**Budget and Precept financial year 2024-25 Report to Woodland Parish Council Members**

1. Background:

1.1 The Parish Council must produce an annual budget and comply with the relevant Financial Regulations, including its own Standing Orders. Planning concerning budget content and the factors influencing its details normally commence in November of each year. This report represents the planning to-date and, subject to any final adjustments by the Parish Council at its forthcoming meeting on 11th January 2024, will outline the Parish Councils budget and precept requirements for 2024-25.

1.2 As with last year, once the budget has been finally agreed, it will be submitted to Durham County Council (DCC) by this year’s deadline of the 19th January in order for the precept to be included in the Council tax charge for 2024-25.

1.3 In 2023-24 the number of Band D equivalent properties within the parish was calculated by DCC as being 76.6. DCC has notified the Parish Council that the number of Band D properties to use in the 2024-25 calculation is 78.7. if no increase in the precept is applied between the 2023/24 and 2024/25 budget years the Precept will be £2979.58

1.4 DCC has indicated that there will be a reduction of the LCTRS grant from £165 to £72. This reduction may continue for future years.

1.5 In determining the amount of budget and precept required for the 2024/25 year, the Parish Clerk considered the following:

* + The requirement to fund the agreed priorities for the parish.
	+ The requirement to ensure that there are sufficient financial reserves available for emergencies/unforeseen expenditure.
	+ A desire to keep the level of precept as low as possible.
	+ The increased precept requirement of £1944 is required year on year, to cover the increased cost of employing the Parish Clerk and RFO and to maintain the Councils reserves. The cost of employing the Village clerk has increased as a result of the recent pay award of 4% since the PC made the decision to employ a clerk.
	+ The increase in cost of grounds maintenance
	+ There has been an expectation that the boundary change would add a further 50 houses to the parish which would increase the tax base. This additional precept would have provided sufficient income to pay for the employment of a Clerk and take into account the additional cost of grass cutting when the larger part of the Village green was added. DCC electoral services have indicated that the boundary change is unlikely to occur before 2029.
	+ The data for this year’s budget is provided from estimated costs for goods, services and payroll for the year 2024-25 (i.e., hours worked, mandatory auditor fees, stationery costs especially printer cartridges, web site maintenance costs and bank charges.
	+ In past years the budget calculations were based on an incremental budget. This process was fit for purpose when little or no change occurred. As there are significant increases in costs, a different process, a zero base budget has been applied to the budget planning process.

1.6 These “considerations” would be relevant for the next year of the Parish Council’s budget together with strengthening the Parish Council’s infrastructure and establishing the most effective way of engaging residents and delivering on an agreed workplan.

1.7 Essential expenditure includes:

• Employment of the Village Clerk

• Undertaking the required Councillor and Village Clerk training/development.

• On-going Website maintenance.

• Ensuring that the required Insurance cover is in place.

• Meeting “Office” expenses

• Paying subscriptions in respect of relevant Professional Body membership.

• Payment of Audit fees.

• Maintenance of Parish Assets grass cutting etc.

1.8 Anticipated Expenditure identified in 2024-25.

• On-going Clerk and Councillor training and development.

1.9 Possible additional expenditure under consideration in 2024-5.

• Identifying and supporting local projects/initiatives that help to encourage a sense of local community. Demonstrating “added value” to parish residents.

• Possible Parish Council elections fees/expenses

2. Income and income generation:

2.1 The Village Council’s main source of income is from its precept. The amount of precept required is identified through the budgetary process. Once collected by DCC, it is anticipated that DCC will again transfer 100% of the collected amount in April/May upon the formal request of the Parish Council (via the Parish Clerk).

3. Reserves and Balances:

3.1 The Local Government Finance Act 1992 (As Amended) requires local authorities to have regard to the level of reserves it would need to meet estimated future expenditure. The Chartered Institute of Public Finance and Accountancy describes the purpose of Reserve Funds as-

• a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing, and

• a contingency to cushion the impact of unexpected events or emergencies.

3.2 There is no specification within regulations concerning the actual level of the reserve but understood “good practice” suggests having a General Reserve sufficient to cover between three and twelve months of a parish council’s running costs.

3.3 Taking into account this advice together with factors such as the possible increase in inflation a degree of economic uncertainty remains due to issues such as the current cost of living crisis and an impending national election. It is proposed that the Current reserves (cash in hand) which has been built from the remainder of a business grant applied during the CV19 pandemic, is sufficient to cover approximately 6 months “running costs“ in 2024-25 and have a contingency in place.

4. Recommendations: The Parish Council is recommended to consider the details contained in this report and resolves to:-

4.1 Consider and agree the Woodland Parish Council budget for 2024-25 as outlined in Appendix A of the report.

4.2 Agree that the required Precept for 2024-25 is set at one of the figures shown at APPENDIX A

4.4 Note that for the purposes of “essential running costs” an amount of approximately £2726 annually has been identified. At present the Reserves are at a level that meets and exceeds the recommended levels

Budget 2024-2025 APPENDIX A

Description:

Income: (no change) outgoings

 **Core costs** **No change option 1 option2**

Precept £2979.58 Insurance £400 400 400

LCTRS Grant £ 72 Postage 12 12 12 CDALC Subs 40 40 40

Poppy Wreath 30 30 30

Clerk pay 1944 1944 1944

IT Maintenance 300 300 300

 2726 2726 2726

**Optional costs**

Grass cutting 1400 1000 500

 Meetings 96 0 0

 Play ground rent 0.5 0.5 0.5

 Playground inspection 120 120 0

 Playground Maintenance 500 0 0

 General Maintenance 300 0 0

 Ground maintenance 300 0 0

 Community Donations 300 0 0

Option total 3016.5 1120.5 500.5

Total £3051.58 Total 5742.5 3846.5 3226.5

Shortfall 2690.92 794.92 -174.92

This would give an increase of 90.31% 26.68% 5.87%

Band D increase from £37.86 to 72.05 47.96 40.08

**Options:**

No change, this option is based on the 2023/24 Budget with expected increases in costs

**Option 1:** this option has the following changes:

Use the Cemetery chapel for PC meetings

Reduce the grass cutting areas

Do not repair the Mobilus

Take any maintenance costs from Reserves

Stop Community donations

**Option 2:** this option has the following changes in addition to Option 1:

Stop grass cutting and re wild the verges beyond the 1m roadside areas with wild flowers and work with DCC to prevent duplication

Remove the Mobilus

Look for grants to replace the play park closing it until it can be replaced

**Risks:**

**General:**

 There is at present no cap on the precept increase imposed by national government. This has been discussed in a number of meetings the clerk has attended so it is not certain that it will be applied following an election. This would limit the ability for Woodland PC to increase the precept and bring the services back to the current level.

The estimated cost of grass cutting is based on brief discussions with potential contractors. Final costs will be subject to a tender process.

**Option1:**

Failing to cut the grass as before could result in accidents at seats or seats not being used. An increase in electricity usage in the Chapel could cause Eon to begin charging a standing charge. Failing to maintain the Mobilus could cause accidents. Not having a budget for maintenance could result in a significant reduction in reserves

**Option 2:**

Stopping the grass cutting could make the Village at the Woodland Parish council part look unkempt against the L&S part.

Closing the Play park would remove one of the few amenities in the Parish

Other options. look for funding to refurbish the Chapel and convert it into a study centre or visitor centre.

Close the play park and revert it to Raby Estates.

Move the Play park to the Woodland part of the village green and look for funding, convert the current play park into a quiet seating area and wellbeing space. Funding could be available for this.

Report produced by Simon land Clerk to Woodland Parish Council

Notes:

The Clerk has put a request in to DCC to establish the responsibility for grass cutting in the village, awaiting response.

The Clerk arranged a visit from a play ground supplier but as yet they have not responded to the specification discussed. The specification included creating a 5 a side football pitch on the village green and new play amenities.

The Clerk has requested a price for a detailed survey of the Chapel, this would be £200. Funding could be available to convert the chapel into a visitor centre, awaiting a reply from the Gaunless valley history trust.

The Clerk has identified some Grants that could be available for replacement of the Play ground