

DUNCHIDEOCK PARISH COUNCIL

**BUDGET REVIEW FOR FINANCIAL YEAR 2020/21 AND  
BUDGET STATEMENT FOR FINANCIAL YEAR 2021/22**

INTRODUCTION

This document is to support councillors in considering the items and amounts that need to be included in the Budget and Precept for the Financial Year from 1 April 2021. The items and amounts must be confirmed at the meeting on 19 January 2021 as the Precept request must be with the Chief Financial Officer of TDC by 29 January 2021. This Review needs to be read with Budget/Actual Comparison for 31 December 2020 already circulated.

MATTERS TO BE CONSIDERED

*Reserves*

Long standing guidelines are that a local council, in calculating its Budget and Precept must as far as possible secure that it will suffice for four classes of items namely:

- A. Next year's expenditure, including an allowance for contingencies
- B. Outstanding expenditure incurred in previous years
- C. Expenditure likely to be incurred before the precepted sum becomes available (for example interest on an overdraft)
- D. Payments to a Sinking Fund, Capital Fund or Renewals and Repairs Fund

Items A and D will apply to the council

The Good Councillors' Guide recommends a general reserve of between 3 and 12 months' expenditure, plus an election contingency. The average of actual expenditure in 2018/19 and 2019/20 and the projected expenditure 2020/21 (based on the Budget/Actual Comparison for 31 December 2020) is £7,711. This would indicate a target general reserve figure of between £1,928 and £7,711, plus an election contingency of £1,500 (based on the most recent election cost). To date, the Council has prudently worked towards a target general reserve representing 12 months' expenditure.

The Council is unlikely to have any payments that were not included in the final budget for 2020/21, apart from an overtime claim of £316.40 for the Clerk's work on updating documents on the website to meet accessibility requirements. There are also likely to be as yet un-finalised overtime claims for the Clerk whose last day of employment is 9 February. There will be some savings in terms of the Clerk's pay for the remainder of the financial year which could be set against this.

Projected balance as at 31 March 2021

Parish Council cashbook balance as at 31 December 2020 (as on Bank Reconciliation report)	£5,286.48
LESS:	
Clerk's overtime claim for accessibility work	£316.40
Projected deficit for January to March 2021 (as on Budget/Actual Expenditure Comparison report)	£3,100.66
<b>Projected general balance as at 31 March 2021</b>	<b>£1,869.42</b>
PLUS:	
Defibrillator replacement fund	£500.00
Election contingency	£1,500.00
<b>Total projected reserves</b>	<b>£3,869.42</b>

## *Other Detailed Notes*

Existing items need to be included subject to the following comments:

Administration – an increase of say £50

Audit – an increase of £5

Clerk's Salary – following the decision of the Council at the Part Two meeting on 12 January 2021, the cost of replacement Clerk has been included on the basis of 5 hours per week (as at present). The new appointment has been budgeted at Point 11 on the NJC scales, although savings may well be possible depending on the qualifications and experience of the successful candidate. Based on an estimated 2% national pay increase, as yet unconfirmed.

Clerk's Home Working Allowance – Increased from £3 to £4 per week

Clerk's overtime contingency – recognising that there are peaks in the Clerk's working year. An allowance for an average of up to 3 hours per month. The new appointment will be encouraged to take "time off in lieu" where possible.

HMRC Agent – Allow for increase to £84 as figure has not been increased for 2 years

Insurance – Allow £200 in case of increase in Insurance Premium Tax

Subscriptions – As advised

Training – Councillor attendance at two courses, plus contingency for Clerk training.

Village Hall Hire – No increase advised – Renew at existing figure which is for 8 meetings

Charity – Payment of £25 to Royal British Legion has been a long-standing donation

Computer Equipment and Repairs – The computer is 5 years old and appears to be working adequately but replacement needs to be considered as it is the vital piece of equipment. A contingency of £300 is suggested

Country News – A community asset that should be supported at the same figure

Defibrillators Annual Support cost and electricity – I believe the Annual Support Cost will remain the same and allow for slight increase in electricity charge to total of £420

Defibrillators Annual Provision for renewal – Continue at £500

Election Contingency – Provided there is not an election before 31<sup>st</sup> March 2021 the current figure of £1,500 can be carried forward and this amount does not need to be included

Notice Board Repair – Use of the existing amount will depend on when the new Notice Board at Kings Bridge is installed and the Notice Boards at Dunchideock Bridge and Underdown refurbished. This may be carried forward or another amount may need to be included. If not used the amount could be used as part of an increase in the reserve with the same figure next year

Other Projects/Asset Maintenance – This is a contingency and if not used could be used as part of an increase in the reserve with the same figure next year

Reserves allocations – provision of £500 towards increasing the Council's reserves to a prudent level (see detail above)

Parish Website Domain Name – This will not be required after the new website is in use

Provision for new Website – Replaced by the website hosting annual fee at £228 plus VAT

*Based on notes provided by N R Harvey, Responsible Financial Officer dated 5 November 2020, and updated by Cllr Cook 18 January 2021*