



NASH MILLS

PARISH COUNCIL

RFO Budget Setting Report for 2023/24 (Report 3)

January 2023

*Please note that this report should be read in conjunction with the supporting excel budget sheet (Budget Setting 2023/2024 Version 5 for Council January 2023 circulated).

Council received the first report (Report 1) in November.

This is a short, updated report as the clerk has only just received the confirmed grant figures and tax base figures from Dacorum Borough Council, however I have left the previous report and supporting appendices attached for clarity and context.

RFO/Clerk Recommendation.

- That council confirm that the annual budget for 2023/24 be agreed as per the figures below.
- As part of the approval above, that council agree to the use of reserves for 'one-off' and 'extraordinary' expenditure this year to minimise the impact of any precept increases to our residents during the current cost of living crisis
- That council confirm the precept required for 2023/24 and that the precept demand be formally approved and signed.

Headline Figures

Expenditure (budget not actual)	53,945.43
Council Income (budget not actual, CIL not included)	760.00
Income from DBC Grants	10571.48
Proposed use of NMPC Reserves (one off expenditure)	4854.80
Precept required	37,759.15
Tax Base for 2023/24	1327.10
Amount per band D property	30.41
Price per week per band D	58 pence per week per band D property
Precept received 2022/23	29690.00
Grants received 2022/23	10380.00
Amount per band D Property 2022/23	23.55
Increase per band D Property	6.86

Nikki Bugden

Clerk/RFO

20/12/2022

Report December 2022

Introduction

Financial Regulations

3.2 The RFO must each year, by no later than end of November prepares 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.

RFO/Clerk Recommendation.

- **That council confirm that the annual budget for 2023/24 be agreed as per the attached appendix**
- **As part of the approval above, that council agree to the use of reserves for 'one-off' and 'extraordinary' expenditure this year to minimise the impact of any precept increases to our residents during the current cost of living crisis**
- **That council note the 'proposed' precept required for 2023/24**

*We are waiting for Dacorum Borough Council (DBC) to approve the parish funding arrangements for 2023/24 and therefore cannot agree the formal precept demand until our January meeting)

As previously reported in November Council are having to approve a budget with inflation at around 11% and with some of our existing suppliers unable to confirm prices for next year due to the volatility of the economy.

At the time of writing this report the rate of inflation was showing at 11.1 %, Retail Price Index (RPI) 14.2%

Due to the rises that we are aware of and working on an assumption that an increase of approx. 10% will be due on all expenditure as a minimum, it will be necessary to increase the precept demand to Dacorum Borough Council for 2023/24.

Council currently has funds held in reserves, the majority of which are earmarked for specific items or projects. Whilst it is unwise to rely on the use of reserves for any day-to-day expenditure council have asked that the budget be prepared with the smallest possible impact to our residents.

On that basis I am proposing to council that they use reserves for any 'extraordinary' expenditure. Those known at this time are listed in the appendix attached and total the sum of £4854.80, however at the time of writing this report DBC have only sent draft grant figures and the tax base is still unconfirmed therefore this sum could vary.

As the use of reserves is unsustainable in the long run, If Council do not make any provision to commence increments in the precept contribution, then the actual impact of an increase when it does arrive could be extremely challenging.

Overall Position.

Expenditure

It is likely that expenditure next year will rise to £53945.43. It is anticipated that approx £4854.80 of this is one off expenditure that could be funded by reserves.

Income

NMPC are fortunate that it does not currently hold any income generating premises that could have been adversely affected the cost-of-living rises. It does also mean however that there are limited sources of funding outside of the precept. It is likely that with rising interest rates the funds which are currently held on interest bearing accounts will benefit.

NMPC have now received the draft funding figures from DBC (see section below). With these figures in mind income is currently showing as approx £11330.00 including interest and advertising income. Credit interest rates have been assumed at last year's returns.

Reserves

Earmarked Reserves remain healthy at approx. £85749.63 (30/11/2022) of which approx. £23000 is ringfenced as Community Infrastructure Levy (CIL). The reserves are earmarked in line with statutory guidance and permitted levels for general expenditure contingency.

General reserves fluctuate but are currently at approx. £23201 with the current year fund at approx. £15309 but are expected to be considerably lower at year end once the remaining four months annual expenditure has been debited. These are taken from the figures as at the end Nov 2022.

Grants Received

The final CIL sum for this financial year has now been awarded and the report was included in November. It should be noted that this is a 'conditional' award with specific expenditure parameters and reporting guidelines. NMPC has received draft details of grant funding from DBC (noted below)

2023/24 DBC Grant allocation Proposals.

- The Warden Grant – increasing the 22/23 allocation by 5.92% to match the DBC average pay award. (Increase approx £509)
- Concurrent Services: keep the funding at 2022/23 levels.
- CTS Grant: zero as proposed last year. Dacorum ceased receiving any Government council tax support grant many years ago and the policy set in place last year was to correct that historic anomaly. (This was £317.24 last year)

NMPC continues to work with other agencies and higher government authorities to source funding or grants.

a) Verges Funding

Part of the verges' project has been funded by HCC and the County Councillor's locality fund and by the Dacorum Borough Council verge hardening scheme. We are hoping that phase 2 will also benefit from some external funding.

b) Road Safety Funding

NMPC has been successful in receiving a grant from the Police & Crime Commissioner's Office which funded a new speed indicator device on Barnacres Road.

c) Environmental Funding

NMPC has been successful in obtaining a grant from HCC to fund the purchase, installation and maintenance of a new commemorative tree at the Denes for the Platinum Jubilee.

d) Green Initiative

NMPC received a grant for its rewilding project.

Considerations for Council

At the current known levels of income and expenditure there will be a requirement for the following actions

- Use of reserves to cover all one-off expenditure (current estimate approx £4854.80)
- A request for a precept of £37760.63
- An increase to the precept of approx £6.41 per band D property. (Using current figures at 30/11/2022).

Areas to be included for future budgeting in subsequent years.

- a) Defib hardware costs/replacement of unit (include from 2026 for main unit)
- b) Laptop Upgrade Y7 (include from 2027)
- c) Future Christmas lights provision and funding
- d) Future earmarking for Election costs (post 2030)
- e) Any other matters for consideration under future budgets

It should be noted that at the time of writing this report that NMPC had only received proposed figures in relation to tax bases or grant funding for 2023/24. The tax base for calculations is 1260.5

Nikki Bugden (RFO & Clerk) December 2022

Appendix 1 Budget in accessible format (excel sheet and supporting tabs with calculations circulated)

***Assuming a tax base of 1260.5 and draft figures supplied by DBC**

Precept request 2023/24 if grants and tax base unchanged
Reserves held exc current year fund(see separate tab)
Total on all bank accounts 30112022

£ 42,615.43

Appendix2 Budget detail in accessible format (excel sheet and supporting tabs with calculations circulated)

***Assuming a tax base of 1260.5 and draft figures supplied by DBC**

Draft 2023/24 V4	2023/24	Comments/Notes
	Option 1 10% increase	
Income	Inflation 9.9% 18/10/2022	
Precept	£ 29,690.00	Assuming all grants precept and income stay at current levels.

Bank Interest	£ 100.00	this could increase as rates are increasing rapidly.
Grants Received/CIL	£ 10,570.00	see tab from DBC
Advertising Income	£ 660.00	lost 1 advertiser and 1 was only a one-off advertiser
Total Budgeted Income 2023/24	£ 41,020.00	Total Budgeted Income 2023/24 (less increase to precept and use of reserves)
CIL	£ -	can't include CIL as this is not a guaranteed income figure and can only be used for certain projects
Expenditure		
Staff Costs HMRC Pension	£ 34,524.00	assumed 10%
WFH Allowance & Mileage	£ 475.20	45p per mile and £26 pm HWA - both tax free but paid through payroll.
Payroll charges	£ 237.60	
PO Box	£ 330.00	
Mobile	£ 264.00	
Office Supplies	£ 330.00	
Subscriptions (HAPTC SLCC ICO)	£ 1,270.50	HAPTC & NALC 890.41 (UPDATED PRICES) SLCC 241 ICO 35
Insurance	£ 967.58	this might vary considerably but this is a 'best guess'. Business expenses reserves could cover any shortfall
Audit Fees	£ 1,009.80	
Website Maintenance	£ 165.00	
Domain Hosting	£ 90.64	
ICT Licences & Support	£ 1,050.00	Query new email addresses -see separate tab but costs likely to be £1050 for both domain and licences etc
Resident Association Initiative	£ 734.80	Use EMR Community Support
Training/Conferences	£ 742.50	to retain CPD
Misc. (park inspections and misc.)	£ 440.00	3 quarterly inspections and 1 annual inspection
*New heading * Park Repairs	£ 440.00	
New heading Sundry Expenditure	£ 110.00	Poppies etc.
*New heading *Defib Sundries	£ 221.00	adult and child pads expire 2023 batteries were replaced 2022
*New heading * The Denes Project/Maintenance	£ 1,300.00	grass cutting £100 per visit every 2 weeks over summer may-end oct- we may need to add more for plants when seasons change?

*New heading * Rewilding Projects	£ -	unsure of any ongoing maintenance costs. Earmarked funds cover initial street furniture
2023 *New Heading* Coronation	£ 350.00	Bunting £350 approx supply and fit
2023 *New Heading* Half Centenary Mag & Delivery	£ 770.00	£120 delivery £650 edition (suggest this can be reduced)
2023 *New Heading* Community Expo		should be paid in 2022/23
s137	£ -	Council have General Power Competence
Adobe Licence	£ -	relies on Cllr being re-elected if not £168 will need to be found-suggest EMR Business Contingency.
Election costs	£ 3,000.00	2023 elections due-using costs from previous elections so only a benchmark-money on reserves
Hire Costs (Hall or Zoom)	£ 475.20	
Tools/Covid Exp	£ 220.00	
Garage Rent	£ 645.81	
Parish Magazine	£ 2,145.00	Pinter has been unable to supply estimates for next year as prices of paper and ink are rising considerably and remain volatile
Delivery of Magazine	£ 396.00	3 editions
Repairs/Signs/Park/Xmas lights	£ 1,240.80	new quote obtained for lights £1032 x 3 years but margin allowed for volatile pricing at the moment.
Total Budgeted Expenditure 2023/24	£ 53,945.43	Total Budgeted Expenditure 2023/24
Budgeted overspend	£ 12,925.43	Budgeted overspend without increase to precept or use of reserves
New precept required 2023/24	£ 42,615.43	(Last year's precept figure plus this year's shortfall)
	-£ 3,000.00	Elections use reserves as we have saved for these costs
	-£ 350.00	Coronation use reserves one off exp
	-£ 770.00	Coronation magazine- use reserves one off exp
	-£ 734.80	Community Grants-Use EMR Community Support
	-£ 4,854.80	Total potential use of reserves
	£ 37,760.63	New precept 2023/24 if we use £4854.80 reserves

		<i>for one off/extraordinary expenditure</i>
figures for council 2023/24 (v4)		
Income (without precept)	£ 11,330.00	
Expenditure	£ 53,945.43	
Precept required	-£ 42,615.43	
Proposed Use of reserves (one-off items only)	-£ 4,854.80	
Precept request 2023/24 if grants and tax base unchanged	£ 37,760.63	remaining shortfall/required precept
Reserves held excl current year fund (see separate tab)	£ 108,950.64	
Total on all bank accounts 30112022	£ 124,259.78	
	£ 23.55	Band D sum 2022/23
	£ 29.96	Proposed band D for 2023/24 assuming tax base remains at 1260.5
	-£ 33.81	Impact on band D if we did not use reserves
Assuming tax base unchanged	£ 6.41	increase on last year (per band D property)
Assuming tax base unchanged	£ 0.12	12 pence per week