

Throop and Holdenhurst Village Parish Council

Budget and Precept 2022-23

Report to Parish Council Members

1. Background:

- 1.1 The Village Council must produce an annual budget and comply with the relevant Financial Regulations, including its own Standing Orders. Discussions concerning budget content and the factors influencing its details normally commence in November of each year. This report represents these deliberations to-date and, subject to any final adjustments by the Village Council at its forthcoming meeting on 12th January 2022, will outline the Village Councils budget and precept requirements for 2022-23.
- 1.2 As with last year once the budget has been finally agreed, it will be submitted to BCP Council by this year's deadline of the 31st January in order for the precept to be included in the Council tax charge for 2022-23.
- 1.3 In 2021-2 the number of Band D equivalent properties within the parish was calculated by BCP Council as being 289.7. BCP Council has notified the Village Council that the number of Band D properties to use in the 2022-3 calculation is 297.3. This revised figure will result in the precept per household being slightly lower than would be the case if the property figure had remained the same as in 2021-2.
- 1.4 In determining the amount of budget and precept required for its first year, the Village Council considered the following:
 - The requirement to fund the agreed priorities for the parish in year one.
 - The requirement to ensure that there are sufficient financial reserves available for emergencies/unforeseen expenditure.
 - A desire to keep the level of precept as low as possible.
- 1.5 These "considerations" are still relevant for the next year of the Village Council's budget together with strengthening the Village Council's infrastructure and establishing the most effective way of engaging residents and delivering on the agreed workplan.
- 1.6 Essential expenditure includes:
 - Employment of the Village Clerk (who is also the Responsible Financial Officer).
 - Undertaking the required Councillor and Village Clerk training/development.
 - On-going Website maintenance.
 - Ensuring that the required Insurance cover is in place.
 - Meeting "Office" expenses.
 - Paying subscriptions in respect of relevant Professional Body membership.
 - Payment of Audit fees as required.
 - Maintenance of Parish Assets.

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1.7 Anticipated Expenditure identified in 2021-2

- War memorial.
- Queens jubilee trees.
- Parish noticeboard for Holdenhurst Village.
- Allotment maintenance and preliminary allotment lease arrangements.
- Further Website Development .

1.8 Possible additional expenditure under consideration in 2022-3:

- New Allotments Lease agreement.
- Costs of additional methods of public communication/consultation.
- On-going Clerk and Councillor training and development.
- Identifying and supporting local projects/initiatives that help to encourage a sense of local community. Demonstrating “added value” to parish residents.
- Commencing work in respect of the drafting of a Neighbourhood Development Plan (NDP)
- Possible Parish Council elections fees/expenses

2. Income and income generation:

2.1 The Village Council’s main source of income is from its precept. The amount of precept required is identified through the budgetary process. Once collected by BCP Council, it is anticipated that BCP Council will again transfer 50% of the collected amount in April/May and October respectively and upon the formal request of the Village Council (normally via the Village Clerk).

2.2 Once a lease agreement is in place with the Longbarrow Allotments Association an amount of rent will become payable to the council. The amount will depend upon the final agreement but is also influenced by a legislation concerning the level as well as the allocation of specific operational costs between the landlord (the Council) and the tenant. It is possible therefore that the amount will be “pepper-corn” rather than significant but it is difficult to estimate this until the lease is closer to being negotiated. The amount anticipated for income purposes at this stage in the Budget is £1,100.

2.3 Fundraising initiatives in respect of specific projects can be considered as well as raising funds through donations or perhaps even from “appropriate” business sponsorship. As a public authority the council will want to ensure that any such initiative is properly managed and monies accounted for in accordance with any regulatory/legislative requirement. At the present time there are no such arrangements in place.

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3. Reserves and Balances:

3.1 The Local Government Finance Act 1992 (As Amended) requires local authorities to have regard to the level of reserves it would need to meet estimated future expenditure. The Chartered Institute of Public Finance and Accountancy describes the purpose of Reserve Funds as;

- a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing, and
- a contingency to cushion the impact of unexpected events or emergencies.

3.2 There is no specification within regulations concerning the actual level of the reserve but understood “good practice” suggests having a General Reserve sufficient to cover between three and twelve months of a parish council’s running costs.

3.3 Taking into account this advice together with factors such as the anticipated increase in inflation, a degree of economic uncertainty due to issues such as Brexit and of course, the Covid-19 Pandemic, it seems prudent to consider increasing the amount of budget allocated to reserves to an amount sufficient to cover a minimum of six months “running costs“ in 2022-3.

4. Recommendations:

4.1 Consider and agree the Throop and Holdenhurst Village Council budget for 2022-23.

4.2 Agree that the required Precept for 2022-23 is set at £10,030 which equates to a household Band D charge of £33.74.

4.3 Note that the required precept has been reduced overall from 2021-22. (£90).

4.4 Note that due to the slight reduction in overall precept together with the increased “Band D” property factor, the amount of “Band D” precept will reduce from the 2021-22 amount of £34.94 to £33.74 in 2022-3. A reduction of £1.20. (3.43%)

4.5 For the purposes of “essential running costs” an amount of approximately £6,680 annually has been identified. An allocation to Reserves in 2022-3 of £2,500 raises the Council’s total Reserves to £3,250 overall (Equivalent to approximately 6 months running costs (para. 3.3 above).

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Budget 2022-23

APPENDIX A

<u>Description:</u>	<u>Income:</u>	<u>Expenditure</u>
<u>Assets:</u>		
Longbarrow Allotments	1,100.00	
Bank balance	3,000.00	
Notice Board (Throop donation)	0	
<u>Expenditure:</u>		
Employee Costs:		Budget:
Salary - P/T Clerk (Inc. on-cost & payroll provider)		3,600.00
Recruitment costs		100.00
Election Fees/expenses:		
Council Vacancy		500.00
Training & Development:		
Clerk		200.00
Councillors		800.00
Accommodation & Office Costs:		
Building Hire (Holdenhurst Village Hall)		120.00
Admin. (Stationery, Printing paper & ink, postage etc)		250.00
Email accounts – Charges/rental costs		400.00
Travel expenses:		
Expenses (authorised attendance at events/training)		100.00
Professional Body Subscriptions:		
Dorset Association of Town & Parish Councils		260.00
Society of Local Council Clerks		200.00
Association of Local Council Clerks		0

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<u>Description:</u>	<u>Income:</u>	<u>Expenditure</u>
Fees:		Budget:
Internal & External Audit Fees		100.00
Insurance:		
Property, Assets, Public Liability, Professional indemnity.		750.00
Longbarrow Allotments:		
Maintenance & management.		1,000.00
Communication & Consultation:		
Website maintenance.		750.00
Leaflets/Surveys.		350.00
Neighbourhood Development Plan.		250.00
Balances/Reserves:		
Contribution to reserves 2022.		2,500.00
"One-Off" costs:		
Allotment lease – Legal costs.		2,000.00
TOTALS:	4,100.00	14,130.00

Estimated Precept Calculation:

Precept would be approx. £33.74 per band D property.