

ALDENHAM PARISH COUNCIL

Public Document

To consider budget proposal for 2024/25 and make a recommendation to the Council for a total precept demand for 2024/25 to Hertsmere Borough Council.

AGENDA item 9a

**Finance & General Purposes Committee meeting
11 January 2024**

Background

Parish Councils, irrespective of their size, have a statutory duty to prepare an annual budget. The budget is one of the most important annual tasks that the council must undertake and is required as part of the 'proper practices' set out in the Joint Panel on Accountability and Governance Practitioners' Guide.

Each year APC is required to review its budget for the current year and in particular for the following year. An initial draft budget proposal is put to the Finance & General Purposes Committee in November to help councillors decide the precept for the following year.

The precept is a demand on Hertsmere Borough Council, passed on to residents via the Council Tax.

The budget process:

- results in the council setting the precept for the following year;
- gives the Council Manger overall authority to make spending commitments in line with the decisions of the council;
- enables progress monitoring during the year by comparing actual spending against planned spending.
- allows a review the level of General reserves

General Reserve explained

The general reserve held by the Council ensures that there is a sufficient cash flow from the end of the financial year until the receipt of the first precept instalment for the following year. The general reserve is also a contingency for unforeseen expenditure or unexpected loss of income.

The council must review its level of reserves as, whilst there are no statutory levels only guidance, significant levels may give rise to comment by the auditor.

At beginning of the financial year 2023/24 the general reserves stood at £202,450 which is at the lower end of the 3-6months recommended level. There were some movements in reserves during the year, which may result in reduced balance of general reserves. In order to keep the recommended level of reserves it has been previously agreed by the Council that the £100,000 Cambridge & Counties investment matured in December is to be transferred back to reserves. In the long term as discussed by members at their meeting in November there is a need to replenish APC's reserves. It is anticipated that at the year end the general reserves will be in the region of £230,000.

Firstly, we will go through the report starting with projected actual, which is where APC are expected to be against budget at the year end and then look at the proposed budgets for 2024/25.

Projected Actual

The following are just explanations as to why there is a variance between the projected actual and the budget set earlier this year.

Cost centre 101(Admin):

Income more by £22,000 than budget for due to bank interest received from investments offset by expenditure of £14,000 more than budget for mainly due to professional fees as Council has obligation to address any unpredicted legal disputes.

Cost centre 201(Open Spaces):

Some savings in this cost centre mainly due to credit notes received for water charges

Cost centre 301(Community):

Income more than budgeted for due to– sponsorship received from Debenhams Ottaway & donation from private donor offset by the cost of for Coronation Celebrations.

Overall the Council's position is within the budget set.

Proposed Budget 2024/25

I attach the budget, following discussion of this committee at the previous meeting on 13 November 2023. (appendix a-b).

This shows a net budget requirement of £740,437 (shown as (A) on appendix a), an increase of £46,386) on the 2023/24 budget of £694,051. This would mean that per current tax base band D of 5415 homes, the Council is looking at approximately 7.98% increase in its precept (£10.11 annual increase per band D household / approximately £5 per resident of the parish).

This is mainly due to a need of replenish APC's reserves as suggested by this Committee in Nov 2023. In April 2021 after reflecting on the financial position of the Council, we reduced by 7.35% the Council Tax payable by our residents to Aldenham Parish Council. The budget for 2021/22 reduced by £49,679 showed we could deliver the excellent services at a lower cost to residents. Events following that decision have shown in retrospect that this reduction was not sustainable. Costs following the hike in energy costs have been higher than forecast. In addition, on behalf of our residents we have fought two major planning appeals, the Solar Farm and Shenley Hill together costing the Council £160,000. We have paid the extra costs out of Reserves but those reserves have reached unacceptably low levels. As a result, this year we are reversing the savings made in 2021 and putting the precept back to where it would have been had we not made the reduction in 2021. That way we will be in a strong position to defend our community from external challenges such as the planning application for the battery electric storage System (BESS) proposed close to Letchmore Heath.

A provision has also been made in the budget for the grant funding to various organisations (see Agenda item 8). An inflationary increase of about 5% CPI has been included on most budgets' lines (unless advised otherwise by suppliers in line with the October CPI of 4.6%).

This budget figure doesn't include any provision of for future asset purchase expenditure for Open Spaces.

Fees for services from April 2024

Most of the fees have been reviewed and approved at the meeting in November 2023 and are reflected in the proposed budget. The event working party met in December 2023 following the November 23 Winter Fair and they suggested to increase next year's fees for rides to £2 and Santa's Grotto to £3 as the prices were kept at the very low level for many years.

Alternative option in order to keep the budget increase as low as possible would be to remove or reduce the contingency provision from the budget but this may have negative impact on future spending.

Members are asked to consider this budget, and agree the recommended budget and precept requirements to Full Council.

Monika Duong (Deputy Council Manager)

Aldenham Parish Council
DRAFT BUDGET 2024/25**Draft Budget/Precept 2024 /25 summary****Income**

Admin	£ 13,300
Parks & Open Spaces	£ 7,900
Comm Development	£ 2,650
Total	£ 23,850

Expenditure

Admin	£ 481,181
Open Spaces	£ 222,636
Comm Development	£ 60,470
Total	£ 764,287

Net Budget requirement	£ 740,437
Net Precept requirement	£ 740,437 A)
Tax Base (Band D)	5415 C)
Divide Net Precept by Tax Base	£ 136.74 D)

Previous year	difference	percentage
£ 126.63	£ 10.11	7.98%

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Annual Budget - By Centre (Actual YTD Month 9)

Note: Budget 2024/25 for F&GP Committee draft Jan 2024

		<u>2022/23</u>		<u>2023/24</u>				<u>2024/25</u>		
		Budget	Actual	Total	Actual YTD	Projected	Committed	Agreed	EMR	Carried Forward
4405	Asset Purchase	16,500	0	15,000	0	15,000	0	15,000	0	0
4410	R&M Premises	1,000	1,555	2,500	756	1,300	0	2,500	0	0
4490	Miscellaneous Expenditure	500	5,773	500	262	500	0	500	0	0
4495	Compost Bags Costs	1,800	418	1,000	349	500	0	500	0	0
4497	Footpath Maps costs	0	0	0	30	0	0	0	0	0
4510	Subscriptions	2,600	2,482	2,860	2,540	2,600	0	2,800	0	0
4530	Radlett Centre Trust Grant	120,000	120,000	120,000	120,000	0	0	120,000	0	0
4531	RCT life cycle grant	0	0	0	0	120,000	0	0	0	0
4532	KGV Trust Grant	10,000	10,000	7,000	7,000	14,500	0	8,000	0	0
4600	Election Costs	5,000	0	2,500	0	2,500	0	2,500	0	0
4610	Contingency	11,453	10,453	10,453	0	10,453	0	41,126	0	0
4612	Newberries Car Park Grant	10,000	12,000	12,500	9,000	12,500	0	12,500	0	0
4613	Chairman's Allowance	1,800	2,096	1,800	685	1,000	0	1,000	0	0
4991	Rathbones	0	100,000	0	0	0	0	0	0	0
	Overhead Expenditure	422,044	509,813	441,496	345,492	450,063	0	481,181	0	0
	101 Net Income over Expenditure	242,951	170,812	261,056	376,781	292,812	0	-467,881	0	0
6001	less Transfer to EMR	0	21,500	0	0	0	0	0	0	0
	Movement to/(from) Gen Reserve	242,951	149,312	261,056	376,781	292,812		(467,881)		
<u>201</u>	<u>Open Spaces</u>									
1020	Miscellaneous Income	100	5,592	100	1,500	100	0	100	0	0
1070	Grants R'ved - Other	0	2,515	0	0	0	0	0	0	0
1150	Allotments Income	2,800	2,840	2,800	2,800	2,800	0	2,800	0	0
1160	Site Rental	5,500	4,727	5,000	4,851	5,000	0	5,000	0	0

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Annual Budget - By Centre (Actual YTD Month 9)

Note: Budget 2024/25 for F&GP Committee draft Jan 2024

	<u>2022/23</u>		<u>2023/24</u>				<u>2024/25</u>		
	Budget	Actual	Total	Actual YTD	Projected	Committed	Agreed	EMR	Carried Forward
Total Income	8,400	15,674	7,900	9,151	7,900	0	7,900	0	0
4000 Salaries	99,614	94,398	117,000	79,764	109,000	0	128,233	0	0
4005 Overtime	4,000	3,837	4,000	4,490	4,000	0	4,500	0	0
4015 ERS NIC&Pension	21,300	16,324	21,300	12,927	15,000	0	13,000	0	0
4030 Travel & other staff expenses	600	344	600	727	600	0	650	0	0
4100 Utilities - Gas,elec & water	5,500	22,301	15,000	1,700	10,000	0	16,000	0	0
4240 Training	2,000	2,221	2,000	1,360	2,000	0	2,200	0	0
4401 Open spaces	15,000	19,054	15,750	8,676	15,750	0	16,538	0	0
4405 Asset Purchase	9,500	5,820	0	0	0	0	0	0	0
4411 Depot	10,500	11,046	9,800	9,781	11,300	0	11,000	0	0
4417 Fleet management	7,452	8,098	7,500	5,065	7,500	0	7,875	0	0
4441 High street	4,500	494	2,000	2,100	2,000	0	2,000	0	0
4451 Tree Management	12,485	17,323	10,000	8,430	10,000	0	12,000	0	0
4460 Protective Clothing	1,500	1,131	1,000	307	600	0	1,000	0	0
4490 Miscellaneous Expenditure	500	524	500	0	500	0	500	0	0
4492 Security	6,800	5,078	7,140	2,010	7,140	0	7,140	0	0
Overhead Expenditure	201,251	207,994	213,590	137,338	195,390	0	222,636	0	0
201 Net Income over Expenditure	-192,851	-192,320	-205,690	-128,187	-187,490	0	-214,736	0	0
6001 less Transfer to EMR	0	2,515	0	0	0	0	0	0	0
Movement to/(from) Gen Reserve	(192,851)	(194,835)	(205,690)	(128,187)	(187,490)		(214,736)		
<u>301 Community Development</u>									
1020 Miscellaneous Income	500	0	500	0	0	0	500	0	0

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Annual Budget - By Centre (Actual YTD Month 9)

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	<u>2022/23</u>		<u>2023/24</u>				<u>2024/25</u>		
	Budget	Actual	Total	Actual YTD	Projected	Committed	Agreed	EMR	Carried Forward
1021 Winter Fair Income	600	1,292	1,000	483	1,600	0	1,500	0	0
1070 Grants R'ved - Other	0	14,185	0	4,000	4,000	0	0	0	0
1240 Newsletter Advertising Income	1,000	1,208	1,000	1,100	1,150	0	1,150	0	0
Total Income	2,100	16,685	2,500	5,583	6,750	0	3,150	0	0
4226 Webiste Design & Maintenance	900	293	500	461	300	0	500	0	0
4405 Asset Purchase	6,000	0	0	0	0	0	5,900	0	0
4420 Christmas Lights	6,500	10,287	9,000	9,849	9,000	0	10,000	0	0
4433 Event - Summer	6,000	5,805	7,000	7,760	7,749	0	6,500	0	0
4434 Event - Winter Fair	6,000	6,062	6,000	5,663	6,000	0	7,000	0	0
4435 Event - varies	5,000	18,898	11,500	17,097	15,224	0	5,000	0	0
4438 Youth Council Expenditure	260	180	265	136	265	0	270	0	0
4470 Newsletter Delivery	1,040	1,112	1,100	1,048	1,100	0	1,500	0	0
4475 Newsletter Printing	6,500	6,649	8,500	5,254	6,500	0	8,800	0	0
4490 Miscellaneous Expenditure	500	0	500	500	0	0	500	0	0
4519 Grants	13,500	13,032	13,500	9,000	13,500	0	15,000	0	0
Overhead Expenditure	52,200	62,317	57,865	56,767	59,638	0	60,970	0	0
301 Net Income over Expenditure	-50,100	-45,632	-55,365	-51,183	-52,888	0	-57,820	0	0
6001 less Transfer to EMR	0	2,450	0	0	0	0	0	0	0
Movement to/(from) Gen Reserve	<u>(50,100)</u>	<u>(48,082)</u>	<u>(55,365)</u>	<u>(51,183)</u>	<u>(52,888)</u>		<u>(57,820)</u>		

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Annual Budget - By Centre (Actual YTD Month 9)

Note: Budget 2024/25 for F&GP Committee draft Jan 2024

	<u>2022/23</u>		<u>2023/24</u>				<u>2024/25</u>		
	Budget	Actual	Total	Actual YTD	Projected	Committed	Agreed	EMR	Carried Forward
Total Budget Income	675,495	712,984	712,952	737,008	757,525	0	24,350	0	0
Expenditure	675,495	780,124	712,951	539,597	705,091	0	764,787	0	0
Net Income over Expenditure	0	-67,140	1	197,411	52,434	0	-740,437	0	0
less Transfer to EMR	0	26,465	0	0	0	0	0	0	0
Movement to/(from) Gen Reserve	0	(93,605)	1	197,411	52,434		(740,437)		