

CROSBY RAVENSWORTH PARISH COUNCIL – WORKING FOR THE COMMUNITY

Clerk to the Council: Christian Barnes, West House, Tenter Row, Crosby Ravensworth, Penrith, Cumbria, CA10 3HY. t. 07584 251 448, e. clerk@crosbyravensworthparish.org.uk

Budget Briefing 2021 /2022.

Budget Outturn 2021

The council set a budget last year projecting a surplus of £3,932 for the year 2020/21 anticipating that it would be able add to the restricted reserves dedicated to the Police House (£1,500) and to the General Reserve (£1,500) at the end of the year after depleting these through the Police House refurbishment in the previous year. In addition, it was agreed to commit £1,000 to green spaces with a view, possibly, to committing this to the MMRGT if not required in the Parish's green spaces outside the MMRGT.

Income 2020 2021

It is anticipated that income will be in line with budget at £20,000.

Expenditure 2020 2021

It is anticipated that expenditure will be below budget. Costs estimated and used for budget purposes for the exterior decoration of the Police House turned out to be significantly cheaper than anticipated and a saving of £2,000 was made when the work was competitively priced. At the point of writing the green spaces budget of £700 is yet to be committed. £1000 less the cost of felling the ash tree in Tenter Row. However, no tree inspections have been carried out and further costs may be incurred. In addition, printing costs associated with the Lyvennet Link have not arisen owing to the Covid Pandemic. Saving @£400. The likely guestimate at the time of writing of outturn for expenditure is therefore £13,000 against budget of £16,000. The likely outturn at March 31 2021 is therefore a surplus of +£7,000 not +£4000.

The likely balances of the council's accounts before any virement/transfers at the year-end are: 54259143 Cumberland BS (Current) £12,400. Penrith BS General Reserve £7,500, Penrith BS Police House Reserve £3,500. A total of £23,400.

What does the council want to do with its surplus?

Suggestion:

+£3,500 to Police House Reserve, restricted & therefore not factored in auditor's calculation of 2.5 times precept as maximum cash + reserve.

+£2,000 to General Reserve,

+£1,500 to MMRGT, outside the council's funds (for audit purposes).

That would give an opening balance of £5,400 in the current account before the receipt of the 2021 precept. If the council did this the year end would look like this:

PH reserve, restricted	£7,000
General Reserve*	£9,500
Cumberland*	£5,400
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Total including restricted	£21,900
Total excluding restricted*	£14,900

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Therefore $£14,900/2.5 = £5,960$ the amount below which the precept cannot fall without triggering an audit question.

I propose to share an open worksheet for illustrative purposes in the meeting on the 2nd November. The big unknowns to consider for 2021 2022 are Holly Cottage and legal costs associated with Reagill VG. We must also anticipate costs associated with the management of trees.

I'd also like to ask councillors to consider the merits of an 'assets reserve' in view of the likely resource requirements associated with Holly Cottage.

Christian Barnes, Clerk/RFO, 27/11/2020.