

**MINUTES OF THE BUDGET AND PRECEPT MEETING  
OF BIRCHWOOD TOWN COUNCIL, HELD ONLINE,  
FOLLOWING THE FINANCE MEETING, ON TUESDAY 15<sup>TH</sup> DECEMBER 2020**

- Present:** Councillor Reeves in the Chair  
Councillors Atkin, Bowden, Breslin, D. Ellis, J. Ellis, Evans and T. Hearldon  
Clerk – Mrs. F. McDonald  
Deputy Clerk – Mrs C. Caddock  
Business and Finance Officer - Mr. G. Crowe  
1 resident
- Apologies:** Councillors Fitzsimmons and M. Hearldon (dispensation)

258/20-21 **NOVEMBER 2020 BUDGET AND STRATEGY MEETING MINUTES**

**Councillor Atkin proposed, Councillor D. Ellis seconded, and it was resolved that: The Minutes of the Budget and Strategy Meeting that was held on Tuesday 24<sup>th</sup> November 2020 be approved as an accurate record and signed by the Chair.**

**Code of Conduct – Declaration of Interests**

The Chair reminded members of their responsibility to declare any personal interest or prejudicial interest which they have in any item of business on the agenda, no later than when the item is reached.

259/20-21 **INTRODUCTION**

The BAFO informed the meeting that the business to be transacted was to formally discuss the Town Council's current budgetary position, foreseen future expenditure and any potential contributory factors which may affect the Town Council, and to propose a Council precept for 2021/2022.

The BAFO reminded Members that detailed preliminary budget, strategy and precept related discussions had taken place during the Budget and Strategy meeting held on 24<sup>th</sup> November 2020 (see Minutes of that meeting 223/20-21 to 225/20-21). Some of this information will be repeated, as a reminder, as it is specifically relevant to the formal setting of the precept.

The BAFO reminded Members that the Council's policy over recent years was to set out, in detail, the proposed income and expenditure for the forthcoming financial year and to set out, indicative income/expenditure over a further two years, to establish a three-year budget plan.

The BAFO stated that Members had requested, at the November Budget and Strategy Meeting, that he prepare figures to project between a 1% and 5% increase, which would illustrate the use of balances required to produce a balanced budget.

The BAFO had circulated correspondence and papers, relevant to tonight's formal precept discussion and decision, to Members in their papers, including, for reference, the letter and worked example received from WBC, an amended Projection of balances to the year-end March 2021, Schedule A (as discussed at the meeting held on 24<sup>th</sup> November 2020 – now slightly amended) and Schedule B, detailing six 2021/2022 precept options (between 1.5% and 5%) showing the impact on reserves.

Members noted the letter and worked example had been received from Warrington Borough Council giving details of the precept calculations for 2021/2022 and the number of properties on which they set the Council Tax Band (see pages 181 and 182).

The letter also indicated that the precept payment will, for 2021/2022, be a single payment made to us by 30<sup>th</sup> April 2021.

The tax base for our Council for 2021/2022 has been calculated by WBC as 3129. This compares to 3128 for 2020/2021, an increase of one.

The tax base represents the number of Band D equivalent properties in our Parish after allowing for various adjustments e.g. single person discounts, etc.

At tonight's meeting, Members noted the probable necessity for continuing the proposed 4-year plan, as discussed and agreed at the December 2018 Budget and Precept Meeting (see Minute 302/18-19) "*. . . that a 4.5% increase (every year for a four-year budget cycle) would enable the Town Council to continue providing current services, with reserves in hand for some community development. There would not be much room for growth or taking on additional services.*"

The 2021/2022 financial year would be the third year of the 4-year plan.

This would continue to avoid a large, single increase in the precept, in order to protect current earmarked balances and expenditure profiles.

In particular, it would enable the Town Council to build additional reserves for a vehicle replacement programme, as discussed in detail at the November Budget and Strategy Meeting (see Minute 224/20-21 (a) (iii)) – with some relevant information re: electric vans circulated to Members in hard copy at tonight's meeting.

Members noted that this might impinge on any financial considerations of the new Council to be voted in, in May 2021.

Members discussed the various options and determined that a 4.5% precept increase to match the expenditure profile prepared by the BAFO and to continue the 4-year plan (see Schedule B, page 180 below) would seem relevant and justifiable, and would lead to a reduction in balances of £2,274 in 2021/2022.

The BAFO explained that the additional one Band D property included in the 2021/2022 calculations, is negligible in creating an offset in the percentage rate agreed by Members and the percentage increase to residents.

A 4.5% precept submission would therefore equate to a 4.5% increase for Band D properties – around an additional £4.92 per year for 2020/2021 Band D homes (£114.32 up from £109.40) which is approximately an extra 9.5 pence per week, for the Town Council portion of the Council Tax.

The BAFO gave Members a brief reminder and explanation of the precept procedures.

As stated above, Members had been issued with papers setting out the Town Council's actual budget for 2020/2021; the year-end projected out turn for 2020/2021 and provisional financial projections for 2021/2022, 2022/2023 and 2023/2024 (see amended Schedule A, page 180 below).

The Council's policy over recent years has been to set out, in detail, the proposed income and expenditure for the forthcoming financial year and also to set out indicative income/expenditure over a further two years, to establish a three-year budget plan.

The BAFO, has therefore made the income and expenditure projections for 2021/2022 through to 2023/2024 on most items where considered necessary, and following prior declarations and discussions; allowing for reasonable continuance of working balances to be retained. These projections assumed no major increases or surprise elements in expenditure on our main budget headings.

The BAFO reported that the Year End 2020 - 2021 projection, amended since the November Budget and Strategy Meeting, is as follows:

<b>Birchwood Town Council</b>			
<b>Projection - Year End March 2021 Balances</b>			
<b>Income</b>			
Balances B/F March 2020		£ 346,863.00	(Audited)
Precept 20-21		£ 342,213.00	
General Income		£ 1,000.00	
	Total:	£ 690,076.00	
<b>Expenditure</b>			
See Budget Schedule			
Projected Expenditure		£ 381,500.00	
Balances C/F		£ 308,576.00	
6 months Cash flow		£ 160,000.00	
<b>Reserves /Earmarked:</b>			
Elections		£ 18,000.00	
Vehicles/Equipment		£ 100,576.00	
Community Development		£ 30,000.00	
		£ 148,576.00	
<i>Total cash flow plus earmarked reserves:</i>		£ 308,576.00	

The BAFO stated that all income and expenditure detail is now for formal Member decision.

The BAFO reminded Members that the Town Council's accounts for the financial year 2019/2020 had been submitted to the external auditor on 9<sup>th</sup> July 2020 and these were given approval on 9<sup>th</sup> October 2020, with a clean audit.

The next internal audit has been arranged for 26th January 2021. Members continue to receive complete monthly income, expenditure and bank reconciliation detail as part of each monthly Council meeting.

The figures now presented to Members therefore reflect the most up-to-date auditable figures upon which to consider the decisions for the 2021/2022 precept.

## 260/20-21 GENERAL DISCUSSION OF OTHER KEY INCOME / EXPENDITURE ISSUES

The BAFO stated that the key income/expenditure issues had all been discussed in detail at the Budget and Strategy Meeting held on 24<sup>th</sup> November (see Minute 224/20-21).

The BAFO explained where and why he had made amendments to the projected outturn for 2020/2021 on Schedule A (on items 2, 3 and 10), following discussions held at the November Budget and Strategy meeting. The BAFO also explained changes to the earmarked reserves:

The 'Elections' reserves have been reduced from £35,000 to £18,000 as the BAFO is confident that, as the all-out election costs will be 'off-set' by WBC having their elections on the same day and 'sharing' some of the costs, that £18,000 will be sufficient. The Borough Council also offers the option to spread the cost of elections over a four-year period, if necessary.

The 'Undefined' reserves have now become 'Community Development', which have been reduced from £41,576 to £30,000. This is to enable the Town Council, from 1<sup>st</sup> April 2021, to look further into options for a potential play area upgrade (behind the Turf and Feather public house in Locking Stumps) and the possibility of improving the Town Council's two bus shelters on Glover Road.

The remaining reserves (£100,576) have been allocated to the Vehicles/Equipment fund, specifically as the Town Council's vehicle fleet will need replacing over the next few years.

## 261/20-21 CONCLUSIONS

Those present reflected on the above discussions and the effect of the various figures presented in Schedules A and B (page 180 below) put forward by the BAFO and considered in detail at the November 2020 Budget and Strategy meeting and again at tonight's meetings.

Those present voted on the details discussed and the income/expenditure and balances profile submitted. It was **proposed** by Councillor D. Ellis and **seconded** by Councillor J. Ellis to resolve that a rate precept increase of 4.5% for 2021/2022 be submitted to Warrington Borough Council as detailed below.

All Members present **voted in favour** of the proposal.

### **It was therefore resolved following the vote:**

- (i) That the itemised estimated expenditure £381,500 as shown in the column of the 2020/2021 budget sheet be accepted for the Town Council to operate from 1<sup>st</sup> April 2021.
- (ii) That the projected income, expenditure and balances profile as detailed for 2021/2022 and the subsequent 2022/2023 and 2023/2024 financial years be adopted as the target expenditure for the Council's subsequent financial years.
- (iii) That the total estimated budget expenditure for the 2021/2022 financial year be £360,000.

Anticipated balances carried forward for the 2020/2021 year-end are £308,576. That the Council contributes £2,274 from balances towards the projected expenditure and general inflation in 2021/2022 to balance the rate precept level of £357,726 and expenditure of £360,000 for 2021/2022.

**It was resolved that a precept requirement of £357,726.00 be submitted to the Borough Council for the 2021/2022 financial year, to comply with the Borough Council's budget timetable of 11<sup>th</sup> January 2021.**

**This determines that the rate precept for 2021/2022 will be 4.5% higher.**

- (iv) That the estimated budget balance at 31<sup>st</sup> March 2021 should be in the order of £308,576; comprising of £160,000 (6 months cash flow) to be carried forward for the 2021/2022 financial year, in addition to a likely maximum earmarked expenditure fund of £148,576 to be approved for 2021/2022.
- (v) That awards for grant aid will be by further resolution of the Council after formal applications have been received and brought before the Council.
- (vi) That the Council continues to monitor the viability of Birchwood Youth and Community Centre.
- (vii) That once the precept has been confirmed, an announcement on the coming year's precept will be published in the local press and on the Town Council's website.

**The Budget and Precept meeting concluded at 7.55 pm**

Schedule A		BIRCHWOOD TOWN COUNCIL					Dec-20	
YEAR-END PROJECTED OUTTURN 2020/2021								
AND FINANCIAL PROJECTION FOR 2021/2022, 2022/2023 AND 2023/2024								
ITEM NO.	EXPENDITURE ITEM	BUDGET 2020/2021	PROJECTED EXPENDITURE OUTTURN 2020/2021	BUDGET ESTIMATED EXPENDITURE 2021/2022	BUDGET ESTIMATED EXPENDITURE 2022/2023	BUDGET ESTIMATED EXPENDITURE 2023/2024		
1	Caretaker's costs - Parkers Farm (inc employer NI & superannuation)	Included in row (4)	Included in row (4)	Included in row (4)	Included in row (4)	Included in row (4)		
2	General and Water Rates/Gas/Electric	£ 5,000	£ 4,000	£ 6,000	£ 6,000	£ 6,000		
3	Insurance/Subs/Fees/Car Tax/Bank Charges	£ 19,000	£ 16,000	£ 17,000	£ 17,000	£ 17,000		
4	Employment costs (inc employer NI & superannuation)	£ 263,878	£ 240,000	£ 270,000	£ 275,000	£ 280,000		
5A	Civic - Chairman's Allowance	£ 1,000	£ 1,000	£ 1,000	£ 1,000	£ 1,000		
5B	Civic - Newsletter and Flower Displays	£ 3,000	£ 1,500	NIL	£ 1,500	£ 2,000		
5C	Councillors Allowances/Expenses	NIL	NIL	NIL	NIL	NIL		
6A	Town Council Revenue Expenditure	£ 30,000	£ 30,000	£ 30,000	£ 30,000	£ 35,000		
6B	Police Community Support Officer	NIL	NIL	NIL	NIL	NIL		
7	Community Developments	£ 2,000	NIL	NIL	£ 5,000	NIL		
8	Town Council Elections	NIL	NIL	NIL	£ 2,500	NIL		
9	Grants	£ 6,000	£ 4,000	£ 5,000	£ 5,000	£ 5,000		
10	Parkers Farm Estate/Maintenance/Equipment fund	£ 5,000	£ 65,000	£ 12,000	£ 15,000	£ 20,000		
11	Loans inc. Mortgage Fund for Parkers Farm Estate	£ 21,000	£ 20,000	£ 19,000	£ 18,000	£ 17,000		
TOTALS		£ 355,878	£ 381,500	£ 360,000	£ 376,000	£ 383,000		

Schedule B		BIRCHWOOD TOWN COUNCIL					Dec-20	
2021/2022 PRECEPT OPTIONS - WITH IMPACT ON RESERVES								
Precept Level	1.5%	2%	2.5%	3%	4.5%	5%		
	£ 347,456	£ 349,168	£ 350,880	£ 352,591	£ 357,726	£ 360,000		
BTC Balances required to produce a balanced budget	£ 12,544	£ 10,832	£ 9,120	£ 7,409	£ 2,274	NIL		

# WARRINGTON Borough Council



Mrs F McDonald  
Parkers Farm Community Centre  
Delenty Drive  
Birchwood  
WA3 6AN

Professor Steven Broomhead  
Chief Executive

Lynton Green  
Director of Corporate Services

Quattro 5<sup>th</sup> Floor  
Buttermarket Street  
Warrington  
WA1 2NH

12 November 2020

Dear Mrs McDonald,

## **Birchwood (Town Council) Parish Precept 2021/22**

I am writing to you regarding arrangements for parish precepts for 2021/22.

For funding purposes, the 2021/22 tax base for your parish has been calculated as 3129. This compares to 3128 for 2020/21, and you should consider this change when setting your precept.

Would you please send me the amount you require for your 2021/22 parish precept, based on this tax base, by no later than Friday 11<sup>th</sup> January 2021. Please note for parish councils with a precept over £140,000 we are required to send a breakdown of parish expenditure with our Council Tax bills. To enable us to do this would you please provide details of your budget and expenditure for 2021/22 with your letter confirming your precept, where applicable.

The specific amount payable in respect of your parish precept will be shown separately on the bill sent to each taxpayer. Please find enclosed a worked example that illustrates the council tax for each property band if the band D precept remains the same as last year, and what precept this would equate to.

Your precept payment will be paid by 30<sup>th</sup> April 2021 but if you have any further queries regarding your parish precept please contact Mark Dennett on 01925 442274.

Yours sincerely,

**Lynton Green CPFA**  
Director of Corporate Services



**Birchwood (Town Council)**

**Worked Example**

	<u>2020/21</u>	<u>2021/22</u>
a) Your Tax Base - Band D equivalents	3,128	3,129
b) Your Band D Charge (based on current year)	£109.40	£109.40
c) Your parish precept	£342,213	£342,322

The amounts relevant to the other bands are calculated as follows:-

Band A = b) multiplied by 6/9	£72.94	£72.94
Band B = b) multiplied by 7/9	£85.09	£85.09
Band C = b) multiplied by 8/9	£97.25	£97.25
Band D = b) multiplied by 9/9	£109.40	£109.40
Band E = b) multiplied by 11/9	£133.71	£133.71
Band F = b) multiplied by 13/9	£158.03	£158.03
Band G = b) multiplied by 15/9	£182.34	£182.34
Band H = b) multiplied by 18/9	£218.81	£218.81