



Fernwood Parish Council Budget Proposal for 2023/24

Prepared by: Marion Fox Goddard, Parish Clerk and Responsible Financial Officer

Date: January 6th 2023

Note: This budget and precept request accepted at the Parish Council meeting on January 6th 2023

Introduction

This document outlines the proposed budget for the next financial year and the projected outcome for this year. The budget proposed differs from the previous years' budgets for various reasons; the main ones being receipt and use of Community Infrastructure Levy (CIL) and increased costs due to the current economic situation. There are notes explaining variations from last years figures in detail on page 5.

The Parish Council continues to have a significant level of reserves which includes over a million pounds of CIL – (see Appendix 2 for current financial position) which are being kept in anticipation of the Council taking ownership of the open spaces in Fernwood. When this is possible the Council will be in a better position to improve facilities in the village and the funds will be used for this purpose. A proposed CIL Policy will be on the January 16th, 2023, Parish Council agenda for the Council to consider. A consultation with the residents of Fernwood will follow shortly afterwards.

Appendix 3 contains a medium term financial plan.

If you have any questions regarding this budget document, please email the Parish Clerk and Responsible Financial Officer: clerk@fernwood-pc.co.uk

Payments

| Parish Council and Village Hall Payments Budget for 2022/23 | | | Review after 3rd quarter of 2022/23 and Budget Proposal for 2023/4 | | | |
|---|---------------------------|----------------|--|----------------------------|---------------------------------------|-----------------------------|
| Type of Payment | Final Expenditure 2021/22 | Budget 2022/23 | Agreed 2022/3 Forecast Revisions @ 30/9/22 | Expenditure up to 31/12/22 | Current Projected Outturn for 2022/23 | Proposed Budget for 2023/24 |
| Administration | | | | | | |
| Salaries and statutory payments:PAYE, NI and Pension | £ 57,097 | £ 68,500 | £ 79,000 | £ 56,235 | £ 76,556 | £ 85,139 |
| Training | £ 84 | £ 750 | £ 750 | £ 403 | £ 750 | £ 788 |
| Copier Rental & Printing | £ 1,493 | £ 1,600 | £ 1,700 | £ 1,216 | £ 1,700 | £ 1,700 |
| Telephone & Broadband & Website | £ 1,246 | £ 1,350 | £ 1,350 | £ 974 | £ 1,350 | £ 1,418 |
| Stationery | £ 226 | £ 250 | £ 350 | £ 195 | £ 350 | £ 368 |
| IT | £ 528 | £ 500 | £ 500 | £ 178 | £ 250 | £ 263 |
| Licences | £ 880 | £ 950 | £ 950 | £ 568 | £ 2,103 | £ 2,381 |
| Postage | £ 13 | £ 25 | £ 25 | £ 14 | £ 25 | £ 26 |
| Expenses & Mileage | £ 203 | £ 200 | £ 400 | £ 335 | £ 400 | £ 420 |
| Insurance | £ 1,621 | £ 1,700 | £ 2,241 | £ 2,241 | £ 2,241 | £ 2,577 |
| Bank charges | £ 144 | £ 150 | £ 150 | £ 108 | £ 150 | £ 75 |
| Legal | £ 6,493 | £ 5,000 | £ 5,000 | £ 1,502 | £ 5,000 | £ 5,250 |
| Audit Fees | £ 845 | £ 900 | £ 750 | £ 712 | £ 900 | £ 945 |
| Individual Items | £ 5,083 | £ 8,000 | £ 21,000 | £ 20,237 | £ 23,500 | £ 8,400 |
| Memberships: NALC, SLCC etc | £ 383 | £ 900 | £ 1,050 | £ 920 | £ 1,050 | £ 1,103 |
| Election Charges | | | | | | £ 4,000 |
| Capital Projects | | | | | | |
| Signage & Maps | | £ 500 | £ 500 | £ 2,193 | £ 12,500 | £ 20,000 |
| Woodland purchase | £ 19,000 | | | | | |
| Street lamp/path repairs | £ - | £ 18,500 | £ 18,500 | £ 1,766 | £ 18,500 | £ 500 |
| Architectural Services/Professional services | £ 1,902 | £ 1,800 | £ 3,900 | £ - | £ 5,700 | £ 4,000 |
| Park upgrade | £ - | | | | | £ 100,000 |
| Grounds Maintenance | | | | | | |
| Play equipment safety checks | £ 186 | £ 300 | £ 300 | £ 114 | £ 300 | £ 315 |
| Ground Maintenance (Grass & Trees) | £ 95 | £ 3,500 | £ 3,500 | £ 8,494 | £ 11,000 | £ 15,200 |
| Section 137 Grant | £ 625 | £ 3,000 | £ 3,000 | £ 1,400 | £ 3,000 | £ 3,000 |
| Promotional Activities | | | | | | |
| Publications | £ 730 | £ 1,600 | £ 1,600 | £ 1,140 | £ 1,850 | £ 1,540 |
| Events | £ 639 | £ 3,000 | £ 4,929 | £ 4,929 | £ 4,929 | £ 5,422 |
| Village Amenities | | | | | | |
| Defibrillators | £ 104 | £ 250 | £ 350 | £ 318 | £ 350 | £ 368 |
| Dog Bin Emptying | £ 2,402 | £ 3,000 | £ 3,600 | £ 3,634 | £ 3,600 | £ 3,931 |
| Neighbourhood Watch and CCTV | £ - | | £ 20,000 | | £ 20,000 | £ 1,000 |
| Village Hall | | | | | | |
| Advertising | £ - | £ 500 | £ 540 | £ 540 | £ 540 | £ 567 |
| Waste Removal | £ 932 | £ 1,400 | £ 1,500 | £ 1,127 | £ 1,357 | £ 1,425 |
| Legionella Testing | £ 628 | £ 1,500 | £ 1,500 | £ 1,312 | £ 1,500 | £ 1,250 |
| Maintenance including Boiler, CCTV and Intruder Alarms | £ 3,708 | £ 3,500 | £ 4,500 | £ 4,153 | £ 4,500 | £ 4,725 |
| One off Maintenance Services (e.g. PAT, Fixed electrics) | £ 2,784 | £ 2,100 | £ 1,300 | £ 1,522 | £ 1,300 | £ 1,365 |
| PHS Hygiene Solutions and Cleaning Products | £ 544 | £ 400 | £ 400 | £ 304 | £ 410 | £ 431 |
| Cleaning supplies/services | £ 1,790 | £ 2,200 | £ 2,500 | £ 1,952 | £ 2,500 | £ 2,625 |
| Utilities | £ 4,176 | £ 6,000 | £ 7,000 | £ 4,031 | £ 7,000 | £ 9,500 |
| Solar Panel maintenance | £ - | £ - | £ - | £ - | £ 1,500 | £ 1,575 |
| Youth Project | | | | | | |
| Youth Services | £ 14,486 | £ 12,000 | £ 12,000 | £ 1,731 | £ 10,948 | £ 12,181 |
| Total | £ 131,070 | £ 155,825 | £ 206,635 | £ 126,498 | £ 229,609 | £ 305,773 |

Total expenditure budget for 2023/24 £305,773. The table on page 4 shows proposals for how we can fund this expenditure.

| Projected Sources for 2023/24 expenditure | |
|--|------------------|
| Income Source | Amount |
| CIL | £ 151,000 |
| Precept | £ 89,112 |
| Village Hall income/feed in tarriff | £ 37,250 |
| VAT rebate | £ 6,500 |
| Interest | £ 20,000 |
| Reserves | £ 1,911 |
| Total | £ 305,773 |

Receipts

| Parish Council and Village Hall Receipts Budget after 3rd quarter of 2022/23 and Budget Proposal for 2023/4 | | | | | | |
|--|----------------------|-------------------------|--------------------------------------|-----------------------|-----------------------------------|-------------------------|
| Income Source | Final Income 2021/22 | Original Budget 2022/23 | 2022/23 Forecast revisions @ 30/9/22 | Income up to 31/12/22 | Current Projected Outturn 2022/23 | Proposed Budget 2023/24 |
| Precept | £ 71,619 | £ 80,949 | £ 80,949 | £ 80,949 | £ 80,949 | £ 89,112 |
| VAT rebate | £ 1,787 | £ 2,500 | £ 6,000 | £ 4,637 | £ 6,500 | £ 6,500 |
| CIL | £ 59,616 | | £ 882,000 | £ 964,338 | £ 964,338 | £ 489,435 |
| Regular Hire | £ 19,187 | £ 18,000 | £ 26,000 | £ 20,487 | £ 26,000 | £ 26,000 |
| Other Hire / Events | £ 8,165 | £ 7,000 | £ 7,000 | £ 6,307 | £ 8,000 | £ 8,000 |
| Bar Profits | £ 259 | £ 250 | £ 250 | £ 1,283 | £ 1,600 | £ 1,750 |
| Feed in Tariff | £ 1,469 | £ 1,500 | £ 1,500 | £ 1,465 | £ 1,500 | £ 1,500 |
| Grants | £ 10,100 | £ 1,000 | £ 1,900 | £ 1,900 | £ 1,900 | £ - |
| Interest | £ 1,710 | £ 1,400 | £ 3,000 | £ 4,961 | £ 8,000 | £ 20,000 |
| Advertising Income | £ 675 | £ 600 | £ 600 | £ 425 | £ 600 | £ 600 |
| Total | £ 174,587 | £ 113,199 | £ 1,009,199 | £ 1,086,752 | £ 1,099,387 | £ 642,897 |

Explanations for Significant Increases/Changes between the 2022/23 and 2023/24 Budget

| Expenditure | Reason for changes |
|--|---|
| Salaries and related expenditure | Clerk hours increased permanently from 30 to 37 hours per week from April 2022. Nottinghamshire Local Government Pension employer rate will increase from 20.2% to 21.3% in 2023/24 Administration Assistant recruited and started in October 2022 (15 hours per week) National pay award for 2022/23 higher than originally forecast. |
| Individual Items | Detail can be found in appendix 1. These are items that do not fall under the other expenditure headings. They tend to be one off purchases, for example dog bins/floor cleaning machine, or items that we do buy each year but do not warrant a budget line of their own due to the relative low expenditure, for example Remembrance Day wreaths. Appendix 1 has details of the individual item expenditure breakdown for the 2022/23 up until the end of December. CIL has been used for items such as the Coat of Arms and bins/dog bin. |
| Architectural Services/ Professional Services | The Council is exploring the possibility of having a new large hall on the back car park. A parking survey is planned in the new year for us to access whether an application is feasible. CIL will be used for this project. |
| CCTV | In August 2022, the Council has requested 2 cameras for increased CCTV provision in Fernwood Central – one on Rubys Walk and one over the playing field. |
| Election charges | The 2023 May election for Fernwood Parish Council may be a contested election which will mean a cost of £4000-5000 costs to the Parish Council. |
| Events | Jubilee celebrations in 2022 costed more than originally budgeted but the event was successful. We also arranged play events during the summer holidays which were well received. Propose to do similar events in 2023. |
| Ground Maintenance | High in 2022/23 and 2023/24 due to work being done in Costall Woods to bring it to acceptable standard (behind Fernwood Day Nursery). A significant amount of tree work was done in 2022/23 and I have allocated £10,000 for the area behind Marron Court which is being designed and will be consulted on early in 2023. CIL has been used for this project. |
| Licences | Licence fees have increased significantly as the Council has decided to move to an accounting package (Scribe) rather than use Excel for management of the accounts from April 2023 onwards. Use of a package for accounts is something the Clerk has wanted to move to for some time. The subscription will start in February to allow staff to prepare the system for accounting for future financial years. |
| Park Upgrade | The land transfer of the open spaces in Fernwood central should be finalised in 2023/24 so we will be able to work with FirstPort to renew the current play provision in central Fernwood. CIL will be used for all of this. |
| Signage and maps | Expenditure on these items will be higher than in previous years due to the planned purchase of: <ul style="list-style-type: none"> • Costall Woods – advisory sign • Interactive speed sign for Dale Way • Welcome to signage for the edges of the parish. CIL will be used for all of these. |
| Utilities | We have avoided major energy cost increases due to having fixed price contract for electricity (up to July 2023) and gas (fixed until May 2024). Annual estimate for electricity on new contract £8000 p.a. Estimate for a new gas contract: £17000 p.a. I have factored in the increase in electricity into the overall budget for 2023/24. We will need to keep a close eye on the energy market over the next year and take a decision on how to proceed with new energy contracts. |

| Income | Reason for changes |
|-------------------------------------|--|
| Precept | The Council Tax Base has increased due to new properties being built in the village. The proposed precept request is £89,112. This is the same band D rate of £75.05 as last year. |
| Community Infrastructure Levy (CIL) | We have received a significant amount of CIL in 2022/23 from the Allison Homes and Barratt David Wilson Homes developments. £489,435 further CIL is due in 2023/24 and more is due in future years from Allison Homes and Persimmon. A CIL policy has been drafted and we will consult with residents early in 2023 regarding CIL expenditure |
| Hall hire | The original budget for 2022/23 was cautious considering the situation with the pandemic when it was set. We are pleased to report that hall hire income is now exceeding pre-Covid 19 levels. The Council will review hire charges in July 2023. |
| Interest | With significant levels of CIL invested with CCLA and the current economic situation, the Council is receiving significant amounts of interest. As CIL projects are delivered and as interest rates change this will reduce and this is very much dependent on the performance of the Public Sector Deposit fund. That said, the £20,000 forecast is conservative and if returns remain as they are at the time of this budget proposal, the Parish Council will receive significantly more than the forecast. |

Appendix 1: Individual Items bought in 2022/23 up to 31/12/22

Parish Council

| Supplier | Total Cost | Item Bought |
|---------------------------------|-----------------|---|
| College of Arms | £ 14,555 | Coat of Arms |
| Glasdon | £ 1,425 | 2 bins and dog bin |
| Jonathan Wild Garden Landscapes | £ 625 | Design for area behind Marron Court |
| Kirk and Bills | £ 526 | Bin installation |
| Balderton Parish Council | £ 340 | Contribution to road closure for Remembrance Sunday |
| Genpower | £ 265 | Leaf blower |
| LexisNexis | £ 132 | Book: Local Council Administration |
| Royal British Legion | £ 68 | Wreaths |
| Amazon | £ 56 | Garden dibbers |
| Amazon EU S.à r.l., UK Branch | £ 29 | No ball games sign |
| Amazon | £ 24 | Hi vis jacket |
| Pa Dowding | £ 16 | Geocache containers |
| Total | £ 18,060 | |

Village Hall

| Supplier | Total Cost | Item Bought |
|-------------------------------|----------------|--|
| ESPO | £ 1,457 | Numatic Scrubber /Dryer |
| Intelligent | £ 272 | Changing table |
| Travis Perkins | £ 104 | Paint |
| Newark Locksmiths | £ 100 | Spare front door keys |
| Inspire Tch UK Ltd | £ 92 | Urn |
| County Court Business Centre | £ 35 | Claim for unpaid hall fees |
| Shanghai LeYoung Trade Co LTI | £ 30 | Beakers |
| Invero Ltd | £ 24 | Beakers |
| Garden Ornaments & Accessorie | £ 18 | Bird bath |
| Amazon | £ 17 | Decorating items and sellotape dispenser |
| Amazon | £ 12 | Teaspoons |
| Assured Products ltd | £ 11 | Decorating items |
| Wilko | £ 5 | Xmas lights |
| Total | £ 2,177 | |

Appendix 2: Bank Reconciliation from December 31st, 2022

Bank Reconciliation
Fernwood Parish Council

Period Ending 31-Dec-22

Prepared by: *Marion Fox Goddard, Clerk*

Date: 03 January 2023

Approved by:

Date:

Balance per bank statement as at 31-December-2022

| | £ | Total £ |
|--|-------------|------------------------------------|
| TSB Current Account - Parish Council | £22,680.18 | |
| TSB Reserve Account - Parish Council | £59,021.65 | |
| Unity Trust - Parish Council | £13,579.48 | |
| TSB Current Account - Village Hall | £8,266.82 | |
| TSB Reserve Account - Village Hall | £7,208.79 | |
| Unity Trust - Village Hall | £13,590.37 | |
| Nationwide | £83,928.27 | |
| Redwood | £85,000.00 | |
| Virgin Money | £85,000.00 | |
| CCLA Investment Management Limited | £950,001.00 | |
| Petty Cash | None held | |
| | | 1,328,276.56 |
| Less: any unpresented cheques/BACS payments at 31-December-2022 | | £0.00 |
| Add: any unbanked cash / cleared cheques at 31-December-2022 | | £0.00 |
| Net bank balances as at 31-December-2022 | | <u><u>£1,328,276.56</u></u> |

The net balances reconcile to the Cash book (receipts and payments)

CASH BOOK

| | |
|----------------------------|---------------|
| Opening Balance | £368,022.85 |
| Add: Receipts in the year | £1,086,751.96 |
| Less: Payments in the year | £126,498.26 |

Closing balance per cash book as at 31-December-2022 **£1,328,276.56**

Ringfenced Amounts

| | |
|-----------------|------------------------------------|
| General Reserve | £181,084.95 |
| CIL | £1,147,191.61 |
| | <u><u>£1,328,276.56</u></u> |

CCLA investments have been moved into the listed balances.

Appendix 3: Medium Term Financial Plan

| Medium Term Financial Plan - CIL receipts and expenditure included | | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
| Payroll | £ 76,556 | £ 85,139 | £ 89,396 | £ 93,866 | £ 98,559 | £ 103,487 |
| Other expenditure | £ 141,053 | £ 220,631 | £ 100,607 | £ 102,665 | £ 105,951 | £ 110,110 |
| Total Expenditure | £ 217,609 | £ 305,770 | £ 190,003 | £ 196,531 | £ 204,510 | £ 213,597 |
| Income (without precept) | £ 1,018,438 | £ 553,785 | £ 126,771 | £ 64,350 | £ 64,350 | £ 64,350 |
| Net expenditure | -£ 800,829 | -£ 248,015 | £ 63,232 | £ 132,181 | £ 140,160 | £ 149,247 |
| Precept | £ 80,949 | £ 89,112 | £ 98,521 | £ 108,300 | £ 118,430 | £ 128,922 |
| Surplus/Deficit | £ 881,778 | £ 337,127 | £ 35,289 | -£ 23,881 | -£ 21,730 | -£ 20,325 |
| Balance brought forward | £ 368,023 | £ 1,249,801 | £ 1,586,928 | £ 1,622,218 | £ 1,598,337 | £ 1,576,607 |
| Balance carried forward | £ 1,249,801 | £ 1,586,928 | £ 1,622,218 | £ 1,598,337 | £ 1,576,607 | £ 1,556,282 |
| Council Tax Base | 1078.60 | 1187.37 | 1287 | 1387 | 1487 | 1587 |
| Band D Council Tax Charge | £ 75.05 | £ 75.05 | £ 76.55 | £ 78.08 | £ 79.64 | £ 81.24 |
| Precept | £ 80,949 | £ 89,112 | £ 98,521 | £ 108,300 | £ 118,430 | £ 128,922 |
| At this stage, I have estimated that the council tax base increases by 100 each year. However, this is dependent on new build occupations. If the market recovers with Barratt David Wilson Homes, Allison Homes and Persimmon Homes building this figure could be significantly higher. It could be lower though; we will need to monitor this. | | | | | | |
| The projected CIL income is from Barratt David Wilson Homes and Allison Homes phase 1 only (a further £278,670 is expected from Allison Homes and over 1 million from Persimmon Homes). As we have no indication of when this will be paid this has not been built into this 5 year plan but some of it is likely to arrive during this period. | | | | | | |
| From 2024/25, a 2% increase in precept p.a has been projected to mitigate rising fuel costs/inflation and the impact this has across the expenditure budget. In 2024/25, this represents a £1.50 per annum increase to the band D tax payer. | | | | | | |
| In 2023/24 the following projects have been included in CIL expenditure : <ul style="list-style-type: none"> - Signs and maps (Welcome to, Interactive Sign, Costall Woods) - Fernwood Central park upgrade - Improvement of the area behind Marron Court - Youth club | | | | | | |
| Costs for other potential projects have not been included in the forecast at this stage although it is likely the Council will consider expenditure on these in the next financial year. The Council will also be consulting on CIL expenditure which could lead to additional projects. | | | | | | |

Medium Term Financial Plan - CIL receipts and expenditure excluded

| | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
|----------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Payroll | £ 76,556 | £ 85,139 | £ 89,396 | £ 93,866 | £ 98,559 | £ 103,487 |
| Other expenditure | £ 51,053 | £ 60,631 | £ 75,607 | £ 77,665 | £ 80,951 | £ 85,110 |
| Total Expenditure | £ 127,609 | £ 145,770 | £ 165,003 | £ 171,531 | £ 179,510 | £ 188,597 |
| Income (without precept) | £ 54,100 | £ 64,350 | £ 64,350 | £ 64,350 | £ 64,350 | £ 64,350 |
| Net expenditure | £ 73,509 | £ 81,420 | £ 100,653 | £ 107,181 | £ 115,160 | £ 124,247 |
| Precept | £ 80,949 | £ 89,112 | £ 98,521 | £ 108,300 | £ 118,430 | £ 128,922 |
| Surplus/Deficit | £ 7,440 | £ 7,692 | -£ 2,132 | £ 1,119 | £ 3,270 | £ 4,675 |
| Balance brought forward | £ 150,470 | £ 157,910 | £ 165,602 | £ 163,471 | £ 164,590 | £ 167,860 |
| Balance carried forward | £ 157,910 | £ 165,602 | £ 163,471 | £ 164,590 | £ 167,860 | £ 172,535 |
| Council Tax Base | 1078.6 | 1187.37 | 1287 | 1387 | 1487 | 1587 |
| Band D Council Tax Charge | £ 75.05 | £ 75.05 | £ 76.55 | £ 78.08 | £ 79.64 | £ 81.24 |
| Precept | £ 80,949 | £ 89,112 | £ 98,521 | £ 108,300 | £ 118,430 | £ 128,922 |

| CIL | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| CIL Expenditure | £ 90,000 | £ 160,000 | £ 25,000 | £ 25,000 | £ 25,000 | £ 25,000 |
| CIL Income | £ 964,338 | £ 489,435 | £ 62,421 | £ - | £ - | £ - |
| Balance brought forward | £ 217,553 | £ 1,091,891 | £ 1,421,326 | £ 1,458,747 | £ 1,433,747 | £ 1,408,747 |
| Balance carried forward | £ 1,091,891 | £ 1,421,326 | £ 1,458,747 | £ 1,433,747 | £ 1,408,747 | £ 1,383,747 |

At this stage, I have estimated that the council tax base increases by 100 each year. However, this is dependent on new build occupations. If the market recovers with Barratt David Wilson Homes, Allison Homes and Persimmon Homes building this figure could be significantly higher. It could be lower though; we will need to monitor this.

The projected CIL income is from Barratt David Wilson Homes and Allison Homes phase 1 only (a further £278,670 is expected from Allison Homes and over 1 million from Persimmon Homes). As we have no indication of when this will be paid this has not been built into this 5 year plan but some of it is likely to arrive during this period.

From 2024/25, a 2% increase in precept p.a has been projected to mitigate rising fuel costs/inflation and the impact this has across the expenditure budget. In 2024/25, this represents a £1.50 per annum increase to the band D tax payer.

In 2023/24 the following projects have been included in CIL expenditure :

- Signs and maps (Welcome to, Interactive Sign, Costall Woods)
- Fernwood Central park upgrade
- Improvement of the area behind Marron Court
- Youth club

Costs for other potential projects have not been included in the forecast at this stage although it is likely the Council will consider expenditure on these in the next financial year. The Council will also be consulting on CIL expenditure which could lead to additional projects.