



ESSINGTON PARISH COUNCIL

Sharing our Progress

2021 NEWSLETTER

Message from the Chairman

Even before I became Chairman, along with others I've campaigned to bring more openness, transparency, and scrutiny to the Parish Council.

This newsletter (although we can't fit in everything we'd like) is a small element of that. A lot of what's in this booklet has been communicated online already, but we appreciate not all our residents are on social media, and we want to bring everyone up to date.

A lot of work has been required over the last two years, with most of it behind the scenes that residents don't see, and with us having to make the difficult decision to more than double the precept (and then freeze it for this year), one of the main questions we receive is "why", and I hope this update goes some way to explain the issues we've faced, but also that we want to move on with a new chapter in the Council's evolution.

Although this newsletter predominantly covers the 21/22 budget year, I would like to take you back to October 2018 when 6 Councillors resigned en masse. 2018 was a notable year for Essington Parish Council, in that we had no less than 4 different Chairmen in the 12-month period (surely a record!). In January 2019 Essington Parish Council received a Public Interest Report from the External Auditors, and this report was presented to the Community at a Public meeting on 28/02/2019.

For a Parish Council to receive a Public Interest Report, it is a very serious matter and is usually a last resort from the External Auditor. This was followed by the long-time Clerk resigning, and with limited records and access to emails, it made things very difficult to continue.

In May 2019 I was elected Chairman of Essington Parish Council and the late Geoff Southern was elected as my Vice-Chairman. Then began the Council's task of addressing all the serious issues highlighted in the Public Interest Report. To assist us in these tasks the Council appointed an external specialist, and we made good progress throughout the rest of the financial year.

Many things came to light as we progressed, far too many to list in this brief message, sometimes it felt like 1 step forward, 3 back, and I think that it then became apparent to us all, just what an enormous task we had in front of us, and how bad things really were under the surface.

From the Public Interest Report the governance of the Council was virtually non-existent including an Internal Audit System that was not fit for purpose, which also led to major gaps in the Council's fraud prevention measures.

It had been brought to the attention of the previous administration on numerous occasions that the Council should have been charging VAT on all its sales through its Tea Rooms. An assessment was carried out by our external specialists and it was found that the Council could owe HMRC as much as £100k, but by approaching HMRC ourselves, admitting the error, and working positively with them, we were fortunate to avoid any fines, and were able to settle at around £60k, still, a big blow to the Council's finances.

Whilst carrying out this exercise it became apparent that the Parish Council was not eligible to operate a commercial Tea Rooms, and so we had to take steps to relinquish its operation by the end of the financial year of March 2020. More positively, some staff that were made redundant in the process, set up their own small business, and now operate independently of the Council, to keep this well-loved facility at the Community Centre.

The Council's reserves had also been depleted by the previous administration, and it is now incumbent on the current Council to build our reserves back up to around £60k. In addition, we had an independent Fire Risk Assessment conducted at the Community Centre and it was condemned. With a faulty fire alarm system, dodgy electrics, and all but 3 emergency lights completely failing, to name just a few of the many Health & Safety issues.

We have now paid the VAT bill, spent thousands carrying out some of the necessary repairs and upgrades to Essington Community Centre (with many more to go), put in complete new processes, procedures and regulations, and I am indebted to my fellow volunteer Councillors for all their help, time and assistance. Unlike in the past, it is not about who happens to be Chairman, it has been a TEAM effort.

Unfortunately, there is still much to do and learn, but I feel that the light at the end of the tunnel is starting to shine just that little bit brighter, and I hope our next chapter, is much more positive for all in the Community.

Chris Steel
Chairman



The Budget

*Produced
January 2021*

Essington Parish Council raised the precept in 20/21 106% due to the unprecedented financial situation the authority was in, as a result of years of previous financial mismanagement. This was on the guidance of the Internal and External Auditors.

The liabilities of unpaid VAT owed to HMRC to the value of £60k was the biggest and most immediate risk, followed by lack of maintenance to community buildings in breach of Health and Safety legislation, and some in disrepair.

Essington Parish Council have not previously produced a long term 5-year forecast and all "Reserves" had also been depleted.

Essington Parish Council also feel there has been a long period without the Parish Council fulfilling its purpose of investing in the community. It is the aim of this budget to continue to settle the liabilities of the Council from its previous administration (such as building up General Reserves) and balance that with investing in the community, its infrastructure, and cohesion.

Key Changes;

Precept - Although acknowledging the significant increase in the precept in 20/21, to enable the budget to balance both reducing liabilities, and investing in the community, it is agreed and budgeted that the precept in 21/22 will be frozen and reduced over the 5-year period.

ECC Upgrade - Although a large sum of funds have been allocated to the Health & Safety projects required for the community centre in this current year, it is expected to not be enough. It is estimated approximately £25k currently allocated will be placed into earmarked reserves, and we propose to increase this by £15k in this budget. Further notes on ECC Upgrade provided below.

General Reserves - Essington Parish Council currently have no general reserves as required to secure long term stability. The target amount of General reserves is £60k, although it is budgeted to reach this target over a 3 year period. Therefore £20k has been budgeted each year for next 3 years.

Rents - Essington Parish Council is currently conducting a review of all leases to determine when and how rent reviews are required for each tenant. In addition, due to the financial strain the Covid-19 pandemic has caused, we have not increased any rent for tenants this year.

Capital Investment - It is the aim of Essington Parish Council to improve the balance of investing in the community, and therefore a further £43k has been budgeted to spend within the local community. In the 2021/22 budget, it is estimated that the Capital will be allocated as follows,

- o in addition to the £15k ECC Upgrade;
 - o £15k – Swan Park
- o £10K – Essington Remembrance Garden with War Memorial
- o £10k – Footpath and lighting through Nicket
 - o £5k – Community Events and activities
 - o £3k – Making safe fishing pegs

ECC Upgrade – In the current year £46k was budgeted towards upgrading Essington Community Centre to become compliant with Health & Safety legislation. This included the following;

- Creating Policies and Procedures for all Council operated sites
- Complete Asset Survey and Register
- Carrying out Fire Risk Assessment

- Replacing Fire Alarm System
- Carry Out Electrical Inspection and remedials
 - Replacing ALL Emergency Lights
 - Installation of barriers in Café area
 - Emergency Fire escape doors
- One-way vehicular system around the site
 - Pothole repairs
 - Line Painting
- Internal CCTV through Hall and corridors
- Electronic Door Access for Hall Hires
 - Security Alarm Zoning
- All locks replaced with a new maintained Key Register
 - Data Network points

It is unreasonable to achieve this within a single year and therefore will be worked through over the 5-year forecast.

£46K was initially budgeted, and approx. £20k has been spent so far, the remaining unspent funds in this financial year will be placed in earmarked reserves to continue progress. A further £15k in this budget will increase the amount available.

5 YEAR FORECAST

	Current Year Budget	Next Year Budget	Year 2 Budget	Year 3 Budget	Year 4 Budget	Year 5 Budget
Income	£226,353	£252,394	£249,627	£229,787	£209,947	£205,107
Expenditure	£190,600	£226,640	£221,670	£199,420	£197,170	£194,420
Net	£35,753	£25,754	£27,957	£30,367	£12,777	£10,687

Precept – It is the Council’s view, recognising the 106% increase last year, that the precept needs to **decrease**. Given the uncertainty with having no reserves, and the additional pressures of the pandemic, and with the Council’s ambition to invest around the community, it has resulted in Essington Parish Council freezing the precept this year, and reducing it over the 5-year period. It is estimated (subject to future budgets agreed by Council) that the precept will reduce 30% over the 5-year period.

The 5 Year budget forecast is for illustrative purposes only and demonstrates the **intention** of Essington Parish Council. All budgets are subject to change during future budget setting processes carried out on a yearly basis.

£5k has been budgeted for yearly community events and activities to promote community engagement and cohesion, raise awareness for local causes and promoting Equality Diversity and Inclusion.

Capital Investment has been budgeted for Essington Pools, the longer-term investment recognises the intention of EPC to get it designated as a Local Nature Reserve (LNR) giving it further statutory protection. This process requires a number of professional surveys over time.

No rent has been budgeted for Essington Rugby Club recognising the agreement that the year (21/22) rent will contribute towards the organisation's roof repair. Subsequent years have been budgeted at full existing rent and subject to Rent Reviews.

Hall Hires pre-pandemic were budgeted at £18k per year. It is expected that a slow return will be likely and therefore it has been estimated to increase over the next 2 years.

No Bar Income has been budgeted for in 21/22. It is expected an agreement will be in place with stated terms prior to the next budget setting process.

Broad Lane Playing Fields – It has been budgeted that Capital Investment of £15k over year 4/5 could be invested for new/replacement play equipment.

Westcroft Playing Fields – It has been budgeted that Capital Investment of £15k over year 3/4 could be invested for new/replacement play equipment.

PICNIC AT THE POOLS

COMMUNITY EVENT SATURDAY 28TH AUGUST

BBQ!

12pm till 4pm

LIVE
MUSIC

BRING A BLANKET AND ENJOY AN AFTERNOON PICNIC!

REGISTER FOR OUR CHARITY **FUN RUN!**

PRIZES FOR BEST
FANCY DRESS!



PLEASE NOTE: This is a small community event
to bring people together after months of isolation,
and to raise funds for charities.

THIS IS NOT THE ESSINGTON SHOW WHICH WILL RETURN IN 2022!

NO FISHING & DOGS ON LEADS DURING THIS EVENT



***SUBJECT TO COVID RESTRICTIONS -**

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for the latest updates

