

Sibford Gower Parish Council

PARISH COUNCIL PROPOSAL (APPROVED)

Meeting: **SGPC Meeting**
Date: **Tuesday 8th December 2020**
Proposer: **Cllr David Allen (Finance Lead)**
Proposal: **2021/22 BUDGET & PRECEPT**

Background

Sibford Gower Parish Council is required, for the forthcoming financial year (2021/22):

- To prepare and approve a **Budget** in accordance with the SGPC Financial Regulations, and
- To notify Cherwell District Council of its **Parish Precept Requirement**, based on the approved Budget, by mid-January 2021.

This proposal includes:

- A high-level review of financial progress, and **current forecast outturn**, against the current year (2020/21) Budget
- A proposed **Budget for 2021/22**, based on proposed Reserves Policies, analysis of historic trends, and expected future expenditure demands
- A proposed **Parish Precept Requirement for 2021/22**, based on achieving an approximately neutral year-end balance with the proposed Budget.

2020/21 Forecast

The original SGPC Budget for 2020/21 was approved by the Sibford Gower Parish Council at its meeting on 10th December 2019, and led to the requirement for a Parish Precept of £9,350. This Budget was forecast to yield a nominal deficit of (£150) if all budget allowances had been spent and received as forecast.

The Council has broadly followed the approved 2020/21 Budget, but variances have arisen, which now lead to a forecast outturn surplus to around £750.

The major **income variances**, which contribute to this forecast 2019/20 outturn surplus, are:

- Defibrillator grant **+£1,000** [Purchase in 2019/20, Town Estate Charity grant in 2020/21]
- HMRC VAT Refund: **+£ 338** [VAT refund higher than expected]
- Bank compensation **+£ 127** [Compensation for error in processing bank mandate]

The major **expenditure variances**, which contribute to this forecast 2019/20 outturn surplus, are:

- Annual Parish Meeting **-£ 250** [APM for 2020/21 cancelled due to COVID restrictions]
- SG Primary School grant **-£ 200** [Grant discontinued following Internal Audit advice]
- Speeding Group grant **-£ 200** [Investment proposals not yet developed]
- Landscape Management Review **+£ 700** [Proposal to proceed to Stage 2A – Detailed drawings]
- Miriam Tebbs garden **+£ 320** [Restoration of garden funded from residue of bequest]

This forecast outturn surplus will lead to a net increase in reserves, which has been considered in setting the proposed budget for 2021/22.

2021/22 Budget

Following a Working Group of four Councillors held on 24th November 2020, an SGPC **Budget** totalling **£13,250** is proposed for **2021/22**.

The proposed **Expenditure Budget** for 2021/22 is based on analysis and reforecast of recent historical expenditure, plus estimates of new expenditure demands.

The major variances in forecast expenditure, compared to our 2020/21 Budget, are as follows:

- SG Primary School -£ 200 [Grant discontinued; meeting facility discontinued]
- Venue facilities +£ 190 [Meetings moved to Sibford Village Hall + Zoom renewed]
- Landscape Management Review +£1,500 [NEW: Investment allowance for Review recommendations]
- Miriam Tebbs garden +£ 100 [NEW: Maintain garden funded from residue of bequest]

NB It is hoped that investments arising from our Landscape Management Review will be partially funded by grants.

The proposed **Income Budget** for 2021/22 is based on analysis and reforecast of HMRC refunds and shared funding income, plus the confirmation that the CTRS (Council Tax Reduction Scheme) Grant, received from Cherwell District Council, has been discontinued.

The forecasts for the main sources of income in 2021/22 are as follows:

- Parish Precept Requirement: £ 9,350 [Net basic income required to achieve neutral outturn]
- CTRS Grant £ 0 [Cherwell DC confirmed discontinuation from 2021/22]
- VAT Refund £ 1,220 [Received one year in arrears]
- Shared funding returns £ 2,005 [Burial Ground & Millennium Field]
- Burial Fees £ 635 [Assumes two burials in year, offset by SFPC 50% fee share]
- **Total Income Budget: £ 13,210**

The above income and expenditure budget proposals lead to a small forecast outturn deficit of (£40) which can be funded from reserves:

- Total Income budget £13,210
- Total Expenditure budget £13,250
- **Forecast outturn (deficit) (£ 40)**

Following Internal Audit recommendations received in May 2020, the Working Group proposes the following Reserves Policies for 2021/22:

- Election Reserve: Accumulate a reserve of £1,000 over the 4 years between regular elections
- General Reserve: Aim to maintain a General Reserve of 100% of Net Annual Payments (excluding VAT)

Parish Precept Requirement

The SGPC Parish Precept Requirement for 2021/22 follows directly from the total net income required to approximately balance income and expenditure in the current year, whilst allowing for forecast changes in expenditure demands, and for a confirmed discontinuation of the CTRS Grant.

The proposed **Parish Precept Requirement** for 2021/22 is **£9,350**, which represents **no change** against the £9,350 Parish Precept Requirement for 2020/21.

This Precept Requirement must be notified to Cherwell District Council by mid January 2021.

Proposal

It is proposed that:

- The Council **approves** the recommended **2021/22 Election Reserve & General Reserve Policies**
- The Council **approves** the recommended **2021/22 Budget** of **£13,250**.
- The Council **approves** the recommended **2021/22 Parish Precept Requirement** of **£9,350** for notification to Cherwell District Council by mid January 2021.
- The Council **delegates** the SGPC Finance Lead and the SGPC Parish Clerk (RFO) to make minor adjustments to the Budget and Precept if new information arises prior to notification to Cherwell District Council, subject to Parish Council approval by email exchange.