



HASSOCKS PARISH COUNCIL

Hassocks Parish Council

Draft Budget Proposal 2022/23

Contents

Introduction	1
Summary of Budget Information	2
Summary of projected Income & Expenditure 2021/22 and budgeted 22/23.	3
Notes to the budget.....	4
Effect on Reserves	5
Earmarked Reserves (Projects).....	6
Glossary of Terms.....	7
Appendix A Summary Analysis of Impact on Precept	8

1. Introduction

The following paper sets out the projected budget out turn for 2021/22 and a draft budget for consideration for 2022/23.

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 operates a 'balanced budget' approach to ensure the long term viability of its operations and earmarks funds in advance to support the longer term priorities of the Council. This has enabled the Council to establish itself on a sound financial footing, and protect its existing reserves to be utilised to fund the Councils priorities. Based on the current budget projections if the Council chose not to increase its precept for 2022/23 the budget would run at a projected deficit of (£6,655). Members may therefore wish to consider an increase in precept alongside potential increases to allow further sums to be allocated to Earmarked Reserves to support future Council priorities. The projected outturn for 2021/22 income and expenditure is trending lower in a number of areas as a result of the impact of the pandemic on various revenue budgets. These have also been impacted by the reduced availability of contractors and /materials due to post lockdown demand and supply chain issues which has also impacted on potential delivery timeframes.

Members should determine whether to allocate any of these projected underspent funds (21/22) to the current Earmarked Reserves to support the longer term priorities of the Council prior to this financial year end. A proposal to do so is set out in section 'Effect on Reserves' for consideration, if this proposal is agreed members may wish to factor in setting aside further EMR allocations for the next financial year when setting the precept for the next financial year 2022/23

Appendix A in 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 2022. In practice the Council normally determines the precept requirement in December. We have not yet received confirmation of our final 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 based on provisional figures to enable the draft precept to be calculated. In the event of this provisional 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	3,490	£295,545	£84.68
2022/23	3,612	£295,545	£81.82

Option 1: if the Council were to retain the (2021/22) precept level due to the increase in property base of Band D equivalent properties the Band D precept would reduce by **£2.86** per annum and would deliver a deficit budget of **(£6,655)**

Option 2: If members were to consider delivering a balanced budget for 2022/23 the precept would need to be raised to **£302,200** which would attract a precept for a band D property of **£83.67** per annum however in doing so the Council would not be able to finance a recent decision made by Grounds & Environment Committee to establish an annual sinking fund for the replacement of the Play equipment.

Option 3: The sum determined by the Committee for the sinking fund was £10,102 per annum therefore if members wish to finance this in the next financial year via the precept members would need to raise the precept to **£312,302** which would attract a precept for a band D property of **£86.46** per annum

The options are based on the property base of **3,612** which is an increase of 122 from last year.

Option	PRECEPT	Band D Precept	Council tax Increase/decrease from previous year	Overall % increase /decrease in precept	% increase /decrease charge per property
1	£295,545	£81.82	(£2.86)	0%	-3.4%
2	£302,200	£83.67	(£1.01)	2.25%	-1.2%
3	£312,302	£86.46	£1.76	5.67%	+2.1%

In 2021/22 the Council chose not to increase the precept however with inflation projected to average around 4% in 2022/23 if members wish to deliver a balanced budget a small increase would be required. The impact of any increase would be reduced as a result of an increase in the property base within the parish therefore the overall costs are apportioned across a greater number of properties.

Taking the options above:

Option 1 would deliver a deficit budget but deliver an annual saving for a Band D property of **£2.86** or a saving of **5.5 pence per week**.

Option 2 would deliver a balanced budget (excluding any allocation to support sinking fund) and deliver an annual saving for a Band D property of **£1.01** or **2 pence per week**

Option 3 would deliver a balanced budget (including the allocation to support sinking fund) and deliver an additional annual cost for a Band D property of **£1.78** or **3 pence extra per week**

3. Summary of projected Income & Expenditure 2021/22 and proposed budgeted 2022/23

Receipts	2021/22 Year-end projected	Receipts	2022/23 Draft Budget
Precept	295,545	Precept (illustrative purposes only)	295,545
Bank Interest	26	Bank Interest	75
Miscellaneous Income	440	Miscellaneous Income	0
Allotment Income	1,450	Allotment Income	1,450
Burial Fees	4,250	Burial Fees	5,000
Adastra Park Pavilion	3,750	Adastra Park Pavilion	4,000
Adastra Park Grounds	4,554	Adastra Park Grounds	4,500
Adastra Park Tennis	2,000	Adastra Park Tennis	2,000
Adastra Park Bowling Green	1,915	Adastra Park Bowling Green	2,000
Parking Disc Income	475	Parking Disc Income	500
Tree fund donations	365		-
Total Receipts	314,770	Total Receipts	315,070
Payments		Payments	
Staff (note 1)	140,656	Staff	162,750
Administration	28,946	Administration	32,300
Civic (note 2)	2,700	Civic	1,350
Grants	4,000	Grants	4,500
Allotments	1,700	Allotments	1,575
Burial Grounds (note 3)	3,100	Burial Grounds	18,400
Parish Centre/Garage (note 4)	7,500	Parish Centre/Garage	13,250
Adastra Pavilion	12,100	Adastra Pavilion	12,950
Adastra Park Grounds	15,900	Adastra Park Grounds (note 5)	17,850
Play Equipment	5,200	Play Equipment (note 6)	5,000
Adastra Skate park	0	Adastra skate park	250
Adastra Tennis Courts	125	Adastra Tennis Courts	1,250
Bowling Green (note 7)	1,200	Bowling Green	2,100
Parklands Copse	1,200	Parklands Copse	1,250
Talbot Field	1,500	Talbot Field	1,750
Street Scene	10,617	Street Scene	11,850
Street Lighting (note 8)	17,750	Street Lighting	19,500
Environmental Improvements	8,300	Environmental Improvements (note 9)	6,500
Neighbourhood Plan	0	Neighbourhood/Parish Plans (note 10)	2,500
Parking Discs	400	Parking Discs	600
Christmas Lights	3,750	Christmas Lights	3,750
Economic Develop	0	Economic Development	500
Total Payments	266,644	Total Payments	321,725

CAPITAL EXPENDITURE 2021/22	EMR Spend 21/22
Adastra Park Masterplan (Retention)	9,239
Tree Planting	85
Public Rights of Way	3,000
Village sign	3,000
Youth	2,000
Total Net Capital Expenditure	17,324

DRAFT

4. Budget Notes 2021/22 – 2022/23

<u>Notes</u>	<u>Details (Significant variations/suggested options)</u>
1	Staff Costs (21/22) underspend realised this year as currently continuing to carry a vacant post, but option to retain budget sought to enable flexibility in the event of considering revisiting the establishment in 2022/23. Provision for 2022/23 reflects an allowance for inflationary uplift and incremental progression where appropriate.
2	Civic (20/21) expenditure against budget is underspent primarily due to £2,000 allocated to support potential Twinning events which were deferred as a result of the pandemic.
3	Burial Ground (21/22) Repairs & Renewals to be retained at higher level to repair /resurfacing existing path which is currently starting to break up and establish extended path network to improve accessibility. The allocation within the 2021/22 budget for the path network (£6,000) was understated particularly in light of the current premiums on contractor's prices and materials as a result of the pandemic, therefore these improvements have been deferred. The proposed budget for 2022/23 has been increased to reflect a more realistic allocation to enable these works to progress in 2022/23.
4	Parish Centre Repairs & Renewals Budget Proposed to retain this budget at higher level to enable scheduled works to the outside of Parish offices painting/treating wood frames /doors etc. to be undertaken but deferred in 2021/22 due to covid lockdown measures and availability of trades.
5	Adastra Park Grounds budget proposed to be increased to reflect additional tree works identified as part of the recently completed tree survey.
6	Play Equipment (21/22) projected overspend this year as a result of increase in repair works required to maintain equipment in good order. Based on the experience of this year it's proposed to retain a higher budget allocation for repairs for 2022/23.
7	Bowling Green –Expenditure down this year likely to return to more normal levels for 2022/23 as facility was closed/lightly used for part of year as a result of restrictions.
8	Street Lighting – PFI annual contract price scheduled to increase together with projected fluctuations in power costs, the extent of which will be reliant on the contractor's energy supplier arrangements.
9	Environmental improvements (22/23) budget reduced slightly overall as allocation provided for PROW has reduced and will now only cover ad hoc maintenance repairs. The majority of funding for PROWS will now be met via EMR via a delivery programme of scheduled improvement schemes.
10	Neighbourhood/Parish Plan Proposed allocation to complete a piece of work on the Parish plan to support the Neighbourhood plan in 2022/23 encompassing climate change and community resilience.

Overall the projected revenue budget spend for 2021/22 will be lower in part due to the impact of the pandemic which has resulted in a number of service work streams being curtailed /delayed.

5. EFFECT ON RESERVES

	RESERVES	2021/22	RESERVES	2022/23
A	Opening Balance brought forward	349,479	Total Consolidated Reserves Opening Balance b/fwd.	380,281
B	<u>Less</u> Total Earmarked Reserves	(129,842)	Allocated EMR	(156,620)
C	General Reserves Balance (working capital) (A - B)	219,637	General Reserves Balance (working capital) (A - B)	223,661
D	<u>OPERATING COSTS</u>		<u>OPERATING COSTS</u>	
E	Add total Receipts	314,770	Add total Receipts 2022/23 Precept for illustrative purposes only added assuming no increase	315,070
F	Less Total Payments	(266,644)	Less Total Payments	(321,725)
G	Projected Budget surplus (E – F)	48,126	Budget Deficit– (based on no increase in precept) (E – F)	(6,655)
H	Capital EMR Expended in year	(17,324)	This assumes EMR expended in year (for illustrative purposes only)	(44,000)
J	EMR carried forward	112,518	EMR Balance carried forward	112,620
K	Proposed Additional EMR allocated 2021/22 (B – H + J)	44,102	Additional EMR allocated as part of budget setting.	
L	Projected Total Consolidated Reserves (A +/- G – H)	380,281	Projected Total Consolidated Reserves (for illustrative purposes only) (A +/- G – H)	329,626

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.

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.

DRAFT

6. EARMARKED RESERVES (PROJECTS) projected closing balance 31/03/21

	Projected Cost	Value	How funded
1	Hassocks Trading Association	500	Reserves
2	Park Improvement scheme	29,648	Reserves/s106
3	Tree Planting Initiative	1,191	Reserves
4	Bus Shelter Replacement	10,000	Reserves
5	Repairs Fund	18,785	Reserves
6	Legal/land transfer	8,000	Reserves
7	Parish Acoustics	3,000	Reserves
8	PROW Improvements	3,000	Reserves
9	SDNP CIL Funding	3,394	Reserves
10	Business Plan	35,000	To be allocated to specific schemes See table 6 below
11	Additional proposed allocations for schemes previously considered at G & E Committee	44,102	See table 6 below proposes Transfer from General Reserves
	Total	156,620	

6. PROJECTED DETAILED EARMARKED RESERVES POSITION if schemes recently identified as priority initiatives at grounds & environment committee

	Projected Cost	Value	How funded
1	Hassocks Trading Association	500	Reserves
2	Park Improvement scheme (additional £15,000 allocated)	44,648	Reserves/s106
3	Play equipment sinking fund (New allocation) **	10,102	Reserves (from General Reserves)
4	Garden of Remembrance (New allocation) **	10,000	Reserves (from General Reserves)
5	Tree Planting Initiative	1,191	Reserves
6	Bus Shelter Replacement	10,000	Reserves
7	Repairs Fund	18,785	Reserves
8	Legal/land transfer	8,000	Reserves
9	Parish Acoustics	3,000	Reserves
10	PROW Improvements ** (£41 k additional allocation)	44,000	Reserves (from Business plan EMR and General Reserves)
11	SDNP CIL Funding	3,394	Reserves
12	Flooding (new allocation)	3,000	Reserves (from General Reserves)
	Total	156,620	

The proposed additional Earmarked reserves allocation is represented by the £35,000 previously earmarked within EMR 20/21 as Business Plan, projected underspend/savings this year within the revenue budget relating to Twinning, Salaries, Parish centre and Burial Ground repairs with the balance being drawn down from existing General reserves to support the initiatives recently identified at Grounds & Environment Committee.

HASSOCKS PARISH COUNCIL

7. 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 Aadastra 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.