

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	2020-2021 Actual	2021-2022 Budget	2021-2022 To date As at 30th September	2021-2022 Year end anticipated	Difference	2022-2023 Budget	Comments/ explanations
Precept	£4,450.00	£4,450.00	£4,450.00	£4,450.00	£0.00	£4,450.00	Precept to remain the same. See Precept Proposal on page 9.
VAT	£0.00	£300.37	£300.37	£300.37	£0.00	£800.00	VAT is not claimed regularly due to the low amounts incurred. The last claim was made December 2020 and the next one will be made after April 2022, to include £500 from the playground equipment installation if the grant application is successful to cover the rest of the costs.
Insurance Claims	£467.95	£1,500.00	£1,494.60	£1,494.60	-£5.40	£0.00	No insurance claims are expected to be made 2022/23.
Interest	£2.77	£0.00	£0.01	£0.01	+£0.01	£0.00	No interest is expected after changing bank accounts to Unity Trust.

Expenditure / Payments	2020-2021 Actual	2021-2022 Budget	2021-2022 To date As at 30th September	2021-2022 Year end anticipated	Difference	2022-2023 Budget	Comments/ explanations
Clerks Salary	£1,605.02	£1,700	£692.30	£1,370.00	-£330.00	£1,400.00	Salary is lower than 2020/21 as the Clerk now pays PAYE, so the difference of £330.00 is shown in the line below.
PAYE	£0.00	£0.00	£166.00	£332.00	+£332.00	£375.00	The budget prediction for 21/22 did not split out the PAYE from the salary as no PAYE was paid. This has been altered on this budget prediction therefore. NI payments will also go up as of April 2022 so have allowed extra for that.
Expenses (Clerk)	£252.23	£200.00	£100.00	£200.00	£0.00	£250.00	Expenses are relatively stable due to only having 4 meetings per year. The budget for 22/23 has been increased slightly to allow for contingencies.
Stationery	£106.93	£100.00	£10.77	£40.00	-£60.00	£50.00	Stationery costs have been quite low but am allowing for ink cartridges, stamps and paper for the year 2022/23.
Training	£152.00	£100.00	£155.42	£155.42	+£55.42	£100.00	The training costs are higher than expected in 21/22 due to the Clerk's decision to undertake the CILCA course. The budget has been left at £100.00 in case there any courses the Clerk wishes to attend or Councillors during 2022/23.
Hall Hire	£56.00	£100.00	£64.00	£64.00	-£36.00	£100.00	Budget remains the same in

							2022/23 to allow for a contingency meeting.
Memberships & Fees	£448.81	£250.00	£276.79	£400.00	+£150.00	£450.00	The figures include all bank fees, association charges, audit costs and memberships. It remains fairly static but a contingency has been allowed for price increases in 2022/23.
Insurance	£374.48	£400.00	£384.21	£384.21	-£15.79	£400.00	Insurance costs rise each year by a nominal amount, therefore have countered for this in the 22/23 budget.
Grants given	£300.00	£400.00	£100.00	£300.00	-£100.00	£400.00	Grants are considered at December's Council meeting, therefore spend is expected to go up before year end. The £100 grant was given at the same time as the Hall Hire payment to the Village Hall for upkeep.
Play Area Maintenance	£203.50	£300.00	£598.50	£600.00	+£300.00	£750.00	Budget has gone over in 21/22 due to the work being contracted out this year (some Councillors were doing the work). Next year the budget has been increased to allow for extra grass cuts/hedge cuts for when new equipment is put in place.
Play Area Equipment	£0.00	£200.00	£0.00	£0.00	-£200.00	£2,000.00	A minimal budget was put aside for 21/22 however since receiving quotes it is expected to cost more like £2,000 to repair/replace the equipment. This amount should come from the Reserves.
Highways	£717.95	£500.00	£0.00	£0.00	-£500.00	£500.00	Have allowed an amount for 2022/23 however it is not

							expected that spend will be that high unless some signs require replacing or cleaning. Insurance claims have been used to assist with the costs in the past.
Burial Ground	£120.00	£200.00	£645.00	£845.00	+£645.00	£500.00	The budget was exceeded in 21/22 due to extra work being required on the monument and oak posts. Normally it would only be grass cutting and general maintenance, therefore the budget has been set somewhere in between for 22/23.
Reserves	£7,221.10	£7,221.10	£7,185.10	£7,185.10	-£36.00	£7,149.10	The Reserves have reduced by the bank fees only. It is not expected that any spend will be made before March 2022. Any spend for the play area will come in the next financial year. The Reserves carry forward is marginally lower again, only by the bank fees.

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 21/22	Precept Proposal 22/23	Difference/Comments
Clerks Salary	£1,700.00	£1,400.00	Lower – PAYE separated
PAYE	£0.00	£375.00	Higher – higher tax/NI
Expenses (Clerk)	£200.00	£250.00	Higher - contingency
Stationery	£100.00	£50.00	Less
Training	£100.00	£100.00	Same
Hall Hire	£100.00	£100.00	Same
Memberships & Fees	£250.00	£450.00	Higher – price increases
Insurance	£400.00	£400.00	Same
Grants given	£400.00	£400.00	Same
Play Area Maintenance	£300.00	£750.00	Higher – contracted out
Play Area Equipment	£200.00	£2,000.00	Higher – new equipment to be bought
Highways	£500.00	£500.00	Same
Burial Ground	£200.00	£500.00	Higher - more maintenance required than previously budgeted for
Reserves	£7,221.10	£7,149.10	Reduced by bank fees only
Precept Predicted Spend	£4,450.00	£7,275.00	
Income (other than Precept)	£1,794.98	£800.00	
Precept less Income	£2,655.02	£6,475.00	

The current precept for Manston and Hammon Parish Council is £4,450.00. The Council has a fairly high Reserves account and although projects have been put in place, due to successful insurance claims, the payments will not bring down the Reserves balance to be 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)*. Therefore it is recommended that the Parish Council does not claim an increase in Precept but leave the value the same as for 2021/22 at £4,450.00. Spend is over for 2022/23, but was under in 21/22 by roughly the same amount which suggests the Precept is set at the right level.