

ELDON PARISH COUNCIL

15th December 2020

Budget and Precept 2021-2022

REPORT OF CLERK

INTRODUCTION

1. The Parish Council needs to determine its budget and precept for 2021-22. The current year's budget (2020-21) is £12,285. Taking into account the LCTRS grant of £1,985, this resulted in a precept of £10,840 and a Band D Council Tax rate of £116.81. The precept in the previous year (2019-20) was £117.65.

POSITION IN 2021-2022

2. The Parish Council has been advised that the tax base (on which the precept is calculated) will rise from 92.8 Band D properties in 2020-21 to 100.6 Band D properties in 2021-22 - a rise of 7.8 properties.

3. The LCTRS grant provided by the County Council to Eldon Parish Council has generally fallen year on year in the past, but the grant in the current year (2020-21) increased to £1,985 compared to £1,757 in 2019-20. This meant that, together with the increased tax base, the Parish Council would be £263.30 better off at a standstill position in 2020-21. As such the Parish Council chose only to increase its budget by under £200, resulting in a decrease in the precept in the current year. Whilst the increase in Band D properties for 2021-2022 of 7.8 would be expected to result in a significant increase in income to the Parish Council, the LCTRS grant has been reduced by the County Council from £1985.00 (current year) to £1047.00 in 2021-2022. The net effect is that even if the Parish Council maintained a standstill budget, it would be £28.00 worse off in 2021-22.

4. If members wished to maintain a standstill budget (i.e. £12,825, as in 2020-21, the precept for 2021-22 would need to increase by £28.00 to account for the shortfall arising from the reduction in LCTRS funding passported by the County Council from Government funding. However, it would be prudent to note that there are a number of factors which are likely to increase demands upon the Council's forthcoming budget, including pay increases. The Council is also reminded that the LCTRS grant could be withdrawn altogether by the County Council in a worst-case scenario. Other factors to take into account in determining the 2021-22 budget include the cost of inflation, although this has fallen in recent months during the Pandemic. Council should also be aware that expenditure in 2020-21 has reduced as a result of events being cancelled (Village Fete, Garden Competition, grants for Halloween and Christmas events, although this expected to be a one-off. There was additional expenditure in relation to contribution to new bus shelter (£2000) and towards the DCC children's play area (£6000) from earmarked reserves, and provision of a Christmas tree this year (£800 – although part of this was for a permanent base, fencing and lights which can be re-used in future years).

5. Members should note that, in setting the budget and precept for 2021-22, it is not believed that any capping will be introduced, but this may not be the case in future years. The Government has indicated that it only wishes to see increases in Parish Council precepts linked to additional provision of services.

6. In submitting its precept request to the County Council, the Parish Council will need to request **only** that sum required, once the LCTRS grant has been subtracted from the overall budget figure.

BUDGET AND PRECEPT 2021-22

7. A schedule showing the current year's budget and is attached, together with options for different budget increases. A decision is sought on the budget and precept.

Tom Bolton
Clerk to Eldon Parish Council

Note. Members are reminded that in England and Wales, Section 106 of the Local Government Finance Act 1992 prohibits a local councillor in council tax arrears for at least two months from voting on the setting of a precept or any recommendation, resolution or other decisions which might affect the calculation of the precept.

	Budget 20/21	Budget 21/22 (1)	Budget 21/22 (2)
Item	£	£	£
Staffing Costs (inc. PAYE)	3550.00	3650.00	3650.00
Staffing Expenses	450.00	450.00	450.00
Grants and Donations (inc. wreath)	250.00	250.00	250.00
Newsletter/postage/printing/stationery	200.00	200.00	200.00
Insurance	525.00	550.00	550.00
Audit Fees and Registration ICO	200.00	200.00	200.00
Subscriptions CDALC SLCC	200.00	200.00	200.00
Sundries/hire of hall etc	200.00	200.00	200.00
Environmental inc. seats, footpaths etc.	1500.00*	1000.00	1000.00
Grants/donations ECP	2900.00*	2200.00*	2200.00*
Contingency	100.00	100.00	100.00
Training	200.00	100.00	100.00
Community Events/competitions	2500.00	2500.00	2500.00
Gateway Maintenance plus flower tubs	1000.00	800.00	800.00
Land Registry Fees	NIL	NIL	NIL
Multi Sports Training	300.00	250.00	250.00
Youth Shelter Maintenance	NIL	NIL	NIL
Website Provision (DCC)	750.00	800.00	800.00
Christmas Tree		500.00	500.00
Total	£14,825.00	£13,950.00	£13,950.00
	£12,825.00 after deduction of *£2K from reserves £12,825 - £1985 LCTRS grant £10,840 Precept Tax Base 92.8 Band D £116.81	£12,950.00 after deduction of *1K from reserves £12,950 - £1047 LCTRS grant £11,903 Precept Tax Base 100.6 Band D £118.32	£13,450.00 after deduction of *0.5K from reserves £113450 - £1047 LCTRS grant £12,403 Precept Tax Base 100.6 Band D £123.29