

REPORT TO PICKMERE PARISH COUNCIL

14th December 2021

AGENDA ITEM 7.3 - BUDGET AND PRECEPT FOR 2022-23

1. MAIN BUDGET

- 1.1 Following consideration of the report on this topic at the November meeting, the draft budget has been adjusted slightly, and an option is introduced for allocating the financial reserves held by the Council. At this meeting, Council needs to:
- Agree the general budget for 2022-23
 - Decide what precept it will require for 2022-23
 - Consider how the Council's financial reserves should be allocated.
- 1.2 In respect of the so-called "general" budget, Appendix 1 shows an amended draft budget based upon the following key elements:
- The Precept remaining unchanged at £13650.
 - Assumed Village Hall hire income of £2350 (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).
 - 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.
- 1.3 The resulting figures show an annual income of £16300 and expenditure of £16281. Compared to the first draft of the budget considered at your November meeting, the following changes have been made:
- Omission of items relating to new laptop and printer, on the basis that these could be funded from Reserves if they are required.
 - Omission of property repair items for the Village Hall and Pavilion – on the same basis.
 - The potential VH hire receipts have been reduced slightly so that they are perhaps more realistic.
- 1.4 The only way of increasing receipts is by increasing the Precept, and / or increasing the hire rate for the Village Hall. The hire rate for the Hall has stood at £6/hour for many years. This does seem to be relatively low compared to other halls, but at the same time your Clerk has some concern about the

relative attractiveness of the hall compared to others, in terms not only of building character and condition but also in terms of the quality of facility that is offered.

- 1.5 In relation to the Precept, maintaining it at £13650 will mean that there is a small reduction in the Parish Council's element of the 2022-23 Council tax demand per dwelling. Members will recall that CEC in sending out their request for notification of Pickmere's Precept requirement for next year 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."

- 1.6 In addition to the costs incorporated in the initial draft budget, recent discussions have included the following potential expenditure items. These have not been included in the proposed budget.

- 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 £5000+
- 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.

2. OTHER FUNDS

- 2.1 The tables below represent two situations in relation to the earmarking of the Council's financial reserves:

- Table 1 represents the allocations made by Council earlier this year, and the remnant moneys left unallocated – amounting at the current time to £23594 together with the recent CIL receipt of £6416.
- Table 2 suggests an allocation of the reserves to meet potential specific needs but maintaining a significant fund of money for a generalised category of "Enhancement of Property Assets". This might reflect a situation where the Council wished to retain a pot of money for a significant project – not yet defined. What is clear is that the Council is unlikely to have at its disposal such a large financial reserve ever again, and it may be thought prudent to keep on one side a significant sum of money which might permit a significant project to be undertaken.

- 2.2 It is emphasised that Table 2 describes only one of many different ways one could allocate the Council's financial reserves; it simply reflects one potential way of doing so which allocates or safeguards money for specific purposes but including the possibility of funding significant property enhancement work.

Table 1

| ALLOCATION OF RESERVES - CURRENT POSITION | | Govt Grant | CIL | Covid Business Grants | Earmarked | Contingency |
|---|----------------|---------------|----------------|-----------------------|----------------|---------------|
| Neighbourhood Plan | £8,964 | £5,964 | £3,000 | | | |
| Play area refurbishment | £9,000 | | £3,000 | | £6,000 | |
| Possible legal fees | £1,000 | | | | | £1,000 |
| IROS Grass cutting | £2,000 | | | | | £2,000 |
| Tree work | £920 | | | | | £920 |
| Play area maintenance fund | £10,000 | | | | £10,000 | |
| Future election costs | £2,750 | | | | £2,750 | |
| VH Unforeseen repairs etc | £1,000 | | | | | £1,000 |
| Pavilion Unforeseen repairs etc | £300 | | | | | £300 |
| Asset enhancement | £0 | | | | | |
| Asset review | £9,500 | | | | £9,500 | |
| Other projects | £0 | | | | | |
| UNALLOCATED RESERVES | £30,010 | | £6,416 | £23,594 | | |
| TOTALS | £75,444 | £5,964 | £12,416 | £23,594 | £28,250 | £5,220 |

Table 2

| POSSIBLE ALLOCATION OF RESERVES 14 December 2021 | | Govt Grant | CIL | Covid Business Grants | Earmarked | Contingency |
|--|----------------|---------------|----------------|-----------------------|----------------|---------------|
| Neighbourhood Plan | £8,964 | £5,964 | £3,000 | | | |
| Play area refurbishment | £9,000 | | £3,000 | | £6,000 | |
| Possible legal fees | £1,000 | | | | | £1,000 |
| IROS Grass cutting | £2,000 | | | | | £2,000 |
| Tree work | £1,220 | | | | | £1,220 |
| Play area maintenance fund | £2,500 | | | | £2,500 | |
| Future election costs | £2,750 | | | | £2,750 | |
| Building repairs | £5,000 | | £0 | £3,000 | £1,000 | £1,000 |
| Enhancement of Property Assets | £35,000 | | £4,000 | £20,000 | £11,000 | |
| RETAIN UNALLOCATED RESERVES | £5,010 | £0 | £2,416 | £594 | £2,000 | £0 |
| TOTALS | £72,444 | £5,964 | £12,416 | £23,594 | £25,250 | £5,220 |

3. THE DECISIONS REQUIRED

3.1 The decisions now required from Council 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 allocation of the Council's financial reserves to be taken forward into 2022-23. It is pointed out that Council is perfectly free to reallocate these reserves at any future time, subject only to the Council's own standing order which seeks to prevent Council decisions being reviewed more frequently than six monthly.

4. RECOMMENDATION

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

J Steel

Clerk to the Parish Council