

Briefing Note

Budget & Precept 2020/2021

1.0 BACKGROUND

1.1 The Parish Council is required to agree a budget for the coming year and make application to Cornwall Council to collect a precept before 31 December 2019. Because the council does not hold a public meeting in December, councillors are asked to approve a budget and precept application at their meeting on 21 November 2019. This briefing note sets out the background to the budget and recommends that the council support a precept that will enable it to carry its statutory duties and projects for the next financial year.

2.0 THE ISSUES

2.1 Expenditure for 2020/21 is budgeted to be £24,222, which is an increase of £2,682 compared to the budget set last year. The increase is 12.5%.

2.2 In order to meet the day to day expenses of the parish council, I have taken into account a reduction in the Council Tax Support grant from Cornwall Council and included income that will derive from fees and charges. I have included an increase in interest from the new deposit with Cornwall Council.

2.3 In calculating a budget for 2020/2021, your Clerk has examined all the costs incurred to date and made provision for changes, as well as including items that we may be liable for in the future. Councillors should note that on 2 January 2020, it will advertise for tenders to be submitted for its ground maintenance contract. The specification for the new contract will be discussed at its council meeting on 21 November 2019, and councillors are advised that the draft budget makes provision for an increase in the cost of current work and for the inclusion of additional works.

2.3 The final calculation for a budget that takes account of all these factors will require a precept which is higher than that previously levied. The proposal is that the precept be increased to £22,059. This is an increase of £2059 or 10.3%.

2.4 At its public meeting on 16 May 2019, councillors agreed to set an annual budget for its Community Grants (Item 50/2019A) that would be based on current demand for grants. At the time of drafting this note, the remaining budget for 2019/20 is £5,000. Based on previous experience, the council might expect to receive applications totalling £5,000 each year.

2.5 Councillors agreed to transfer surplus funds into a high interest Reserve Account managed by Cornwall Council. At the time of drafting this report, the amount held was £60,624.64. Councillors will need to decide if this figure should be maintained or amended.

3.0 RECOMMENDATIONS

3.1 To accept the budget calculation of £24,222 and support an increased precept. The final calculation for the precept in 2020/21 would be £22,059.

3.2 To top up the Community Grants budget from the general reserve to a figure of £5,000, the final amount to be agreed at the April 2020 public meeting.

3.3 To maintain the current reserves with Cornwall Council.

Author: John Hesketh

Date: 14 November 2019