

Budget 2023/24 notes budget agreed at meeting 17/1/23

1. Two spreadsheets

- A Expenditure Against Budget estimate to 31/3/22
- B Tur Langton 23/24 Budget Proposal

2. Spreadsheet A

1. Figures for April to December (unshaded) are exact and already reconciled (see reconciliation to 10/1/23).
Figures January to March
2. The blue shaded figures are for authorisation meeting 17/1/23 or already authorised
3. The yellow shaded figures are estimates

Notes on estimates

4. Salary – £206.62 added for January to March.
5. Stationary / office - £30 estimated on paper and ink
6. Hall hire for meetings – £5 a meeting. £5 January and March for these meetings.
7. History Scanning – assumes this is done by March 2023 and is £150.
8. Internal Audit - assume £180 as advised by LRALC, to be paid in March
9. Training – November - £45 for payment in January (invoice received and payment set up, waiting to be authorised.
10. Insurance – assume this will be £280 as budgeted (March).
11. Section 137 March – Leicestershire Footpaths association subscription £8.00?
12. Village Hall – nothing added on the assumption the Village Hall Committee will pay this from now on. £576 put into reserves for 23/24 in case in future the Village Hall Committee are unable to pay, as it would then fall to the Parish Council to pay it.
13. Loan repayment - £1,671.87 due Feb
14. Grass cutting – £180 to be paid in January, invoice received and payment set up, awaiting authorisation.
15. Village Improvements, no payment in estimate, £270 floated into reserve.
16. Street furniture maintenance – assumes no payments needed this year.
17. IT – January – £42.22 - Namecheap payment made by clerk, reimbursement to be claimed at meeting 17/1/23. March - £120 clerk email for two years.
18. Chair Allowance – assume this will be claimed - £30.00
19. Travel – no further payments assumed
20. VAT – February £25.20 for Defibrillator Fee, March £139 (£6 stationary, £30 scanning, £79 memorial garden sign, £24 ICT). This assumes nothing for MVAS, if these are purchased before 31/3/23 will have to come from Reserve and will be added to estimated income for 23/24.
21. Defibrillator - Annual Support fee of £126, due February
22. Bank Charges, £18 in March.

Reserves

23. Memorial Garden reserve - assumes the balance of the budget will be spent by 31/3/23 on sign and plants.
24. Assumes that MVAS have not been purchased by 31/3/22 (From Highways Reserve £5,000 and Village Improvement Reserve £1,624.01). If this is spent the balance carried over will be less but these figures will not be in the Earmarked Reserves for 23/24.

3. Spreadsheet B

25. Grey column is budget set for this current year, 2022/23, as revised May 2022 and any subsequent viring from one budget heading to another
26. Orange column is the current figures to 10/1/23 taken from spreadsheet A and also the same as the "Expenditure against Budget" amounts on the reconciliation spreadsheet to 10/1/23
27. Light Green Column is the estimate of 22/23 income and expenditure to 31/3/23 (expenditure estimates taken from Spreadsheet A). This adds the estimates for January to March as discussed above.
28. Lilac column is a suggested proposed budget for 2023/24 (see notes below)
29. Light blue section at right of spreadsheet B "Current Basic Summary (estimated)" - This gives an estimated carry over at 31/3/23 of £14,671.84, taking the estimates for the current year into account.

Income for 23/24 estimates (lilac column):

30. Reimbursement for grass cutting - £411.84 as per new Service Level Agreement
31. Interest on MHBS account – estimate £6
32. VAT Refund – same as estimate of VAT payment in 22/23 - £172.88
33. ELPC contribution of £56 - assumes ELPC will pay ½ of SLCC again.

Payments for next year, lilac column estimates

34. **Salary** – LRALC advises budgeting for a 5% increase. £2,479.44 + 5% = £2,604. Also £625 added with a view to reviewing clerk's hours at meeting March 2023 – total £3,229.00.
35. **Admin / stationary** - kept at £60.
36. **Subscriptions - Subscriptions (LRALC and SLCC)** – [see advice from LRALC below](#). Based on this advice LRALC and NALC subscription is calculated at £179.06. Add estimated £112 for SLCC subscription gives £291.06. £300 therefore added for this category. (Note 50% contribution for SLCC subscription is estimated in income.
37. **GDPR registration with ICO** - £35
38. **Hall hire for meetings** – £5 a meeting. For six meetings would be £30.00. Have added two more meetings in case we need extra ones so £40.00 budgeted.
39. **Internal Audit** – £180 in current year, have put up to £200 based on information from LRALC. This will be audit fee for 24/25 year.

- 40. Training** – I have put in £200 (four courses at £50 a course, LRALC current cost). Note following election any new councillors will need training.
- 41. Insurance** – £320. Invoice for current year not yet due, in 21/22 it was £257.60. Increases in insurance / MVAS?
- 42. Section 137 donations** –£50. Leics Footpath Association, Poppy wreath or donation.
- 43. Village Hall** – nothing added for rent to Merton College on the basis that the Village Hall Committee will be paying this.
- 44. Grass cutting** – 14 cuts @ £100 a cut plus cutting of bank March to October @ £20 a cut = £1,560.00.
- 45. Village Improvements** – nothing added, (£1,900 in reserve)
- 46. Repairs and maintenance Benches, Noticeboard and phone kiosk**– £200 (£300 in reserve)
- 47. Loan repayment** - £3,343.74 as per schedule
- 48. IT equipment plus domain plus website** – £300 plus £300 in reserve
- 49. Election Expenses** – Once the £285 allocated in the 22/23 budget is added to the reserve there will be £1,018 in reserve. HDC have informed us that if there is an election the charge is likely to be £1,419.09. So, the shortfall is £401.09, so £402 added to this category. (if there is no election the charge is likely to be £210)
- 50. Chairman's allowance** – I have kept this at £30
- 51. Travel** - £40
- 52. Defibrillator** - £126 annual support fee. £175 in reserve in case we need to spend any more on maintenance (in 20/21 year we paid out £105 on heater for cabinet)
- 53. Neighbourhood Plan** – nothing in this category
- 54. VAT** – estimate of £300 (If we need any more it will need to come from General Reserve, it is claimed back the next year anyway)
- 55. History / scanning** – nothing added for this category.
- 56. Bank fees** - £18 x 4 = £72
- 57. Recruitment** - £255.00 – to go towards recruitment of new clerk in 24/25 year. (brings the precept to £10,026.00, 2% precept increase on the 22/23 year). The council needs to address the point made in the last [Internal Audit Report](#) regarding recruitment of new clerk from September 2024. (See below).

Balances held – blue section at RHS, bottom

58. Breakdown of reserves with explanations:

Category	At review of budget May 22	Suggested January 2023
General Reserve	£4,336	£5,012 (see note 59 below)
Highways	£5,000	£5,000 MVAS? Grant from LCC and assumes it is not spent during 22/23
IT Equipment and Domain	£300.00	£300.00 Reserve in case new equipment is required. £300 in main budget also
Election	£733	£1,018 floated £285 from 22/23 budget to build up reserve.
Memorial Garden	£392.37	Nil Assumes all spent in 22/23
Village Improvements	£1,664.00	£1,900 £1,624.01 carried over £270 floated from 22/23 Village Improvements budget, total £1,894.01, rounded up to £1,900 Could be added to “Highways” reserve to go towards MVAS
Repairs and Maintenance	£300	£300 For unexpected repairs to street furniture. £200 also in main budget
Defibrillator	£175	£175 For any unexpected repairs not covered in maintenance agreement
Village Hall	£0	£576 Held in reserve in case the Village Hall Committee are unable to pay the rent to Merton College, in which case the Parish Council would need to pay it.
Total reserves		£14,281

59. General Reserve– £5,012 – Note - 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). Basing this on the suggested precept of £10,026, loan repayment of £3,343.74 gives £6,682.26. 75% of this is £5,011.70. So, have achieved the goal of 75%. If we increase the precept the gap will become a bit bigger again.

Conclusion

60. This gives a budget of £10,026 for 23/24, an increase of 2% on last year, 4.5% increase in Council Tax (for a Band D Property) from £88.72 to £92.75 (£4.03).

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 SCP grade 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 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

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

Number of Electors	Pence per elector
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

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

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.