

## **REPORT TO PICKMERE PARISH COUNCIL**

**1<sup>st</sup> December 2020**

### **AGENDA ITEM 6.3 – BUDGET AND PRECEPT FOR 2021-22**

#### **1. Background**

- 1.1 Following initial reporting to the November Parish Council meeting of forecast financial outturn figures for 2020-21, the issue of a working paper that discussed the budget for 2021-22, together with other current financial considerations, and the subsequent informal working group discussion into these matters, it is now necessary to agree the Council's budget for the next financial year and the consequent precept requirement to be reported to Cheshire East Council, and it is also appropriate to make decisions as to the financial windfalls that the Council has received in the last six months or so.

#### **2. Budget for 2021-22**

- 2.1 Following consideration of the forecast financial outturn for the current financial year, a draft budget for 2021-22 is appended to this report. It contains very minor amendments to the initial draft appended to the report to the November Council meeting. This draft budget assumes that the precept figure for 2021-22 will remain the same as the current and previous year, that is £13,650.
- 2.2 Alongside this proposed budget is a schedule showing the suggested breakdown of funds to be earmarked for particular potential expenditure items, many of which are carried over from the current year, together with a schedule of sums to be safeguarded in bank balances against specified potential contingencies. These proposals are also subject to your Council's decision today.
- 2.3 The proposed budget taken together with the schedule of specified earmarked and contingency items effectively to be kept on one side would, on the basis of current assumptions, maintain a bank balance broadly equivalent to one year's precept. Such a balance is appropriate in terms of the council's ability to maintain a satisfactory cash flow, and also to accommodate potential unforeseen events. The draft budget is appended to this report, and the suggested breakdown of specified contingency and earmarked items is given in Column 3 of Table 1 below.

**Table 1 – Specified contingency and earmarked items**

Column 1	Column 2	Column 3
Potential Expenditure item	Existing budget 2020-21	Possible proposed budget 2021-22
<b>CONTINGENCIES</b>		
Legal fees general	£1000	£1000
Village Hall – Unforeseen building / equipment repair or replacement	£1000	£1000
Pavilion – Unforeseen building / equipment repair or replacement	£300	£300
IROS Grass cutting	£2000	£2000
Miscellaneous tree work	£1000	£920
Cheshire railings repair/painting	£1000	0
<b>CONTINGENCIES sub-total</b>	<b>£6300</b>	<b>£5220</b>
<b>EARMARKED FUNDS</b>		
Review of assets and poss. refurbishment / replacement of buildings including planning, architectural & legal costs	£10000	£9500
Clover Drive play area and two sites – remnant of maintenance fund @ 3/11/20	£7800	£10000
Play area – sinking fund for replacement/refurbishment	£6000	£6000
Fund held against possible future election costs	£1000	£2000
<b>EARMARKED Funds sub-total</b>	<b>£24800</b>	<b>£27500</b>
<b>GRAND TOTAL</b>	<b>£31100</b>	<b>£32720</b>

### 3. Windfall receipts

3.1 The report to Council in November made reference, alongside the reporting of a reduction in Village Hall rental income for the year, to the two unexpected sources of income received during the current financial year:

- Business Support Grant due to the Covid epidemic and the loss of income from the rental of the Village Hall - £10,000
- Community Infrastructure Levy sums totalling £9052 in respect of two housing developments currently under construction in the Parish.

3.2 The informal working group discussion held since the November Council meeting discussed various expenditure priorities, and how they might affect how these sums are spent or allocated. As a result of the discussion, which revealed a strong feeling that additional moneys should be allocated to enhancing some of the Council's property assets, the breakdown in Table 2 is provided for consideration. Unlike consideration of the precept figure for 2021-22, it is not essential that a decision on this aspect be made at this meeting. It is also pointed out that these breakdowns are solely in the purview of the Parish Council, and subject to normal Standing Order requirements, the Council would be able to amend the breakdown of any such moneys that have not been spent at some future date, if so minded.

**Table 2 – Possible allocation of windfall moneys received to date**

<b>BUSINESS SUPPORT GRANT (£10,000)</b>	
Amount held and earmarked to cover potential loss of Village Hall hire income 2021-22	£2000
Asset upgrading/general property maintenance and enhancement	£8000
<b>TOTAL</b>	<b>£10000</b>

<b>COMMUNITY INFRASTRUCTURE LEVY (£9052)</b>	
Neighbourhood Plan – provision for extra consultant input over and above grant-aided expenditure	£3000
Earmarked sum to add to 'sinking fund' for renewal/refurbishment of play area	£3000
Asset upgrading/general property maintenance and enhancement	£3052
<b>TOTAL</b>	<b>£9052</b>

3.3 Separate reports on this agenda discuss a prioritisation of immediate potential expenditure items in relation to the asset upgrading category referred to in the table above, and the future of the Clover Drive play area.

3.4 Members are of course free to propose a different allocation of the windfall monies to that described above.

**4. Recommendation**

4.1 That members consider the proposed budget for 2021-22 and decide upon that and the precept to require for the year 2021-22.

4.2 That members consider the schedule of earmarked funds and specified contingency items to be implemented alongside the budget.

4.2 That members consider and decide upon the breakdown of windfall monies discussed above.

**J Steel**

**Clerk to the Parish Council**