

# Throop and Holdenhurst Village Parish Council

## Budget and Precept 2023-24

### 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 18th January 2023, will outline the Village Councils budget and precept requirements for 2023-24.
- 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 31<sup>st</sup> January in order for the precept to be included in the Council tax charge for 2023-24.
- 1.3 In 2022-3 the number of Band D equivalent properties within the parish was calculated by BCP Council as being 297.3. BCP Council has notified the Village Council that the number of Band D properties to use in the 2023-4 calculation is 301.5
- 1.4 In determining the amount of budget and precept required for its second year, the Village Council considered the following:
  - The requirement to fund the agreed priorities for the parish.
  - 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.
  - The increased precept requirement of £2,060 is required this year, mainly, to cover the increased cost of employing the Village clerk and to build up the Councils reserves to 6 months running costs(over the next year or two). The cost of employing the Village clerk has increased as a result of the need to respond to BCP consultations, planning applications, SANG and other development issues, residents enquiries, ensuring audit compliance, allotment management, meeting preparation, correspondence, updating website/noticeboards and community projects etc.
  - The data for this year's budget is provided from actual costs for goods, services and payroll for the year 2022-23 (i.e., hours worked, mandatory auditor fees, stationery costs especially printer cartridges, web site maintenance and development costs, bank charges. The information for which was previously unavailable for the previous budget preparation)
- 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

## Throop and Holdenhurst Village Parish Council

establishing the most effective way of engaging residents and delivering on the agreed workplan.

### 1.6 Essential expenditure includes:

- Employment of the Village Clerk
- Undertaking the required Councillor and Village Clerk training/development.
- On-going Website maintenance.
- Ensuring that the required Insurance cover is in place.
- Meeting "Office" and travel expenses
- Paying subscriptions in respect of relevant Professional Body membership.
- Payment of Audit fees.
- Maintenance of Parish Assets.
- Allotment Management

### 1.7 Anticipated Expenditure identified in 2023-4.

- Allotment management and maintenance
- Further Website Development .
- Costs of additional methods of public communication/consultation.
- On-going Clerk and Councillor training and development.

### 1.8 Possible additional expenditure under consideration in 2023-4.

- Identifying and supporting local projects/initiatives that help to encourage a sense of local community. Demonstrating "added value" to parish residents.
- 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.

## Throop and Holdenhurst Village Parish Council

### 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,( BCC forecast inflation to be 11% in Q.4 2022, reducing to 5% in Q.4 2023), a degree of economic uncertainty remains due to issues such as Brexit and of course, the Covid-19 Pandemic, the conflict in Ukraine and also the current cost of living crisis. It seems prudent to consider the amount of budget allocated to reserves to an amount that doesn’t increase the precept excessively but is sufficient to cover approximately four and a half months “running costs“ in 2023-4 whilst enabling the reserves to be built up to the more desirable 6 months “running costs“ over the next couple of years.

### 4. Recommendations:

The Village Council is recommended to consider the details contained in this report and resolves to:-

- 4.1 Consider and agree the Throop and Holdenhurst Village Council budget for 2023-24 as outlined in Appendix A of the report.
- 4.2 Agree that the required Precept for 2023-24 is set at £12,090 which equates to a household Band D charge of £40.10
- 4.3 Note that due to the increased budget requirement of £2,060, together with the equivalent “Band D” property factor, the amount of the equivalent “Band D” precept will increase from the 2022-23 level of £33.74 to £40.10 in 2023-24. An increase of £6.36 (18.85%).
- 4.4 Note that for the purposes of “essential running costs” an amount of approximately £11500 annually has been identified. An allocation to Reserves in 2023-4 of £1500 raises the Council’s total Reserves to approximately £4235 overall (Equivalent to approximately 4.5 months running costs (para. 3.3 above refers).

# Throop and Holdenhurst Village Parish Council

Budget 2023-2024

## APPENDIX A

<u>Description:</u>	<u>Income:</u>	<u>Expenditure</u>
<u>Assets:</u>		
Longbarrow Allotments	1,100.00	
Bank balance	1,635.00	
 <u>Expenditure:</u>		
<b>Employee Costs:</b>		<b>Budget:</b>
Salary - P/T Clerk (Inc. on-cost & payroll provider)		5700.00
Working at Home allowance		310.00
 <b>Election Fees/expenses:</b>		
Council Vacancy		300.00
 <b>Training &amp; Development:</b>		
Clerk / Councillors		900.00
 <b>Accommodation &amp; Office Costs:</b>		
Building Hire (Holdenhurst Village Hall)		200.00
Admin. (Stationery, Printing paper & ink, postage etc)		350.00
Email accounts – Charges/rental costs		520.00
Bank Charges		75.00
Internet Security		25.00

## Throop and Holdenhurst Village Parish Council

<b>Description:</b>	<b>Expenditure</b>
<b>Travel expenses:</b>	
Expenses (authorised attendance at events/training)	100.00
<b>Professional Body Subscriptions:</b>	
Dorset Association of Town & Parish Councils	280.00
Society of Local Council Clerks	120.00
<b>Fees:</b>	<b>Budget:</b>
Internal & External Audit Fees	400.00
<b>Insurance:</b>	
Property, Assets, Public Liability, Professional indemnity.	750.00
<b>Longbarrow Allotments:</b>	
Maintenance & management.	1,100.00
<b>Communication &amp; Consultation:</b>	
Website maintenance.	500.00
Website Support	360.00
Annual Domain	100.00
Leaflets/Surveys.	900.00
ICO Data protection	35.00
<b>Balances/Reserves:</b>	
Contribution to reserves 2023.	1500.00
<b>"One-Off" costs:</b>	
Community Project	300.00
<b>TOTALS:</b>	<b>£2,735</b>
	<b>£14,825</b>

### **Estimated Precept Calculation:**

Precept would be approx. £40.10 per band D property.