

Berkswell Parish Council

2021/22 Budget and Precept

Berkswell PC – Reserves Policy

Reserves Policy

The following is the Council’s reserves policy:

General Reserves – The Annual Governance and Accountability Return requires, inter alia, that Parish Councils should provide a confirmation of its “balances carried forward” at the end of each financial year. There is also a requirement to provide an explanation of “High Reserves” analysed between the ‘General Reserve’ and ‘Earmarked Reserves’. It is the Council’s policy to maintain its general reserve at a level commensurate with the value of the annual budget. In order to maintain general reserves at this level Council will, during the Annual Budget Setting process, consider using reserves to reduce the Precept Charge for a given year and make a contribution out of reserves to fully fund the annual budget.

Earmarked Reserves – it is the Council’s policy to earmark reserves to meet possible future demands on its resources from on-going issues where timing and scope is not sufficiently defined to enable provision to be made in the Council’s budget.

Estimated Closing Reserves 2020/21

Forecast of Total Closing Reserves	£41,160
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Earmarked Reserves 2020/21

CIL monies included in estimate	£1,454
Cost of Master Plan in 2021/22	£5,000

Proposed 2021/22 Budget

			2020/21 Original Budget	2020/21 Forecast Actual	2021/22 Proposed Budget	
EXPENDITURE						
Employee Pay & Allowances			11,009	12,284	12,530	
Councillor Allowances			5,437	3,839	4,500	
Administration			3,205	5,259	3,385	
Communications			600	159	600	
Specialist Advice			1,000	4,200	6,000	* All £6k is discretionary spend
Local Plans			-	-	-	
Public Safety			3,000	2,828	3,000	
Grants & Donations			5,000	17,515	5,000	* All £5k is discretionary spend
Section 137			5,830	2,645	5,400	
Heritage & Maintenance			6,974	7,356	8,120	* Includes £4k discretionary spend on 'projects'
Total Expenditure (excl VAT)			42,055	56,086	48,535	
Contingency			2,103	-	2,608	
Total Expenditure (including Contingency, ex VAT)			44,158	56,086	51,143	
VAT (assume VAT is neutral in each year)			2,326	2,960	3,624	* £1k VAT in respect of items identified above
Total Expenditure (inc VAT)			46,484	59,046	54,767	* Total discretionary spend is £16k

2021/22 Indicative Precept Calculation (based on £8,500 Contribution from reserves)

<u>Calculation of Precept - 2021/22</u>	2020/21	2021/22
Budget (net of budgetted income)	45,052	51,782
Deduct Indicative Support Grant	-	-
Deduct contribution from reserves	1,454	8,500
Precept	43,598	43,282
Band D precept charge	28.18	28.23
Indicative number of Band D equivalent dwellings	1,547	1,533

Explanation of contribution from reserves figure

This figure has been included to illustrate how the 2020/21 Band D charge could be kept at a very similar level in 2021/22

Impact of above on Reserves

Estimated closing reserves at end of 2021/22 will be £32,658

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2021/22 Budget Assumptions					
		2020/21 Revised Budget	Forecast Actual 2020/21	2021/22 Proposed Budget	2021/22 VAT
1. Employee Pay & Allowances					
Clerks salary			9,205	12,107	
Clerk's Allowances					
Employers NI			3,079	422	
Total Pay & Allowances					
Total Pay & Allowances		12,580	12,284	12,530	
2. Councillor Allowances					
Chairman's allowance				1,500	
Cllr Allowances	Based on PBA 2020/21 supplied by D Merry 06/04/20			3,000	
Combined		3,839	3,839		
Total		3,839	3,839	4,500	
3. Administration					
Election Costs					
Phone					
IT		100	2,247	270	54
Stationery		275	267	300	60
DPO fee		40	43	45	
Payroll		150	150	150	
Room hire		450	100	180	
Insurance		580	586	600	
Internal/External Audit		400	358	400	40
Walc		760	757	800	
WTP - Training		100	-	100	
Other subscriptions		350	339	340	34
Office maintenance			74	0	
Other Admin			339	200	
Total Admin		3,205	5,259	3,385	188

Clerk's Pay		2020/21	2021/22 Pay Award				Budget
			Option1 0% rise	Option 2 1.5% rise	Option 3 2% rise	Option 4 3% rise	
Gross Salary	11,250	0	169	225	338	11,475	
Gross Allowances	620	0	9	12	19	632	
NI	414	0	6	8	12	422	
Total	12,284					12,530	

Cllr Allowances		2021/22
		1,500
		3,000 (4 x £750)
		4,500

2020/21 actuals include cost of new laptop of £2,050
due for renewal in June 2021
one off repair cost in 2020/21
ad hoc printing & wreath

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4. Communications		2020/21 Revised Budget	Forecast Actual 2020/21	2021/22 Proposed Budget	2021/22 VAT												
Website		600	159	600		awaiting invoice for hosting & support costs											
Total		600	159	600	-												
5. Specialist Advice		2020/21 Revised Budget	Forecast Actual 2020/21	2021/22 Proposed Budget	2021/22 VAT												
Advice		9,400	4,200	6,000	1,200	Revised budget includes £8,400 re BC Master Plan (only £1,700 spent in 2020/21)											
Wind Survey																	
Total Specialist Advice		9,400	4,200	6,000	1,200												
6. Public Safety		2020/21 Revised Budget	Forecast Actual 2020/21	2021/22 Proposed Budget	2021/22 VAT												
Tree Works		3,000	2,828	3,000	600	2021 Tree works as recommended by Midland Forestry											
Total		3,000	2,828	3,000	600												
7. Grants & Donations		2020/21 Revised Budget	Forecast Actual 2020/21	2021/22 Proposed Budget	2021/22 VAT												
Grants		24,227	17,516	5,000		Assumes no further grants made in 2020/21											
						<table border="1"> <thead> <tr> <th colspan="3">Grant Options</th> </tr> <tr> <th>Option 1</th> <th>Option 2</th> <th>Option 3</th> </tr> </thead> <tbody> <tr> <td>-</td> <td>5,000</td> <td>7,000</td> </tr> </tbody> </table>			Grant Options			Option 1	Option 2	Option 3	-	5,000	7,000
Grant Options																	
Option 1	Option 2	Option 3															
-	5,000	7,000															
Total		24,227	17,516	5,000	-												
8. S.137		2020/21 Revised Budget	Forecast Actual 2020/21	2021/22 Proposed Budget	2021/22 VAT												
Grass Cutting contract		1,080	1,018	900		Actual includes March 2020 instalment											
Other maintenance		1,500	-	1,500		Combine with H&M 'General' for work (e.g. War Memorial)											
Fete & BBQ		-	-	1,000													
Xmas trees & lights		450	1,588	2,000	400	Actual includes £1k contrib to BaPC + extra costs											
VE Day 2020		-	40														
Total		3,030	2,645	5,400	400												

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9. Heritage & Maintenance	2020/21 Revised Budget	Forecast Actual 2020/21	2021/22 Proposed Budget	2021/22 VAT	
Grass Cutting contract	1,080	1,278	900		Actual includes March 2020 instalment
Mowing of graveyard	2,800	3,207	2,580	516	Actual includes 5 quarterly payments
Plants	600	484	600	120	
Trees			3,000	600	Two trees for BC Centre + option to include £1.5k x 2 trees
General	1,000	335	1,000		Combine with S.137 'Othe Mtce' for work (e.g. War Memorial)
Projects	3,454	2,014			Actual reflect total cost of Telephone box project
Subscriptions	40	38	40		Marsh Lane Reserve
Total	8,974	7,356	8,120	1,236	
Total VAT	2326	2,960	3,624		Recoverable in 2022/23 but option to make a claim during 2021/22
Total Budget	71,181	59,046	52,159		
Add: contingency	2103		2,608		5% assumed
Total	73,284	59,046	54,767		
	73284	59046			
INCOME					
Precept	43,598	43,598			
Support Grant	-	-	0		
Interest	40	28	25		
VAT recovery	1,391	1,188	2,960		
Grant for Gateway Design - Reimburse money paid out					
Grant for Gateway Project - To be paid towards construction					
CIL Parish Payment					
Other income	3,132	3,147	-		
Total income	48,161	47,961	2,985		
Balance of Exp over Inc	- 25,123	- 11,085	- 51,782		
Opening Reserves	52,243	52,243	41,157.66		
Closing Reserves	27,120	41,158			
Earmarked Reserves					
Total					
Release of Reserves in 2021/22			8,500		
Estimated Closing General Reserves March 2022			32,658		