

Budget Report 2021/22

Introduction

1. Appendix A to this report sets out the Budget proposals for 2021/22. The first page sets out the movement in reserves required this year to deal with a number of extraordinary items of expenditure. These transfers feed through to the 2020/21 columns of the budget on the second page. The calculation of the precept is set out on at the foot of page 2 of the Appendix.

Movement of Reserves 2020/21

2. The first page of the appendix explains the £ 3,501.48 that I propose to be taken from reserves during this financial year. These are in respect of several un-budgeted items of expenditure, for which transfers from earmarked and general reserves are proposed to balance the budget by the end of the financial year. I have also established a separate earmarked reserve for the Community Car Scheme. That scheme is an abeyance at present because of the COVID 19 restrictions and Mrs Highton has transferred the balance of the scheme's funds to the Parish Council
3. The Council's reserves are relatively healthy. The general reserve plus the earmarked reserves (excluding the Project Fund and the Neighbourhood Plan), at £21,500 are a little higher than the annual precept, even after the withdrawal of funds itemised in the Appendix. (In the annual audit the External auditors will query reserves which are more than twice the precept) The overall budget for 2020/21 is likely to be significantly underspent, so any underspend (up to, possibly £3,500) will be transferred to reserves in the new financial year. The Budget also allows for an additional budgeted transfer to reserves, the rationale for which is explained below

Budget Calculation

4. As last year I have divided the expenditure into four categories: Administration, Maintenance, Projects (items that are to be funded from reserves and/or grants received, and which therefore have no direct impact on the precept) and Grants. The Maintenance category has been simplified for the purposes of the budget, by combining the headings for the allotments, cemetery, play area, cricket field and closed churchyard under a single "grounds maintenance". Heading. The vast majority of this combined budget is taken up by the grounds maintenance contract with Broadland Tree Services.

Inflation

5. The CPI for October is traditionally used to set inflation increases in the public sector. In October 2020, this was 0.9%) However, I have not specifically added an inflation factor to the individual budget lines. That figure is likely to have been distorted by the pandemic restrictions, and other changes to the budget mean that the Council has much more leeway in setting the precept. I have, therefore rounded the budget figures to avoid spurious accuracy. Increases are proposed to the Grounds Maintenance and Miscellaneous grants budget, as explained in the following table. provided. The following table contains notes to the budget documents, which provide explanations of figures that have changed significantly from year to year.

Notes to the Budget

Note	Explanation
Administration	
1	Hall Hire This budget has been used this financial year to meet the cost of the Council's Zoom subscription. Obviously no physical meetings have been held. The costs of the Zoom subscription and room hire at the Village Hall are comparable, so the budget can stay as it is.
2	Salaries. The Clerk's paid working hours were reduced at the end of last financial year, after the 2020/21 budget was agreed. This is reflected in the reduced allocation in the 2021/22 budget. This budget allows for a further increase in pension contributions for 2021/22. It is not, currently, expected that there will be a public sector pay increase this year.
Maintenance	
3	Grounds Maintenance The total budget for grounds maintenance was exceeded slightly, but it would have been underspent were it not for a large additional expenditure on tree works in the cemetery and behind the cricket field. The discussions regarding the current state of the allotments point to some additional ongoing grounds maintenance work being required, and for that reason it seems sensible to increase this particular budget.
4	Miscellaneous Grants This heading has in the past been used for the Christmas Tree in the market place and a donation to the British Legion. The budget figure relates to historic usage, but this is an area which is difficult to predict, as this year has shown. This budget heading has been overspent this year because of the £500 grant to Parish News. That £500 has been transferred from reserves to balance the books, but it seems sensible to increase this budget provision for the forthcoming year to give the Council some flexibility in these uncertain times. .

Precept Calculation

6. The overall budget has been reduced because of the adjustments in the Clerk' salary payments. Rather than reduce the overall precept requirement it is proposed to budget to add £900 to reserves, so as to build up flexibility to avoid sharp increases in the coming years. This is essentially a balance figure, and Councillors may decide to increase or decrease this amount, depending on the overall level of increase in Council Tax they wish to present to the villagers.
7. The precept calculation is shown in page 3 of the Appendix. This shows a total budgeted expenditure of 20,175.00, an increase of 2.8%. After deducting expected income from fees/ rental (cricket pitch, allotments and cemetery) this leaves a net precept requirement of £ 19,325, an increase of 2.4%. Because the taxbase has increased slightly, this gives us a Band D council tax of £99.82, an increase of 1.4% (even after allowing for the £900 transfer to reserves).

Recommendations:

- a) that the allocation of reserves in 2020/21 set out in page 1 of Appendix A be approved;
- b) that the draft budget for 2021/22 be approved as set out in page 2 of Appendix A

- c) That a Council Tax precept for 2021/22 of £ 19,325.00 representing a 2.9% increase in the precept and a Band D council tax of £98.64 , representing a 1.4% increase be approved.

Trevor Wenman
Parish Clerk

NBPC 12th January 2021	Precept Calculation													
	Budgeted expenditure	19,622.04									19,622.04	19,275.00	-1.8%	
	Transfer to reserves										0.00	900.00		
	Net Expenditure for Precept purposes	19,622.04									19,622.04	20,175.00	2.8%	
	Income										0.00			
	Income - rents and fees	850.00									850.00	850.00		
	Income Neighbourhood Plan Grants										0.00			
	Precept	18,772.04									18,772.04	19,325.00	2.9%	
	Total (Budgeted) Income	19,622.04									19,622.04	20,175.00	2.8%	
	Taxbase for precept setting	190.30									190.30	193.60	1.7%	
	Band D Council tax (precept/taxbase)	98.64									98.64	99.82	1.2%	
	% change in band D Council tax	0.01									1.4%	1.2%		