

PRECEPT 2020/2021 INITIAL REVIEW

Note: To be read with Budget/Actual Comparison as at 31.10.2019

1. The above comparison predicts that as at 31.3.20 there are 5 of the 18 items that will show a deficit compared with the Budget Forecast. Comments on the items are:

Admin, Stationery, Postage – The highest element are the ink cartridges. It was necessary to purchase a new printer and as yet only HP cartridges are available through Viking which is probably the cheapest online supplier. They are bought in a quantity to avoid postage costs.

HMRC Agent – Possible under calculation.

Training – Additional courses and DALC increase in fees.

Village Hall Hire: The hire costs for May 2018 to March 2019 were paid in this financial year and not included in the Budget. The deficit will be higher because of the Extraordinary meetings. Payment of hire charges within a financial year has been requested and implemented.

Election Contingency: The amount included was based on the cost of the election in 2018, but there was a 6.5 % increase in the cost from TDC.

2. The comparison predicts that 6 of the items will show a surplus basically because of savings achieved, lower or no expenditure so far and 7 items are predicted to balance.

3. **Budget 2020/2021**

An initial comment is that all the items included this year will need to be retained except for the Parish Website Final Payment. Particular additions and comments are:

Inflation: This continues to be a factor that needs to be considered plus potential price increases. There needs to be an overall increase of say 5% or 10% for each item, except the following.

Election Contingency: There have been contested elections in 2018 and 2019 with the total cost to the Council and the residents of £1,928.74. These have been due to residents exercising their democratic rights with, say 5% of the residents incurring a cost of say £14.00 for each average Band D property. There is always the potential for a casual vacancy stand-alone election in the parish each year until the next 4 yearly elections in 2023. I recommend it would be prudent to include the full cost of say £1,500 of an election in the Budget. If an election is held now this will need to be £3,000 to replace much depleted reserves. This will protect the Council from an unexpected cost, and if used £1,500 will need to be in each future year's Budget. This policy is recommended by the Chief Financial Officer of TDC.

Defibrillators: The decision for three Defibrillators to be provided, which were paid for from donations, has created two additional items of expenditure for the Council:

Annual Support Cost: The current figure is £330 plus VAT, a total of £396 that must be included each year.

Replacement of Defibrillators: I understand these need to be replaced after 8 years which will be in 2027. The cost for the 3 units this year was £4,950. It has been suggested to wait nearer the time to consider how the cost will be covered which could be by a request for further donations, grants or on the basis of what if neither are successful, a large increase in the precept. The future cost cannot be predicted but it will be an increase. As a prudent measure I would suggest starting a provision now with an amount of say £1,000 being included in the precept for each of the next 7 years.

Clerk's Pay: The current nominal working hours are 3 per week which are proving to be very much below the actual hours worked. It has been stated by the Society of Local Council Clerks that a large number of Clerk's are underpaid for the hours that they do work. An increase in the hours worked has been requested and whatever is approved will need to be added to the Budget.

Clerk's Home Working Allowance: The current maximum tax free amount allowed by HMRC is £4 per week. The present figure paid is £100 per annum, say £1.92 per week. An increase to £3 per week has been requested which would be £156 per annum which will reflect the increase in hours and personal costs.

Road Warden Scheme and Parish Paths Partnership Scheme

I have not included any amounts as councillors will have to decide the costs required.

Councillor Requests: I have not included any amounts that councillors may wish to include.

Reserve: The above items are just to cover necessary expenditure. It appears this has been the past policy and I suggest that it would be prudent to consider provision for a reserve.

N R Harvey
Responsible Financial Officer
Dunchideock Parish Council
9.11.2019