



# NASH MILLS

## PARISH COUNCIL

### RFO Budget Setting Report for 2024/24 (Report 2)

October 2023

\*Please note that for further detail this report should be read in conjunction with the supporting excel and Rialtas budget sheets (availability on request)

#### 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.*

#### RFO/Clerk Recommendation.

- That all Cllrs consider the first edition of the draft budget and liaise with the clerk to ensure that expenditure, use of reserves and any increase to the precept is fair and proportionate.
- Council should note that the final budget must be signed off at the November meeting ready for the precept demand submission to DBC by January 2024 (there is no planned NMPC meeting in December).

The first draft of the budget is attached and shows a potential increase to the precept for 2024/25 of approx. **£2.37 per band D property per annum. This is below inflation.**

**An increase in the precept to £40677.55. (providing that grants from DBC and the tax base do not reduce this year).**

All comments to the clerk by **Thursday 2<sup>nd</sup> November 2023** for reporting and inclusion in the November version.

*At the time of writing this report the rate of inflation was showing at 10.1% Retail Price Index (RPI) 10.5% however the markets remain volatile.*

*Last year's budgets were set with the rate of inflation showing at 10.096% Retail Price Index (RPI) 12.30%*

## Background

NMPC has a proportion of new Cllrs following elections, so I have provided some notes.

The budget process as dictated by statute is laid out below.<sup>1</sup>

1. Council determines its expenditure budget
2. Council takes into account any income
3. Council determines any use of reserves
4. Shortfall is met from the precept

## Grants from Dacorum Borough Council

NMPC currently receives a grant from DBC that covers the majority of the staffing costs for the warden. Historically these figures are not notified until early December. On that basis council should approve their expenditure levels prior to receiving these. Once the grant figures are received, council can then accurately calculate the impact on the precept demand ready for the required January submission.

## NMPC Budget 2024/25

Report 1 (Sept 2023) contained background details relating to this draft budget and its preparation.

Council undertook an extensive investigation into expenditure and potential costs savings in 2022/23 with a review for budget setting 2023/24.

This year we do not have many areas in which we can reduce expenditure as they are mainly contractual or fixed costs. As expected for a parish council of this size, with minimal assets generating income or liabilities, our biggest expenditure is for staff costs, closely followed by magazine production and Christmas lights provision at The Denes.

Staff salaries are negotiated at a national level, for local government officers (NJC awards) and annual increments are awarded following national consultations. These are separate from any performance related increments.

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<sup>1</sup> [Local Government Finance Act 1992 \(legislation.gov.uk\)](https://www.legislation.gov.uk/ukpga/1992/51)

Income is derived from the precept, grants from DBC, magazine advertising and bank interest. Due to the rise in interest rates the income from interest is performing better than predicted.

### Forward Planning

As council are still working on their 4-year plan I have been unable to add any of this proposed expenditure to the draft budget. I have anticipated that the majority of proposed expenditure will be 'one off' costs therefore these could be taken from the reserves and council must ensure that the reserves figures are considered prior to committing to any new projects.

Cllrs will be expected to notify the clerk, prior to determining projects, of any potential ongoing maintenance costs should any project require this. It is the clerk's recommendation that any subsequent ongoing annual costs are met from the main budget and not the precept.

### Precept Explanation

- The precept is a tax that the district council requests annually along with its council tax bills [Council Tax \(dacorum.gov.uk\)](https://www.dacorum.gov.uk/council-tax)
- The precept is calculated per band D property (this gives a method of comparing nationally). This is then scaled up or down in 8ths depending on the actual property band
- The NMPC precept is calculated by taking the actual sum needed and dividing it by the parish 'tax base' figure.
- The tax base is provided by DBC. A "tax base" is the number of Band D equivalent dwellings in a local authority area. To calculate the tax base for an area, the number of dwellings in each council tax band is adjusted to take account of any discounts, premiums, or exemptions
- In 2023/24 There were 10,245 parishes in England, 8,881 of which issued a precept. The average Band D parish precept was £79.71, an increase of £4.90, or 6.5% from 2022-23.
- Last year NMPC requested £30.41 (there are 14 parishes in Dacorum, the band D sums ranged from £65.13 to £21.61, and the tax bases from 5254 to 179. We were 10<sup>th</sup> with a tax base of 1241)

### Enclosed.

- Proposed expenditure budget for 2024/25 (more detailed notes are available from the clerk on request) showing last year and current year budget versus actual
- Summary for 2024 2025 budget draft version 1
- Earmarked reserves to date.

*Nikki Bugden (RFO & Clerk) 3<sup>rd</sup> October 2023*

Figures from  
Rialtas software  
Oct 23

	20222023		20232024		Suggested 2024 2025	Notes
	Budget	Actual	Budget	Actual 29th Sept 23		
Income						
Precept	29690	29690	37759	37759		add precept in after as per legislative budget setting requirements
Council Tax Grant	10379	10380	10571	10571		Waiting for DBC
Bank Interest	100	451	100	550		3/4 of anticipated 23 24 out turn
Grants Received	0	3000	0			
CIL	0	2284	0	300		Unable to budget as not guaranteed income
<b>Administration</b>						
Staff Costs (Inc HMRC & Pension	29900	30700	34524	15434	38374	increase for 23/24 still not awarded likely to be £1925 per person
WFH allowance & mileage	432	427	475	221	498.75	add 5% across most headings unless notes show otherwise.
OT/Backpay	0	76	0	0	0	included under salary (5hr per month max)
Payroll Charges	216	223	238	112	250	
P.O.Box	300	315	330	0	346.5	
Communications/Mobile	240	192	264	110	278	
Office Supplies	300	278	330	62	346.5	
Subscriptions	1155	1162	1271	925	1335	waiting for figures from HAPTC
Insurance	880	808	968	712	968	keep the same as discounted this year
Election Costs	0	0	3000	0	0	no elections this year/EMR for next elections
Audit Fees	918	1538	1010	475	800	one visit paid early this year in previous financial year. Reduce to 800
Website Maintenance	150	0	165	0	100	not used -reduce
Domain Hosting	82	50	91	0		
ICT/Licenses/IT Support	532	129	1050	498	1102.5	
Community Grants	668	200	735	0	500	reduce-not used, additional on EMR if required. Used reserves last year
Grants Made	0	0	0	5000	0	CIL Unexpected Towpath contribution-funds on EMR
Conferences/Training Courses	675	386	743	90	743	unchanged for clerk CPD/Cllr training conference Feb 24 part use reserves
Section 137	0	29	0		0	not req we have GPC

Misc (park inspect and misc)	400	3030	440	200	460	up 5%
Park Repairs	400	0	440	594	600	increase as wear and tear increasing due to age of equipment
Sundry Expenditure	100	1054	110	537	120	amend as elections showing in here but EMR spend £501
Defib Sundries	0	0	221	105	221	defib pads
Hire Costs (Hall or Zoom)	432	330	475	150	475	unchanged for clerk CPD/Cllr training and conference attendance Feb 24
Tools/Covid Exp	200	109	220	0	220	
Garage Rent	587	631	646	328	678.3	up 5%
<b>Parish Magazine</b>						
Advertising (Income)	573	784	660	260		unchanged
Parish Magazine	1950	2515	2145	0	2355	3x £785 (price sept23), paper and ink going up
Delivery of Magazine	360	240	396	0	396	unchanged
Half Cent Mag & Delivery	0	0	770	850	0	
<b>Projects</b>						
2023 Coronation The Denes	0	0	350	463	0	
Project/maintenance Christmas	0	14081	1300	0	1300	includes grass cutting every 2 weeks May-Sept £100 pw
Lights/Repairs/sign	1128	1129	1241	0	1241	unchanged
VAT Data						
VAT on Receipts	0	2065	0	52		
Total Income	0	2065	0	9		
VAT on Payments	0	2141	0			
Overhead Expenditure	0	2141	0			
Movement to/(from) Gen Reserve	0	(77)	0			
Total Budget Income	<b>40742</b>	<b>48654</b>	<b>49090</b>	<b>49592</b>		
Expenditure	<b>42005</b>	<b>61773</b>	<b>53948</b>	<b>26855</b>		

Net Income over Expenditure	-1263	-13119	-4858	22738	
plus Transfer from EMR	0	17800	0	6483	
less Transfer to EMR	0	5284	0	300	
Movement to/(from) Gen Reserve	(1,263)	(603)	(4,858)		

## Summary of First Draft Budget 2024 2025

	2024 2025 suggested		
Expenditure	53708.55		
Income	1410		
<b>Precept required</b>	52298.55		
If DBC grants remain the same	10571		
<b>Precept</b>	41727.55		
Precept last yr 23/24	37759		
shortfall	3968.55		
last year use of reserves	4854		inc 3k for elections
this year use of reserves	500	community grants	
	550	part of training budget	
shortfall	2918.55		
<b>Suggested precept 2024/25</b>	40677.55	37759 2023/24	<b>2918.55 difference plus new projects</b>
band D working on last year's tax base	40677.55		Benches in Nash Mills x1 800
Tax base (2023/24)	1241		Park-Bin x1 400
per band d	£32.78		Park picnic bench x1 1200
last year	£30.41		The Denes Bin x1 400
<b>Increase</b>	<b>£2.37</b>		nash mills map 500
<b>per week</b>	<b>0.08p</b>		lectern for map above 1200
%	8%		does this come from reserves? 4500
Sept inflation rate	10.1		

<u>Account</u>	<u>Opening Balance</u>	<u>Net Transfers</u>	<u>Closing Balance</u>
320 EMR - Business Expenses	15,985.00		15,985.00
321 EMR - Playpark	5,500.00	-518.36	4,981.64
322 EMR - Bench and plaque	0.00		0.00
323 EMR - Election Costs 2023	3,000.00	-501.56	2,498.44
324 EMR - Election Costs 2027	3,000.00		3,000.00
325 EMR - Election Costs 2030	3,000.00		3,000.00
326 EMR - Community Support	7,896.15		7,896.15
327 EMR - Village Hall Support	21.60		21.60
328 EMR - Verges	10,000.00		10,000.00
329 EMR - Community Events	866.71	-462.60	404.11
330 EMR - Projects, Denes Defib Jub	106.09	6,800.00	6,906.09
331 EMR - CIL (Conditional spend)	23,001.34	-11,500.00	11,501.34
332 EMR - Groundworks/ DBC Grant R	0.00		0.00
333 EMR - Elections 2019 owed	0.00		0.00
334 EMR - CCTV	0.00		0.00
336 EMR - The Denes CCTV	20.90		20.90
337 EMR - Rewilding grant	0.00	0.00	0.00
	<b>72,397.79</b>	<b>-6,182.52</b>	<b>66,215.27</b>