

REPORT TO PARISH COUNCIL

Date of Meeting: 8 December 2021
Title: Budget – 2022/23
Report of: The Clerk and Finance/Risk Working Group

SUMMARY:

To consider the remaining income and expenditure for 2021/22 and to consider the setting of the level of precept for 2022/23.

REPORT:

Financial Reserve Levels Held

At the start of the current financial year (1st April 2021) the Council held £59,073 of reserves. Recovery from the COVID pandemic is now in progress, however many projects – both for the Council and for the groups it supports – have been slow to recommence.

The substance of the precept report in 2020/21 noted the overall strain on the economy, both at national and a personal level and as such, a freeze on the precept for the current year was agreed. The strain that many households continue to be under still cannot be overlooked and the overriding feeling is that it continues to be essential that the Council does not look to add to the burden of households already struggling with lower income, raised prices or unemployment. The budget will therefore, for the second year, focus on ensuring that the amount precepted will remain static to ensure that no increases in financial demands are placed upon residents, obviously whilst ensuring that essential Council services can be maintained. Thanks to the Council's continuing strong reserve position this should be comfortably achievable.

Looking at the remainder of this financial year, expenditure still to be made is likely to total approximately £16,977. This figure includes the spending of:

- Routine administrative costs, such as expenditure on the Clerk, minor postages, stationery, and the internal audit.
- The spending of the remaining grants budget according to applications received.
- Ongoing refurbishment to the Brunstock pond and other routine maintenance, including tree works.
- Allocation has been made for the completion of the walk's leaflets and purchase of poppy seeds.

Monies unable to be spent on the interpretation panel will be carried forward from previous years (only) for possible completion in 2021/22. Remaining monies on other areas of expenditure will

be subsumed into the general reserve budget, including any remaining legal fees for Land Registry work, as this project has ceased.

Income expected will be only a VAT repayment. No other income is expected.

At present, based upon information available to date, it is estimated that we are likely to hold approximately £61,049 at the end of March 2022. The external auditor recommends that the level of reserves held are equal to 3-12 months gross expenditure, i.e. (based on 2020/21 actual spend) between £12,447 and £49,787. The Council is therefore anticipated to hold reserves that are well above the top end of the recommended thresholds, leaving it in a comfortable financial position to begin 2022/23.

Budget 2022/23

The Council is required to set its budget and determine the precept by 7th January 2021 therefore the precept will need to be determined at the December meeting. Adjustments to the budget for 2022/23, recommended by the Clerk, are outlined below.

Administrative Budget Areas to be Increased

- Clerks Gross Salary - increased to consider a possible increase in NJC scales (likely to be less than 2 percent). NI and pension payments have been adjusted in line.
- Minor increases have also been applied to insurances and subscriptions in line with normal annual increases.
- Website costs have been increased due to the necessary domain name renewal.

Administrative Budget Areas to Remain Static/Decreased

- All other administrative areas have remained static

Grants

It is proposed that the grant budget increases to £11,500. The increased budget of £1,500 is to allow for ringfenced provision for supporting both the summer fair in Houghton and a similar fair in Crosby. As the Parish Council will not be organising or involved in the running of either of these fairs; should any donation be required by the organising bodies, they would need to apply to the Council during the ordinary grant scheme process although provision should be considered for late applications for this ringfenced budget alone. The budget also makes provision for a £250 carry forward from outstanding grants in the current financial year.

Parish Council Services

- The grass cutting contract has increased slightly as the final year of the remaining contract allowed for an increase in cutting and the budget continues to incorporate a small amount of additional cost, such as tree works.
- The maintenance budget and playground inspections budget have been maintained this year. This will incorporate a rolling noticeboard replacement programme, to be outlined by the Clerk at a future meeting.
- The emergency planning budget has continued to be retained although realistically, any expenditure required would be covered by contingency budgets.

Projects

A project budget is proposed below. These figures are based on assumptions made on the spending anticipated during the rest of the current financial year.

- | | |
|------------------------------|---|
| • Contingency projects | £2,000 |
| • Community Plan Development | £5,000 |
| • Rural Play Scheme | £1,200 |
| • Interpretation Panels | £2,500 brought forward from previous year |
| • Houghton Wildlife Group | £1880 (funds remaining from grant) |
| | <u>£12,580</u> |

Income

The only guaranteed income source is the precept. Other than the precept, a small repayment from the Clerk's three current other Councils for SLCC membership is expected. VAT returns are made regularly, although the figure is contingent upon expenditure incurred. Any other income achieved will be through grant income for specific projects, not yet applied for although this cannot be relied upon in the current financial climate.

Level of Precept Required

If the Council agree with the budget decisions above, then expenditure will be approximately £60,848. The precept last year was £46,500 and with the high level of reserves it is considered that a freeze on the precept is comfortably achievable, leaving expected reserves on 31 March 2023 of £46,731.

ACTION:

The Council is asked to consider the following recommendations:-

- To accept the proposed budget for 2022/23; and
- To consider agreement to set the precept at £46,500 for the Council year 2022/23.

EXPENDITURE	Budget		Budget																												
Administration	2022/23		2021/22	1st Quarter	2nd Quarter	Oct	Nov	Dec	3rd Quarter	Jan	Feb	Mar	4th Quarter	Total to Date	Budget Remaining	% Spend	Actual end 2020/21														
Clerks Gross Salary	£	17,176	£	17,080.00	£	1,384.32	£	5,537.28	£	1,384.32	£	2,768.64	£	1,384.32	£	5,537.28	£	1,384.32	£	1,384.32	£	1,675.03	£	4,443.67	£	16,902.55	£	177.45	99%	£	16,634.84
Employers NI Contributions	£	1,115	£	1,144.92	£	89.56	£	358.24	£	89.56	£	179.12	£	89.56	£	89.56	£	268.68	£	1,074.72	£	70.20	94%	£	1,057.79						
Employers Pension Contributions	£	515	£	512.40	£	41.53	£	166.12	£	41.53	£	83.06	£	41.53	£	41.53	£	124.59	£	498.36	£	14.04	97%	£	498.38						
Reimbursements	£	1,200	£	1,200.00	£	64.21	£	261.34	£	79.96	£	107.27	£	69.16	£	256.39	£	79.96	£	79.96	£	79.96	£	239.88	£	821.82	£	378.18	68%	£	566.22
Postages	£	35	£	35.00	£	-	£	-						£	-			£	20.40	£	20.40	£	20.40	£	20.40	£	14.60	58%			
Audit - Commission	£	300	£	300.00	£	-	£	300.00						£	-				£	-	£	300.00	£	-	100%	£	300.00				
Audit - Internal	£	200	£	200.00	£	90.00	£	-						£	-	£	90.00			£	90.00	£	180.00	£	20.00	90%	£	180.00			
Telephone	£	54	£	54.00	£	54.00	£	-						£	-				£	-	£	54.00	£	-	100%	£	54.00				
Insurances - Council	£	1,096	£	1,055.00	£	1,034.23	£	-						£	-				£	-	£	1,034.23	£	20.77	98%	£	1,005.56				
Subscriptions	£	686	£	682.54	£	665.89	£	-						£	-				£	-	£	665.89	£	16.65	98%	£	642.35				
Training	£	100	£	100.00	£	-	£	20.00	£	74.00				£	120.00	£	194.00					£	-	£	214.00	-£	114.00	214%	£	125.00	
Website hosting and maintenance	£	90	£	66.00	£	-	£	-						£	-				£	66.00	£	66.00	£	66.00	£	66.00	£	-	100%	£	1,333.22
Misc Admin & Stationary	£	1,200	£	1,200.00	£	97.54	£	642.22	£	31.00	£	32.59	£	121.00	£	184.59	£	78.00	£	161.56	£	18.00	£	257.56	£	1,181.91	£	18.09	98%	£	4,138.62
Contingency	£	500	£	500.00	£	-	£	-						£	-	£	114.00			£	40.00	£	154.00	£	154.00	£	346.00	31%			
Grants					£	-	£	-						£	-					£	-	£	-	£	-	£	-				
Section 137 - Other Bodies	£	1,000	£	2,000.00	£	-	£	-						£	-					£	-	£	-	£	2,000.00	£	-	0%	£	1,000.00	
Grants to other organisations	£	9,100	£	8,750.00	£	250.00	£	4,000.00	£	586.00				£	586.00				£	862.55	£	862.55	£	5,698.55	£	3,051.45	65%	£	10,974.18		
Crosby Magazine grant	£	150	£	150.00	£	-	£	-						£	-				£	150.00	£	150.00	£	150.00	£	150.00	£	-	100%		
Village Fairs	£	1,500	£	-																											
Repayment of Grants	£	-	£	-	£	-	£	-	£	1,305.00				£	1,305.00						£	-	£	1,305.00	-£	1,305.00			£	1,100.00	
Parish Council Services					£	-	£	-						£	-						£	-	£	-	£	-					
Grass cutting & Greens Maint.	£	8,240	£	8,000.00	£	415.00	£	3,715.00						£	-	£	2,300.00					£	2,300.00	£	6,430.00	£	1,570.00	80%	£	5,235.00	
Maintenance of Assets	£	3,000	£	3,000.00	£	-	£	-			£	3,452.10		£	3,452.10					£	-	£	3,452.10	-£	452.10	115%	£	105.00			
Playground Inspections	£	960	£	960.00	£	-	£	175.00						£	210.00	£	210.00	£	210.00		£	210.00	£	420.00	£	805.00	£	155.00	84%	£	575.00
Emergency Planning	£	50	£	50.00	£	-	£	-						£	-					£	-	£	-	£	50.00	£	50.00	0%			
Projects					£	-	£	-						£	-						£	-	£	-	£	-					
Allocated projects brought forward	£	2,500	£	3,157.63	£	-	£	-						£	-			£	400.00	£	50.00		£	450.00	£	450.00	£	2,707.63	14%		
Parish Plan Projects	£	5,000	£	2,000.00	£	-	£	-						£	-	£	2,000.00					£	2,000.00	£	2,000.00	£	-	100%	£	1,120.00	
SPAA Summer Scheme	£	1,200	£	1,875.00	£	-	£	1,026.00						£	-						£	-	£	1,026.00	£	849.00	55%				
Houghton Fair	£	-	£	1,850.00	£	-	£	500.00						£	-						£	-	£	500.00	£	1,350.00	27%	£	9.00		
Contingency Project	£	2,000	£	2,000.00	£	-	£	595.00						£	-	£	3,000.00				£	3,000.00	£	3,595.00	-£	1,595.00	180%	£	3,195.00		
Houghton Wildlife Group	£	1,880	£	1,928.00										£	48.00	£	48.00					£	-	£	48.00	£	1,880.00	2%			
VAT (To be reclaimed)					£	131.31	£	991.05			£	692.94	£	45.60	£	738.54						£	-	£	1,860.90	-£	1,860.90		£	2,840.19	
TOTAL EXPENDITURE	£	60,848	£	59,850.49	£	4,317.59	£	18,287.25	£	3,591.37	£	7,315.72	£	2,129.17	£	13,036.26	£	9,387.37	£	2,156.93	£	3,303.03	£	14,847.33	£	50,488.43	£	9,362.06	84%	£	52,689.35
INCOME														£	-							£	-								
Precept	£	46,500	£	46,500.00	£	46,500.00	£	-						£	-						£	-	£	46,500.00	£	-	100%	£	46,500.00		
Grants					£	-	£	-						£	-						£	-	£	-	£	-		£	2,000.00		
Bank Interest					£	-	£	-						£	-						£	-	£	-	£	-		£	16.97		
CPCA Grants to be repaid					£	-	£	1,305.00						£	-						£	-	£	1,305.00	-£	1,305.00		£	1,100.00		
VAT (reclaimed)					£	2,774.43	£	-						£	-						£	-	£	2,774.43	-£	2,774.43					
Misc Other Income	£	30	£	850.00	£	24.00	£	-						£	-						£	1,860.90	£	1,860.90	£	1,884.90	-£	1,034.90	222%	£	170.05
TOTAL INCOME	£	46,530	£	47,350.00	£	49,298.43			£	-	£	-	£	-	£	-	£	-	£	-	£	1,860.90	£	1,860.90	£	52,464.33	-£	5,114.33	111%	£	49,787.02

	2021/22	2022/23
Estimated c/f 1 April	£ 59,073.07	61048.97
Estimated income	£ 52,464.33	46530.00
Estimated expenditure	£ 50,488.43	60848.16
Estimated balance 31st March	£ 61,048.97	46730.81