

MINUTES OF THE PRECEPT 2022/2023 MEETING
OF BIRCHWOOD TOWN COUNCIL,
HELD AT PARKERS FARM, DELENTY DRIVE, WA3 6AN,
ON TUESDAY 14TH DECEMBER 2021

Present: Councillor Ellis in the Chair
Councillors Allen, Atkin, Brereton, Dempsey, Scott, Sheridan and Simcock
Clerk – Mrs. F. McDonald
RFO / Deputy Clerk – Mrs C. Caddock

Apologies: Councillors Ball (personal) Bowden (health) Evans (health) and Reeves (health)

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.

467/21-22 **NOVEMBER 2021 BUDGET / STRATEGY AND PRECEPT MEETING MINUTES**

The RFO reminded Members that detailed preliminary budget, strategy and precept related discussions had taken place during the November 2021 Budget / Strategy and Precept Meeting held on 23rd November 2021 (see Minutes of that meeting 431/21-22 to 434/21-22).

These Minutes had been approved during the Finance Part I meeting, earlier this evening (see Minute 455/21-22).

Some of this information will be repeated during this meeting, as a reminder, as it is specifically relevant to the formal setting of the precept.

468/21-22 **INTRODUCTION**

The RFO informed the meeting that the business to be transacted was to formally confirm 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 2022/2023.

The RFO 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 RFO stated that due to a currently unpredictable economic climate, she has set out a two-year budget plan.

Members noted that the letter and worked example received from Warrington Borough Council regarding the 2022/2023 precept had been circulated in the November meeting papers. These gave details of the precept calculations for 2022/2023 and the number of properties on which they set the Council Tax Band.

The RFO reminded Members that the tax base for our Council for 2022/2023 has been calculated as 3,137; this compares to 3,129 for 2020/2021, an increase of 8.

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.

The way the Band D formula works means that Band D would produce around £915.00 more income for 2022/2023, if the 2021/2022 precept level was applied without any increase (£358,641).

The letter from WBC also indicated that the precept payment will, for 2022/2023, be a single payment that will be made to us by 30th April 2022.

The RFO had circulated correspondence and papers, relevant to tonight's formal precept discussion and decision, to Members in their papers, including, for reference, Schedule A (as discussed at the meeting held on 23rd November 2021 – now slightly amended) and Schedule B, detailing precept options (between 1.5% and 5%).

The Town Council is required to send a breakdown of our budget and expenditure to the Borough Council, with its precept requirement, by Friday, 14th January 2022.

469/21-22 **AMENDMENTS TO 'SCHEDULE A' SINCE THE NOVEMBER MEETING**

The RFO asked Members to consider the amendments to Schedule A, made following discussions at the November 2021 Budget / Strategy and Precept Meeting.

These included changes in the item lines as follows:

- Item 1 (Cleaning services costs – Parkers Farm) – plus £5,500 (a new line re: the decision to hire a cleaning company to undertake the cleaning at Parkers Farm.
- Item 2 (General and Water Rates/Gas/Electric) – plus £500.
- Item 4 (Employment Costs (inc. employer NI & superannuation) – minus £5,000 (a cleaner's wages are no longer included in employment costs).
- Item 6 (Town Council Revenue Expenditure) – plus £5,000 (to allow for a potentially higher inflation rate rise than expected and general increases in supplier costs).

This equates to a difference of plus £6,500 (from £362,000 to £368,500) in budget expenditure in the amended Schedule A.

Members were asked to consider these changes and **unanimously resolved** that they were happy with the amendments proposed by the RFO.

470/21-22 **FINANCIAL PROJECTIONS / PROPOSED PRECEPT INCREASE**

The RFO 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 2021/2022; the year-end projected out turn for 2021/2022 and provisional financial projections for 2022/2023, 2023/2024 (see amended Schedule A, page 243 below).

The RFO, has therefore made the income and expenditure projections for 2022/2023 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 RFO reported that the Year End 2021 - 2022 projection, as previously presented at the November Budget / Strategy and Precept Meeting, remains as follows:

Birchwood Town Council			
Projection - Year End March 2022 Balances (rounded)			
Income			
Balances B/F March 2021		£ 322,107.00	(Audited)
Precept 21-22		£ 357,726.00	
General Income (including £1,000 grant from YHG)		£ 2,100.00	
	Total:	£ 681,933.00	
Expenditure			
See Budget Schedule			
Projected Expenditure		£ 329,900.00	
Balances C/F		£ 352,033.00	
6 months Cash flow		£ 185,000.00	
Reserves /Earmarked:			
Elections		£ 16,000.00	
Vehicles/Equipment		£ 80,000.00	
Community Development		£ 40,000.00	
Contingency fund (new)		£ 31,033.00	
		£ 167,033.00	
<i>Total cash flow plus earmarked reserves:</i>		£ 352,033.00	

The RFO reminded Members that the Town Council's accounts for the previous financial year, 2020/2021, had been submitted to the external auditor on 28th June 2021 and these were given approval on 19th September 2021, with a clean report.

The next interim internal audit has been arranged for 25th January 2022. Members continue to receive complete monthly income, expenditure, and bank reconciliation details 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 2022/2023 precept.

The RFO stated that Members had recommended, at the 2021 November Budget / Strategy and Precept Meeting, that the proposed precept for 2022/2023 is increased by 2.5%.

The RFO stated that if Members still wish to propose that the precept increases by 2.5%, this will lead to a potential reduction in balances of £875.00.

A 2.5% precept submission would therefore equate to a 2.5% increase for Band D properties – around an additional £2.86 per year – or around 5.5 pence per week, for the Town Council portion of the Council Tax (£117.19 up from £114.33).

Members discussed the various options.

Councillor Allen stated that he would prefer that the Town Council did not raise the precept at all. He said that residents will already be affected by a rise from the Borough Council, as well as the Fire and Police services.

The RFO stated that the current inflation rate is running at around 4.2% and the Bank of England has indicated that it is likely to increase to at least 5% in the near future.

The precept BTC raises is to cover the ‘added value’ services offered by the Town Council.

The Chair commented that the proposed 2.5% is only around half of the inflation rate, and to raise it by a small amount now could prevent a much larger rise in future years.

Councillor Scott said that he thinks a 2.5% rise is justifiable.

Members discussed the options. It was noted that the proposed £2.86 rise in BTC’s portion of the precept, on a Band D property (or approximately 5.5 pence per week) is a very small part of the whole Council Tax bill, and that the majority of our residents appreciate the services they receive from both our maintenance team and office staff. No other local parish Council in the Warrington area currently offers similar services.

It was confirmed that the Council wishes to publicise how our residents benefit from the dedicated maintenance team, and Officers at the Town Council.

Following the discussions, the Chair called for a **vote** on the recommendation made at the November Budget / Strategy and Precept Meeting, that the 2022/2023 precept be increased from 2021/2022 by 2.5%.

This increase to match the expenditure profile prepared by the RFO is justifiable and would lead to a potential reduction in balances of £875.00 in 2022/2023.

Six Members voted in favour of a 2.5% increase, two voted against.

It was therefore **resolved** that BTC’s precept will increase by 2.5% for 2022/2023.

471/21-22 **GENERAL DISCUSSION OF OTHER KEY INCOME / EXPENDITURE ISSUES**

The RFO reminded Members that the key income/expenditure issues had all been discussed in detail at the Budget /Strategy and Precept Meeting held on 23rd November 2021 (see Minute 432/21-22).

The RFO reiterated that amendments had been made to the projected estimated expenditure for 2022/2023 on Schedule A (on items 1, 2, 4 and 6) as detailed in Minute 469/21-22 above, following discussions held at the November Budget and Strategy meeting.

The RFO stated that changes to the earmarked reserves had also been discussed in detail at the Budget /Strategy and Precept Meeting held on 23rd November 2021 (see Minute 431/21-22 (b)):

Reserves /Earmarked:		
Elections		£ 16,000.00
Vehicles/Equipment		£ 80,000.00
Community Development		£ 40,000.00
Contingency fund (new)		£ 31,033.00
		£ 167,033.00

There is a proposed reduction from the 2021/2022 figures in the Elections earmarked reserves of £2,000, and in the Vehicles/Equipment fund of £20,000.

The proposed increase in the Community Development earmarked reserves by £5,000 is to take into account the Council's expression of interest in possibly putting on additional community events, such as a Farmer's Market or Craft Fair (see Minute 374/21-22 from the October Part I Finance Minutes).

The proposed new Contingency fund, £31,033, to cover various unknown costs, was also discussed at the same meeting (see Minute 373/21-22).

The proposed total of earmarked reserves for 2022/2023 is £4,926 more than the audited 2021/2022 figure of £162,107.

Although the purchase of two new electric vans reduced the previous Vehicles/Equipment earmarked reserve from £100,000 to around £55,000 – it is possible to allocate some additional funding and keep a reserve of around £80,000 from underspends in 2021/2022 – particularly from employment costs.

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

472/21-22 **CONCLUSIONS**

Those present reflected on the above discussions and the effect of the various figures presented in Schedules A and B (page 243 below) put forward by the RFO and considered in detail at the November 2021 Budget / Strategy and Precept 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 Brereton and **seconded** by Councillor Dempsey to resolve that a rate precept increased by 2.5% for 2022/2023 be submitted to Warrington Borough Council as detailed below.

Six Members voted in favour of the proposal, two voted against.

It was therefore resolved following the majority vote in favour of the proposal:

- (i) That the itemised estimated expenditure £329,900 as shown in the column of the 2021/2022 budget sheet be accepted for the Town Council to operate from 1st April 2022.
- (ii) That the projected expenditure and balances profile as detailed for 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 2022/2023 financial year be £368,500.

Anticipated balances carried forward for the 2021/2022 year-end are £352,033. That the Council contributes £875 from balances towards the projected expenditure and general inflation in 2022/2023 to balance the rate precept level of £367,625 and expenditure of £368,500 for 2022/2023.

It was resolved that a precept requirement of £367,625 be submitted to the Borough Council for the 2022/2023 financial year, to comply with the Borough Council's budget timetable of 14th January 2022.

This determines that the rate precept for 2022/2023 will be 2.5% higher than in 2021/2022.

- (iv) That the estimated budget balance at 31st March 2022 should be in the order of £352,033; comprising of £185,000 (6 months cash flow) to be carried forward for the 2022/2023 financial year, in addition to a likely maximum earmarked expenditure fund of £167,033, approved for 2022/2023.
- (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 once the precept has been confirmed, an announcement on the coming year's precept will be sent to the local press for consideration for publication, and will be published on the Town Council's website.

The Precept Meeting concluded at 7.45 pm

Schedule A - (Amended)				Dec-21			
BIRCHWOOD TOWN COUNCIL							
YEAR-END PROJECTED OUTTURN 2021/2022							
AND FINANCIAL PROJECTION FOR 2022/2023 AND 2023/2024							
ITEM NO.	EXPENDITURE ITEM	BUDGET 2021/2022	PROJECTED EXPENDITURE OUTTURN 2021/2022	BUDGET ESTIMATED EXPENDITURE 2022/2023	BUDGET ESTIMATED EXPENDITURE 2023/2024		
1	Cleaning services costs - Parkers Farm	N/A	N/A	£ 5,500	£ 6,000		
2	General and Water Rates/Gas/Electric	£ 6,000	£ 4,500	£ 6,500	£ 6,500		
3	Insurance/Subs/Fees/Car Tax/Bank Charges	£ 17,000	£ 17,000	£ 17,500	£ 17,500		
4	Employment costs (inc employer NI & superannuation)	£ 270,000	£ 235,000	£ 265,000	£ 275,000		
5A	Civic - Chairman's Allowance	£ 1,000	£ 1,000	£ 1,000	£ 1,000		
5B	Civic - Newsletter	NIL	NIL	£ 1,000	£ 1,000		
5C	Councillors Allowances/Expenses	NIL	NIL	NIL	NIL		
6	Town Council Revenue Expenditure	£ 30,000	£ 30,000	£ 35,000	£ 35,000		
7	Community Developments	NIL	NIL	£ 5,000	£ 5,000		
8	Town Council Elections	NIL	£ 2,400	£ 2,000	£ 2,000		
9	Grants	£ 5,000	£ 3,000	£ 5,000	£ 5,000		
10	Parkers Farm Estate/Maintenance/Equipment fund	£ 12,000	£ 16,000	£ 5,000	£ 5,000		
11	Loans inc. Mortgage Fund for Parkers Farm Estate	£ 19,000	£ 21,000	£ 20,000	£ 19,500		
TOTALS		£ 360,000	£ 329,900	£ 368,500	£ 378,500		

(2021/2022 Precept - £357,726)							
2021/2022 Precept Level plus:	1%	1.5%	2%	2.5%	3%	3.5%	4.0%
Additional funds achieved:	£ 4,503	£ 6,323	£ 8,111	£ 9,899	£ 11,687	£ 13,475	£ 15,263
Precept amount would be:	£ 362,229	£ 364,049	£ 365,837	£ 367,625	£ 369,413	£ 371,201	£ 372,989
Approximate increase per Band D property for 2022/2023	£ 1.14	£ 1.72	£ 2.29	£ 2.86	£ 3.43	£ 4.00	£ 4.57
Approximate Band D charge for 2022/2023 (was £114.33 in 2021/2022)	£ 115.47	£ 116.06	£ 116.62	£ 117.19	£ 117.76	£ 118.33	£ 118.90
				Approximately 5.5p increase per week			