

Dunkirk Parish Council Proposed Budget and Precept for 2021-2022

Budget Overview

A budget of £19,170 for the running of Dunkirk Parish Council is recommended for 2021/2022 as detailed in the attached “Budget 2021/22 FINAL” document. This compares to the 2020/21 budget of £27,000, with the anticipated variations in spending between the years detailed in the document.

The most significant changes to the budget proposed are:

- The removal of capital investment item for LED streetlight replacements at £7,000 as this was a one-off which the Council hopes to see the benefit of, in the form of reduced energy costs, in the coming years
- Increase to the provision of clerk’s wages from £6,550 to £8,500 including contingency
- Double the contingency for Neighbourhood plan from £250 to £500 as this is anticipated to reviewed in detail in the coming year

Precept overview

Based on the agreed 2019/20 breakdown of costs, the actual footway costs for 2019/20 were £4,227.46. This compares to £4,967 declared last year.

The total estimated footway lighting costs for 2021/22 are £4,250 (as detailed in the proposed budget). The maximum footway grant from Swale Borough Council is £3,080, which leaves a shortfall of £1,170 and it is proposed that this shortfall is to be added to the Precept requirement for 2021/22.

The Precept agreed for the 2020/2021 period was £14,907. This represented an increase of £5,900 (65.5%) over the 2019/20 period, predominantly in order to fund the LED replacement programme referred to above. This resulted in the Parish Band D Council Tax increasing from £24.26 to £28.76 (equating to £4.50 or 18.5%).

Whilst the Precept was increased significantly, there remained a shortfall of £12,093 between the agreed budget and precept – with the intention for this to be funded by existing Council reserves where necessary.

However, for the first 9 months of the 2020/21 financial period to 31 December 2020, the total expenditure for the Council has so far been lower than budgeted at £10,254.35. If this rate of expenditure were to be replicated for the remaining 3 months of the year, the total expenditure would be £13,672.47 – within the precept received and thus avoiding the need to draw on reserves.

In particular, savings accrued by virtue of the fact the Council did not incur wages for a clerk for 4 months (with Councillors taking on clerk duties during this time) helped to reduce expenditure significantly.

For the 2021/22 period, Swale Borough Council have reduced the Council Tax Base from 518.27 to 510.27. In doing so, the Parish Band D Council Tax based on the same precept of £14,907 would increase from the current £28.76 to £29.21 – an increase of £0.45 (or 1.5%). The effect of this is that the Precept amount required would have to reduce by 1.5% if the overall amount charged is to remain the same.

Summary and Proposals

Swale Borough Council have, in effect, increased the precept charge and Councillors must now decide whether they wish to carry this through or absorb this by agreeing to reduce the precept.

Whilst the budget for the forthcoming year still exceeds any precept likely to be agreed, prior years have indicated that the Council doesn't always use the full budget anticipated. Reserves in the deposit account stand at £9,613.97 as at the end of December 2020 and outweigh the deficit between the proposed budget and the proposed 2021/22 precept. There are also significant funds in the current account too.

Furthermore, the primary reason for increasing the precept last year, the one –off capital spend to upgrade the street lighting to LEDs, is now reflected in our balance sheets and offers further justification for reducing the precept, should members decide.

The attached "Precept Calculations 2021/22" document outlines a number of options, ranging from increasing the precept by 2%, through to reducing it by 10%. It also shows the actual effect this would have on the amount charged to residents, taking into consideration the amended Tax Base applied by Swale Borough Council this year.

I trust this information will assist the Council in determining the precept for 2021/22.

Matthew Bullen
Clerk to Dunkirk Parish Council
January 2021