

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	£4,450.00	£4,450.00	£4,450.00	£4,450.00	£0.00	£4,600.00	Precept to increase slightly to offset additional fuel costs for grass cutting. See Precept Proposal on page 9.
VAT	£300.37	£3,000.00	£1,574.37	£3,200.00	+£200.00	£1,000.00	VAT to be claimed back on the playground equipment which cost over £10,000, hence the high figure at year end for 22/23. Next year the spend will be lower but VAT still expected to be paid on benches, chairs, SID, plus usual minor expenditure.
Grants/Receipts	£11,494.60	£0.00	£0.00	£0.00	£0.00	£0.00	Since receiving the insurance claim money in 21/22 and the Lottery Grant for the playground equipment no further income is expected in either 22/23 or 23/24.
Interest	£0.01	£0.00	£0.00	£0.00	£0.00	£0.00	No interest is expected after changing bank accounts to Unity Trust.

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	£1,369.98	£1,400.00	£831.49	£1,418.69	+£18.69	£1,450.00	Salary is increased slightly each year to account for national pay increase and going up the salary scale range by 1 point.
PAYE	£251.20	£375.00	£263.60	£350.40	-£24.60	£375.00	Budget prediction for 23/24 remains the same as 22/23 so a small contingency.
Expenses (Clerk)	£161.98	£250.00	£56.70	£100.00	-£150.00	£200.00	Expenses are relatively stable due to only having 4 meetings per year. The budget for 23/24 has been reduced therefore.
Stationery	£10.77	£50.00	£38.72	£45.00	-£5.00	£50.00	Stationery costs are low but am allowing for ink cartridges, stamps and paper for the year 2023/24.
Training	£155.42	£100.00	£0.00	£0.00	-£100.00	£100.00	The budget has been left at £100.00 in case there any courses the Clerk wishes to attend or Councillors during 2023/24.
Hall Hire	£64.00	£100.00	£0.00	£64.00	-£36.00	£100.00	Budget remains the same in 2023/24 to allow for any contingency meetings.
Memberships & Fees	£513.29	£450.00	£429.27	£501.27	+£51.27	£500.00	The figures include all bank fees, association charges, audit costs and memberships. Budget increased to cover additional fees 23/24 in line with 22/23 costs
Insurance	£384.21	£400.00	£590.08	£590.08	+£190.08	£600.00	Insurance costs have risen considerably in 22/23, but also

							the Council swapped insurers. In doing so, the asset register was reviewed and the new playground equipment was added. Hence the higher costs, budget increased for 23/24 to match.
Grants given	£400.00	£400.00	£200.00	£500.00	+£100.00	£400.00	Grants are considered at November's Council meeting, therefore spend is expected to go up before year end. A £200 grant has already been given to the Village Hall (to assist with signage), am expecting to give a further £100 and £200 to Dorset Air Ambulance. Budget remains at £400 for 23/24.
Play Area Maintenance	£598.50	£750.00	£280.00	£560.00	-£190.00	£750.00	Cuts have been less on the field this year due to dry weather, but think budget should remain at £750.00 for 23/24 to cover rising fuels costs, and allow for extra cuts depending on weather.
Play Area Equipment	£0.00	£2,000.00	£7,076.16	£7,076.16	+£5,076.16	£500.00	Although a budget was set aside, the grant and the VAT claimed back funded the equipment in its entirety. None of the spend came from the normal day to day account of the Council. A small budget to remain for 23/24 to allow for any maintenance/painting on the old equipment still in place.
Highways	£600.00	£500.00	£0.00	£260.00	-£240.00	£500.00	Have allowed an amount for 2023/24 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	£785.00	£500.00	£200.00	£500.00	£0.00	£500.00	Budget set at the same as 22/23 for 23/24. Ensure of costs as grass cutting has been minimal this year due to the dry weather.
Reserves	£6,336.15	£7,150.00	£0.00	£0.00	+£7,150.00	£1,800.00	The reserves fund has reduced significantly, although not showing any direct spend in this column as this was budgeted for under the playground equipment spend. Reserves budget for 23/24 is therefore what remains.

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	£1,450.00	Higher – accounts for national pay increase
PAYE	£375.00	£375.00	Same
Expenses (Clerk)	£250.00	£200.00	Lower – expenses stabilised
Stationery	£50.00	£50.00	Same
Training	£100.00	£100.00	Same
Hall Hire	£100.00	£100.00	Same
Memberships & Fees	£450.00	£500.00	Higher – price increases
Insurance	£400.00	£600.00	Higher – price increases, more assets
Grants given	£400.00	£400.00	Same
Play Area Maintenance	£750.00	£750.00	Same
Play Area Equipment	£2,000.00	£500.00	Lower – maintenance costs only
Highways	£500.00	£500.00	Same
Burial Ground	£500.00	£500.00	Same
Reserves	£7,149.10	£1,800.00	Money used for play equipment purchase has depleted reserves
Precept Predicted Spend	£7,275.00	£6,025.00	
Income (other than Precept)	£800.00	£1,000.00	
Precept less Income	£6,475.00	£5,025.00	

The current precept for Manston and Hammon Parish Council is £4,450.00. The Council has a reduced Reserves account for 23/24 due to the spend on the playground equipment. The Reserves balance is now 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 claim a small increase in Precept for 2023/24 to £4,600.00 to cover increased costs which are passed on. On discussion at the Parish Council meeting on 14/11/2022 it was agreed to not increase the Precept and leave as it is at £4,450.00. Spend was under in 21/22 and is expected to be well over in 22/23, but this was supplemented by the Lottery Grant. Spend is expected to be slightly over in 23/24 but with the small Reserves budget this is manageable.