



Warbleton Parish Council

8th December 2022

Budget 2022/23 outturn and Budget 2023/24 recommendation

Councillors are reminded that the budget can only be agreed at full Council. This will be debated at Council on 8th December. The budget is the responsibility of all councillors.

In recent years the budget has been relatively straightforward, where most costs could be predicted with reasonable certainty. The recent economic upheaval in the UK will result in significant increased and unavoidable costs for Warbleton Parish Council in 23/24, which places pressure of discretionary budget items. This budget is, therefore, challenging and presents some difficult choices for councillors.

Normally the funding for the budget comes from the precept (the tax on each property in our Parish), which matches the budget. With no other income source (apart from CIL – see below) any shortfall must be met from General Reserves. In 21/22, it was exceptionally agreed to fund £1,000 from General Reserves – £500 to support the Diamond Jubilee celebrations and £500 to allow for increased investment the maintenance and improvement of the parish infrastructure. It was recognised at the time of agreeing the 2022/23 budget that any funding from General Reserves could only be a short-term measure and that it was not intended to continue in future financial years.

The attached spreadsheet shows:

- the projected outturn for 2022/23
- the initial spending commitments/requests for 2023/24
- the recommended budget for 2023/24 by the F&GP Committee

In terms of 2022/23, it is currently projected that the Council will exceed the budget by £691.01. There are 2 budget lines which show an expected “overspend” vs budget. Firstly, the Parish Clerk costs – councillors should recall that it was agreed that an additional 30 hours overtime would be allocated for specific projects. This equates to c£510. In addition, the national pay award was c6% rather than 2.5% withing the budget. Secondly, the previous payroll provider, who retired as at 31.3.22 submitted a final invoice for services in April 2022, which added c £142 to the budget. In summary, the overall projected expenditure in 2022/23 is at the expected level.

Looking at the 2023/24 budget, we are faced with substantial and unavoidable increases in costs. If all costs presented to the FGP Committee were met in the budget this would mean an increase of 36.52 over the 2022/23 budget and 43.84% above the precept for 2022/23.

The following comments should be read in conjunction with the spreadsheet:

1) Clerk's salary

The Council has agreed to amend the Clerk's contract (to a higher salary point and increased contractual hours) with effect from 1st April 2023

There will be a national pay award effective from 1st April 2023 but typically this is not agreed until several months later. In the current economic climate, it is not possible to predict what this will be. External recommendations have suggested it might fall anywhere between 5-10%. For the purposes of the budget an assumption has been made at 7.5%. An award of 5% would reduce this figure by £240 and an award of 10% would increase it by £240. The FGP Committee felt 7.5% was a prudent level to budget.

2) Clerk's CILCA qualification

Our Clerk is currently studying for her professional CILCA qualifications. It is expected that these will be completed in July/August 2023. Achievement of this award would increase the clerk's salary to the next pay point. This has been assumed w.e.f. 1st August 2023.

3) Overtime

The Clerk's contract will increase to 10.5 hours per week w.e.f. 1st April 2023 as agreed by the Council. With the change in contract overtime should be much reduced, but there are certain times of the year when it still may be necessary (e.g. year-end/audit, budget).

32 hours has been included. The FGP Committee did not feel it would be sensible to reduce this further

4) Pension

Once an employee's salary exceeds £10,000 p.a. the employer has a statutory obligation to make a pension contribution – minimum 3%.

5) Grants

The total of £2,254 reflects the **total amount** requested by the 4 applications received. The Council must agree the grants awarded. In 2022/23, £1050 was awarded. The FGP felt that all applications had a strong justification and wanted to support all of them. It has, therefore, recommended to the Council that 50% of the amount sought in each application is awarded.

6) Mowing contract

This is for the Council to decide which contract to award. Details have been circulated. For the purposes of the budget, the lowest quote has been included. If the Council wishes to award the contract to a higher bidder, then the FGP has indicated it would expect savings to be found elsewhere in the budget.

7) Election expenses

In 2019 there was an election in BSG Ward and an uncontested election in Warbleton Ward. This cost the Parish Council c£1,000. The costs were roughly split 2:1 between BSG:W.

I have spoken to the Election Services team at Wealden DC re potential costs for the 2023 election, when all Council seats are up for election. There are many variables and any estimated costs is a guide only. Due to various legislative and other cost increases (voter ID, disability relayed support, increased costs of hiring venues, staff costs.... etc), there will be potentially a substantial increase in 2023 from Wealden DC to Warbleton Parish Council. **This applies even if there are 2 uncontested elections.**

In the event that there are contested elections in both wards, the estimated costs for us (described as a worst case scenario with a 10% contingency built in) would be c £4,000/£4,500. If both wards are uncontested the cost is estimated at £1,500.

Our earmarked reserve for election expenses has been built up over 3 years and, as at 31.3.23 will be £1,500.

The FGP felt that it could not be assumed that there would be an uncontested election in one or both wards and doing so could lead to short term financial issues later in 2023. The FGP recommended that a further budget of £2,500 should be made for 2023/24. Once the invoice is received from Wealden DC in the autumn of 2023, the Council can determine if there is any surplus that can be moved to an earmarked fund for future elections or released to support other activities within the budget.

This is a major drain on our resources, outside our control and a potentially limiting factor in what can be spent elsewhere in the 2023/24 budget.

8) Training

This budget has been left unchanged, as there are full Council elections in May 2023 and there may be new councillors elected.

7. Maintenance/Infrastructure

The amount recommended by the Environment Committee was £2,500. This is one of the few areas that can be influenced directly in cost management. The FGP Committee felt that there needed to be a significant reduction in what could be allocated, whilst retaining the principle of investing in the infrastructure of the Parish.

Councillors can propose that any unused budget from 2022/23 (virement) can be rolled over to 2023/23. Councillors should also consider whether any projects fall within CIL eligibility (and the priorities for CIL expenditure).

Proposed budget

After long discussion, the FGP has recommended to Council a budget for 2023/23 of £23,790.55. This represents an increase of 10.06% over the 2022/23 budget. This reflects some hard and difficult choices for the next 12 months. This is also subject to the approval of grants and the cost of the mowing contract.

Budget funding

It is for councillors and the Council to determine the budget for 2023/24 and how it is funded. Councillors should first agree the budget before any decision is taken on funding. Essentially funding can come either fully from the precept or with an element funded from General Reserves, but the latter option can only be sustained for a short period.

The FGOP Committee recommends that the 2023/24 budget be fully funded by the precept.

CLlr Steve Williamson
Chairman F&GP Committee
2nd December 2022