

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.

Income / Receipts	2021-2022 Actual	2022-2023 Budget	2022-2023 To date As at 31st October	2022-2023 Year end anticipated	Difference	2023-2024 Budget	Comments/ explanations
Precept	£5,400.00	£5,600.00	£5,600.00	£5,600.00	£0.00	£5,600.00	Precept to remain the same. See Precept Proposal on page 9.
VAT	£687.14	£500.00	£86.12	£450.00	-£50.00	£500.00	VAT to be claimed back - £320 covers the Alvian contract and then rest is for sundry items. No reason for the budget to be increase for 23/24.
Grants/Receipts	£99.41	£100.00	£40.00	£40.00	-£60.00	£100.00	Have allowed £100.00 for income to cover car boot rent and other small items. Not expected to increase in 23/24 so have left the same.
Interest	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	No interest is expected.

Expenditure / Payments	2021-2022 Actual	2022-2023 Budget	2022-2023 To date As at 31st October	2022-2023 Year end anticipated	Difference	2023-2024 Budget	Comments/ explanations
Clerks Salary	£1,536.00	£1,400.00	£856.95	£1,431.95	+£31.95	£1,475.00	Salary is increased slightly each year to account for national pay increase and going up the salary scale range by 1 point.
PAYE	£0.00	£165.00	£82.31	£162.71	-£2.29	£375.00	Budget prediction for 23/24 is higher based on the amount of tax the Clerk is paid each month. How the previous Clerk calculated tax/NI and paid it is unknown.
Expenses (Clerk)	£399.99	£250.00	£126.88	£251.88	+£1.88	£250.00	Expenses are relatively stable due to only having 6 meetings per year. The budget for 23/24 remains the same, allowing for a small contingency.
Stationery	£0.00	£40.00	£8.50	£32.50	-£7.50	£40.00	Stationery costs are low but am allowing for ink cartridges, stamps and paper for the year 2023/24.
Asset Purchases	£0.00	£435.00	£411.67	£411.67	-£23.33	£50.00	Budget for 2023/24 to allow for an external hard drive to be purchased for back up

							to the PC.
Training	£0.00	£50.00	£0.00	£0.00	-£100.00	£100.00	The budget has been increased to £100.00 in case there any courses the Clerk wishes to attend or Councillors during 2023/24. Was set at £50.00 as the Clerk only started half way through the financial year in 22/23.
Hall Hire	£0.00	£100.00	£210.00	£210.00	£0.00	£200.00	Budget increased 2023/24 to allow for hall hire and contribution towards bin emptying.
Memberships & Fees	£215.80	£450.00	£256.28	£315.16	-£134.84	£450.00	The figures include all bank fees, association charges, audit costs and memberships. Budget 23/24 set the same but should cover any additional costs from the suppliers (eg 4.8% DAPTC increase)
Insurance	£249.93	£400.00	£374.91	£374.91	£0.00	£450.00	Insurance costs have risen considerably in 22/23, but also the Council swapped insurers. A review of assets is required. Allowing extra therefore for in the budget 23/24.
Grants given	£150.00	£400.00	£231.44	£400.00	£0.00	£450.00	Grants are considered at November's Council

							meeting, therefore spend is expected to go up before year end. Am expecting more to go out next year, due to Kings Coronation budget upped to £450 for 23/24.
Play Area Maintenance (mowing, fencing, hedge cutting, signage, inspections)	£2,585.65	£1,150.00	£4.75	£3,476.75	+£2,326.75	£2,000.00	Budget reduced to cover the standard maintenance contract leaving some for repairs and grass cutting in 23/24. There was extra expense this year 22/23 not required next year.
Play Area Legal Fees	£2,466.20	£3,000.00	£0.00	£0.00	-£3,000.00	£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 23/24.
Reserves	£12,610.57	£10,000	£0.00	£0.00	£0.00	£5,000.00	Reserves budget for 23/24 is what remains after spend this year 22/23. Spend has not exceeded income in 22/23.

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.

	Precept Proposal 22/23	Precept Proposal 23/24	Difference/Comments
Clerks Salary	£1,400.00	£1,475.00	Higher – accounts for national pay increase/salary increase by 1 scale point
PAYE	£375.00	£375.00	Same
Expenses (Clerk)	£250.00	£250.00	Same
Stationery	£40.00	£40.00	Same
Asset Purchases	£435.00	£50.00	Lower – one smaller item to account for
Training	£50.00	£100.00	Higher – to cover full year
Hall Hire	£100.00	£200.00	Higher – to cover bin donation aswell
Memberships & Fees	£400.00	£450.00	Higher – price increases
Insurance	£400.00	£450.00	Higher – price increases, more assets?
Grants given	£400.00	£450.00	Higher – expecting more due to Kings Coronation
Play Area Maintenance	£1,150.00	£2,000.00	Higher – includes contract SLA plus regular maintenance
Play Area Legal Fees	£3,000.00	£3,000.00	Same
Reserves	£10,000.00	£5,000.00	Less as planned expenditure more than 22/23
Precept Predicted Spend	£6,818.00	£8,840.00	
Income (other than Precept)	£490.00	£600.00	
Precept less Income	£6,328.00	£8,240.00	

The current precept for Folke Parish Council is £5,600.00. The Council has a significant Reserves account for 23/24. As the Reserves balance is not 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 does not claim an increase in Precept for 2023/24. Spend was well under budget in 21/22 and is expected to be slightly over in 22/23. Spend is expected to be over in 23/24 however this is only due to the playing field solicitors fees, should this be covered by the Reserves, the predicted spend is more likely to be in the region of £8,240.00 (£8,840.00 less £600.00).