

The *Local Government Finance Act 1992 section 50* requires a Council to set a budget and it should be published.

The *Model Financial Regulations 2019* state that:

*3.1. The RFO must each year, by no later than November, prepare detailed estimates of all receipts and payments including the use of reserves and all sources of funding for the following financial year in the form of a budget to be considered by the council.*

A budget proposal document comprises income and expenditure across three years so that Councillors can see the variances and use that information to determine a precept for the following year. Comments are given as to why figures are higher or lower than expected for the year and what changes will be made for the following year. This information should help Councillors make sound financial decisions. Councillors need to be mindful of what duties the Parish Council has to fund, and what they would want to do in the future, for example save for playground equipment.

<b>Income / Receipts</b>	<b>2022-2023 Actual</b>	<b>2023-2024 Budget</b>	<b>2023-2024 To date As at 31<sup>st</sup> October</b>	<b>2023-2024 Year end anticipated</b>	<b>Difference</b>	<b>2024-2025 Budget</b>	<b>Comments/ explanations</b>
<b>Precept</b>	£5,600.00	£5,600.00	£5,600.00	£5,600.00	£0.00	£6,000.00	Precept to increase to cover election costs and to help with legal fees in taking over the recreational ground. See Precept Proposal on page 7.
<b>VAT</b>	£690.44	£500.00	£298.88	£575.00	+£75.00	£600.00	Budget to be increased for 24/25. There are some unknown costs - the legal fees for taking on the recreational ground - so the budget for 24/25 should be higher.
<b>Grants/Receipts</b>	£40.00	£100.00	£0.00	£0.00	-£100.00	£50.00	Have allowed £50.00 for income to cover car boot rent and other small items. Have reduced for 24/25.
<b>Interest</b>	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	No interest is expected.

<b>Expenditure / Payments</b>	<b>2022-2023 Actual</b>	<b>2023-2024 Budget</b>	<b>2023-2024 To date As at 31<sup>st</sup> October</b>	<b>2023-2024 Year end anticipated</b>	<b>Difference</b>	<b>2024-2025 Budget</b>	<b>Comments/ explanations</b>
<b>Clerks Salary</b>	£1,514.60	£1,475.00	£899.53	£1,550.00	+£75.00	£1,600.00	Salary is increased slightly each year to account for national pay increase and going up the salary scale range by 1 point.
<b>PAYE</b>	£181.51	£375.00	£267.60	£355.00	-£20.00	£375.00	Budget prediction for 24/25 is to remain the same based on the amount of tax the Clerk is paid each month and there is a £20.00 contingency.
<b>Expenses (Clerk)</b>	£226.78	£250.00	£78.30	£171.00	-£79.00	£200.00	The budget for 24/25 has been reduced due to the Clerk having been in post 1 year and it is known what is expected for 6 meetings per year.
<b>Stationery</b>	£38.25	£40.00	£0.00	£5.00	-£35.00	£40.00	Stationery costs are low but am allowing for ink cartridges, stamps and paper for the year 24/25. No ink cartridge purchased this year (23/24).
<b>Website Fees</b>	£0.00	£0.00	£23.98	£83.93	+£83.93	£144.00	Hugo Fox started charging half way through the financial year for their website

							provision. This is a new budget cost for 23/24, but prices are fixed so the budget for 24/25 should be the same.
<b>Training</b>	£75.00	£100.00	£22.50	£22.50	-£77.50	£100.00	The budget to remain at £100.00 in case there any courses the Clerk wishes to attend or new Councillors during 24/25.
<b>Hall Hire</b>	£210.00	£200.00	£0.00	£210.00	-£10.00	£200.00	Budget to remain the same 24/25 to allow for hall hire and contribution towards bin emptying.
<b>Memberships &amp; Fees</b>	£293.88	£450.00	£363.04	£465.05	+£5.05	£475.00	The figures include all bank fees, association charges, audit costs and memberships. Budget 24/25 increased slightly to cover any additional costs from the suppliers (eg DAPTC increases)
<b>Insurance</b>	£374.91	£450.00	£375.31	£375.31	-£74.69	£450.00	Insurance costs have risen considerably in 2023, so going to leave budget at £450 in 24/25. A review of assets is required and it is expected that we will change insurers in 2024.
<b>Grants given</b>	£406.44	£450.00	£170.46	£350.00	-£100.00	£400.00	Grants are considered at November's Council meeting, therefore spend is expected to go up before year end. The

							Kings Coronation budget did not incur as much as thought in 23/24, so reduced budget for 24/25.
<b>Play Area Maintenance (mowing, fencing, hedge cutting, signage, inspections)</b>	£8,236.08	£2,000.00	£0.00	£1,478.40	-£521.60	£2,000.00	Budget to remain the same as 23/24 to cover the standard maintenance contract leaving some for repairs and grass cutting in 24/25.
<b>Play Area Legal Fees</b>	£0.00	£3,000.00	£1,396.50	£1,396.50	-£1,603.50	£3,000.00	Budget set aside for legal fees. These are an unknown quantity and also not sure when the bills are going to be received. Budget therefore remains the same for 24/25.
<b>Election Costs</b>	£0.00	£0.00	£0.00	£0.00	£0.00	£400.00	Election costs expected for 24/25, based on estimations this should cover the electorate for the area.
<b>Reserves</b>	£5,000	£5,000	£0.00	£0.00	-£5,000.00	£5,000.00	Reserves budget for 24/25 is what remains after spend this year. Spend did not exceed income in 23/24.

The *Local Government Finance Act 1992 section 41* requires a Council to set a precept.

The *Model Financial Regulations 2019* state that:

*3.3. The council shall fix the precept (council tax requirement), and relevant basic amount of council tax to be levied for the ensuing financial year not later than by the end of December each year. The RFO shall issue the precept to the billing authority and shall supply each member with a copy of the approved annual budget.*

I think the table below makes it clearer for Councillors to see what the Precept proposal was last year and is expected to be next year. It takes information from the tables above and makes clearer where more of the Precept is going to be spent in the future.

	<b>Precept Proposal 23/24</b>	<b>Precept Proposal 24/25</b>	<b>Difference/Comments</b>
Clerks Salary	£1,475.00	£1,600.00	Higher – accounts for national pay increase/salary increase by 1 scale point
PAYE	£375.00	£375.00	Same
Expenses (Clerk)	£250.00	£200.00	Lower – expenses stabilised
Stationery	£40.00	£40.00	Same
Website Fees	£0.00	£145.00	Higher – new expense
Training	£100.00	£100.00	Same
Hall Hire	£200.00	£200.00	Same
Memberships & Fees	£450.00	£475.00	Higher – price increases
Insurance	£450.00	£450.00	Same
Grants given	£450.00	£400.00	Lower – no Royal Events?
Play Area Maintenance	£2,000.00	£2,000.00	Same
Play Area Legal Fees	£3,000.00	£3,000.00	Same
Election Costs	£0.00	£400.00	Higher – no election costs previously
<b>Reserves</b>	<b>£5,000.00</b>	<b>£5,000.00</b>	<b>Same</b>
Precept Predicted Spend	£8,840.00	£9,385.00	
Income (other than Precept)	£600.00	£600.00	
<b>Precept less Income</b>	<b>£8,240.00</b>	<b>£8,785.00</b>	

The current precept for Folke Parish Council is £5,600.00. The Council has a Reserves account for 24/25 which will be used towards the asset purchase of the recreational area. As the Reserves balance is within the suggested limit of between three (3) and twelve (12) months for smaller authorities as in *The Practitioners' Guide by the Joint Panel on Accountability and Governance (JPAG)*. It is recommended that the Parish Council claims an increase in Precept for 2024/25 to £6,000.00 to cover election costs and the required additional legal fees.