

To	Valley Community Council Members
Date	29.11.20
Author	Gwenda Owen, Clerk
Title	Budget and Precept Setting 2021/22
Purpose	To seek the approval of Valley Community Council Members to set the budget and precept level for 2021/22
Recommendations	<p>R1: That the Community Council set a precept of £26045.15 i.e. a decrease of £7895.90 on the 2020/21 precept. This reflects the level of funding brought forward and not spent from 2020/21 and will ensure that we can meet an estimated increase of 3% inflation on existing commitments and cover the proposed additional works required during 2021/22. This represents a precept of £27.10 per year based on a Band D property. This equates to a decrease of £8.21 per year per property (15p per week).</p> <p>R2: That the Community Council approves the planned expenditure for 2021/22 and obtains detailed quotations before proceeding.</p> <p>R3: That the community Council approves the transfer of funding from Ynys Wen to cover the cost of running the cemetery in 2020/21.</p> <p>R4: That the Ynys Wen Cemetery Account be ring-fenced for costs associated with the maintenance and upkeep of the cemetery but that funds may be accessed as a short term measure,(e.g. large VAT payments until this has been claimed back) subject to the agreement of the full council.</p> <p>R5 That the earmarked reserve of £4500 be re-allocated as noted in point 3 of the report.</p>

1. Introduction

- 1.1 The precept for 2020/21 was set at £33,941, which based on a band D equivalent represented a charge of £35.31 per property per annum.
- 1.2 Covid 19 has had a significant impact on the budget for 2020/21. Despite achieving all planned additional works, there has been significantly less overall expenditure, savings having been made in areas such as training, translation and members allowances. This has led to a higher than anticipated carry-forward for 2021/22 which has the knock- on effect of reducing the precept required to meet projected expenditure for 2021/22.
- 1.3 It is anticipated that by the end of March, 2021, the Council will have met nearly all its of its objectives for the year and through prudent use of funds, undertaken some additional works during the year. Assessment of the clock has been deferred due to the need for travel from Derby.
- 1.4 The costs associated with Ynys Wen during 19/20 were transferred to the Community Account.
- 1.5 A sum of £500 per budget heading was transferred to the Money Manager Account towards repairs to the clock, planned saving towards future replacement of play equipment in the park by the school and repair/replacement of the platforms.
- 1.6 The Finance Committee have held quarterly and sometimes additional meetings in order to manage the budget.

2. Financial Position.

2.1 Expenditure over the last five years (2020/21 Predicted spend)

Pre 19/20, budget headings were limited with a great deal of expenditure being placed under miscellaneous expenses. Additional budget headings have been added and hence the difference between 19/20 and 20/21 expenditure . In order to improve reporting and to establish key areas of expenditure the budget headings for 2019/20 have been increased making it difficult to provide an year on year comparison. However, as a guideline, miscellaneous expenditure is now kept to a minimum with expenditure noted under more specific budget headings. The new budget headings coloured in blue. From 2020/21 onwards, the plan is to report on expenditure from 19/20 onwards.

Budget Heading	16/17	17/18	18/19	19/20	21/22
Translation	617	770	1132	671	124
Clerk	4737	7475	7023	5805	5932
Members allowance				1750	1500
HMRC				1472	1496
Parc Mwd	24290	6882	41427	12908	11189
Misc Exp	7240	8363	12052	1761	1634
Play Area	867	687	4080	2143	3338

Parc Branwen				120	185
Clock	84	96	120	135	
Footpaths	360	435	355	370	370
Bus Shelters				1000	500
Insurance				1845	1867
Office expenditure				580	239
Training				280	0
Car park				1980	1980
Ynys Wen	1969	3227	2161	1939	1809
VAT Paid	4771	2329	8396	1441	1373
Donations inc chairman	350	350	200	500	450
Trans to YW and MM	4000	2400	6590	4500	1500
Total	48745	36407	85149	42395	35628

Recovery of certain elements of expenditure.

Ynys Wen costs will be recovered by transferring money from the Ynys Wen Account. VAT will be re-claimed as will the cost of maintaining the public footpaths.

3. The community Council's performance in 2020/21

3.1 Allowances were made for the following planned work during 2020/21

Repairs to existing bus shelters	£1,000
Play area inspection and repairs & bin	£2,650
Play area transfer to earmarked reserves	£ 500
Parc Mwd transfer to earmarked reserves	
For platforms long term plan	£ 500
Parc Mwd resolve flooding of pitches	£1,700
Programmed replacement of benches (2)	£1,300
Parc Mwd additional maintenance costs	
Contingency	£2,000
General contingency	£3,000
Clock (inspection and repairs)	£ 500
Members allowances	£3,000
 Total	 £14,155

Progress was made as follows:-

Replacement/ Repairs to existing bus shelters – As at 29th November 2020, there had been no repairs to existing bus shelters.

Transfers to earmarked Reserves – A total of £1500 was transferred to the Money Manager Account to cover £500 each for clock repairs, platform repair/renewal, long term plan to replace play area equipment.

Recommendation for 21/22: Despite plans to transfer £500 annually to these, it is recommended that this is not set aside this year as the £4500 transferred in a previous year for the bus shelter replacement is not required and this could be shared between the clock (£500), platform repairs which is a priority (£3,500), and the play area (£500).

Play area inspection and repairs – A sum is placed in the budget annually towards this cost. The work for 2020/21 has been delayed due to Covid but is planned to be completed before the end of the financial year. This year it was in the region of £2000 inclusive of the inspection fee.

Clock Inspection and Repairs – The inspection of the clock is deferred to 2021/22 due to Covid 19.

Members Allowance – The sum of £3,000 had been set aside for members allowances. Projected expenditure for 20/21 is £1500 as some members have elected not to claim their allowances. This has had the impact of increasing the carry forward projected.

Recommendation for 21/22 – that a sum of £2900 be set aside again to ensure that there is no risk to the general budget should figures exceed the budget set aside to cover allowances.

Replacement benches – Two benches will be purchased before the end of the financial year as planned.

Recommendation for 21/22 – That a sum of £1300 be put in the budget to replace two benches as part of a rolling programme. The benches to be from recycled plastic in line with the Environmental Policy.

4. Predicted Spend 2021/22

4.1 One off expenditure during 2020/21 to be removed from 2021/22 draft budget

Replacement to existing bus shelters	£ 500
Play area repairs	£ 2,000
Benches x 2	£ 1,300
Members allowances	£ 1,500
Parc Mwd Drainage	£ 2,650
Transferred earmarked reserves	£ 1,500
Balance of contingencies	£ 500
Total	£ 9,950

4.2 Anticipated income 2021/22

Lease Valley Senior and Junior Football	£ 500
Reimbursement Ynys Wen (anticipated)	£1,809
VAT refund claim Apr 20 to Mar 21	£1,373
Reimbursement footpath maintenance	£ 370
Total	£ 4,052

4.2 Planned additional expenditure for 2021/22

Translation	£ 600
Repairs to bus shelters	£ 500
Play area inspection and repairs	£ 2,000
Programmed replacement of benches	£ 1,300
Parc Mwd additional maintenance costs and post	£ 2,000
Contingencies general	£ 2,000
Clock inspection and repairs	£ 500
Members Allowances	£ 2,900
Total	£11,800

To note:

- Translation shown as additional but is usual figure. 2021/22 expenditure low due to Covid 19.
- Repairs to bus shelters provisional budget reduced from £1000 to £500 as no expenditure in the past two years.
- Parc Mwd additional maintenance allows for unexpected costs and the post. There is still some contingency for 2020/21 and this could cover the cost of post on pitch three.
- The general contingency figure for 2021/22 has been reduced to £2000 as the £3000 allocated last year was not spent.
- Clock inspection and repairs – this is funding not spent last year that has been re-allocated.
- Members allowances allows for all allowances to be paid.

Appendix 1 provides the following information.

1. Predicted out-turn (i.e. total expenditure) for 2020/2021
2. Deduction of one-off expenditures which have or are likely to occur before the end of March 2021. These items are noted in 4.1 above
3. 3% inflation on all remaining costs which are viewed as routine expenditure.
4. Planned additional expenditure for 2021/22 These are items which have already been agreed and are noted in 4.3 above.
5. A list of anticipated income to be received during 2021/22
6. Budget proposals indicating anticipated expenditure, income, projected carry forward at the end of 20/21 to 21/22 budget and projected carry forward at the end of the next financial year for 22/23.
7. A figure for the precept required for 2021/22, a comparison of the precept with the previous year and a breakdown of the cost per household.

4.3 Projected Financial Position

Predicted Carry Over 2019/20 for 20/21 budget	£9997.73
Predicted Income 20/21	
Lease football clubs 20/21	£500.00
Ynys Wen Refund (Spend 20/21)	£1809.02
Footpaths refund for maintenance (Spend 20/21)	£370.00

VAT refund 20/21	£1373.10
Total predicted income	£4052.12
Total anticipated income including carry over	£14049.85
Projected Expenditure 21/22 (See appendix 1)	£37095.00
Plus Carry forward projection for 21/22 for 22/23 budget	£3,000.00
Total anticipated budget required	£40,095.00
Less anticipated income	£4052.12
Less anticipated carry forward 20/21 for 21/22	£9997.73
Precept 2021/22(inc 3 % uplift on last year)	£26045.15

5.0 Comparison of bank balances over the past three years at the end of October year on year.

Bank Balances	26.10.18	26.10.19	26.10.20
Treasurer (11049321)	£17877.58	£8499.55	£14,727.97
Money Manager (41188453)	£10652.81	£15174.83	£16,697.46
Ynys Wen (61209205)	£13,447.05	£15387.25	£16,762.18
Money Manager (51216996)	£2,072.77	£2076	<u>£2,080.00</u>
Total	£44050.21	£41138.53	£50,267.61

6.0 The clerk's salary should be reviewed in January and any increase in line with NJC Salary scales is proposed. This should be more than adequately covered in the 3% inflationary uplift allowed.

7.0 Risks

7.1 The budget forecast has been made based on the projected expenditure at the end of 2020/21 plus 3% inflation and removing the one-off items purchased already during the year or scheduled to be purchased before the end of March, 2021. This mitigates against the risk of spending more than the budget and allows for quarterly budget monitoring to be undertaken.

7.2 The Council has allowed a relatively high level of contingency within the budget and as this has not been spent during the year, this has resulted in a higher carry forward to the next year. Year on year this has resulted in an increase in the reserves. This year the level of contingency has been reduced to a more realistic level and its expenditure will be monitored over the year. This should result in balancing the level of our reserves so that they are within the permitted guidelines.

8.0 Earmarked Reserves

Long term planning requires funds to be set aside to meet future costs. The earmarked reserves are currently as follows. Please note these do not include the Ynys Wen fund as these have, historically been ring fenced, to enable the purchase of land in the future and to ensure that the cemetery is maintained.

Financial year	Bus Shelter Replacement	Parc Mwd Platform Fund	Play Area replacement equipment fund	Clock
19/20	£4500			
20/21	Any year end balance	£500	£500	£500
21/22	-	£3500	£500	£500

It is recommended that there be no transfer from the Treasurers Account this year but a re-distribution of the bus shelter replacement funds earmarked in 19/20.

4.0 Conclusions

It is appropriate to decrease the precept due to the high carry forward figure and as the projected budget ensures that current services can continue to be provided.

During 2020/2021 the Council will have delivered against all its financial objectives during the year as noted previously in this report. It will also, through careful budgeting, have delivered additional items/works within the year which were required due to Covid 19 e.g. signage and deep cleaning of the pavillion.

The Finance Committee are working towards continued long term financial planning with a view to maintaining existing services and to enable new services to be introduced as the need arises. The Place Shaping work has been on hold due to Covid 19 but when it re-starts it should feed into the Finance Plan of the Council. The coming year focuses on maintaining existing services rather than embarking on new projects. The Community Council must be cautious in its approach to expenditure during 2021/22 and ensure that it does not spend any funding that has not been accounted for in the budget, without consultation with the Finance Committee and agreement of the full Council.