
Report from Finance Advisory Group Chairman

TO REVIEW THE PROPOSED BUDGET AND THE PRECEPT REQUEST TO BE SUBMITTED TO HDC FOR FINANCIAL YEAR APRIL 2021 TO MARCH 2022

As part of our statutory responsibilities full Council is required to agree a budget for 2021-22 and, on the basis of that, to consider and agree the figure that will be requested for the Parish Precept for 2021-22.

**The proposed Precept for Buckden Parish Council for 2021-22 is £149,201
This equates to an increase per 'Band D equivalent house' of approximately 7p per week
on their Council Tax.**

- This is calculated to be a 2.99% increase in cash terms for householders (subject to confirmation by HDC of the number of Band-D equivalent houses to be included).
- Our working assumption is that this will be 50 additional houses¹.

The budget on which this proposed Precept is based includes a range of new projects to benefit residents and an allowance on maintenance carried out by our handymen and specialist contractors for the impact of our projects e.g. sustainable transport, climate crisis mitigation, trees and wildflower area and the increased number of houses in the village.

How was this proposed budget prepared?

The first draft of the budget proposal was prepared by the Clerk (RFO) and the Chairman of the Finance Advisory Group on the basis of anticipated expenditure for 2021-22 including proposals from each advisory group for projects in 2021-22. That draft was reviewed by the Finance Advisory Group on 20th October 2020 (See Report from Finance and Advisory Group on the November Council Agenda).

The second draft was prepared with additional input from the Staffing Advisory Group in relation to anticipated impact of the new houses on handymen's duties and a third draft (presented with this Report) was then prepared to reflect information about external contracts for specialist services.

This budget does not include or set out how the Community Infrastructure Levy (CIL) income associated with the Lucks Lane development will be spent. That will be determined by the previously agreed processes and take account of the proposals for the use of CIL in the BPC Neighbourhood and Community Action Plans derived from consultation with residents.

Consideration has been given to the known/expected expenditure commitments for the remainder of 2020-21 to enable the services delivered by Buckden Parish Council to be delivered and essential matters dealt with in a timely and appropriate manner e.g. tree management and equipment replacements. Programmes of work already agreed by the Council are recognised in the arrangements for 2020-21 expenditure.

¹ This is an estimate, as the actual number may depend upon house sales at Lucks Lane which in turn may be affected by the most recent Covid-19 Lockdown measures.

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The anticipated total cash position² for 31 March 2021 has been reviewed taking into account agreed commitments, and is expected to be close to that at the end of March 2020 treating CIL income as a separate cash stream to facilitate the year-on-year comparison.

- This treatment of cash has been used because expenditure on work funded by CIL must be managed and accounted for in line with separate regulations.

The requirement to set a budget for 2021-22 which has General Reserves in line with national requirements will be met through this proposal.

- The need to carry forward a higher level of non-CIL pre-commitments in the BPC Earmarked Reserves for projects that have been agreed, but which for a number of reasons cannot be delivered until 2021-22, means that our anticipated General Reserves on 01 April 2021 will be about 32% of the value of the proposed Precept. For comparison in 2020-21 this was 39% of a slightly smaller Precept.

Details of the proposed budgets and some detail on how we propose to spend the budget and underpins these figures is set out in detail in the Appendix.

- The Appendix also includes comparison with the 2020-21 budget at function level and shows the current year budgets and the variances proposed for 2021-22.

Proposal

Council is asked to review the proposed budget and supporting information about CIL and Reserves and to authorise the Clerk as RFO to submit the Precept request to HDC including any final adjustments to the proposed budget (Appendix) if they are agreed at the November Council meeting.

Appendix

- PROPOSED_Budget_Council4Review (Row&Column) 10Nov20.sa.pdf

TO REVIEW THE PROPOSED FINANCE ARRANGEMENT FOR THE IMPROVEMENTS TO THE HANDYMEN'S STORAGE AND WORKSHOP FACILITIES

Council agreed in September 2020 they would fund the expected £25,000 cost of moving the handymen's base to a more appropriate facility. Payment is due in summer 2021.

It is proposed that this will be funded in part with £15,000 of Reserves carried from 2020-21 (through Earmarked Reserves) and in part through use of Reserves generated through income in 2021-22 which is set out in the detailed Budget Appendix. Under this arrangement no further Council approval will be required to make the payment (up to and including **£25,000**) other than through review of Payments for Sanction. The legal costs associated with this arrangement are covered under the budget for Administration.

Proposal

Council is asked to review the proposed funding arrangement for the improved facilities and supporting information in the Appendix and to authorise the RFO to make the payment when it becomes due.

² Savings and Current Account – excluding CIL income.