



## Report ABPC/22/10

**To: Aldington and Bonnington Parish Council.**

**Date: 12<sup>th</sup> December 2022**

**Status: Public Report**

**Subject: Budget and Precept 2023 / 2024**

1. **SUMMARY:**

This Report concludes the budget making process for 2023 / 2024 and makes recommendations to enable the Council to set its precept for 2023 / 2024 and to notify the tax collecting authority in accordance with statutory legislation.

2. **REASON FOR RECOMMENDATION.**

The Parish Council is asked to agree the recommendations set out below because:

1. The Council must approve its Precept for 2023 / 2024 and to notify the principal tax collecting authority no later than 6<sup>th</sup> January 2023.
2. The approval of the budget makes provision for a spending plan next year.
3. The Parish Council must make provision to cover its liabilities and service growth proposals for 2023 / 2024 and beyond.
4. The Parish Council needs to provide for adequate reserves in the event of a sudden unforeseen, or unplanned, expenditure demand.

3. **RECOMMENDATIONS:**

1. **To receive and note Report ABPC/22/10.**
2. **To determine the Parish Council's budget for 2023/24 as either Option 1, 2, 3, or 4 as set out in the attached Appendix.**
3. **To confirm the Precept for 2023 / 2024 in accordance with the provisions in Sections 39, 41 and 50 of the Local Government Finance Act 1992.**
4. **To authorise the Parish Clerk to sign the Precept demand on the Borough Council.**

4. **INTRODUCTION:**

This Report concludes the budget making process for 2023 / 2024. The Parish Council must now determine its precept level and budget requirements for 2023 / 2024, taking into account:

1. Expenditure falling due in 2023 / 2024 to carry out its functions.
2. Appropriate amounts for contingencies.
3. The need to provide adequate reserves.
4. Any expenditure incurred in 2022 / 2023 not yet paid.

5. **BUDGET 2023 / 2024**

The Responsible Financial Officer commenced the council's budget making process by reviewing its expenditure over the last two years as well as examining the remaining funds held in respect of Section 106 agreements resulting from the various developments that

have taken place, and in progress in the Village.

## 6. S106 Funds:

The Borough Council are holding funds from the s106 agreement signed in respect of the Wheatfields development. These funds are for specific purposes defined in the planning obligations on the project. The table below shows the obligation, how the sum is divided between capital costs and maintenance, and the sum held by the Borough.

Allotments	Capital costs	£6,387.67
	Maintenance	£3,230.33
Children's and Young people's play space	Capital costs	£6,768.48
	Maintenance	£2,950.94
Informal/Natural Green Space		£11,640.91
Community Projects		£413.34

Any applications for the S106 funding are required to be accompanied by three quotes, the application is then assessed by the relevant teams at the Borough Council and when authorised the application is passed to the legal department to draw up the necessary legal agreement between the Parish Council and the Borough Council which will stipulate the sums being made available, the purpose for which they have been sought and the monitoring and reporting arrangements they require.

## 7. RESERVES:

The Parish Council holds the following reserves:

General Reserve	£21,800.00 (Estimated)	The Parish Council is required to maintain a general reserve sufficient to cover between 25 and 100% of its budgeted expenditure to offset any potential delays in the receipt of funds, and to cover the sum paid in VAT pending reclaim from H M Revenue and Customs.
By-Election	£3,500.00	This fund is maintained in the event that a by-election is required should a vacancy occur on the Parish Council and the electorate (minimum of 10) request it.
Play equipment (repairs)	£12,460.40	Funds held for any repairs or replacements required to the Play equipment.
Quarry Field Maintenance	£599.60	Funds held for maintenance works to the field and pond.
Meadows S106 funds	£114.55	Funds remaining from the Aldington Meadows S106 agreement specifically for the maintenance of the Parish Council land at this site.
Badgers close S106 funds	£269.25	Funds remaining from the Badgers Close S106 agreement specifically for sport

		and play area.
IT Replacement fund	£1,550.00	Funds set aside in preparation for the replacement of technology.

The following funds are held for a specific purpose

War memorial	£4,083.35	Sum remaining from the building of the War Memorial and donations towards its ongoing maintenance.
War memorial maintenance	£856.16	Sums donated specifically for the upkeep of the war memorial and garden.
Meadows refurbishment	£8913.90	Funds raised and donations towards the refurbishment of the Aldington Meadows open space
VE Day programme	£300.00	A specific donation towards the cost of preparing a brochure for the events due to take place in 2020

## 8. The Budget:

All references to Council Tax made by the Ministry for Housing, Communities and Local Government are based on the "Band D equivalent". Every domestic dwelling is assigned a council tax band by the Valuation Office Agency based on the value of the dwelling as at 1 April 1991. Any built subsequently are allocated a notional 1991 value. These are split between eight tax bands.

In order that the Band D equivalent can be calculated the Borough Council are required to complete a return to central government which is based on the number of properties on the valuation list as at 3 October 2022 and excludes provisions for new properties, Council Tax Reduction discounts, and allowances for non-collection. In the current financial year the base is 643, however, for the forthcoming financial year this number has been increased to 641 effectively increasing the sum each property has to pay.

Consideration also must be given to the fact that the Parish Council needs to maintain a general reserve which is recommended to be between 25 and 100% of the planned expenditure depending on the size of the council, the larger the Council budget the smaller the percentage.

Various scenarios have been considered, for reference the appendix shows the budget for the current financial year together with a projection to the end of March, any surplus or deficit being transferred to General Reserve.

Option 1: this option has been calculated using the same Band D equivalent as the current financial year and taking into account a lower level of s106 maintenance fund monies available for the play areas. This has reduced the level of funds available.

Option 2, 3 and 4 have been calculated on the following increases 0.8%, 2.6% and 5.4% respectively. However, as there is the potential that the Parish Council will need to employ consultants in the next financial year if the Solar proposals for Stonestreet Green progress to the next stage the sum of £10,000 has been added to each option.

A preferred level of General Reserve would be a minimum of 55% of budgeted planned expenditure which would require a minimum contingency sum of £2,566 for the financial year 2023 / 2024 as provided in Option 4.

The addition of £10,000 for potential expenditure relating to the proposals from Stonestreet Green has resulted in a far higher percentage increase in the Band D equivalent, this being 23.8%, 25.4% and 28.5% on Options 2, 3 and 4.

For the current financial year the full council tax bill for a BandD property in Aldington is made up as follows:

Kent County Council	£1,461.24
Ashford Borough Council	£ 177.50
Police & Crime Commissioner	£ 228.15
Kent & Medway Fire Authority	£ 82.35
Aldington & Bonnington PC	£ 67.80
Total	£2,016.84

At the current time only the Parish Council are not subject to a capping arrangement as to increases. Taking Option 4 the annual increase in monetary terms is £19.26 just 0.95% of the total bill.

9. **CONCLUSION**

The Parish Council needs to determine its Budget and Precept Requirements to fund expenditure for 2023 / 2024 and beyond. The Parish Council is, therefore required to agree and confirm its spending plans for the next year.

10. **CONTACT OFFICER AND BACKGROUND DOCUMENTS.**

If you have any queries about this report please contact the Responsible Financial Officer of the Council Tel.: 07928453208 or email: [clerk@abpc.org.uk](mailto:clerk@abpc.org.uk) prior to the meeting.

	2022/23 budget	projected outturn	option 1	option 2	option 3	option 4
Allotments	50.00	50.00	50.00	50.00	50.00	50.00
Audit	650.00	590.00	610.00	610.00	610.00	610.00
Bank charges			72.00	72.00	72.00	72.00
Contingency	3,952.00	2,000.00	918.00	1,261.00	2,028.00	3,261.00
Dog Waste bags	750.00	750.00	750.00	750.00	750.00	750.00
Donations	600.00	600.00	600.00	600.00	600.00	600.00
Electricity/telephone	800.00	120.00	120.00	120.00	120.00	120.00
Grounds maintenance	13,000.00	11,000.00	12,000.00	12,000.00	12,000.00	12,000.00
Hire of halls	300.00	450.00	500.00	500.00	500.00	500.00
Insurance	1,300.00	1,193.98	1,300.00	1,300.00	1,300.00	1,300.00
Newsletter	700.00	500.00	700.00	700.00	700.00	700.00
Staff costs	23,000.00	23,500.00	26,000.00	26,000.00	26,000.00	26,000.00
Stationery	400.00	200.00	400.00	400.00	400.00	400.00
Subscriptions	950.00	917.59	950.00	950.00	950.00	950.00
Training	250.00	80.00	250.00	250.00	250.00	250.00
IT replacement fund	775.00	775.00	775.00	775.00	775.00	775.00
Defibrillator fund	300.00	300.00	300.00	300.00	300.00	300.00
Trees	800.00	800.00	800.00	800.00	800.00	800.00
Meadows refurbishment	3,000.00	3,000.00				
Solar				10,000.00	10,000.00	10,000.00
Total	51,577.00	46,826.57	47,095.00	57,438.00	58,205.00	59,438.00
Allotments	250.00	190.00	200.00	200.00	200.00	200.00
Grounds maintenance	900.00	900.00	900.00	900.00	900.00	900.00
Interest		50.00	3.00	3.00	3.00	3.00
Miscellaneous	200.00	225.00	200.00	200.00	200.00	200.00
Precept	43,467.00	43,467.00	43,332.00	53,675.00	54,442.00	55,675.00
106 maintenance fund	6,760.00	6,760.00	2,460.00	2,460.00	2,460.00	2,460.00
Total	51,577.00	51,592.00	47,095.00	57,438.00	58,205.00	59,438.00
Tax base	643		641	641	641	641
Band D Equivalent	67.60		67.6	83.74	84.93	86.86
weekly equivalent	1.30		1.30	1.61	1.63	1.67
% increase			0	23.8	25.4	28.5