



HASSOCKS PARISH COUNCIL

Hassocks Parish Council

Draft Budget Proposal 2023/24

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1. Introduction

The following paper sets out the projected budget out turn for 2022/23 and a draft budget for consideration for 2023/24.

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 impact on the budget as a result of the pandemic in respect of supply/running costs etc.
- 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 2023/24 the budget would return a projected surplus of £15,135. Members may wish to not increase the precept but still retain the ability to allocate further funds to allocate to Earmarked Reserves to support future Council priorities.

Members should determine whether to allocate further funds currently held within General Reserves (22/23) to the existing Earmarked Reserves to support the longer term priorities of the Council prior to this financial year end. Members of the Grounds & Environment Committee have proposed a number of suggested schemes for ongoing support and a proposal to do so is set out in section 'Effect on Reserves' for consideration.

These funds could be allocated from existing General Reserves to Earmarked Reserves without impacting on the level of precept required for 2023/24 and enable these funds to be ring-fenced to support the on-going priorities of the council.

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 2023. In practice the Council normally determines the precept requirement in December. We have not yet received formal 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 precept per band D equivalent property.

2. Summary of Budget Information

HPC Precept Year	Property Tax Base (Band D equivalent)	Total Precept	Precept per Band D equivalent Property
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	£312,302	£86.46
2023/24	3,677	£312,302	£84.93

Option 1: if the Council were to retain the (2022/23) precept level for (2023/24) due to the increase in property base of Band D equivalent properties the Band D precept would reduce by (£1.53) per annum and would return a surplus budget of £15,135.

3. Summary of projected Income & Expenditure 2022/23 and proposed budgeted 2023/24

Receipts	2022/23 Year-end projected	Receipts	2023/24 Draft Budget
Precept	312,302	Precept (illustrative purposes only)	312,302
Bank Interest	350	Bank Interest	350
Miscellaneous Income	-	Miscellaneous Income	-
Allotment Income	1,500	Allotment Income	1,650
Burial Fees	7,250	Burial Fees	6,500
Adastra Park Pavilion	4,000	Adastra Park Pavilion	4,000
Adastra Park Grounds	6,050	Adastra Park Grounds	8,000
Adastra Park Tennis	1,750	Adastra Park Tennis	2,600
Adastra Park Bowling Green	2,544	Adastra Park Bowling Green	2,550
Parking Disc Income	650	Parking Disc Income	700
Tree fund donations			-
Total Receipts	336,396	Total Receipts	338,652
Payments		Payments	
Staff (note 1)	147,345	Staff	167,850
Administration (note 2)	34,139	Administration	32,920
Civic (note 3)	540	Civic	7,950
Grants	4,500	Grants	5,000
Allotments	1,500	Allotments	1,575
Burial Grounds (note 4)	4,050	Burial Grounds	4,370
Parish Centre/Garage (note 5)	5,680	Parish Centre/Garage	11,650
Adastra Pavilion	12,300	Adastra Pavilion (note 6)	14,150
Adastra Park Grounds	12,650	Adastra Park Grounds	14,550
Play Equipment	3,500	Play Equipment	3,000
Adastra Skate park	0	Adastra skate park	250
Adastra Tennis Courts	0	Adastra Tennis Courts	250
Bowling Green	1,600	Bowling Green	2,100
Parklands Copse	1,200	Parklands Copse	1,000
Talbot Field	3,194	Talbot Field	1,900
Street Scene	12,872	Street Scene	12,000
Street Lighting	19,000	Street Lighting	20,250
Environmental Improvements	7,955	Environmental Improvements	7,200
Neighbourhood Plan (note 8)	7,500	Neighbourhood/Parish Plans	1,000
Parking Discs	400	Parking Discs	700
Christmas Lights	3,750	Christmas Lights	3,250
Economic Develop	0	Economic Development	500
Playground sinking fund	10,102	Playground sinking fund (T/f to EMR)	10,102
Total Payments	293,577	Total Payments	323,517

CAPITAL EXPENDITURE 2021/22	EMR Spend 22/23
Adastra Park Masterplan (Release of Retention)	7,239
Garden of Remembrance	567
Tree Planting	735
Flooding	600
Public Rights of Way	1,928
CIL funding	1,400
Total Net Capital Expenditure	12,469

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4. Budget Notes 2021/22 – 2022/23

<u>Notes</u>	<u>Details (Significant variations/suggested options)</u>
1	Staff Costs (22/23) 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 2023/24. Provision for 2023/24 reflects an allowance for inflationary uplift and incremental progression where appropriate.
2	Administration (22/23) – increase in spend was as a result for the need to replace upgrade IT Hardware.
3	Civic (23/24) Increased to reflect an allowance in the event of contested election next year based on MSDC estimated costs.
4	Burial Ground (22/23) Repairs & Renewals out-turn lower than budgeted due to allocation for path network improvements being under allocated therefore unable to progress. It is proposed that the element allocated in the 2022/23 revenue budget (£15,000) for these works should be transferred back to General Reserves and re-allocated together with additional funds to EMR to enable the project to progress in 2023/24 which remains one of the priorities of the council.
5	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 2022/23 in part due to the availability of trades. In addition the ‘fixed’ utilities provision is due to finish.
6	Adastra Pavilion (23/24) Reflects increase in utilities costs and ongoing maintenance costs as the use of the facility returns to pre pandemic levels. In addition the ‘fixed’ utilities provision is due to finish.
7	Talbot Field expenditure higher than normal 22/23 as a result of a large tree having to be removed on safety grounds.
8	Neighbourhood/Parish Plan Small allocation proposed 23/24 to enable minor follow up consultation on outcome of priorities statement. 22/23 expenditure increased as work/consultation is being undertaken on producing a priorities statement.

5. EFFECT ON RESERVES

	RESERVES	2022/23	RESERVES	2023/24
A	Opening Balance brought forward	418,568	Total Consolidated Reserves Opening Balance b/fwd.	448,918
B	<u>Less</u> Total Earmarked Reserves	(168,859)	Allocated EMR	(269,492)
C	General Reserves Balance (working capital) (A - B)	249,709	General Reserves Balance (working capital) (A - B)	179,426
D	<u>OPERATING COSTS</u>		<u>OPERATING COSTS</u>	
E	Add total Receipts	336,396	Add total Receipts 2022/23 Precept for illustrative purposes only added assuming no increase	338,652
F	Less Total Payments	(293,577)	Less Total Payments	(323,517)
G	Projected Budget surplus (E – F)	42,819	Budget surplus– (based on no increase in precept) (E – F)	15,135
H	Capital EMR Expended in year	(12,469)	This assumes EMR expended in year (for illustrative purposes only)	(170,000)
	Add allocated EMR Playground sinking fund	10,102		
J	EMR carried forward (B – H)	166,492	EMR Balance carried forward (B – H)	99,492
K	Proposed Additional EMR allocated 2022/23	106,000	Additional EMR allocated as part of budget setting.	-
	Proposed Adjustment return £3,000 to General reserves from Acoustics.	(3,000)		
L	Projected Total Consolidated Reserves (A +/- G – H)	448,918	Projected Total Consolidated Reserves (for illustrative purposes only) (A +/- G – H)	294,053

The current Reserve picture is based on existing allocations to Earmarked Reserves (EMR) and additional allocations from General reserves 2022/23 identified at Grounds & Environment Committee to support the Councils priorities.

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

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6. EARMARKED RESERVES (PROJECTS) projected closing balance 31/03/23 if unchanged

	Projected cost	Value	How funded
1	Hassocks Trading Association	500	Reserves
2	Park Improvement scheme	26,648	Reserves
3	Garden of Remembrance	9,433	Reserves
4	Street Trees (Donations held)	456	Reserves
5	Play Equipment sinking fund	20,204	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	45,072	Reserves
11	SDNP CIL funding	1,994	Reserves
12	Flooding initiatives	2,400	Reserves
13	Tennis Court Improvements	20,000	Reserves,s106 & LTA funding
	Total EMR	166,492	

PROJECTED DETAILED EARMARKED RESERVES POSITION if schemes recently identified as priority initiatives at Grounds & Environment committee adopted

	Projected cost	Value	How funded
1	Hassocks Trading Association	500	Reserves
2	Park Improvement scheme (a)	26,648	Reserves includes £2,500 retention.
3	Garden of Remembrance	9,433	Reserves
4	Street Trees (Donations held)	456	Reserves
5	Play Equipment sinking fund	20,204	Reserves
6	Bus Shelter Replacement	10,000	Reserves
7	Repairs fund	18,785	Reserves
8	Legal/Land transfer	8,000	Reserves
9	Parish Acoustics (b)	0	Reserves
10	PROW Improvements	45,072	Reserves
11	SDNP CIL funding	1,994	Reserves
12	Flooding initiatives (c)	2,400	Reserves
13	Tennis Court Improvements (d)	20,000	Reserves,s106 & LTA funding
14	Adastra Park Flooding scheme (a)	76,000	Reserves (new)
15	Burial Ground – paths (f)	30,000	Reserves (new)
	Total EMR	269,492	
<p>Notes (a) 2 + 14 would fund park drainage scheme. (b) 9 - no longer required funds returned to general reserves (c) 12 - Flood working group (d) 13 – to be funded from reserves, s106 contributions and funding from Lawn Tennis Association (LTA) (f) 15 funded from transfer of £15k from 22/23 revenue budget and additional 15k allocated from general reserves to earmarked reserves</p>			

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.