salaries to staff in general reserves at all times.
- (c) Undertake regular reviews as part of the budget setting process.
- (d) Assess the balance (over the 1 year precept in reserve) at the end of each year and look to spend this on projects within the village or earmark these monies towards a future larger project.

## **6. Risk Assessment**

6.1. The budget has been prepared in accordance with key principles of prudence and transparency, and the levels of balances, reserves and contingencies within the budget are adequate.

## **7. Recommendation**

7.1. The Parish Council is asked to consider the issues raised above and to agree (or otherwise) its budget and corresponding Precept for 2021/22 is proposed.



