

20231012: Agenda Item 13 – Budget Planning 2024-2025

Background

The Parish Council needs to set its precept by the end of December in order to meet the Mid-Devon District Council deadline in January. Budget Planning for the following year therefore needs to start in September.

The Parish Clerk has commenced the process, and this report sets out the work to date and areas for consideration and review. The budget will be refined over the coming months with further reports tabled for discussion at November and December's Council meetings with an additional Council meeting to finalise the Precept to be held before Christmas.

Precept 2024/25

Early indications are that the Precept will be similar to the 2023/24 Precept.

1. Where contracts are in place – prices agreed as part of the contract award have been amended to reflect the 2024/25 costs. Where the annual increase agreed to is RPI as at October, this figure will not be available until Mid-November and so the indicative budget is based on the RPI at the end of August, which stands at 9%.
2. Quotes/indicative costs have been requested from current contractors where the work does not form part of an ongoing contract, or where the contract is coming to an end.
3. There are some decisions to be made relating to costs, fees and income and these are set out in the following sections.

Income:

- a) *Review of Allotment Fees* –
In previous years the increase has been 5%, last year this was rounded up to the nearest £1. A 5% increase would equate to a fee of £20 for a part plot and £32.50 (or £33 if rounded up to the nearest full £1. Water usage has fluctuated over the past few years and averages at approx. £5.50 per plot, currently £5 is charged. At the allotment AGM it was agreed to suggest an increase to £6 per annum from 2024. The Allotment Association subs remain at £5 per annum. The overall income would be £2,568 on this basis for 2024/25.
- b) *Review of Cemetery Fees* –
Budget for 2023/24 is £3,300. Income to end of September is £5,655. Income in 2022/23 was £5,944. This income stream is difficult to predict. An increase of 10% in fees rounded up to the nearest £50 would give an income budget of £3,650, using this year's budget as the baseline. Fees would remain comparable to other parishes.
- c) *Magazine Income* – this needs to be viewed in conjunction with the agenda item on VAT. Based on a reduction in issues from bi-monthly to quarterly an indicative income of £3,700 has been calculated to allow for an increase of 5% in advertising fees to cover increased production costs.
- d) *Bank interest* - rates have been increasing and to the end of August £256 has already been received on the Lloyds savings account alone. The Nationwide interest is paid annually but at current rates could be around £2,500 if all the funds remain in the account until the end of March 2024. Budget allocated for 2023/24 was £100. It is accepted that interest rates fluctuate, and savings balances will fluctuate as projects complete and monies are received and paid, however an income budget of £500 would be more realistic and still err on the side of caution.

- e) DCC Contribution to Grounds Maintenance – it is assumed this will not be increased from £4,835 per annum. Paid in October/November annually.

Expenditure:

a) *Review of Salaries* –

- i. Pay award still pending for 2022/23 but indications are that it will be £1 per scale point again. A similar increase is assumed for 2024/25 and that the Clerk's pay will increase to the next scale point.
- ii. The Clerk is not contributing to the Nest Pension and therefore there will be no Employers contributions required.
- iii. There is a contingency of £2,000 - £1,600 was used in 2022/23. There have been 2 Clerks during the handover period this financial year, which is not anticipated for next year.
- iv. If the contingency remains at the current level and taking the other factors into account a budget of £27,089 is proposed, which is slightly less than the 2023/24 budget.

b) *Office/Admin* –

- i. External audit fees are more due to increased income and expenditure taking the Parish Council into a higher charging band, and this is reflected in the indicative budget.
- ii. The internal auditor has advised that his fee will be £150 for 2024/25.
- iii. Allowances have been made for increases in costs such as Microsoft fees, accounting software, insurance, mobile phone and room hire.
- iv. The training costs have been left at £1,000 to allow for Clerk CiLCA training as set out in her contract.
- v. Travel Allowance not being used – consider whether to reduce? Budget is £400.
- vi. The Website support costs - little support has been required this year and the consultant is not sending in his monthly £50 invoice despite reminders. Domain fee is paid annually, this is around £30. Email sent asking |Tristan Parker for a quote for 2024/25.
- vii. As there are no elections due for the Parish the £1,500 allocated in 2023/24 has been removed.
- viii. Memberships – allowance made for some inflationary increases in 2024/25.
- ix. So far, an Indicative budget of £8,033 with options to reduce.

- c) *Contractor cover* - Handyman has provided an indicative hourly rate of £24, which has been used to calculate any Litter Picker cover we may require from him, setting the budget at £600.

- d) *Magazine* – As per income item c, this needs to be viewed in conjunction with the agenda item on VAT. Based on a reduction in issues from bi-monthly to quarterly but an increased number to be printed due to housing development, an indicative expenditure of £5,000 has been calculated, which includes the Parish Council subsidising one issue and allows for an increase in cost of production & distribution, printing costs quote received from Brightsea for 1,650 leaflets at £1,155 per publication, which would amount to £4,620 for 4 editions per annum, a pro-rata increase of 5.5%.

e) *Cemetery* –

- i. The Handyman has quoted for grass and hedge cutting for next year and this has been added to the forecast figures. He has also quoted for the cemetery extension cut, which is paid from the earmarked reserve so not included in the

- precept budget. The cost per cut for the extension will be £203.70 per cut. A decision to be made on whether a max 8 cuts is sufficient or if it should always be cut as the same time as the cemetery. 8 cuts = £1,630, 12 cuts = £2,444, difference is £814 per annum.
- ii. It is suggested that the other elements of this budget remain the same for 2024/25.
- f) Allotments –
- i. Allowances made for increase in rent and water costs, offset by income.
 - ii. Tree inspection due in June 2024.
 - iii. Income should cover costs.
- g) *General Grounds Maintenance* –
- i. Verge cutting costs increased in line with agreed contract.
 - ii. Weed Spraying is negotiated on an annual basis. The contractor's charge for 2023/25 was very low compared to other quotes. He has requoted at £1,350, which is broadly in line with but still under other quotes previously received of £1,400 plus.
- h) *Play Area Grounds Maintenance* –
- i. Jubilee Field and Orchard Way costs increased in line with RPI as per agreed contract.
 - ii. Handyman's hourly rate increase to £24 p.h, factored in for other play areas.
- i) *Play Area Equipment Maintenance* – To remain at £4,500 to cover MDDC Play Area inspections at £2,000 plus repair and maintenance to play area equipment.
- j) *Donations* – Budget £360. £300 paid out in donations in 2022/23. So far £60 committed to the British Royal Legion in 2024/25 and a request from the CAB.
- k) *Village Projects* –
- i. There is a budget of £8,441 for 2023/24. As at the end of August £2,826 has been spent. It is predicted that spend will be approx. £7,000 at year end to cover reinstatement of the VAS, cleaning of the bus shelters and Christmas lights.
 - ii. Broadly speaking it is expected that costs will remain similar except for the Christmas lights as the three-year contract is finishing, early indications from the current supplier are that the cost of hire, installation and removal will be under £5,000 per annum (currently £4,040) for newer equipment but pricing will not be set until early next year and other quotes will also be sought.
 - iii. Some small allowances have been made for increases in other areas, including CCTV and lighting for the Air Ambulance.
 - iv. It is suggested that a budget of £9,115 is set (this does not include any Christmas lights local business donations).
- l) *Capital* – Budget for this in 2023/24 is £11,100, spend so far £27, spend in 2022/23 £301. A breakdown of the budget is attached and this needs to be reviewed. Unspent funds could be transferred across to increase the operational reserves as discussed at the September Council meeting, which following good practice should stand at half the current precept, around £37,000 but is currently £20,000.

Debbie Bird
Willand Parish Council
Parish Clerk & Responsible Financial Officer
3 October 2023