



**North Weald Bassett  
PARISH COUNCIL**

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**Clerk to the Council.**  
Susan De Luca

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16th December 2020

TO: **MEMBERS OF THE NORTH WEALD BASSETT PARISH COUNCIL**

You are hereby invited to attend a **Meeting** of the **Finance & General Purposes Committee** which will be held on **Monday 21st December 2020**, at **7.00pm** to transact the business shown in the Agenda below.

There will be no physical meeting in line with current government guidelines, and therefore this meeting will be conducted electronically via ZOOM. The link to the meeting can be accessed from the Parish Council Website [www.northweald-pc.gov.uk](http://www.northweald-pc.gov.uk) on the morning of the meeting after 10am.

Susan De Luca  
**Clerk to the Council**

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**AGENDA**

1. **APOLOGIES FOR ABSENCE**  
To **RECEIVE** any apologies for absence.
2. **OTHER ABSENCES**  
To **NOTE** any absences for which no apology has been received.
3. **DECLARATIONS OF INTEREST**  
To **RECEIVE** any Declarations of Interest by Members.  
*A Member with a personal interest in a matter must consider whether it is a Disclosable Pecuniary, Non Pecuniary or Other Pecuniary Interest, and declare it accordingly. A Member who is unsure as to how to declare their interest should seek independent advice.*
4. **EXCLUSION OF THE PUBLIC AND THE PRESS**  
In the event that the Agenda contains Exempt (pink) pages, or an item needs to be discussed confidentially, to **CONSIDER** the following motion to be proposed by the Chairman:  
  
That the public and the press be excluded from the meeting, the Council believing that publicity would be prejudicial to the public interest by reason of the confidential nature of the business about to be discussed (Local Government Act 1972 and *Public Bodies (Admission to Meetings) Act 1960*).  
  
There is **ONE** item for consideration.
5. **BUDGET AND PRECEPT 2021/2022** 🖐  
A precept is a peremptory order to a billing authority (EFDC) to pay a parish council a named sum which the billing authority draws up by 31<sup>st</sup> January for the following financial year.

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The parish council, in calculating its precept, must as far as possible secure that it will suffice for four classes of items, namely:

- Next year’s expenditure, including an allowance for contingencies
- Outstanding expenditure incurred in previous years
- Expenditure likely to be incurred before the precepted sum becomes available
- Payments to capital fund, or renewal and repairs fund

**Understanding the Budget Paperwork**

The budget paperwork attached to the agenda consists of the following:

<b>WHITE PAPER</b>	<b>Income and Expenditure.</b> This gives a picture of Income and Expenditure for the current year (2020/21), and a suggested budget figure for 2021/2022, along with supporting notes.
<b>CREAM</b>	<b>Earmarked Reserves - current year</b> Provides a breakdown current Earmarked Reserves as at 1 <sup>st</sup> December 2020, and estimated final Earmarked Reserve figures as at 31st March 2021
<b>GREEN</b>	<b>Additional Items for Budget</b> Summary of Additional items for consideration for 2021/2022 budget, together with any associated paperwork available at the time of printing the agenda (together with costings if these have been provided by Councillors, or a provisional sum if not).
<b>YELLOW</b>	<b>Final Summary sheet</b> Summarises the expected income and expenditure and provides figures regarding percentage increase/decrease options for the precept for the next year. Gives details of how any such increase / decrease in the precept would affect the Parish Council element of Council tax for a band D Property.

In order to ensure enough time is available to discuss all areas of the budget, **Members are kindly asked to spend some time prior to the meeting perusing these figures, identifying any areas they wish to discuss in further detail or which requires clarification.** Members are advised to contact the Principal Finance Officer (PFO) **prior to the meeting** if they require clarification on any matter, or if they feel they have identified any errors or omissions. Councillors should also note that attached as part of the WHITE papers is a document entitled ‘Reference and Supporting Statements’. These statements can be referenced to the relevant letters / numbers on the WHITE income and expenditure sheets as shown in the example below, and may offer an explanation to councillors queries:

[example]

		2020/2021				2021/2022	NOTES
		Budget	Actual	Due	Exp Final		
						<b>BUDGET</b>	
<b>Expenditure</b>							
4019	Hospitality / Chairman's allowance	£ 150	£ -	£ 30	30	150	dd
4020	Misc. Expenses	£ 3,500	£ 7,653	£ 200	7,853	4,000	ee
4035	Newsletter	£ 2,000	£ 1,071	£ 57	1,128	1,500	ff
4037	Grounds Maintenance	£ 400	£ 340	£ 250	590	600	gg

It is emphasised that expected figures are 'estimate' final income and expenditure figures and should be used as a guide when deciding the budget/precept figures for 2021/2022.

### **Additional Useful Information for Councillors**

#### **COVID**

By far the biggest factor affecting the accounts, budget and operation of the Council in 2020/2021 has been COVID-19. Not only has this affected both income and expenditure, but has also affected how the Council itself operates, including the withdrawal of the Council from its office in North Weald Library. The Council office is currently temporarily located at the Thornwood Common Parish Hall, and will remain so in the short term. There remains considerable uncertainty surrounding the Coronavirus and the affect this will have on the Parish Council, its staff and the services the Council is able to offer. At the time of writing this agenda, it has been confirmed that Epping Forest District has again moved into Tier 3, with no end date proposed. It is reasonable to assume that there will be little tangible change for the remainder of the current financial year, with the hope that within the first half of the 2021/2022 financial year things may start to get back to some form of normality. This agenda, and all the associated paperwork, has been prepared with this in mind, however it is important to note that a level of uncertainty remains. By the end of this financial year, this Council is expected to have spent around £4,300 on actions directly related to COVID restrictions alone.

#### **Expected income versus budgeted income**

Despite the effects of COVID, the total income for the current financial year is expected to be broadly as budgeted (budgeted £255,601 versus expected £256,244, including precept receipt). This has been assisted by a grant of £10,000 from EFDC as a direct result of COVID disruption offsetting the loss of income from the Parish Hall, along with a further £8,266 awarded in grant funding for various projects which have not yet taken place, albeit the majority are expected to take place before 31<sup>st</sup> March 2021.

#### **Expected expenditure versus budgeted expenditure**

The expected total expenditure for 2020/2021 shows an overspend of roughly £11,000, however it should be noted that this overspend has occurred as a direct result of using funds from Earmarked Reserves which were not specifically budgeted for spend (although Councillors were aware there would be some spend). In addition, it is worth noting that the expenditure from different nominal heading codes fluctuated often as a direct result of COVID. A summary of the main differences is below:

- Approximate £15,000 **underspend** on Administration (101), including £10,000 underspend in staff salaries and associated costs, mainly due to working from home and moving to online meetings, loss of 1 member of staff before end of contract, plus decrease in photocopying, rent and not needing to purchase a new website.
- Approximate £7,000 neighbourhood Plan costs (from EMR) as a result of employing consultant and expected work to take place before end of financial year.
- Installation of CCTV at Parish Hall and associated costs, donation for boiler for Queens Hall and purchase and installation of Defibrillator at the Hastingwood Village Hall (all taken from earmarked reserves)
- Approximate £5,000 **underspend** on Parish Hall, including floor not being varnished as planned for, less overtime as hall closed, and various miscellaneous costs.
- Approximate £7,000 overspend on open spaces, mainly as a result of essential repair works to wetpour in play areas and works to repair damage following vandalism.
- Approximate £1,500 overspend on Street Lighting, due to different type of lamps being installed, and repair works to replace one entire street column. It should be noted that

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some of these costs will come from the 'Street Light Rolling Replacement' earmarked reserve.

- Approximate £6,000 overspend on Allotments, as a result of creating the community allotment and a large clearance operation at Wheelers Farm Gardens, however it should be noted that almost all of this overspend was either offset by a grant received towards the work, or the monies taken from earmarked reserves.
- Approximate £4,000 overspend on Weald Common, as a result of emergency repair works to the wetpour in the play area, repair following a spate of vandalism, and the backdated invoices for grass cutting of the area for prior years.
- £4,300 costs as a direct result of COVID (unbudgeted).

#### Capping Consultation

At this stage, the Parish Council has not been notified of any cap imposed on the setting of the precept for Town and Parish Councils.

#### Earmarked Reserves

Earmarked reserves, which are set aside for specific purposes and for savings for future projects, should be realistic and approved by the council. However, the amount of general reserves should be risk assessed annually and also approved by the council. It is recognised general good practice that the minimum level of General Reserves a Parish Council should hold is between 25%-100% of the precept. Larger councils would be nearer the 25% end. The current predicted figures for 31st March 2021 show that the level of General Reserves (i.e. those reserves that have not been placed into an earmarked fund) is expected to be around 19% of the precept. This is still relatively low, and is lower than as at 31<sup>st</sup> March 2020 (23%), however the Parish Council has an exceptionally high level of Earmarked Reserve, greater than 100% of the precept. The PFO is proposing a number of EMR transfers, and the Council will be asked to **CONSIDER** these, as well as if there are any other items on the EMR that should be moved into the General Reserve Fund.

#### Grant Funding

In a very difficult year, where grants have been very hard to come by, the Clerk has managed to obtain a total of £16,500 in grant funding for various projects and issues for this Parish, some of which were only released following pressure from the Clerk, including the COVID grant fund.

#### Street Lighting

Going forward, where necessary light repair works are needed and where possible, new LED lanterns will be installed. This is more costly to start with (£299 per lantern as opposed to approximately £70), however these lights come with a 10 year guarantee but have a life span of up to 30 years, thereby making a long term saving.

#### Office Relocation

At the 2019/2020 Budget and Precept meeting, funds were precepted as a result of the uncertainties about the future of the Library in North Weald. Cllr Finch, Leader of Essex County Council then publicly stated that no library would close for the next five years, which resulted in an assurance that the Parish Office was 'safe' for the foreseeable future. However, mainly as a direct result of COVID, and taking into account the end period of the lease and the 5 year security of the Library services, the decision was taken by the Parish Council to permanently move out of the Library. The Council office is now temporarily located at the Thornwood Common Parish Hall, and any funds previously precepted for concerning office accommodation, rent or relocation costs, have now been moved into one central earmarked reserve for a time in the future when a new office is agreed.

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Water Supply

In early 2020, the Parish Office received notification that Affinity Water had passed all their services over to Castle Water, and as such the water supply services for the North Weald Allotment, Hastingwood Allotments and the Cemetery would be moving (the Parish Office had no say in the matter). In April and May, new bills were received which were based on estimated figures, and were extortionate and did not represent real usage. In summary, an ongoing complaint has been with Castle Water for over six months, with the Parish Council advising they will not be paying the bills until such time as new bills are received (following the PFO providing updated water meter readings on two separate occasions). This issue remains outstanding and may be escalated to OffWat for resolution.

Thornwood Common Parish Hall

The Thornwood Common Parish Hall has suffered greatly this year as a direct result of COVID. A grant award by EFDC of £10,000 went some way to offsetting the financial loss, however as at 31/3/21, even with the £10,000 grant award, the hall is still expected to have run at a loss of approximately £6,000. There remains considerable uncertainty over the coming year.

**BUDGET / PRECEPT CONSIDERATION**

Councillors are asked to **NOTE** that last year, the Parish Council element of the Precept for a band D property was £85.91 (£1.65 a week). The calculation to get to this is the amount the Council request in precept divided by the tax base (no. of houses EFDC are expecting to collect council tax from), which for last year was as follows:

$$\mathbf{£222,545 / 2590.50 = £85.91}$$

The tax base for 2021/2022 has reduced to 2565.20 from 2590.50 last year. If the Parish Council wishes to show a NIL increase in the parish council element of Council tax for next year, the maximum amount the Council can demand of EFDC in terms of precept would be £220,376.

$$\mathbf{£220,376 / 2565.20 = £85.91}$$

This means that instead of applying for a precept of £222,545, the Parish Council would need to apply for £220,376. It is appreciated that in terms of calculations for this Council, this is a reduction in what was demanded last year, however changes in the Council Tax Base ultimately change the calculation of the Parish Council element of the Council Tax.

The District Council has asked to be notified of the Precept request by **31st January 2021** and Members are therefore asked to **CONSIDER** the proposed 2021/2022 budget and precept figures and **AGREE** a recommended precept figure to be put forward to full council in January 2021 for ratification.