

Keswick and Intwood Parish Council Draft Budget 2024-25 and Precept Setting.

This document compares the actual performance of the 2023-24 budget with the original proposal. It also contains a draft budget for 2024-25; and proposals for the 2024-25 precept.

1. Keswick and Intwood Parish Council Actual Performance 2022-23 & 2023-24

1.1 The following table compares actual expenditure of 2022-23 alongside the budget and the year-end expenditure forecast for 2023-24:

	ACTUAL 2022/23 (£)	BUDGET 2023/24 (£)	YTD 2023/24 As of 29th September 2023 (£)	Y/E Forecast 2023/24 (£)
TOTAL PAYMENTS	5,337.24	6,515.00	2920.14	5972.55
Information Commissioner's Office	35.00	35.00	35.00	35.00
NALC Subscription	170.67	180.00	232.80	232.80
Internal Audit Fee	66.00	55.00	55.00	55.00
Training	200.00	400.00	55.00	300.00
Insurance	837.00	900.00	-	900.00
HR Payments	3,002.82	3,500.00	2158.08	3590.00
Clerk's Expenses	39.55	75.00	124.51	170.00
Payroll	102.00	120.00	96.00	96.00
Legal Expenses	-	500.00	-	-
Computer Service*	600.00	N/A	N/A	N/A
Sundry	-	50.00	-	-
Bus Shelter maintenance	120.00	160.00	80.00	120.00
Asset Replacement	84.20	150.00	50.00	50.00
SLCC membership	80.00	90.00	-	90.00
I.T. Subscriptions*	-	100.00	-	100.00
Donations*	-	200.00	-	200.00
Locum Clerk Expenses	-	-	33.75	33.75

**Budget for Computer Service removed for the 23/24 financial year. Budget line for I.T. Subscriptions and Donations added for the 23/24 financial year.*

1.2 Notes:

2023-24 Outcome:

The projected expenditure variances are made up as follows:

NALC Subscription (52.80)

Training	100
HR Payments	(90.00)
Clerk's Expenses	(95.00)
Payroll	24.00
Legal Expenses	500.00
Sundry	50.00
Bus Shelter Maintenance	40.00
Asset Replacement	100.00
SLCC Membership	70.00
Locum Clerk Expenses	(33.75)

1.3 Explanation of significant variances (£100.00 or more):

- Training – The training budget for the 2023/24 was higher than usual as it was an election year and therefore it could be expected that there would be a lot of new Councillors that required training. All Parish Councillors from the previous election term were re-elected, with only one new Councillor joining the Council – therefore training requirements were not required to the anticipated level.
- Legal Expenses – no legal expenses had been incurred.
- Asset Replacement – no assets are predicted to have broken and therefore likely will not require replacing.

2. Parish Council Reserves

2.1 Introduction

Keswick & Intwood Parish Council is required, under statute, to maintain adequate financial reserves in order to meet the needs of the organisation.

The Council's policy on the establishment, maintenance and adequacy of reserves and balances will be considered annually.

The Council will hold reserves for these three main purposes:

- A working balance to help cushion the impact of uneven cash flows, such as the time lag between the start of the new financial year and the receipt of the first precept payment and the upfront payment of VAT prior to reclaiming
- A contingency to cushion the impact of unexpected events or emergencies
- Earmarked reserves:
 - A means of building up funds, to meet known or predicted requirements
 - Money held for specific purposes such as CIL (Community Infrastructure Levy)
 - Money pledged but payments unmade

2.2 Keswick & Intwood's specific requirements for 2023-24:

Working Balance

	Use	Budget
Cash Flow	To enable the payment of invoices prior to the receipt of the precept payment	£3000
VAT Payments	The payment of VAT prior to reclaim	£200
Total		£3200

Contingency

	Use	Budget
Parish Council Assets	To cover unexpected maintenance costs	£3000
Election	The potential cost of a by-election	£500
Unexpected Costs	To cover the cost of unexpected legal costs or other parish needs	£5000
Total		£8500

Earmarked Reserves

Earmarked reserves at 29 September 2023:

CIL receipts £496.42 (for information, £266.00 of this amount should have been spent, or allocated to a project, by 1st April 2022).

Any further earmarked reserves identified before the year end will be shown in the end of year accounts.

3. Keswick and Intwood Parish Council Draft Budget 2024-25

	BUDGET 2024-25
TOTAL PAYMENTS	£7385.00
Information Commissioner's Office	£35.00
NALC subscription	£250.00
SLCC subscription	£90.00
IT subscriptions	£120.00
Internal Audit Fee	£80.00
Training	£200.00

Insurance	£1000.00
HR Payments	£3,800.00
Clerk's Expenses	£100.00
Payroll	£130.00
Legal Expenses	£500.00
Sundry	£50.00
Bus Shelter maintenance	£180.00
Asset Replacement	£150.00
Donations	£200.00
Parish Reading Room Maintenance	£500.00

3.1 Explanation of budget changes:

- Annual increases to regular payments e.g. insurance, maintenance costs, HR payments and subscriptions have been predicted based on previous yearly increments.
- 'Parish Reading Room Maintenance' has been added in due to the ongoing discussion regarding the managerial structure of the hall. In light of the Parish Council being tenant of the lease, I suggest that it should have its own sink fund for the building that can be used for any maintenance the Parish Council deems necessary.

4. Precept Setting 2024-25

4.1 Current reserves 2023/24

The Council's current predicted general reserves at the end of the financial year (31st March 2024) totals **£15,627.00**, broken down as following:

- Working balance: £3,200
- Contingency: £8,500
- Earmarked reserves: £496.42
- General reserves: £3430.58

4.2 Calculating the precept

The Band D figure shown in the Council Tax bills is calculated by dividing the Precept amount by the tax base. The Parish tax base for the forthcoming year was supplied by South Norfolk District Council on the 6th December 2023 and is 207 (last year it was 211).

The Band D figure in 2023-24 was £28.44 based on the tax base of 211.

4.3 Setting the precept

The Council should consider the previous year's expenditure alongside its current reserves and the budget that has been drafted for the 2023-24 year. The Clerk has drafted 2 options below that should be considered:

Option 1 – maintain the precept at its current amount (£6000.00) and use the general reserves to pay for the remaining payments expected from the draft budget (£1,385.00).

Option 2 – increase the precept to the draft budget requirements (£7,385.00) keeping the general reserves untouched in case of unexpected projects that may arise over the financial year.

Options	Precept Amount (£)	Band D charge (£)	Band D Charge for 2023/24 (£)
Option 1	£6000.00	£28.99	£28.44
Option 2	£7385.00	£35.68	

4.4 Recommendations

The Clerk recommends that the Parish Council selects option 2, increasing the precept in line with the budget. The Council has not increased the precept since 2020/21 as it was not deemed necessary and with the current economic circumstances for parishioners and the cost of living crisis, the Council did not want to inflict higher costs than absolutely required. However, with costs of all amenities and services increasing, the Council must consider its own finances and act accordingly so that it does not find itself in a position where it does not have adequate funding to operate.

Councillors should now consider and agree (a) the budget for the 2024/25 financial year and (b) the precept that will be requested from South Norfolk District Council for the 2024/25 financial year.