



Hassocks Parish Council

Draft Budget Proposal 2021/22

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1. Introduction

The following paper sets out the projected budget out turn for 2020/21 and a draft budget for consideration for 2021/22.

The aim of this document is to create a budget that takes into account both revenue and capital expenditure. As part of the budget setting process a number of factors are required to be considered which include:

- The current impact on the budget as result of Covid 19 and anticipating potential future impacts of the pandemic
- Allowing for general (e.g. inflationary) changes to expenditure where necessary.
- Allowing for future staffing costs.
- Allowing for changes to the Councils operational priorities identified as part of the Business Planning process.
- Taking into consideration the potential possibility that Parish Council precepts may be capped in future years.
- Setting aside an amount to be transferred to reserves to contribute to the cost of longer term projects to support the Councils priorities.
- Being prudent in the Councils assessment of future income streams.
- The level of unallocated reserves should be set at a prudent level to allow for unforeseen but possibly costly expenditure.

The Council now operates a balanced budget approach rather than relying on reserves to fund any shortfall in operating costs. It seeks to fund long term projects by allocating funding in advance to support the delivery of the business plan priorities. Since 2018 this has enabled the Council to establish itself on sound financial footing and protect its existing reserves to be utilised to fund the Council's priority projects. Based on the current budget projections, but excluding allocations for future projects, if the Council chose not to increase its precept for 2021/22 the budget would run at a projected **surplus** of **£9,070**. Members may therefore wish to consider a modest inflationary increase in precept alongside potential increase to allow further sums to be allocated to Earmarked Reserves to support the Council priorities once normal business activities resume in the next financial year. Based on the projected outturn for 2020/21 income and expenditure is likely to be significantly down in a number of areas as a direct result of the pandemic where services and facilities have been required to cease to be delivered at various times of the year due to imposed restrictions resulting in an underspend on a number of revenue budgets. Members would need to determine whether any of these underspent funds should be considered to be allocated to Earmarked Reserves (EMR) to support the longer term priorities of the Council prior to the financial year end. It is suggested that if members are minded to utilise some of these funds this should be considered towards the latter part of the financial year when the Council is better placed to assess the final outturn position.

Appendix A this report sets out the impact on the Council Tax Bands if the Council were to choose not to apply an inflationary increase and retain the current precept level.

Timescale for setting the budget

Legally Hassocks Parish Council must set its precept no later than 1st March for the financial year that commences 1st April 2021. In practice the Council normally determines the precept requirement in December. We have not yet received confirmation of our tax base figures from Mid Sussex District Council which are normally provided in December. Therefore for the purposes of calculating the precept the Council Tax Base figure has been estimated to enable the draft precept to be calculated. In the event of this estimated number being adjusted this would either increase or decrease the equivalent band D property

2. Summary of Budget Information

HPC Precept Year	Property Tax Base (Band D equivalent)	Total Precept	Precept per Band D equivalent Property
2013/14			£55.69 **
2015/16	3296	£166,276	£50.44
2016/17	3329	£181,500	£54.42
2017/18	3348	£188,760	£56.38
2018/19	3365	£275,009	£81.73
2019/20	3382	£280,545	£82.95
2020/21	3468	£295,545	£85.22
2021/22	3490 (to be confirmed)	£295,545 (for illustrative purposes)	£84.68

*** if the Council were to retain the (2020/21) precept level due to the increase in property base of Band D equivalent properties the Band D precept would reduce to **£84.68** per annum.

3. Summary of projected Income & Expenditure 2020/21 and proposed budgeted 2021/22

Receipts	2020/21 Yr. end predicted	Receipts	2021/22 Draft Budget
Precept	295,545	Precept (illustrative purposes only)	295,545
Bank Interest	361	Bank Interest	250
Miscellaneous Income(note 1)	42,999	Miscellaneous Income	0
Allotment Income	1,442	Allotment Income	1,450
Burial Fees	5,500	Burial Fees	5,000
Adastra Park Pavilion (note 2 *)	0	Adastra Park Pavilion	2,000
Adastra Park Grounds*	2,154	Adastra Park Grounds	3,500
Adastra Park Tennis	2,000	Adastra Park Tennis	2,000
Adastra Park Bowling Green	2,448	Adastra Park Bowling Green	2,500
Parking Disc Income	450	Parking Disc Income	500
Total Receipts	352,899	Total Receipts	312,745
Payments		Payments	
Staff (see note 3)	125,657	Staff	156,150
Administration (note 4)	24,518	Administration	32,150
Civic (see note 5)	600	Civic	5,350
Grants	2,800	Grants	4,000
Allotments	1,080	Allotments	1575
Burial Grounds	3,025	Burial Grounds (see note 6)	8,900
Parish Centre/Garage	8,418	Parish Centre/Garage (See note 7)	12,750
Adastra Pavilion	6,170	Adastra Pavilion (see note 8)	13,450
Adastra Park Grounds(note 9)	14,550	Adastra Park Grounds (note 9)	16,250
Play Equipment	750	Play Equipment (note 10)	3,250
Adastra Skate park	0	Adastra skate park	250
Adastra Tennis Courts	200	Adastra Tennis Courts	1250
Bowling Green	1,500	Bowling Green	2,500
Parklands Copse	250	Parklands Copse	1,250
Talbot Field (note 11)	2,950	Talbot Field	1,750
Street Scene (note 12)	10,000	Street Scene	11,100
Street Lighting	17,000	Street Lighting	17,750
Environmental Improvements	7,950	Environmental Improvements	8,850
Neighbourhood Plan	0	Neighbourhood Plan	0
Parking Discs	650	Parking Discs	900
Christmas Lights	4,000	Christmas Lights	3,750
Economic Development	0	Economic Development	500
Total Payments	232,068	Total Payments	303,675

CAPITAL EXPENDITURE 2020/21

CAPITAL EXPENDITURE			EMR Spend
Adastra Park Masterplan	153,847		
Section 106 funds received –Adastra Park Masterplan	(32,998)		
Net spend from EMR relating to masterplan			120,849
Youth Initiatives	3,000		3,000
Total Net Capital Expenditure			123,849

EFFECT ON RESERVES

RESERVES	2020/21	RESERVES	2021/22
Opening Balance brought forward (a) ***	386,302	Total Consolidated Reserves Opening Balance b/fwd. (a)***	353,286
<u>Less Total Earmarked Reserves</u>	(217,520)	General reserves 259,634 EMR 93,652	
General Reserves Balance (working capital)	168,782		
<u>OPERATING COSTS</u>		<u>OPERATING COSTS</u>	
Add total Receipts (includes £32,999 s106 funding)	352,899	Add total Receipts 2020/21 Precept for illustrative purposes only added assuming no increase	312,745
Less Total Payments	(232,068)	Less Total Payments	(303,675)
Projected Budget surplus (a) ***	120,831	Budget Surplus– (based on no increase in precept) ***	9,070
EMR Expended in year	153,847	This assumes EMR expended in year (for illustrative purposes only)	(30,000)
EMR carried forward	93,652	EMR Balance carried forward	63,652
Projected Total Consolidated Reserves (a) ***	353,286	Projected Total Consolidated Reserves (for illustrative purposes only) (a) ***	362,356

(a) * Opening Reserves Balance - Deficit = Consolidated Reserves c/fwd.**

The current Reserve picture is based on existing allocations to Earmarked Reserves (EMR) and does not take into account at present all longer term projects currently under consideration. Due to savings/underspends this year on the revenue budget which has been impacted by the pandemic there may be further opportunities to allocate additional funds to Priority projects by way of EMR late in the year.

4. Budget Notes 2020/21 – 2021/22

Notes	Details (Significant variations/suggested options)
1	Income 20/21 <u>Miscellaneous income</u> was up on budget due to the receipt of section 106 funds towards the play area improvements and a Covid support grant.
2*	Income A number of income streams have been impacted due to the pandemic which has resulted in a decline in revenue particularly across facilities within the park including areas such as the pavilion, cricket, football (park grounds)
3	Staff Costs (20/21) savings realised this year as currently carrying a vacancy but option to retain budget sought to enable flexibility in the event of revising establishment at some future point. Therefore the proposed budget for next year will be consistent with this year's original budget set for 2020/21. Provision for 2021/22 reflects an allowance for inflationary uplift and incremental progression where appropriate.
4	Administration (20/21) Overall spend is down this financial year due to underspends on Communications in part due to publications ceasing to publish during lockdowns, Professional Fees are also likely to remain underspent for this year. IT costs have increased this year due to the increase in support/technology required to strengthen the IT reliance of the council in response to the impacts of the pandemic (e.g. remote working/virtual meeting software etc. and member secure email system etc. It is anticipated that IT support costs will remain higher next year.
5	Civic (20/21) expenditure is significantly down due to the pandemic including a £4,000 unspent allocation for supporting Twinning events which were cancelled as a result of the pandemic.
6	Burial Ground (21/21) Repairs & Renewals to be retained at higher level to consider repairing/resurfacing path which is currently starting to break up.
7	Parish Centre Repairs & Renewals Budget Proposed to increase this budget to schedule in works to the outside of Parish offices painting/treating wood frames/doors etc. deferred in 2020/21 due to covid lockdown measures.
8	Pavilion – The pavilion is likely to remain closed for most if not all of this financial year which has resulted in a reduction in expenditure and income. The building this year has suffered issues regarding the heating system and

	a leaking roof. It is believed the heating issues have now been resolved and we are continuing to monitor the roof issues. As a result the leak(s) various repairs will need to be undertaken (plastering/painting etc.). In addition it will be necessary to replace the existing furniture which was scheduled to undertaken this financial year however with the lockdown this has impacted on various work streams. Therefore additional funds have been incorporated in the proposed budget to cover these works in 21/22.
9	Adastra Park Grounds (20/21) excludes capital expenditure for the play area refurbishments which was funded directly from the Councils Earmarked Reserves (EMR) and did not form part of the revenue budget. (21/22) Increase allocation re Grounds maintenance by £2,000 to enable garden of remembrance remedial work to lawn areas to be completed.
10	Play Equipment (20/21) projected underspend as a result of all equipment being replaced and the earlier suspension of playground inspections when the play areas were closed due to the scheduled replacement and the pandemic. It is anticipated that expenditure is likely to resume to normal levels (21/22) and allowance has been made for repairs due to the current high level of usage of the equipment.
11	Talbot Field (20/21) Costs increased as a result of additional unforeseen tree works being required.
12	Street Scene (20/21) Budget underspend primarily as Mobile refuse services were ceased by MSDC.

Overall the revenue budget spend for 2020/21 will be significantly down due to the pandemic which has resulted in a number of services work streams being curtailed/delayed due to its impact. However capital expenditure increased as the result of delivering a significant capital scheme(s) in the current financial year (Play area enhancements)

Income Streams

The Council has a number of key Income Streams that it can utilise.

Precept

Other Income

Adastra Park – Community Pavilion – hire fees
 Grounds (pitch hire fees etc.)
 Tennis Courts (hire fees)
 Bowling green (fees)

Burial Ground

Parklands Allotments

Miscellaneous Income

Sale of Parking Discs

Bank Interest.

5. EARMARKED RESERVES (PROJECTS) projected closing balance 31/03/20

	Projected Cost	Value	How funded
1	Hassocks Trading Association	500	Reserves
2	Village sign	3,000	Reserves
3	Park Development scheme	38,887	Reserves/S 106
4	Tree Planting Initiative	526	Reserves
5	Youth Project	2,000	Reserves
8	Bus Shelter Replacement	10,000	Reserves
9	Repairs Fund	18,785	Reserves
10	Legal/land transfer	8,000	Reserves
12	Parish Acoustics	3,000	Reserves
12	PROW Improvements	6,000	Reserves
	SDNP CIL Funding	2,954	
	Total	93,652	

HASSOCKS PARISH COUNCIL

6. Glossary of Terms

Financial Year: The financial year for a Parish Council runs from the 1st April to the 31st March each year, this is set in statute.

A revenue budget: Revenue is the running cost of the council and its services, and the income that meets those costs.

Capital Budget/Earmarked Reserves: A capital budget involves funding for capital projects - the acquisition or construction of long term assets e.g. the development of facilities within Adastra Park or creation of a cemetery or the purchase of a new council building.

The precept: The Parish Council is able to raise funds by levying a charge on residents. This is known as the precept. The precept is raised through an additional charge on resident's council tax. The billing authority pays, in this case Mid Sussex District Council, each precepting authority the amount they require and collects such sums from its residents through the council tax. Unlike other tiers of government the precept is not capped at present.

Council Tax Bands: The amount of Council tax that you pay varies depending on the "BAND" your property is in. Bands run from A-G, the banding is based on a valuation of a property as at 1 April 1991. Band A is the lowest valuation and Band G the highest. Council tax is usually expressed as the Band D equivalent (this being the mid-point).

Council Tax Base: The Council tax base is determined by expressing all domestic properties in an area as Band-D equivalents. The total amount required to be met from council tax is then divided by the tax-base to produce a Band D charge. From that amount so produced, each of the other seven band council tax charges are calculated.

Council Tax Support (CTRS) Grant: Council Tax Benefit was abolished from 1st April 2013 and each local billing authority was required to provide their own scheme of Council Tax Support to assist vulnerable and low paid residents in paying their council tax.

Support for low income individuals is now provided through a discount applied to their Council Tax Bill, meaning that the Council Tax Base (the number of Band D equivalent properties in a local authority's area that Council Tax is charged on) is reduced and as such, less Council Tax is collected. The net effect of this is that precepting authorities either need to increase their precepts to offset the cost of this or face a reduction in their funding.

Reserves: Part of budgetary control is to ensure adequate but not excessive reserves or balances are held.

It is rare for a local council to hold its reserves other than in the form of easily accessible bank deposit or other short-term savings accounts. Councils have no legal powers to hold revenue reserves other than those for reasonable working capital needs or earmarked purposes. The value of all reserves should be approved by the Council and the amount of working capital to be held should also be approved by the Council.