

Withersfield Parish Council

Draft Budget for 2024-25

Recommendation: Councillors are asked to:

- i) approve 2024-25 draft budget estimate for submission to West Suffolk District Council as set out on the attached sheet.
- ii) that the Parish Council establishes the following designated reserves:
 - Traffic calming / 20mph implementation reserve
 - Playground development fund reserve
 - Parish assets maintenance fund reserve
 - Miscellaneous projects reserve
 - Contingency reserve fund.
- iii) agree the Parish Council should seek an increase in Council Tax rate for 2024-25 of 7% resulting in a £1.20/p.a. (£0.04/week) increase in council tax for a Band D property

Background:

Each November Parish Councils in Suffolk are asked to submit their estimated budget for the next financial year to their district Council. The District Council estimates the Parish Precept calculated on the basis of the number of inhabited properties with the Parish.

This is only the estimated or DRAFT budget as the final budget cannot be approved until the spring when the County and District Councils formally approve their overall budget.

Two major factors have been taken into account in drawing up this budget:

- i) significant increases in costs faced by the Parish Council for core functions in the current year – notably the increase in village green maintenance from £4000 in 2022-23 to £5,500 in 2023-24, with further rises in 2024-25 and 2025-26. In addition insurance premiums have increase by between 25 and 40% over 2022-23.
- ii) Auditors have advised that the Parish Council is holding more in unrestricted reserves than is advisable or needed.

Consequentially, it is proposed that a number of designated reserves are established to cover:

- Traffic calming / 20mph implementation reserve
- Playground development fund reserve
- Parish assets maintenance fund reserve
- Miscellaneous projects reserve
- Contingency reserve fund

and that expenditure on items in these categories be removed from our revenue budget and charged to these reserve funds.

Those items, which have until now been charged to our revenue budget include:

- a) Parish Projects
- b) Maintenance of Parish Assets
- c) Speedwatch – bids for equipment or maintenance
- d) Contingencies that do not arise every year (e.g. election costs)

Estimated expenditure 2024-25

The Parish Council's expenditure is categorised as either "Administration" or "Other" for the purposes of calculating the precept that can be requested from the District Council. We have to follow their guidance on how items are categorised and accounted for.

Having reviewed the current year's budget and projected spend, and taking account of known changes in costs in the coming year the following estimates are set out below for 2024-25:

Administration: £5480 (a decrease of £1110 over the 2023-24 budget figure)

Draft Admin Budget:

	BUDGET	Projected	Proposed	
Item	2023-24	2023-24	2024-25	comment
Clerk salary	3300	3300	3500	LGvt pay award of approx £1/hr)
Clerk Expenses	120	120	150	
Payroll	120	110	120	
Audit/Bank Charges	260	255	260	
Insurances	760	742	780	All Parish Council assets incl. Pavilion
Insurance contribution from Sports & Rec cttee.	-150	-150	-150	
Leases – village greens	10	10	10	
Village Hall rental	60	60	60	
SALC/CAS membership	400	375	400	
Training	500	0	300	No take up by cllrs in 2023-24
Web site	60	60	60	
Magazine	100	0	0	Magazine is cost neutral
Data Protection /GDPR	50	40	50	
Parish Council Elections	1000	82	0	Uncontested election in 2023
TOTAL	6590	5004	5480	

The projected underspend in 2023-24 and the consequential reduction in the budget requirement in 2024-25 is largely due to the provision of £1000 made to cover the costs of a contested election in May 2023. In the event the election was uncontested and only minimal cost (£82) were incurred.

Elections are held on a 4 yearly cycle and do not need to be budgeted for in the coming financial year.

Non Admin "other" budget: £5,970 – a decrease of £1,380 over 2022-23 budget.

"Other" includes all other areas of expenditure incurred by the Parish Council, including environmental works (grass cutting) Parish Projects and maintenance of our assets. In 2024-25 and subsequently parish projects and maintenance of assets are proposed to be funded from designated capital reserve funds and are therefore not provided for within our draft budget for 2024-25.

In 2023-24 a donation of £9762 was received from a bequest of a deceased villager, to be used for the benefit of the village, This money will be held in designated reserves, and is not proposed to be used to fund recurrent revenue costs.

Draft “Other” Budget:

	BUDGET	Projected	Proposed	
Item	2023-24	2023-24	2024-25	comment
Grass cutting/environmental	5500	5500	5750	3 year contract raises to £6000 in third year
Maintenance of Parish assets including Graveyard maintenance	350	100	0	Any costs to be charged to new capital reserve fund for Maintenance of Parish Assets
Speedwatch	100	0	0	Any costs to be charged to new capital reserve fund for Maintenance of Parish Assets
Parish Projects	1000	600	0	Any costs to be charged to new capital reserve fund for Parish Projects
Neighbourhood Plan	0	0	0	Any further one-off costs to be charged to capital reserve fund (Parish Projects or contingencies)
Waste collection	120	120	120	To cover collection of waste from bins areas
Donations	180	74	100	Annual donations to SARS and British Legion
TOTAL	7350	6394	5970	

Use of Reserves & other income:

The proposed budget does not require the Parish Council to draw upon its reserves to fund revenue costs in 2024-25. Instead, it establishes a number of designated reserves against which non-revenue expenditure (e.g. parish projects) will be charged.

The Parish Council, benefits from occasional income from burials in the graveyard. The amount cannot be guaranteed and has varied between £300 to £2,000 over recent years. Prices to families using the graveyard have been increased in the last year with the intention of increasing income.

The Parish Council is also seeking to raise money towards the costs of grounds maintenance from users of the village green (predominantly those parking on the green). This can only be achieved through agreement of the Village Hall committee whose users are the major users of the green, and with the consent of the Thurlow Estate from whom we lease the greens. Such income is likely to be marginal.

Earmarked/designated reserves:

The reserves held by the Parish Council were in the region of £23,000 at the end of the last financial year. Since that time a donation from a deceased villager’s estate has added a further £9,762 to that sum, resulting in a reserve in excess of £30,000

In 2020 the Parish Council created an earmarked reserve of £5,000 for investment in Parish infrastructure. The reserve has not had to be called upon. An unspent donation from Friends of Withersfield for £2,000 towards costs of implementing traffic calming measures to support the 20mph speed zone has been added to this reserve.

It is now proposed that the Parish Council establishing a number of capital reserves as follows:

Parish Council Capital Reserve Funds	PROPOSED BUDGET			
	2024			comment
Traffic Calming and 20 mph implementation costs	10,000			Includes Friends of Withersfield donation, 33% of recent bequest and accrued parish Projects budget from previous years.
Playground Development fund	5,000			Includes 33% of recent bequest
Parish assets maintenance fund reserve	2,500			To cover costs of one-off maintenance and repairs of parish assets including, benches, bins, war memorial, bus shelters and pavilion
Miscellaneous Parish Projects reserves	5,000			Other Parish Projects arising
Contingencies reserve	2,500			(e.g. 4 yearly election costs, one-off unplanned and unavoidable items of expenditure
Unrestricted reserves	6,500			Balance of our reserves.
TOTAL	31,500			

The proposed capital reserves will be managed according to the Parish Council's existing financial procedures and in accordance with our standing orders for financial.

Reports and approval of all items of expenditure against these reserves will be subject to formal agreement of the Parish Council.

The Precept:

The precept (the amount of funding the Parish Council gets from residents' Council Tax) is proposed to increase by 7% this year.

The impact on Council tax of a rise in the precept of 7% is as follows:

2023-24

Year	Precept	Tax base (number of inhabited properties)	Parish tax (Band D annual)	Band D weekly Tax	increase
2023-24	£9440	328	£28.80	£0.55	
2024-25	£10100	328	£30.80	£0.59	£0.04/wk

Summary of proposed 2024-25 Budget:

		2024-25			(2023-24)	
Projected expenditure	<u>Parish Council costs:</u> <u>Admin:</u> <u>Non admin:</u>	£5480 £5970			£6590 £7350	
				Less spending below budget	£-1586 £ - 956	
	<u>TOTAL</u>	£11,450		<u>TOTAL</u>	£11,398	
Financed by:	Precept		10,100			9,440
	VAT reclaims (estimate)		600			1,646
	Income from Graveyard (estimate)		750			750
	Use of reserves		0			
			£11,450			£11,836
	Council Tax increase		7%		0%	

Terry Rich
Chair, Withersfield Parish Council
8th November 2023