

REPORT TO PICKMERE PARISH COUNCIL

2nd November 2021

AGENDA ITEM 7.3 - BUDGET AND PRECEPT FOR 2022-23

1. MAIN BUDGET

1.1 It is the appropriate time to consider the form of the budget to be established for 2022-23. It is necessary to inform CEC of this Council's Precept requirement for 2022-23 before Christmas 2021. This task continues to be more complex than it used to be because of the four pots of money that the Council now holds:

- The "general" budget and related funds based around the key receipts of Precept and Village Hall hire, against which expenditure is focussed on the Council's administrative costs, including the cost of the Clerk, and the running costs of the various properties that the Council owns (including some minimal allowances included for possible repairs to the Council's buildings, tree work, etc which really should form part of a council's general budget).
- The pool of money received as Community Infrastructure Levy.
- The Covid Business Grants received last year.
- The funds for preparation of the Neighbourhood Plan – in large part a government grant but supplemented by one or more financial allocations made by the Council.

1.3 In respect of the so-called "general" budget, Appendix 1 shows an initial draft budget based upon the following key elements:

- The Precept remaining unchanged at £13650.
- Assumed Village Hall hire income of £2500 (for information, this figure reached £2316 in 2018-19, £2859 in 2019-20, only £150 in 2020-21, and a figure of £1000 may be reached by the end of the current financial year).
- Purchase of a new laptop – cost allowed £600 (excl VAT)
- Energy costs increased by 50% over those assumed for 2021-22 in the light of current energy price hikes.
- The VH cleaner's costs increased as previously agreed.
- Continuing payment for the large 'litter' bin at the IROS.
- Continuation of the Council's Zoom account.
- Various other small-scale annual increases.
- The Clerk's annual fees increased by an assumed figure of 2% (for the pay award not yet agreed for the current financial year) plus another 3% assumed for the potential pay award for 2022-23), plus an assumed 16.7% increase in hours (from 30 per month to 35 per month), which might be considered to reflect recent and likely continuing demands on that function.

1.4 The resulting figures show an annual income of £16450 and expenditure of £17481 – i.e. a £1031 shortfall.

1.5 Clearly, this mismatch cannot be accepted and either costs should be reduced or receipts increased, or both. The only way of increasing receipts is by increasing the Precept, and / or increasing the hire rate for the Village Hall. It has stood at £6/hour for many years. Costs can be reduced by taking some individual items out or reducing some items of cost.

1.6 In addition to the costs incorporated in the initial draft budget, recent discussions have included the following potential expenditure items:

- Installation of Broadband at the Village Hall: possible recurring annual cost say £400.
- Possible purchase of equipment to enable streaming of Council meetings: possible one-off cost say £800.
- Purchase and erection of new village signs/traffic calming 'gateways' at the main entrances to the village: costs perhaps *£to be reported*.
- Erection of further 'keep off the grass' bollards at the IROS: potential costs £650.
- Various current Asset Management items, e.g. fascia boards, Village Hall pointing.
- Contribution to installation of average speed cameras: recurring annual payment of £5000.

1.7 Please note that CEC in sending out their request for notification of Pickmere's Precept requirement for next year has advised as follows:

"...if your current Band D Council Tax (of £36.18) remained the same, this would increase your precept from £13,650 to £14,141. Alternatively, if the precept remained at £13,650 then the Band D Council Tax would reduce to £34.92 when using the new taxbase."

1.8 Thus if the precept remains at £13650 in total, then the Parish Council element of the Council Tax bill for each individual dwelling in the parish will reduce.

2. OTHER FUNDS

2.1 The following table was presented to Council last month, representing an outline of the state of the other funds held by the Council, the allocations already made by Council in relation to them, and the remnant moneys left unallocated – amounting at the current time to £23594.

Potential expenditure item	Source	Amount
Funds to support Neighbourhood Plan	Govt NP Grant residue	£5964
Funds to support Neighbourhood Plan	Community Infrastructure Levy	£3000
Funds to support Play area refurbishment	Community Infrastructure Levy	£3000
Funds to support Play area refurbishment	Council's Earmarked funds	£6000
Possible future legal fees (general)	Council's Contingency funds	£1000
Contingency held for IROS Grass cutting	Council's Contingency funds	£2000
Contingency held for possible additional tree work	Council's Contingency funds	£920

Clover Drive play area and Clover Drive sites – maintenance fund	Council's Earmarked funds	£10,000
Funds held against possible future election costs	Council's Earmarked funds	£2000
Village Hall – unforeseen building /equipment repair or replacement	Council's Contingency funds	£1000
Pavilion – unforeseen building /equipment repair or replacement	Council's Contingency funds	£300
Sum earmarked to cover potential loss of Village Hall income 2021-22	Covid Business Grant	£2000
Review of assets and possible refurb / replacement of buildings including planning, architectural & legal costs	Council's Earmarked funds	£9500

2.2 Further to that table, the Funds held against possible future election costs should now be increased to £2750, as £750 of this year's general budget was allocated to that purpose.

2.3 In addition to that amendment, notification has been received in the last few days that a further £6416 Community Infrastructure Levy has been received from CEC. At the time of writing which new development this relates to is not known.

3. THE DECISIONS REQUIRED

3.1 This information is presented for initial discussion. The decisions required from Council by the December Council meeting at the latest are as follows:

- Agreement of the 'general' budget for 2022-23, leading to:
 - A decision as to the size of the Precept to be demanded for 2022-23.
- Confirmation of the financial reserves that are:
 - allocated to the expenditure items noted in Appendix 2 section 3 (Allocation of Funds)
 - newly to be allocated to individual expenditure items or areas from the £23594, bearing in mind the need to balance the budget and taking into account the items referred to in paragraph 1.6 above.

4. RECOMMENDATION

4.1 That members consider the report and decide on how to proceed.

J Steel

Clerk to the Parish Council