

ALDENHAM PARISH COUNCIL

Council Document

To consider budget proposal for 2023/24 and make a recommendation to the Council for a total precept demand for 2023/24 to Hertsmere Borough Council.

AGENDA item 9

**Finance & General Purposes Committee meeting
16 January 2023**

Budget

I attach the budget, following discussion of this committee at the previous meeting on 14 November 2022. (appendix a-b).

Appendix c is a budget summary. This shows a net budget requirement of £715,551 (shown as (A) on appendix c), an increase of £54,056 (shown as (B) on appendix e) on the 2022/23 budget of £661,495.

This is mainly due to current energy crisis (please note current gas and electricity contract will expire in October 2023). As suggested by this Committee in November 2022 a significant increase has been included for this budget line due to current trend. A provision has also been made to increase APC's subsidy to Hertsmere Borough Council (HBC) towards Newberries Car Park.

An inflationary increase of about 5% CPI has been included on most budgets lines (unless advised otherwise by suppliers), which is well below the current rate of 10.7%. The difference in inflation could be funded by the general reserves.

Precept

The precept is the parish council's share of the council tax collected by Hertsmere on behalf Hertsmere Borough Council (HBC), Hertfordshire County Council (HCC) and Police. The precept demand goes to the billing authority (HBC), which collects the tax for the Parish Council.

HBC has informed APC that the tax base figure has increased from 5322 to 5481 (shown as (C) on appendix c). The new figure includes the agreed Community Governance review changes agreed in September 2022 (please see Tax based explanation in appendix d)

This has the effect of spreading the amount required by APC over more council tax properties in the parish. Please note the final tax base figure (C) is yet to be approved by HBC, this is due on 22 January 2023.

So, if you divide the budget required figure of £715,551 by the new tax base of 5481, the amount paid at Band 'D' level by the council tax payers of Aldenham Parish is £130.55 (shown as (D) on appendix c).

The 2022/23 figure was £121.65.29 (shown as (E) on appendix c), this leads to an increase of £6.26 per household per annum (shown as (F) on appendix c), a percentage increase of 5.04% (shown as (G) on appendix c), which is well below the current UK inflation rate of 10.7%.

General reserve

The general reserve held by the Council ensures that there is a sufficient cash flow from the end of the financial year until the receipt of the first precept instalment for the following year. The general reserve is also a contingency for unforeseen expenditure or loss of income and should be also considered during the budget setting process.

At beginning of the financial year 2022/23 the general reserves stood at £450,157.95, which is above the level recommended by National Association of Local Councils (NALC).

There were some movements in reserves during the year, which should result in reduced balance of general reserve at the year end. This includes the significant cost of solar farm appeal inquiry, also some unexpected cost of water charges at the Depot. Subject to the general policy being agreed (please see agenda item 5 a) the council will ensure to hold a general reserve of at least 25% (3 Months - approximately £180,000) of its net revenue expenditure (NRE).

Alternative option in order to keep the budget increase as low as possible would be to remove some of the asset purchase provision from the budget and consider transfer of funds from Council's general reserves to earmarked reserves to meet these costs in the future. However, this could cause potential problems in the future as there are already projects planned for 2023/24 of which some may need some additional funds. There are also the uncertainties surrounding the rates of inflation for 2023/24.

The committee should also be aware of the possible introduction of Council Tax capping in the future by central government as they do for the principal authorities.

Members are asked to consider this budget, and agree the recommended budget and precept requirements to Full Council.

Monika Duong
Deputy Clerk

Annual Budget - By Centre (Actual YTD Month 9)

APPENDIX A

Note: F&GP meeting January 2023 - 2nd draft

| | | <u>2021/22</u> | | <u>2022/23</u> | | | | <u>2023/24</u> | | |
|--------------|-------------------------------|----------------|---------|----------------|------------|-----------|-----------|----------------|-----|-----------------|
| | | Budget | Actual | Total | Actual YTD | Projected | Committed | Agreed | EMR | Carried Forward |
| <u>101</u> | <u>Administration</u> | | | | | | | | | |
| 1010 | Compost Bags Income | 500 | 508 | 1,800 | 144 | 1,000 | 0 | 1,000 | 0 | 0 |
| 1020 | Miscellaneous Income | 500 | 535 | 500 | 350 | 300 | 0 | 500 | 0 | 0 |
| 1025 | Bank Interest Received | 3,000 | 4,832 | 1,200 | 4,627 | 6,700 | 0 | 7,000 | 0 | 0 |
| 1035 | Walks booklet income | 0 | 5 | 0 | 1 | 10 | 0 | 0 | 0 | 0 |
| 1037 | Footpath Maps Income | 0 | 12 | 0 | 6 | 24 | 0 | 0 | 0 | 0 |
| 1076 | Precept | 636,934 | 636,934 | 661,495 | 661,495 | 661,495 | 0 | 0 | 0 | 0 |
| Total Income | | 640,934 | 642,825 | 664,995 | 666,622 | 669,529 | 0 | 8,500 | 0 | 0 |
| 4000 | Salaries | 104,497 | 104,747 | 124,890 | 89,714 | 120,000 | 0 | 132,761 | 0 | 0 |
| 4005 | Overtime | 500 | 1,485 | 800 | 1,716 | 3,500 | 0 | 1,500 | 0 | 0 |
| 4015 | ERS NIC&Pension | 35,952 | 37,051 | 45,600 | 30,866 | 41,400 | 0 | 44,000 | 0 | 0 |
| 4030 | Travel & other staff expenses | 700 | 127 | 700 | 401 | 700 | 0 | 700 | 0 | 0 |
| 4100 | Utilities - Gas,elec & water | 10,000 | 9,193 | 10,000 | 5,800 | 10,000 | 0 | 25,000 | 0 | 0 |
| 4110 | Insurance | 13,500 | 10,720 | 12,000 | 17,191 | 14,570 | 0 | 15,000 | 0 | 0 |
| 4120 | Telephone | 1,500 | 906 | 2,000 | 977 | 1,200 | 0 | 2,000 | 0 | 0 |
| 4135 | Office Rental | 0 | 0 | 0 | 0 | 0 | 0 | 6,547 | 0 | 0 |
| 4140 | Professional Fees | 4,000 | 1,657 | 4,000 | 6,944 | 4,000 | 0 | 1,000 | 0 | 0 |
| 4150 | Audit & Accountancy | 2,652 | 2,370 | 2,705 | 395 | 2,705 | 0 | 2,975 | 0 | 0 |
| 4200 | Office Cost | 5,224 | 5,073 | 5,329 | 3,909 | 6,200 | 0 | 6,800 | 0 | 0 |
| 4225 | IT | 16,000 | 15,801 | 16,320 | 10,349 | 16,320 | 0 | 16,400 | 0 | 0 |
| 4240 | Training | 2,000 | 2,041 | 2,000 | 1,133 | 2,500 | 0 | 2,500 | 0 | 0 |
| 4300 | Agency Services | 8,200 | 7,318 | 8,500 | 7,056 | 7,300 | 0 | 8,200 | 0 | 0 |
| 4405 | Asset Purchase | 17,500 | 0 | 16,500 | 0 | 16,500 | 0 | 15,000 | 0 | 0 |

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Annual Budget - By Centre (Actual YTD Month 9)

Note: F&GP meeting January 2023 - 2nd draft

| | | <u>2021/22</u> | | <u>2022/23</u> | | | | <u>2023/24</u> | | |
|--------------------------------|--------------------------------|----------------|---------|----------------|------------|-----------|-----------|----------------|-----|-----------------|
| | | Budget | Actual | Total | Actual YTD | Projected | Committed | Agreed | EMR | Carried Forward |
| 4410 | R&M Premises | 0 | 495 | 1,000 | 1,345 | 1,345 | 0 | 2,500 | 0 | 0 |
| 4437 | Neighbourhood Plan Expenditure | 1,000 | 1,965 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4475 | Newsletter Printing | 0 | 0 | 0 | 152 | 0 | 0 | 0 | 0 | 0 |
| 4490 | Miscellaneous Expenditure | 500 | 516 | 500 | 583 | 500 | 0 | 500 | 0 | 0 |
| 4495 | Compost Bags Costs | 500 | 590 | 1,800 | 282 | 1,000 | 0 | 1,000 | 0 | 0 |
| 4510 | Subscriptions | 2,500 | 2,428 | 2,600 | 2,407 | 2,600 | 0 | 2,860 | 0 | 0 |
| 4530 | Radlett Centre Trust Grant | 137,000 | 137,000 | 137,000 | 83,601 | 137,000 | 0 | 130,453 | 0 | 0 |
| 4532 | KGV Trust Grant | 0 | 0 | 10,000 | 10,000 | 10,000 | 0 | 7,000 | 0 | 0 |
| 4600 | Election Costs | 5,000 | 5,000 | 5,000 | 0 | 5,000 | 0 | 2,500 | 0 | 0 |
| 4610 | Contingency | 7,635 | 0 | 1,000 | 0 | 0 | 0 | 1,000 | 0 | 0 |
| 4612 | Newberries Car Park Grant | 8,512 | 8,511 | 10,000 | 4,745 | 10,000 | 0 | 20,000 | 0 | 0 |
| 4613 | Chairman's Allowance | 1,600 | 1,341 | 1,800 | 1,670 | 2,800 | 0 | 1,800 | 0 | 0 |
| 4990 | Cambridge & Counties 2 Yr Bond | 0 | 100,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4991 | Rathbones | 0 | 0 | 0 | 100,000 | 100,000 | 0 | 0 | 0 | 0 |
| Overhead Expenditure | | 386,472 | 456,334 | 422,044 | 381,235 | 517,140 | 0 | 449,996 | 0 | 0 |
| Movement to/(from) Gen Reserve | | 254,462 | 186,492 | 242,951 | 285,388 | 152,389 | | (441,496) | | |
| <u>201</u> | <u>Open Spaces</u> | | | | | | | | | |
| 1020 | Miscellaneous Income | 100 | 313 | 100 | 5,592 | 120 | 0 | 100 | 0 | 0 |
| 1070 | Grants R'ved - Other | 0 | 340 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1150 | Allotments Income | 2,200 | 2,970 | 2,800 | 2,800 | 2,800 | 0 | 2,800 | 0 | 0 |
| 1160 | Site Rental | 6,000 | 5,337 | 5,500 | 4,391 | 5,000 | 0 | 5,000 | 0 | 0 |
| Total Income | | 8,300 | 8,959 | 8,400 | 12,783 | 7,920 | 0 | 7,900 | 0 | 0 |

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Annual Budget - By Centre (Actual YTD Month 9)

Note: F&GP meeting January 2023 - 2nd draft

| | | <u>2021/22</u> | | <u>2022/23</u> | | | | <u>2023/24</u> | | |
|--------------------------------|-------------------------------|----------------|-----------|----------------|------------|-----------|-----------|----------------|-----|-----------------|
| | | Budget | Actual | Total | Actual YTD | Projected | Committed | Agreed | EMR | Carried Forward |
| 4000 | Salaries | 84,275 | 80,788 | 99,614 | 72,657 | 101,000 | 0 | 117,000 | 0 | 0 |
| 4005 | Overtime | 3,000 | 3,615 | 4,000 | 3,608 | 4,000 | 0 | 4,000 | 0 | 0 |
| 4015 | ERS NIC&Pension | 32,424 | 14,397 | 21,300 | 12,677 | 18,000 | 0 | 21,300 | 0 | 0 |
| 4030 | Travel & other staff expenses | 600 | 149 | 600 | 272 | 400 | 0 | 600 | 0 | 0 |
| 4100 | Utilities - Gas,elec & water | 5,814 | 5,902 | 5,500 | 18,778 | 15,000 | 0 | 15,000 | 0 | 0 |
| 4240 | Training | 2,500 | 250 | 2,000 | 178 | 2,000 | 0 | 2,000 | 0 | 0 |
| 4401 | Open spaces | 12,000 | 14,987 | 15,000 | 12,302 | 15,000 | 0 | 15,750 | 0 | 0 |
| 4405 | Asset Purchase | 8,000 | 5,975 | 9,500 | 5,820 | 9,500 | 0 | 9,500 | 0 | 0 |
| 4411 | Depot | 9,800 | 10,887 | 10,500 | 7,126 | 10,500 | 0 | 9,800 | 0 | 0 |
| 4417 | Fleet management | 7,306 | 6,664 | 7,452 | 4,653 | 7,400 | 0 | 7,500 | 0 | 0 |
| 4441 | High street | 4,500 | 805 | 4,500 | 494 | 2,500 | 0 | 2,000 | 0 | 0 |
| 4451 | Tree Management | 20,288 | 14,526 | 12,485 | 13,730 | 12,485 | 0 | 10,000 | 0 | 0 |
| 4460 | Protective Clothing | 1,500 | 361 | 1,500 | 493 | 1,000 | 0 | 1,000 | 0 | 0 |
| 4470 | Newsletter Delivery | 0 | 0 | 0 | 242 | 0 | 0 | 0 | 0 | 0 |
| 4490 | Miscellaneous Expenditure | 500 | 500 | 500 | 0 | 0 | 0 | 500 | 0 | 0 |
| 4492 | Security | 6,500 | 6,134 | 6,800 | 3,304 | 6,800 | 0 | 7,140 | 0 | 0 |
| Overhead Expenditure | | 199,007 | 165,941 | 201,251 | 156,335 | 205,585 | 0 | 223,090 | 0 | 0 |
| Movement to/(from) Gen Reserve | | (190,707) | (156,981) | (192,851) | (143,552) | (197,665) | | (215,190) | | |
| <u>301</u> | <u>Community Development</u> | | | | | | | | | |
| 1020 | Miscellaneous Income | 500 | 0 | 500 | 0 | 0 | 0 | 500 | 0 | 0 |
| 1021 | Winter Fair Income | 1,000 | 1,427 | 600 | 433 | 1,000 | 0 | 1,000 | 0 | 0 |
| 1070 | Grants R'ved - Other | 0 | 9,218 | 0 | 11,735 | 11,735 | 0 | 0 | 0 | 0 |
| 1240 | Newsletter Advertising Income | 0 | 42 | 1,000 | 1,208 | 1,250 | 0 | 1,000 | 0 | 0 |

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Annual Budget - By Centre (Actual YTD Month 9)

Note: F&GP meeting January 2023 - 2nd draft

| | | <u>2021/22</u> | | <u>2022/23</u> | | | | <u>2023/24</u> | | |
|--------------------------------|-------------------------------|----------------|----------|----------------|------------|-----------|-----------|----------------|-----|-----------------|
| | | Budget | Actual | Total | Actual YTD | Projected | Committed | Agreed | EMR | Carried Forward |
| Total Income | | 1,500 | 10,686 | 2,100 | 13,377 | 13,985 | 0 | 2,500 | 0 | 0 |
| 4000 | Salaries | 19,299 | 19,304 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4005 | Overtime | 500 | 844 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4015 | ERS NIC&Pension | 4,799 | 5,264 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4030 | Travel & other staff expenses | 360 | 30 | 0 | 59 | 0 | 0 | 0 | 0 | 0 |
| 4226 | Webiste Design & Maintenance | 900 | 268 | 900 | 440 | 500 | 0 | 500 | 0 | 0 |
| 4405 | Asset Purchase | 5,000 | 0 | 6,000 | 0 | 6,000 | 0 | 5,000 | 0 | 0 |
| 4420 | Christmas Lights | 5,500 | 6,830 | 6,500 | 8,448 | 8,400 | 0 | 9,000 | 0 | 0 |
| 4433 | Event - Summer | 4,000 | 3,510 | 6,000 | 5,805 | 5,805 | 0 | 7,000 | 0 | 0 |
| 4434 | Event - Winter Fair | 5,000 | 5,562 | 6,000 | 5,010 | 6,000 | 0 | 6,000 | 0 | 0 |
| 4435 | Event - varies | 4,000 | 10,307 | 5,000 | 18,898 | 17,093 | 0 | 10,000 | 0 | 0 |
| 4438 | Youth Council Expenditure | 255 | 189 | 260 | 100 | 500 | 0 | 265 | 0 | 0 |
| 4470 | Newsletter Delivery | 1,020 | 850 | 1,040 | 870 | 1,000 | 0 | 1,100 | 0 | 0 |
| 4475 | Newsletter Printing | 8,670 | 5,243 | 6,500 | 5,900 | 6,500 | 0 | 8,500 | 0 | 0 |
| 4490 | Miscellaneous Expenditure | 500 | 0 | 500 | 0 | 0 | 0 | 500 | 0 | 0 |
| 4519 | Grants | 13,500 | 12,165 | 13,500 | 10,625 | 13,500 | 0 | 13,500 | 0 | 0 |
| Overhead Expenditure | | 73,303 | 70,365 | 52,200 | 56,153 | 65,298 | 0 | 61,365 | 0 | 0 |
| Movement to/(from) Gen Reserve | | (71,803) | (59,679) | (50,100) | (42,777) | (51,313) | | (58,865) | | |
| Total Budget Income | | 650,734 | 662,471 | 675,495 | 692,782 | 691,434 | 0 | 18,900 | 0 | 0 |
| Expenditure | | 658,782 | 692,640 | 675,495 | 593,723 | 788,023 | 0 | 734,451 | 0 | 0 |
| Movement to/(from) Gen Reserve | | (8,048) | (30,169) | 0 | 99,059 | (96,589) | | (715,551) | | |

Budget Notes

| <u>A/c Code</u> | <u>Description</u> | <u>Centre</u> | <u>Description</u> | <u>Budget Notes</u> |
|-----------------|-------------------------------|---------------|--------------------|-----------------------------------------------------------------------------------------------|
| 1025 | Bank Interest Received | 101 | Administration | Close Bros, CCLA, Unity , Instant Access -- 2023 balances will reduce projects being paid out |
| 1037 | Footpath Maps Income | 101 | Administration | sales are very few |
| 4000 | Salaries | 101 | Administration | Now includes CM, Deputy Cler & Admin Officer Comms plus 5% cost of living increase |
| 4005 | Overtime | 101 | Administration | overtime for event |
| 4100 | Utilities - Gas,elec & water | 101 | Administration | contract for electricity & Gas due for renewal Oct 23 - price increase predicted |
| 4110 | Insurance | 101 | Administration | building insur price increase plus general insurance fixed price for the next 2 years |
| 4135 | Office Rental | 101 | Administration | AS PER auditor comment - can not be included in the grant |
| 4150 | Audit & Accountancy | 101 | Administration | 5% increase anticipated - new external auditor next year |
| 4200 | Office Cost | 101 | Administration | new contract on secure shredding plus inflation 5% |
| 4240 | Training | 101 | Administration | general training plus Vat Consultant for large projects |
| 4300 | Agency Services | 101 | Administration | 2.5% increase for payroll plus 10% HR as advised |
| 4405 | Asset Purchase | 101 | Administration | To include provision of buildings fund for future large replacement costs |
| 4410 | R&M Premises | 101 | Administration | RC external repairs (car park ect) plus office panic alarm |
| 4490 | Miscellaneous Expenditure | 101 | Administration | new code to be created for bank charges £500 |
| 4495 | Compost Bags Costs | 101 | Administration | see note re compost bags sale |
| 4510 | Subscriptions | 101 | Administration | NALC/HAPTC, SLCC x2 Parks Management, Zoom, ICO, Costco 5% inflation |
| 4530 | Radlett Centre Trust Grant | 101 | Administration | based on current year less office rental of £6547 |
| 4531 | RCT life cycle grant | 101 | Administration | This transferred to asset purchase as a future cost as is the same with other committees |
| 4532 | KGV Trust Grant | 101 | Administration | grant to KGV charity for ongoing tree maintenance |
| 4600 | Election Costs | 101 | Administration | Towards elections in May 2023 |
| 4612 | Newberries Car Park Grant | 101 | Administration | under review with HBC , increase requested |
| 4613 | Chairman's Allowance | 101 | Administration | APM- plus allowance as per Chairman's discretion |
| 1160 | Site Rental | 201 | Open Spaces | EE Mast at Radlett Gardens, and other OS lease rentals |
| 4000 | Salaries | 201 | Open Spaces | included scale point increses for 2 staff members plus possible pay award |
| 4005 | Overtime | 201 | Open Spaces | To include weekend working Apr -- Oct plus APC events |
| 4015 | ERS NIC&Pension | 201 | Open Spaces | only one staff on LPGS plus ill health , NEST , NI |
| 4030 | Travel & other staff expenses | 201 | Open Spaces | Courses for OST & weekend working plus events |
| 4100 | Utilities - Gas,elec & water | 201 | Open Spaces | electricity contract will expire in Oct 23 plus water charges |
| 4120 | Telephone | 201 | Open Spaces | central contract now under admin. |

Budget Notes

| <u>A/c Code</u> | <u>Description</u> | <u>Centre</u> | <u>Description</u> | <u>Budget Notes</u> |
|-----------------|------------------------------|---------------|-----------------------|-----------------------------------------------------------------------------------------------------|
| 4240 | Training | 201 | Open Spaces | H&S Courses and First Aid |
| 4405 | Asset Purchase | 201 | Open Spaces | to build up funds |
| 4417 | Fleet management | 201 | Open Spaces | council cannot order red diesel anymore due to Govt guidance so increase in fuel costs from Dec2022 |
| 4451 | Tree Management | 201 | Open Spaces | R Centre and Tykeside 2023 |
| 1021 | Winter Fair Income | 301 | Community Development | stalls and rides |
| 4015 | ERS NIC&Pension | 301 | Community Development | NEST pension plus NI |
| 4226 | Webiste Design & Maintenance | 301 | Community Development | hosting, maintenance plus any widgets |
| 4405 | Asset Purchase | 301 | Community Development | To build up funds fro replacement Xmas lights and website updates |
| 4420 | Christmas Lights | 301 | Community Development | to include ongoing cost on istallation and removal of xmas lights , annual colum test ,& xmas tree |
| 4433 | Event - Summer | 301 | Community Development | summertime events |
| 4435 | Event - varies | 301 | Community Development | provision for one off big event to mark coronatrion |
| 4470 | Newsletter Delivery | 301 | Community Development | AR plus possible leaflets |
| 4475 | Newsletter Printing | 301 | Community Development | 2 X AR plus Annual Reports |
| 4519 | Grants | 301 | Community Development | small community grants plus Citizens Advice |

Aldenham Parish Council
BUDGET 2023/24

Precept calculation

Income

| | | |
|---------------------|----------|---------------|
| Admin | £ | 8,500 |
| Parks & Open Spaces | £ | 7,900 |
| Comm Development | £ | 2,500 |
| Total | £ | 18,900 |

Expenditure

| | | |
|------------------|----------|----------------|
| Admin | £ | 449,996 |
| Open Spaces | £ | 223,090 |
| Comm Development | £ | 61,365 |
| Total | £ | 734,451 |

| | | | |
|--------------------------------|---|---------|----|
| Net Precept requirement | £ | 715,551 | A) |
| Tax Base (Band D) | | 5481 | C) |
| Divide Net Precept by Tax Base | £ | 130.55 | D) |

| | | |
|---------------|------------|------------|
| B) | | |
| £ | 661,495 | £ 54,056 |
| Previous year | difference | percentage |
| £ | 124.29 | £ 6.26 |
| E) | F) | G) |

Appendix d (Tax base explained)

Parish Council - Council Tax Factsheet January 2023

1. What is the Tax Base?

The tax base is the number of households that will pay for the precept, expressed as Band D equivalents.

Households in council tax bands other than D are expressed in terms of the proportion of a Band D bill that they pay - Local Government Finance Act section 5 (1).

2. How is the Tax Base calculated?

The tax base is produced from the Council Tax system, a list of all the properties in each Parish, adjusted to take into account any discounts that are given, for example, single occupancy, second homes, homes that are empty or exempt.

3. What is the Tax Base used for?

The tax base is used to calculate the Band D charge for each Parish. This is done by dividing the total precept requirement by the tax base.

A common query is where a parish sets their precept at the same monetary value as the previous year but find that their charge per band D property has gone up. This will be due to the tax base having gone down i.e. number of properties that the precept is collected from has gone down.

4. Why might the Tax Base go down?

The tax base could go down due to more properties in that Parish claiming for discounts, most commonly an increase in the number of properties claiming single occupancy discount. Other way include homes being becoming empty or becoming second homes