



NASH MILLS

PARISH COUNCIL

RFO 2021/22 Budget Report for Councillors

Introduction

Financial Regulations

3.2 The RFO must each year, by no later than end of November prepare detailed estimates of all receipts and payments including the use of reserves and all sources of funding for the following financial year in the form of a budget to be considered by the council.

3.3. The council shall consider annual budget proposals in relation to the council's three year forecast of revenue and capital receipts and payments including recommendations for the use of reserves and sources of funding and update the forecast accordingly.

Overall Position.

General Expenditure (Headlines)

- Budget expenditure has increased by approx. £3200 over 4 years. This can mainly be attributed to software upgrades (Rialtas finance package) and the improvements made to the parish magazine (Adobe purchase plus additional printing and delivery costs). There are also additional costs in the form of the clerk security measures (PO Box, mobile phone).
- With the proposed budget (v2) there is a small reduction on expenditure for 2021/22 (please see summary and budget notes for specific details)
- The budget is now mainly prepared with 'true' current and anticipated costs as the clerk now has some history to compare to.

Income

- NMPC are very fortunate that we do not currently hold any income generating premises that could have been affected by Covid-19
- Our magazine income this year has been lost but we have been fortunate enough to have sufficient reserve funds available to continue to support our local businesses.

Reserves

- Reserves remain healthy at approx. £118000, (£18000 due to be paid out as a grant that has already been approved for the current year).
- Nash Mills Parish Council have now earmarked the majority of these reserves for projects that are currently under investigation. The remaining reserves are earmarked in line with statutory guidance and permitted levels for general expenditure contingency.
- NMPC have good engagement with the relevant permission granting authorities and the County Councillor however due to the complexity of the projects and the

permissions required from both Herts County Council and Dacorum Borough Council these projects will take time to be implemented.

- The final Community Infrastructure Levy sum for this financial year has now been awarded and the report is included on this agenda. It should be noted that this is a 'conditional' award with specific expenditure parameters and reporting guidelines.

Considerations for Council

- Any increase to expenditure will require one of two actions
 - a) increase to precept (currently £22.99 per band D property)ⁱ
 - b) increased contribution from reserves- it should be noted that use of reserves for general expenditure should be considered in exceptional circumstances only. It should not be considered as a regular occurrence as the precept should be designed to cover all general expenses.
- For the purposes of the budget v2 2021/22 the use of reserves has been calculated as £1500 (£1000 for resident association grants), £500 towards training)
- Dog Bags, should council remove this funding of £400 per year? Currently we deliver to 11 houses only. This equates to approx. £36 per house when our precept is only £23 per band D property. Neighbouring councils have withdrawn this as a free service. Perhaps council could revisit the bag dispenser option as part of The Denes project as there would perhaps be somewhere that it could be affixed?

Proposed Budget Line Detail (headlines) – these are the major changes that I am suggesting

(Any changes may have an impact on the final workings)

- 4090 election costs proposing removal (see below)
- 4140 training, proposing reduction and part fund by general reserves as Councillors have now attended relevant training and any additional training could be discretionary. Clerk training is vital to keep up to date and to continue CPD, however some could be deemed 'nice to have' rather than essential.
- 4145 dog bags, proposing removal of £400 per annum funding.
- 4065/4070- Parish Magazine currently costs approx. £2451 for printing and £360 for delivery –
 - Option 1) do council wish to leave as is?
 - Option 2) do council wish to part fund from general reserves for 2021/22?The aim should be to drive up income when the situation allows to contribute back to general reserves.

Future Considerations to Note for Forthcoming Years.

- IT Packages purchased with the laptop are for three years only so should be considered when budget setting Nov 2021.
- Election costs are earmarked in reserves until 2030 but will need to be budgeted for from 2026

- Currently NMPC receive approx. £11000 in various grants from Dacorum Borough Council as contributions to the warden costs plus a council tax support grant. DBC are unable to confirm whether these grants will be reduced or removed in the near future and this will have a considerable impact on any future precept requests. An indicative cost impact would be a 40% increase on our precept (£9 per band D property on current figures)

Nikki Bugden (RFO & Clerk) November 2020

ⁱ DBC calculate the sum of the precept averaged per Band D property, this is then scaled up or down by DBC depending on the actual band that a homeowner's property falls into. For example a band D property would pay £23 but those in a higher or lower band would pay a different sum. I do not receive the calculations or actual split for this as it is DBC who set this and administer it.

DBC's figures for total Council Tax (including the parish amount) 2019/20 are here (with the band D equivalent proportions at the top of the sheet shown as well)

<https://www.dacorum.gov.uk/docs/default-source/council-tax/council-tax-charges-2019-20.pdf?sfvrsn=0>
2020/21

<https://democracy.dacorum.gov.uk/documents/s23178/Full%20Council%20-%20Council%20Tax%20Declaration%20202021.pdf>

The council tax support adjustment is a figure, given by DBC to assist Parish Councils for low income families who are unable to pay the full amount. The non-collection allowance is again funded by DBC to cover non-payment.