

## East Langton Parish Council – Budget 23/24

### Notes to Budget 23/24 agreed at meeting 11/1/23

#### 1. Two spreadsheets

- a “Proposed Budget”
- b “Expenditure Against Budget” (which shows estimated expenditure to 31/3/23)

#### Looking at Spreadsheet b first:

#### 2. Spreadsheet b

- a) Figures for April to December are exact, unshaded, already reconciled in reconciliation to 30/12/22
- b) January blue shaded – these are payments to be authorised at meeting 11/1/23
  - i. Salary January plus arrears April to December - £375.30, calculated as follows:
    - The new pay scales from 1/4/21 are now published. Clerk is on Scale Point 9, which is increasing from £11.05 an hour to £12.06 an hour.
    - For four hours a week =  $4 \times £12.06 = £48.24$  a week.
    - Yearly salary is therefore  $£48.24 \times 52 = £2,508.48$ .
    - Monthly salary is  $£2,508.48 \div 12 = £209.04$  a month.
    - Add Homeworking Allowance of £8.67 a month gives a total of £217.71 a month (currently £200.20 a month).
    - Pay award is backdated to 1/4/22 so arrears are due for April – December = 9 months at  $(£217.71 - £200.20) = £17.51$  a month.
    - For 9 months this is £157.59. So, salary and HWA for January is  $£217.71 + £157.59$  arrears = £375.30
  - ii. Newsletter Christmas 2022 - £15.00
- c) Shaded yellow are estimates
  - i. General Expenses – assume £40.00 spent by end of March 2023
  - ii. Room Hire – January - £12.50, February and March – assumes we have a meeting both months
  - iii. Salary - £217.71 for February and March
  - iv. IT Products and Support - £10 (not including £2 VAT) for January, February and March
  - v. Training – assumes no more training to 31/3/23
  - vi. Audit - £180 for LRALC Internal Audit 22/23, rate as advised by LRALC (for electorate 150 – 500), will be invoiced before 31/3/23
  - vii. VAT – January £2 ICT Support and £8.45 bins = £10.45, February £2 ICT support, March £8 General Expenses, £2 ICT Support, £108.00 work to trees, £8.45 bins, £15.00 for defibrillator electrodes = £141.45. If there is any more VAT, e.g. for payments from Lightsource, it would come from General Reserve as has effectively happened in the current year as the VAT budget is in debit, it will

then result in an increased receipt of VAT refund in 2023/24 to what I have estimated in the proposed 23/24 budget Spreadsheet A).

- viii. Chair Allowance - £50 in March as budgeted.
- ix. Newsletter insertions – assumes no further invoices before 31/3/23
- x. Litter bin maintenance, assumes two more invoices in January and March at £42.24 (not including £8.45 VAT).

#### **From Reserves**

- xi. Trees on Village Green –£150, General Reserve - £390 Total £540 payment for work to be done following inspection and report
- xii. £75.00 for defibrillator electrodes
- xiii. Lightsource - If there are any other payments from Lightsource this would reduce the carry over of Lightsource into the 23/24 year. This would mean that we carry over less, but the Lightsource Reserve held in the Reserves in the estimates in the 23/24 budget (Spreadsheet A) would then be less by the same amount so make no difference to the budget calculation.

Then looking at Spreadsheet a

### **3. Spreadsheet a**

- a) The grey column is the budget set for 22/23 updated to reflect revised budget agreed at meeting May 22 and any other virements between budget headings agreed to date.
- b) The orange column is the receipts and expenditure up 30/12/22 (i.e. the last reconciliation) taken from spreadsheet (b) white entries April to December which was taken from the relevant sheet on the Accounts spreadsheet reconciliation to 30/12/22
- c) The green column is the estimate to 31/3/23 taken from spreadsheet (b) April to March all figures not shaded, blue shaded and yellow shaded. Estimated income assumes Lightsource funding is the same as last year.
- d) The purple column is suggestions for next year's budget for the precept, see below for breakdown of explanations.
- e) The blue section is a breakdown of the balances held showing an expected balance to be carried forward at 31/3/2023. **This will change depending on what the final expenditure figures are in the green column at 31/3/22**
- f) The yellow section is the predicted balances held, i.e. General Reserves, Lightsource and Earmarked Reserves – see notes below
  - i. Purple column – suggestions for budget / precept for 2023/24. There is some background to the decisions as outlined below.

**Income** – this is the VAT estimated for 2022/23 to be claimed in 22/23 (total estimate VAT 22/23 is £706.41 less £7.58 which was included in the refund for the mugs from Running Imp gives a balance of £698.83, rounded to £699) and the next instalment of Lightsource funding (I have used this year's figure).

## Expenditure

- ii. **Salary** – at the LRALC training course on 9/11/22 the advice was to increase salary by 5%, £2,612.52 plus 5% = £2,743.52
- iii. **Street furniture** - £200 for annual maintenance costs. Also, there is £250 in reserve for unexpected repairs.
- iv. **Election** – If the election is contested HDC guidance is that the cost will be £1,656.32, however the costs may rise. Carry over at 31/3/23 will be £1,075 and so a further £581.32 needs to be added to the budget for 23/24 if this is to be achieved. £582 has therefore been added.
- v. **General expenses** – £80.00
- vi. **Subscriptions (LRALC and SLCC)** – [see advice from LRALC below](#) . Based on this advice LRALC and NALC subscription is calculated at £235.00. SLCC subscription is estimated to be £112 of which 50% is paid by ELPC. This gives a total of £291. £300 therefore included in the budget for 23/24
- vii. **Room Hire** – have set this at £170. Currently £12.50 a meeting, so at this rate it covers us for 12 meetings (£150) with a bit surplus if we have any more meetings or use bigger room. Unlikely to meet every month.
- viii. **Website Maintenance** – It was £415 this year, I have put it at £425 in case it goes up. This assumes that we have the same package in 23/24 year at renewal.
- ix. **Insurance** – £441.54 this year. Suspect if we get MVAS this will increase and so have estimated £475.
- x. **IT product and support** – Northants Computer Homefix is £10 a month (£120) so have put in £120. This does not allow for any increase in their price or other purchases, and we are not building up any reserve for if the lap top needs replacing in the future.
- xi. **Training** – LRALC advise a minimum of £100 training budget for each new councillor. Have therefore put in £200 and £100 for any other training, total £300.
- xii. **Internal Audit** – £180 in current year, have put up to £200 based on information from LRALC.
- xiii. **Trees on Village Green** – £100 in budget for yearly maintenance costs, also £100 in reserve, if we do not use the £100 in 23/24 some of it could be added to reserve for future inspections, unexpected costs etc.
- xiv. **Grass Cutting on Village Green** – 8 cuts at £80 a cut = £640.
- xv. **VAT** – Have put in £450 put in, it is estimated at £699 for current year (could be more if e.g. we purchase MVAS). I have estimated for 23/24 as follows: IT support £24, General Expenses £16, Website and Emails £85, Trees £20, Defibrillator £60, Emptying of Bins £52, Poppy Wreath £5. This gives a total of £262, and I have topped up to £450 to take into account any Lightsource Spend. If not enough we can use General Reserve (which effectively we have had to do in current 22/23 year as we have gone over budget) and we claim it back the next year anyway.
- xvi. **Lightsource** – Expect to receive payment in March 2023, last year it was £2,989.73 and so I have assumed the same (see income). I

have added this as an expenditure as it will go into reserve held for Lightsource.

- xvii. **ICO** - £35 assume the same as this year
- xviii. **Chair allowance** – Have added £50 again
- xix. **Newsletter** – four insertions, have put in £60 to cover 4 insertions, currently £15 a copy. **This doesn't cover any increases**
- xx. **Travel** – Have put in £60 (travel to courses, particularly for new councillors).
- xxi. **Defibrillator Maintenance** – We need to replace the battery and electrodes in the one in East Langton during 23/24. Electrodes this year will cost £75.00. School bought battery for Church Langton in current year and said it cost £200 so £275, assuming prices will increase have put in £300. Note also £250 in Reserve for unexpected costs.
- xxii. **Litter bin maintenance** – £248.26 estimate for current year so have increased to 260
- xxiii. **Poppy Wreath** - £19.98 this year, have increased to £25.
- xxiv. **Future clerk recruitment** - £893.00 ([see Internal Auditor feedback below](#))
- xxv. **Payments from Reserves** – none included as these are taken into account in the Reserves, see yellow box on Spreadsheet and notes below.

#### 4. Reserves

##### a. General Reserve

- **Note on General Reserves** – this should be 75% of Net Revenue Expenditure. (Joint Panel on Accountability and Governance Practitioners' Guide section 5.31 to 5.33, Nett Revenue Expenditure is defined as precept less any loan repayment, amount included for capital projects and transfer to earmarked reserves). In the suggested budget for 23/24 the precept is £8,320.00. Deducting Election (£582 to be transferred to Earmarked Reserve) this gives £7,738. 75% is £5,803.50. The General Reserve suggested in this budget is £4,506 therefore low.

- b. Earmarked reserves** – This is what we have already precepted for plus the Lightsource funding not yet spent:

Defibrillator Maintenance	£250	This is for any unexpected maintenance to the defibrillator, e.g. replacement of electrodes if it is used or damage to the cabinet. Note £300 in main budget to cover replacement of battery and electrodes in defibrillator in East Langton.
Maintenance of Street furniture	£250	This is for any unexpected maintenance. Note £200 in main budget for general maintenance.
Election	£1,075 (22/23 year £850)	£225 floated in from 22/23 budget to build up reserve. Need to build up £1,656.32 by 2023 election
Lightsource	£14,174.76  Unallocated / Grants / Wildflower Verge	This is estimated as follows: Lightsource held at 30/12/22 - £11,185.03 (see reconciliation, Lightsource sheet plus £2,989.73 predicted receipt by 31/3/23 = £14,174.76
Trees	£100	For unexpected tree work. Note £200 in main budget for routine work
	£15,849.76	

## 5. Conclusion

- This gives a precept of £8,320 (15% increase in Council Tax, 18.3% increase in precept (from current year precept of £7,034). £5.93 increase in Council Tax from £39.54 to £45.46. Note that the average Band D parish precept is £74.81.
- The budget gives a low General Reserve.
- This budget does not take into account “Increased delegation from county, borough, and district level.” – quote taken from LRALC email 21/10/22
- Notification from LRALC about capping - *We are very pleased to announce that there will be NO “capping” of our councils in the next financial year, i.e., no requirement for a local referendum to be held for precept/council tax increases above a specific level. This means that councils remain able to precept according to need, and yet again emphasises the importance the government places on our councils being able to responsibly raise unlimited funds to serve the residents of English parishes.*

## Supporting notes

### LRALC and NALC Affiliation Fees

#### NALC Affiliation fees 2023/24

The increase in NALC fees which was agreed at the NALC AGM in October last year. See below:

*The AGM approved the motion recommending the affiliation fees for next year 2023/24 at 7.71 pence per elector, fees being capped at £1,978 for the largest councils.*

A reminder that LRALC simply collects these fees on behalf of NALC when we invoice our own fees at the end of March 2023.

As you will be aware, LRALC has invested heavily in supporting all our member councils through the current cost of living crisis by providing training, briefing notes, very clear advice on setting your budget and precept, and co-ordination with county and district/borough councils over their plans. Many of you have told us how useful these resources have been at council meetings when setting your budget and precept, especially the breakdown of increasing costs in the areas common to most if not all councils. We are being told that many, and potentially most of you, are increasing your precepts to accommodate the increasing costs we are all facing.

LRALC is, of course, not immune from the same pressures, and as a company owned by our member councils, we of course have to serve your interests by setting a prudent and realistic budget that ensures the company is financially sound. As a result of this, we have had to follow our own advice and increase our affiliation fees to cover these increased costs. Whilst we recognise the increase is larger than any made in the last 10 years, we have kept it to the minimum required to cover costs.

A summary of the new fees is below, and we have got these out to you as quickly as possible, recognising that councils will start setting their budgets in the next week or two. To refresh your memories, the invoice you receive from LRALC for annual membership at the end of March each year contains two elements, the LRALC fee, and the NALC fee (which is passed straight on in full to NALC by LRALC). This provides your council with a single invoice for the two relevant fees.

The LRALC fee itself is calculated using a formula with two elements, both based on elector numbers. There is a per elector rate (see table 1 below) **which is not changing** for 2023-24, and a flat fee rate (see table 2 below) **which IS increasing**.

Table 1

<b>Number of Electors</b>	<b>Pence per elector</b>
1 to 400	27.81
401 to 600	25.29
601 to 1000	18.96
1001 to 1500	15.16
1501 to 2000	12.63
2001 to 2800	10.11
2801 to 3500	8.85
3501 to 5600	6.30
5601 to 7000	5.36
7001 to 8500	4.11
8501 and above	2.82

Table 2

<b>Electorate</b>	<b>Current flat fee 2022/23</b>	<b>New flat fee 2023/24</b>
Electorate 1-1000	£92.50	£115.00 <b>(increase of £22.50)</b>
Electorate 1001-2000	£130.00	£160.00 <b>(increase of £30.00)</b>
Electorate 2001-6000	£155.00	£210.00 <b>(increase of £55.00)</b>
Electorate 6001 to end	£205.00	£265.00 <b>(increase of £60.00)</b>

Two example calculations are copied below to illustrate the above

- Parish Council with electorate of 300. Current fee: £92.50 + (27.81p x 300) = £175.93. New fee: £115.00 + (27.81p x 300) = £198.43.
- Town Council with electorate of 8000. Current fee: £205.00 + (4.11p x 8000) = £533.80. New fee: £265.00 + (4.11p x 8000) = £593.80.



## **From Internal Auditor Report**

It was discussed with the clerk about the Parish Council's potential plans for a future recruitment drive when the clerk takes retirement. There is currently no set plan in place for this. I would like to recommend that the Parish Council consider putting together a plan, which includes acknowledgement regarding the clerk's workload, and the realistic hours set to run 'everyday parish council business' alongside parish projects. Also, I would encourage the Parish Council to be mindful of the level of experience and expertise which a candidate on the current grade 9 SCP would bring. With that there is likely to be a need to finance training courses (CILCA and other courses) and the time to attend these Page | 2 LRALC Internal Audit Service and carry out coursework, as well as time to potentially 'learn' the clerk role. Consequently, the Parish Council would be encouraged to revisit their budget in this area moving forwards