

Budget Setting Report

Appendix A

Budget Item	Current Year (2021/22)		Next Year (2022/23)	Notes
	Estimated Outturn (£)	BUDGET (£)	Proposed Budget (£)	
Staff costs	4,870	4,870	5,056	Pay award still pending for 2021/22
Administration	707	911	1,323	
Office Costs	55	55	75	
Election Costs	0	0	100	Uncontested election fee
Travel Costs	0	0	125	Estimated – not previously claimed
Hall Hire	112	318	334	Inflationary increase only (5%)
Communications	124	90	135	Inflationary increase on 21/22 spend
Audit	0	120	120	no increase
Insurance	345	256	362	fixed fee plus 5% inflation
Banking Costs	72	72	72	no increase notified by UTB
Subscriptions	417	382	438	5% increase on current year <u>actual</u> spend (to allow for ICO fee)
Grounds Maintenance	1,733	1,858	1658	
Grass Cutting	1,375	1,500	1,500	Contract value = £1,500 annually
Marlot repairs	200	200	210	5% increase for inflation
Marlot routine mtce	107	150	166	5% increase for inflation
Training	90	200	200	no increase – budget never fully committed
Events	0	350	350	no increase
Chairman's Fund	300	300	400	Suggested above inflation increase
Neighbourhood Fund	0	1,937.14	1,937.14	Funding already held
Reserves	818	818	1018	Includes inflationary increase and H. Green table/bench
TOTAL BUDGET		9808.89	13,098.04	Includes Neighbourhood fund (unallocated)
Shortfall		9,498	£10,110.90	Estimated - See breakdown below

Table 1: Proposed Budgets

Total Budget £ 13,098.04

Funding sources	550.00	Slippage
	500	Reserves for LNR launch (tbc)
	1,937.14	Neighbourhood Fund (unallocated)
<u>Total Funding</u>	<u>£3,087.14</u>	

Shortfall £10,110.90**Additional Information**

The proposed total budget for 2022/23 is £13,198.04. For most budget headings the previous year's budget figure has been increased by 5% (inflation). Please note the following:

1. The audit budget has not been increased as this service has not attracted a charge in recent years.
2. The Neighbourhood fund value is set by Shropshire Council. It has yet to be allocated to a specific project. This will come forward as an agenda item in 2022/23.
3. It is proposed that once again, donations (the Chairman's Fund) are agreed in February and paid-over immediately following agreement, rather than waiting until next financial year. The proposed budget increase will give some flexibility for additional donations next year.
4. Taking into account the predicted underspend, there is a shortfall of £10,111 which needs to be made up using the precept. The use of reserves is not recommended and this is covered in the precept report.
5. At the start of the new financial year, the working budget along with any uncleared payments will be kept in the current account. With members agreement, the remainder of Parish Council funds will be moved into the savings account (of which £1117.90 will be Earmarked Reserves, the balance being the General Reserve). These figures will be reported to members for approval.
6. There will be an underspend of at least £550 at the end of 2021/22. The final figures will not be available until after year end.

Reserve Budgets

Reserves	<u>General Note</u>	21/22 set aside value (£)	Reserve Level 21/22 (£)	22/23 set aside value (£)
Earmarked Reserves		818	2330	1018
Office Equipment	5-year replacement cycle	169	484	177
Marlot Management	10-year replacement cycle	180	516	198
Elections	Value of 1k identified by Shropshire Council	226	646	237
Lawnmower Replacement	5-year replacement cycle	68	194	71
Painting and Maintenance	Relating to assets 001 / 009/012/016	175	490	184
Hollinwood Green Table/Bench	To be purchased in 24/25. Allow 10 years for replacement	0	0	150
General Reserve			4188	tbc
Total Reserves			6,518	

As outlined in the budget report, the total requirement for 2022/23, is £13,098,000. The following funding sources have been identified:

Funding source	Value (if known)	Comment
Neighbourhood Fund	£1,937	Earmarked for specific purposes
2021/22 underspend	£550	Estimated figure
General Reserves	£500+	Should only be used for specific projects or emergencies
Precept	-	See below

The Parish Council precept forms part of the Council Tax levied by Shropshire Council on domestic properties within the Parish. Each year Shropshire Council provides a figure for the parish to use as its tax base. Until last year the tax base increased annually meaning that a small actual increase in the precept has been represented as a 0% increase in Council Tax. This year the tax base has increased but it is still below the 2020/21 level.

Table 1 illustrates a number of precept options for 20/21. It also shows the figures for the last two years. The actual monthly implications of each option are shown in order to put any increases into context.

	2020/21	2021/22	Example 2021/22 options				
			A	B	C	D	E
Precept requested	£8,900	£9,498	£9,498	£9,548	£10,111	£10,500	£10,700
Annual Increase	£600	£598	£0	£50	£613	£1,002	£1,202
Tax Base	343.57	336.2	338.1				
Annual Band D charge per household	£25.90	28.25	£28.10	£28.25	£29.91	£31.06	£31.66
Actual increase on previous year per household	£1.47	£2.35	£-0.15	£-0.00	£1.66	£2.81	£3.40
% increase on previous year	6%	9.1%	-0.5%	0.0%	5.9%	10.0%	12.1%
Actual monthly increase per property	12p	20p	-1p	0	14p	23p	28p

Table 1: Precept Level Options

Options

NB In addition to the figures given below, it is anticipated that up to £500 for activities relating to the Marlot LNR launch will be funded from reserves should they not be eligible for the Neighbourhood Funding which the Council already holds.

- Keeping the precept at £9,498 gives a reduction in the cost per household, but would require the use of approximately £613 of general reserves to supplement the budget, along with a £550 underspend from the current year.
- If members wish to maintain the level of council tax paid by residents, this can be achieved by increasing the precept by just £50. However, this option requires approximately £513 of general reserves plus £550 underspend.
- Increasing the precept to £10,111 does not require the use of additional reserves but does require £550 underspend from the current year.
- A 10% increase would require £160 of underspend from the current year
- If the precept is increased to £10,700, additional general reserves and underspend would not be required

It is not prudent to use General Reserves for the Council's annual running costs, rather than for emergencies or specific projects (such as the Marlot LNR launch). Therefore, options A and B are not recommended and members should decide which of the following approaches they wish to take:

Option C

Use the underspent funds (£550) and set the precept at to £10,111 (an additional 14p per month for band D households).

Option D

Only use £160 of underspend (with the rest going into reserves) and set the precept at £10,500 (additional 23p+ per month).

Option E

Allocate all underspent funds to reserves and set the precept at £10,661 to cover the full budget. (additional 28p per month).
