



NASH MILLS

PARISH COUNCIL

RFO Budget Setting Report for 2024/24 (Report 3)

November 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 second 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.**
- **That council approve the expenditure budget as noted below.**
Council should note that the final expenditure 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).
- **That council note that any changes in the 'Tax Base' or grants will alter the figures contained within this report.**

The second draft of the budget is attached and shows a potential increase to the precept for 2024/25 of approx. **£1.37 per band D property per annum, 0.03 pence per week. This is below inflation rise.**

An increase in the precept to £ 39444.05. (providing that grants from DBC and the tax base do not reduce this year).

This is a reduction on the initial draft budget version 1.

The reduction had been reached following a reduction on

- magazine delivery costs (to zero) as we will be using Cllrs and volunteers

- a reduction on the margin under the salary budget
- the use of reserves £1050 (to cover community grants £500, part of training budget £550)

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 (copied from previous report)

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.¹

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.

Precept Explanation

- The precept is a tax that the district council requests annually along with its council tax bills [Council Tax \(dacorum.gov.uk\)](http://dacorum.gov.uk)
- 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

¹ [Local Government Finance Act 1992 \(legislation.gov.uk\)](http://legislation.gov.uk)

- 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 10th with a tax base of 1241)

NMPC Budget 2024/25

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

Report 2 (Oct 2023) contained a more detailed budget

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.

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 2024/25 (new information)

Report 3 (Nov 2023) considers where further cost savings could be made and also the potential use of reserves to cover any new 'one off' projects for 2024/25 as the business planning working group are still finalising their objectives for the term. **Changes to this version are marked in yellow.**

An earmarked reserves fund has been created specifically for this and the EMR funds have been re allocated to facilitate this. This fund currently holds £11422. I have listed some

items that council may be considering for the new year and so far, this equates to approx. £4550.

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 reserves.

Enclosed.

- Historic Rialtas information showing 2022/23 against version 1
- Proposed expenditure budget for 2024/25 v2 including precept calculation and reserves balances to October 2023.
(more detailed notes are available from the clerk on request) showing last year and current year budget versus actual
- Potential New projects 2024/25 onwards

Once the budget has been agreed, the grant and tax base figures from DBC provided and all information keyed into the software a 4 year budget comparison will be provided

Nikki Bugden (RFO & Clerk) 30th October 2023

Figures from
Rialtas software
Oct 23 v1

	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
Administration						
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%
Parish Magazine						
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	
Projects						
2023 Coronation The Denes	0	0	350	463	0	
Project/maintenance	0	14081	1300	0	1300	includes grass cutting every 2 weeks May-Sept £100 pw
Christmas 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	40742	48654	49090	49592
Expenditure	42005	61773	53948	26855
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)	

Budget 2024/25 Version 2

		Suggested 2024 2025	Notes
100	Income	660	magazine advertising unchanged
1076	Precept	0	add precept in after as per legislative budget setting requirements
1077	Council Tax Grant		wait for DBC
1090	Bank Interest	750	3/4 of anticipated 23 24 out turn
1100	Grants Received		
1110	CIL	0	Unable to budget as not guaranteed income
		1410	
200	Administration		
	Staff Costs (Inc HMRC &		
4000	Pension	37301	altered down from budget v1 took 23/24 x 5% and then any shortfall could come from general reserves for this year only.
	WFH allowance &		
4002	mileage	498.75	add 5% across most headings unless notes show otherwise.
4015	OT/Backpay	0	included under salary (5hr per month max)
4050	Payroll Charges	250	
4055	P.O.Box	346.5	
4060	Communications/Mobile	278	
4075	Office Supplies	346.5	
4080	Subscriptions	1335	waiting for figures from HAPTC
4085	Insurance	968	keep the same as discounted this year
4090	Election Costs	0	no elections this year/EMR for next elections
4105	Audit Fees	800	one visit paid early this year in previous financial year. Reduce to 800
4110	Website Maintenance	100	not used -reduce
4115	Domain Hosting		
4120	ICT/Licenses/IT Support	1102.5	
4130	Community Grants	500	reduce-not used, additional on EMR if required. Used reserves last year

4135	Grants Made	0	CIL Unexpected Towpath contribution-funds on EMR
	Conferences/Training		
4140	Courses	743	unchanged for clerk CPD/Cllr training and conference attendance Feb 24 part use reserves
4155	Section 137	0	not req we have GPC
	Misc (park inspect and		
4160	misc)	460	up 5%
4161	Park Repairs	600	increase as wear and tear increasing due to age of equipment
4162	Sundry Expenditure	120	amend as elections showing in here but EMR spend £501
4163	Defib Sundries	221	defib pads
4165	Hire Costs (Hall or Zoom)	475	unchanged for clerk CPD/Cllr training and conference attendance Feb 24
4170	Tools/Covid Exp	220	
4175	Garage Rent	678.3	up 5%
250	Parish Magazine		

4065	Parish Magazine	2590.5	3x £785 (price sept23) , paper and ink going up printer suggests 10% uplift
4070	Delivery of Magazine	0	changed to zero-use Cllrs and Volunteers, saving covers increase £235.50 (10%)

Existing Projects

	The Denes		
4301	Project/maintenance	1300	includes grass cutting every 2 weeks may-sept £100 pw
	Christmas		
4305	Lights/Repairs/sign	1241	unchanged

52475.05

	2024	2025 suggested	
Expenditure	52475.05		
Income		1410	
Precept required		51065.05	
if DBC grants the same		10571	
Precept required 24/25		40494.05	
this year use of reserves		500	
		550	
shortfall		39444.05	
Suggested precept 2024/25		39444.05	increase to precept from last yr plus new projects
Band D on last year's tax base			
		39444.05	
tax base		1241	
per band d		£31.78	
last year		£30.41	
additional		£1.37	
	£		
per week	0.03		
%		5%	
Sept rate of inflation		10.1	

Without any overspend/additional income this would indicate that general reserves stayed at approx. £20k (recommended is 3-6m expenditure)

Statutory Precept Calculation		Reserves		General reserves 6-12 m NRE		
Expenditure	52475.05	General Reserves Oct 23	£23,434.00	Expenditure Gross		
Income	1410	Earmarked Oct 2023	£66,215.00	52239	£4,353.25	5.4 months
Use of reserves	1050	Projected movement from GR -		Budget Net		
Precept required	50015.05			39444.05	3287.004	7.17 months
less grants from DBC (if they remain the same)	10571					
Actual precept demand	39444.05					

Any other additional expenditure during the year to be taken from reserves.

Salary allowance has been reworked and a smaller margin allowed as funds are still available on general reserves and EMR business expenses should an unexpectedly large rise occur. If this does occur, then any subsequent budget should be amended accordingly to reflect the annual figures.

Any new ongoing costs to be factored into next year's budget once council have deemed it appropriate to commit to any ongoing expenses (and noted impact on future precepts).

impact if DBC remove grants	39444.05
existing grant	10571
precept pls grant	50015.05
Revised band D if grant moved	£ 40.30

Potential new projects 2024/25 onwards

Benches in Nash Mills	800	each
Park-Bin	400	
Park picnic bench	1200	
The Denes Bin	400	
Nash mills map	500	
Lectern for map above	1200	
Agreed use of reserves so far	1050	
New projects from reserves	5550	

Any other additional expenditure during the year to be taken from reserves.

Any new ongoing costs to be factored into next year's budget once council have deemed it appropriate to commit to any ongoing expenses (and noted impact on future precepts)

CIL Expiry dates

2025				£	6,232.05
2026				£	2,696.00
2027				£	2,284.00
2027				£	300.00
				£	11,512.05