

# Coffinswell Parish Council Chairmans Budget Report and Precept Recommendations 2022/23

## Background Information

The Parish Budget is set annually by Precept and is administered by Teignbridge Council, being levied as part of the Annual Council Tax.

The Parish Precept submission must be forwarded to Teignbridge Council no later than the January preceding the forthcoming Financial Year.

Financial years run from 1st April to 31st March.

This levy is applied to all properties within Coffinswell Parish and is the predominant part of the Parish's total income.

Another source of limited income are grants such as the variable P3 Grant specifically provided for footpath maintenance.

Furthermore an exceptional source of additional income is that of a Community Infrastructure Levy.

This CIL (Community Infrastructure Levy) which came into force on 1st September 2019 is a charge which can be levied by Local Authorities on new developments in their area.

Most new developments which create net additional floor space of 100 square metres or more or create a new dwelling are potentially liable for the levy.

Where the development is within the area of a Parish Council, the charging Authority, Teignbridge, must pass a proportion to the Parish Council. This varies from 15% for a Parish without a Neighbourhood Development Plan to 25% for a Parish with such a plan.

Parish Councils can spend CIL monies on 'the provision, improvement, replacement or maintenance of infrastructure or anything else that is concerned with addressing demands that development places on an area'.

This Levy must be spent within five years of its receipt.

## Budget Setting Information

Setting a Budget in November/December to anticipate the needs and expenditure in forthcoming year can be a difficult process, having to rely on previous budget analysis, current trends in respect of price rises and the Government's economic predictions.

Furthermore there are always varying degrees of economic uncertainty/unpredictability for the year ahead, with factors such as ongoing Brexit impacts and the Coronavirus pandemic being good examples.

Whilst any proposed Budget is intended to cover all day to day expenditure for the Financial Year, there are also Financial Regulations requiring Parish Councils to maintain reserve funds. The Chartered Institute of Public Finance and Accountancy describes the purpose of Reserve Funds as;

- a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing, and
- a contingency to cushion the impact of unexpected events or emergencies.

This reserve fund is known as the **General Reserve** or **Contingency Reserve** and the Parish Council is required to maintain a reserve of between 3 and 12 months expenditure.

Another Budgetary consideration should also be given to an **Election Reserve**.

Consideration should also be given to **Specific Reserves** or **Earmarked Reserves**. This reserve would cover items such as Emergency Planning, Grants etc. Funded projects which will run across financial years are another example. CIL income would also be able to be included within this category.

The Parish currently has a Specific Reserve as a result of a CIL grant received in 2020. Currently these funds have not been fully utilised, however as seen in the table below a proportion has been allocated/proposed for expenditure in 2021/2022 budget cycle.

### Carried forward Specific Reserve Budget 2021- 2023

	Carried forward from 2020/2021 budget	Proposed expenditure in 2021/2022	Comments
CIL Income	£7756.64		
Replacement of petrol machinery to rechargeable electric		Approximately £1400 due to be spent in within financial year	In line with agreed Climate Action Plan Part funded by £500 and £300 grants from Parish Pathway Partnership and Councillor Dewhurst Locality Fund
Possible part funding of Parish Lengthsman service		Approximately £1500 2022/2023	The Parish have undertaken to investigate the potential provision of this service utilising 50% funding available by way of DCC Highways Maintenance Community Enhancement Fund. However if adopted and deemed successful other long term funding options would need to be investigated as the use of CIL funds is not feasible or sustainable
Improvements to Footpath 1 with provision of a new seat		Not known at this time 2022/2023	Councillor Vince Flower to lead this project
Possible additional permissive footpath from Footpath 4 to blacken way lane with additional signage gateways etc		Not known at this time 2022/2023	Councillor Nick Orchard to lead this project
<b>Total</b>			

## **Considerations for the proposed Budget for 2022/2023**

### **Inflationary impact**

At the time of preparing this report the latest data available from the Office of National Statistics indicates that inflation has now increased to 5.1%.

The official Government target for this financial year being 2%.

The current Consumer Price Index is showing an increase of 4.6% for November 2021.

The Bank of England are currently predicting a rate of around 5% which will remain until the spring of 2022.

Furthermore the Office for Budgetary Responsibility recently upgraded its prediction of inflation levels in 2022 to around 5%.

### **Church Grant**

The Parish has recently been advised by the Parish Clerk, that NALC have indicated that the legality of Parish Councils providing Church Grants is questionable and that this practice should cease.

It was agreed after lengthy discussions that the Parish Council would have to reluctantly comply with this guidance.

However the Council recognise that the Church has always played a very important role within the community and as such wishes to continue its support of the Church by encouraging greater community use.

Therefore it is proposed that the budgetary allocation for venue hire costs includes the previous Church grant and that this enhanced funding will enable the Parish Council, on behalf of the community, to hire the Church for the residents use. It is hoped that this will encourage greater use of the Church and reinforce its position in the heart of our community.

More information will be published on the Parish website in due course.

### **Statutory Reserves**

As explained above the Parish have a statutory duty to ensure that sufficient funds are available for General Reserves and Election Reserves. The proposed budget has been set to guarantee that the Parish reserves are stabilised and that a gradual increase is achieved over the forthcoming years. This is a cautious approach which reflects the current financial situation we are confronting. However the Clerk was recently advised that small Parishes such as ourselves should be working towards a general reserve of twelve times monthly expenditure, which will need to be built into future budget planning.

### **Devon County Council Chairmans briefing on 1st December 2021**

Following the attendance at the Chairman of Devon County Councils Annual Briefing it was emphasised that this years County budget was expected to be hardest in recent years with even more savings needed to be found. With this in mind he suggested that Parish Councils need to be more resilient in the coming years and to be prepared to be more self sufficient.

## Teignbridge Councils budget planning information received 13th October 2021

Information from Teignbridge Councils Financial Officer indicates that the Council Tax base for the coming year has marginally increased, which is good news for our Budget and subsequent Precept request for 2022/2023.

Extract from Financial Officer report

Coffinswell current year tax base 2021/22	Current year precept 2021/22	Current year council tax 2021/22	Next years estimated tax base 2022/23	Next years budget for same council tax 2022/23
129.9	£5670	£43.65	134.3	£5862

However Parish's were also advised that consideration should be given to ensuring that sufficient Election Reserves Funds are held to cover costs incurred in the event of a contested election within the Parish. These costs range from £1000 to £5000 dependent on the size of the Parish.

## Teignbridge Councils Financial Officers briefing to Parish Councils on 16th December 2021

Martin Flitcroft Chief Finance Officer for Teignbridge Council briefed Parish Councillors as to the Government financial settlement figures for the financial year 2022/2023.

Unfortunately this settlement figure is again for one year only and as such does not allow Teignbridge to plan with any certainty its budget predictions/projections for subsequent years.

However the Government has indicated that a review and overhaul of Local authority settlement grants will be undertaken in 2022.

This year District Council budgets will continue to have increase caps applied by the Government (no more than 1.99% or £5, whichever is greater). Furthermore local people continue to have the right for a legally binding referendum if these constraints are not applied.

Parish Councils are currently not constrained by this cap.

Based on this information Teignbridge Councils is currently proposing a Budget/Precept which will see a Council Tax increase of £5 for Band D property. This represents an increase of 2.78% and will raise the Council tax levy by Teignbridge to £185.17. However it should be borne in mind that this proposed budget has yet to be scrutinised/approved by the full council and this process will not conclude until Jan/Feb 2022

It was also indicated that all Teignbridge Council Fees and charges will be increased by the rate of inflation.

A further TCFO briefing for Parish Councils will be held on 20th January 2022.

## Parish Councils Budget/Precept conclusions

This year's budget planning process has been very difficult this year with numerous discussion papers having been circulated prior to our detailed deliberations at the Parish Council meeting on 16th November 2021.

The main reason for these protracted discussions was that the Parish Council was acutely aware that whilst there is a need to address a number of forthcoming challenges which have been identified we felt duty bound to take into account the financial burden currently being experienced by our residents with high fuel costs inflation etc.

Therefore with this in mind the Parish Council felt that we should also set our Budget/Precept within the Government capping constraints applied to Teignbridge Council (1.99% or £5 whichever is greater).

Last year's Parish precept (2021/2022) was set at £43.65 based on a band D property.

## Precept and Budget Proposal for 2022/2023

1. It is recommended that the precept for the financial year 2022/2023 be set at £45.83. This represents a modest increase of £2.18 over 2021/2022 or in purely financial terms an increase of 4.2p a week.
2. It is recommended that the budget for the financial year 2022/2023 be agreed at £6155 as detailed below.
3. It is recommended that if any contested election was to occur in 2022/2023 the costs should be underwritten by the General Reserve, and
4. It is recommended that the General Reserve be monitored throughout the year and maintained at a minimum of six times the average monthly expenditure. This being a total of approximately £3078.

## Proposed 2022/2023 Budget

	2022/2023 budget breakdown following consultation	Comments	Considerations	Future Potential risks
Administration				
Subscriptions	£200	Includes 5% increase	Additional subscription cost for Microsoft Office 365 has been included at £60 per annum	Potential additional costs to subscribe to Zoom if required will be £11 per month not included
Audit	£305	Includes 5% increase	Audit costs vary year on year  It is anticipated that Inflation will be added this year by external provider	The Parish have been advised that recent guidance indicates that its general reserve should be in the region of twelve times monthly expenditure. It is currently approximately six times. This could be identified at future audit
Venue Hire	£650		Agreed hire costs are £16.50 per hour  Allocation would fund 40 hours usage  Parish currently programmed to have seven meetings per year  This budgetary commitment will potentially allow Parish to fund limited Community meetings and use of Church	In 2021/2022 to date two extra meetings run due to planning consultation timescales. Therefore it is not possible to accurately predict total number of meetings per year

	2022/2023 budget breakdown following consultation	Comments	Considerations	Future Potential risks
Office Expenses	£95	Includes 5% increase	Increased costs due the use of unbleached paper and postage.  Current costings of unbleached paper is £7.50  Print cartridge costs shared with other councils  Postage costs will be approximately £40.00 annually	
Insurance costs	£300	Includes 5% increase	It is anticipated that inflation will be added this year by the provider	Insurance costs can vary year on year  Consideration given to the potential that insurance costs will increase if we employ lengthsman (public liability)
Application costs	£30		Land Registry form submission cost	
£1580				
<b>Salaries and expenses</b>				
Clerks Salary	£2994		This figure takes into account predicted annual salary increase  Regrading process previously discussed could effect salary  Increase in salary following achievement of Cilca qualification	
Clerks Expenses	£129			Fuel costs are currently increasing at rate above overall inflation
Travel costs	£0	Councillors agreed to forgo this allowance		Potential costs incurred by unforeseen course attendance
Payroll services	£63	Includes 5% increase	It is anticipated that inflation increase will be added this year by external providers	

	2022/2023 budget breakdown following consultation	Comments	Considerations	Future Potential risks
£3186				
Environmental maintenance				
Maintenance of areas not covered by P3 Grant	£400		<p>This maintenance includes</p> <p>Funding for external provider to assist Grass/Hedgecutting</p> <p>Potential tree work</p> <p>Machinery recharging costs</p> <p>It is envisaged that the P3 budget will fund -</p> <p>Repairs and annual maintenance costs of equipment</p> <p>Strimmer Training costs</p> <p>PPE maintenance and replacement</p>	<p>Currently we have insufficient volunteers to maintain non P3 areas with the predominance of work currently being undertaken by Councillor Brent</p> <p>Potential need to supplement P3 budget</p> <p>Potential to provide additional funding for additional training courses</p>
£400				
Infrastructure/ Asset maintenance				

	2022/2023 budget breakdown following consultation	Comments	Considerations	Future Potential risks
Repairs and general maintenance of Seats, Signs, and Noticeboards	£200		<p>Grit bins require painting</p> <p>Seat refurbishment needed</p> <p>Seat replacement needed on Footpath 1</p> <p>Noticeboard adjacent Linny needs refurbishment and new lock and key</p> <p>Potential perspex replacement costs on Noticeboards as individual expenditure falls below insurance excess Approximately £70 per panel</p>	
£200				
<b>Training</b>				
Clerk and councillor	£180		<p>It is anticipated that inflation increase will be added this year by external providers</p> <p>Councillors Flower and Orchard require councillor training course</p> <p>Councillor Parkes requires Chairman training course</p> <p>These courses cost approximately £30 per person</p>	<p>Consideration should also be given to any new councillors in 2022/2023</p> <p>Parish agreed and forwarded a request for an additional councillor position</p>
£180				
<b>Miscellaneous</b>				
Annual Parish Meeting expenses	£50	no inflation increase applied	This figure is based on costs prior to covid for in person APM	



	2022/2023 budget breakdown following consultation	Comments	Considerations	Future Potential risks
Election Expenses	£100	no inflation increase applied	Costs associated with non contested elections	Advise from CFO Teignbridge that cost should be considered If contested election approx cost range £1000 to £5000 It was agreed that if contested election was to occur in this financial year costs would have to be underwritten by the General Reserve
Website/Hosting	£137	Includes 5% increase	Costs for our Website provider have increased to £120 per year  Domain name hosting costs a further £10 per year.  It is anticipated that Inflation increase will be added by the external provider this year	
Medical equipment	£322	Includes 5% increase	Replacement defib pads required £50  Replacement defib battery £250 Whilst currently still serviceable it has exceeded its stated life expectancy.  Replacement items for First Aid Kit	
£609				
	£6155			