

## **Agenda item 21.121 g**

### **Report to Stanwick Parish Council Meeting 18<sup>th</sup> November 2021**

#### **RE: 2022-2023 Budget working papers**

#### **Prepared by J Hodgson**

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I have put together this budget based on past expenditure patterns and known costs. See attached. The council is able to make any adjustments it sees fit.

#### **Staff costs: £25,500.00**

Staff costs include salary, employer National Insurance costs and employer pension contributions. It has always been Stanwick Parish Council policy to follow the nationally agreed pay scales. In addition, the council has to consider employers liabilities to HMRC and under the pension scheme.

#### **Office costs: £3800.00**

Office rent (£2616.00) and BT costs (£504.00) (total £3120.00 per annum)

Office rent will not change in 2022. There may be a change from January 2023.

Other costs includes: stationery costs, ink costs, stamps, delivery of newsletter, printing of newsletter etc,

#### **Training: £500.00**

Includes: Training courses; reference books, travel to courses, conferences etc

#### **Insurance £900.00**

The policy renews 1<sup>st</sup> June. The premium for 2021 was £811.45.

#### **Subscriptions £1400**

The Council pays subs to NCALC, Northants ACRE, Society of Local Council Clerks, National Allotments, Open Spaces Society and CPRE.

#### **Room hire: £400.00**

Costs are incurred for the use of the committee room for meetings and hire of the main hall for Annual Parish Meeting.

Meeting room costs will increase as the Council will need to pay for set up and take down costs unless a member of the council is able to guarantee to be able to cover this for every meeting. This would be £12.00 per meeting.

Room hire is £10.00 per hour (2 hours per scheduled meeting). There are 6 scheduled meetings and up to 6 one hour meetings.

## **Election reserve: £0**

Ring fenced funds to pay for parish councillor elections. The decision was made a few years ago to create a fund to finance PC elections. The fund is added to each year until £2000 is held. It will then remain without further additions until it is drawn down.

The potential bill for a contested election (i.e. 8 candidates for 7 seats) is £2000+. These are actual costs incurred by NNC and passed back to town and parish councils. There costs are lower where there is a contested higher authority election (e.g. unitary) as there are more authorities to apportion the costs between.

In the event that a casual vacancy occurs, the electorate has the right to demand a poll which will incur a cost.

As at October 2021 the fund stands at £2500.98. The 'odd' amount due to election costs being deducted in 2011 and 2015. I have not received an invoice for the costs of the May 2021 uncontested elections. However an indication has been provided by North Northamptonshire Council as under £100.00.

I have not included a budget for the election fund 2022/23.

## **Grounds maintenance: £24000**

The grounds maintenance cost heading covers payments to Turney Landscapes Ltd under the grounds maintenance contract and other contractors for works such as dog bin emptying, and any extra works such as tree works at the rec, cemetery, Mallows Grange etc.

Of the £21333.44 spent under this cost heading last year:

£18673.18 Contract costs

£128.26 Dog bin emptying etc

£1732.00 work on trees

£800.00 grass cutting at the allotments

Some of the costs charged by Turneys can relate to burials. These costs are recovered from the family and are shown within cemetery income. This was zero for 2020-21 as there were no interments.

Suggested grounds maintenance budget:

19500.00 existing grounds maintenance

140.00 Dog bin emptying

500.00 for incidentals i.e. bedding plants and soil improver

3860 any other works e.g. tree works, grass cutting at the allotments

24000

## **Repairs & renewals: £2500**

The fund to cover expected and unexpected repairs such as:-

Uninsured repairs to church wall i.e. wear and tear

Play area repairs

Headstone repairs

Street light repairs

## **Miscellaneous: £2000**

A catch all fund that has costs assigned that do not fit elsewhere. It includes but is not limited to:-

£400 Audit fee  
£60 Water supply for cemetery  
£75 Play area inspection  
£35 Information Commissioner annual fee  
£120 Cemetery rates  
£40 Poppy Appeal Wreath  
£40 Delivery of newsletter  
£770.00

Also includes thing like other grants e.g. play group Christmas costs (publicity, entertainer)

### **Loan Repayments: £4394.45**

There is no control over this amount as the payment schedule is fixed at the outset but it does decrease year on year. The loans are for purchase of Parish Fields and the rec. The level of the repayments is fixed for the entirety of the loan. The Parish Fields loan payment amount decreases each time. Both loans are paid as one sum twice a year (Jan & July) by direct debit. The loans are with the Public Works Loan Board (Bank of England) and the rate of interest is fixed when the loan is taken out.

FYI the loan for the recreation ground was taken out in 1967 for 60 years for £6,400. Final payment 13/7/2027.

### **S 137 (Local Government Act 1972)**

Section 137, the 'Free Resource' must be separately accounted for where this power is used.

S137 expenditure is used for grants, remembrance wreaths etc.

There is no budget allowance for the year 2022-23 as the Council has the general power of competence and does not need to utilise S137.

### **Leisure Grant: £600.00**

The Parish Council has a commitment to pay the following each year. This sum may be increased if the council thinks it is appropriate to do so. The grant is paid in exchange for the group being responsible for the maintenance instead of the council.

£200 Grant to Stanwick Bowls Club  
£200 Grant to Stanwick Pocket Park Group  
£200 Grant to Community Garden

### **Parish Fields/Allotments: £0**

The Council has continuing costs for grass cutting within the allotment site and any repairs that are required. An allocation has not been made in the budget for new funding as £2007.00 is held in the capital reserves and the grass cutting costs will be assigned to the grounds maintenance cost heading.

### **Street Lighting: £200.00**

The budget is based on expenditure from last year's 12 months' worth of bills. Note supply charges are increasing as councils switch to LED lights, using less electricity and reducing supplier income.

Electricity prices are increasing which the council has no control over. The Council only has 5 street lamps that it purchases electricity for and this are classed as 'unmetered supply'. It is difficult to get alternative suppliers for such a small requirement.

## **Projects**

Within the 2021-22 budget the following were allocated of which none has been used.

Green initiatives £750.00

Enhancement of social area at the Allotments £750.00

Community resilience £500.00

Parish Plan £500.00

Neighbourhood Plan Review £500.00

## **Anticipated expenditure before the year end**

Possible costs before the year end that have not been budgeted for:

Purchase and installation of flagpole

Footpath to Mansfield Street

Church Footpath to main door

Church footpath by Duke of wellington (£370.00)

Yew tree in the church yard.

## **Ear Marked funds/Capital Reserves:**

Governance and Accountability for Local Councils 2014:

2.26 Earmarked reserves, which are set aside for specific purposes and for savings for future projects, should be realistic and approved by the council. However, the amount of general reserve should annually be risk assessed and approved by the council.

Capital reserves are ring fenced funds for express purposes. To use money for another purpose is permissible if the Council makes a resolution to that effect before hand on the basis that the money is no longer required for the purpose it was raised.

Historically funds are set aside each year for future expenditure.

However I did not make an allowance in the budget for 2020-21.

Balances of the funds as at 31<sup>st</sup> October 2021 (held in a Nat West Deposit account) are:

£2765.00	Traffic calming
£53378.00	Cemetery fund
£4066.00	Playground fund
£1500.00	Church boundary wall
£2500.28	Election fund
£2007.96	Parish Fields

It would be possible to make a decision to close the Parish Fields fund and move it to repairs and renewals or back in to the general reserve (revenue fund).

The playground fund may be utilised in the near future for repairs to the safer surfacing.

## **General Reserve**

Governance and Accountability for Local Councils 2014:

2.25 As councils have no legal powers to hold revenue reserves other than those for reasonable working capital needs or for specifically earmarked purposes, whenever a council's year-end general reserve is significantly higher than the annual precept, an explanation should be provided to the auditor.

The General Reserve is split across the current account and the deposit account.

It is acceptable to have an unspecified general reserve equivalent to the precept.

I have estimated the level of General Reserve as at 31<sup>st</sup> March 2022. To do this I have assumed the budgets against cost headings will be fully spent, subtracted the ring fenced capital reserves.

On the basis of these assumptions the General Reserve will be £66163.44.

## **Extraordinary expenditure outside of the budget:**

The Council needs to decide if there are any extraordinary items of expenditure that should be budgeted for.

## **Options for increasing income:**

The Council is very limited in its income generation options.

At the September 2021 meeting it was decided to not to increase the fees charged for the allotments and Stanwick Rovers FC. There will be a modest increase in cemetery fees to cover rising costs.

The Bowls Club fee is set by the lease.

Highway verge contribution is set by NNC and hasn't changed for over 10 years. It may be withdrawn in the future but will be paid in 2021/22.

## **Interest**

Business Reserve Account balance as at 31<sup>st</sup> Oct 2021: £76851.11. It receives interest monthly at approx. £0.65 per month.

It should be noted that the Council is now covered by the Financial Services Compensation Scheme up to £75,000.00 per institution. The Council has previously recognised that it may be advisable to diversify its banking to maximise protection under the scheme.

## **Precept**

A Parish Council Precept is a tax charged on each property in a parish, and is seen on the Council Tax bill. It is how local councils fund their actions. It is apportioned on council tax bands ratios.

2018/19	£61545
2019/20	£71545
2020/21	£71545
2021/22	£71545

**Recommendation:**

1. Approve the budget for 2022-23
2. Determine whether further monies should be raised via precept for specific projects
3. To undertake a detailed examination of existing capital reserves and project monies in the interests of financial prudence.

**Action required:**

1. Make a resolution to adopt the budget
2. Make a resolution to set the precept. This can be less than the budget if the Council would like to utilise the general reserve.