



## **Hassocks Parish Council**

# **Draft Budget Proposal 2024/25**

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## 1. Introduction

The following paper sets out the projected budget out turn for 2023/24 and a draft budget for consideration for 2024/25.

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 of inflation in respect of supply/running costs etc.
- Allowing for general 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.
- Contribute towards support sinking funds to support the replacement of facilities in future years.
- 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 2024/25 the budget would return a projected deficit of **(£9,525)**.

Members have not increased the precept for the last two years however it would be prudent to do so as costs continue to rise and to achieve this would only require a relatively modest uplift to deliver a balanced budget. It should also be noted that with ongoing increases in the property base as development continues in the village this will enable the Parish Council tax element to be spread across a wider number of properties which would have the effect of reducing the impact of any increase.

Members should consider whether to allocate further funds currently held within General Reserves (23/24) 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.

Alternatively Members may wish to raise additional funds via the precept to support the on-going priorities of the council. For every £1,000 extra raised via the precept above the balanced budget would put an extra 26 pence on the annual bill of a Band D property for the Parish Council Tax element.

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

**Appendix B** in this report sets out the impact on the Council Tax bands if the Council were to choose to deliver a balanced budget.

### Timescale for setting the budget

Legally Hassocks Parish Council must set its precept no later than 1<sup>st</sup> March for the financial year that commences 1<sup>st</sup> April 2024. 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
2024/25 (Deficit)	3,782	£312,302	£82.58
2024/25	Balanced budget	£321,827	£85.09

**Option 1:** if the Council were to retain the (2023/24) precept level for (2024/25) due to the estimated increase in property base of Band D equivalent properties the Band D precept would reduce by **(£2.35)** per annum and would return a deficit budget of **(£9,525)**

**Option 2:** If the Council wished to deliver a balanced budget the precept would need to be increased by £9,525 which based on the estimated tax base which has increased by 102 properties this year will equate to a precept for an equivalent band 'D' property of **£85.09 per annum** which equates to a **£0.16 pence increase for the year**.

**Option 3** The current proposal reflects a modest contribution to Earmarked reserves which was recently identified as part of the Grounds & Environment Committee meeting therefore members may wish to consider allocating additional funding to support on-going and emerging priority projects. This could be done by utilising General Reserves or through the Precept.

**3. Summary of projected Income & Expenditure 2023/24 and proposed budgeted 2024/25**

Receipts	2022/23 Year-end projected	Receipts	2023/24 Draft Budget
Precept	312,302	Precept (illustrative purposes only)	312,302
Bank Interest	3,800	Bank Interest	3,800
Misc. Income (1)	65,750	Miscellaneous Income	-
Allotment Income	1,650	Allotment Income	1,650
Burial Fees (2)	11,000	Burial Fees	9,500
Adastra Park Pavilion	4,000	Adastra Park Pavilion	4,500
Adastra Park Grounds	6,000	Adastra Park Grounds	7,500
Adastra Park Tennis (3)	1,700	Adastra Park Tennis (3)	3,250
Adastra Park Bowling Green	3,777	Adastra Park Bowling Green	4,000
Parking Disc Income	900	Parking Disc Income	950
Other Misc. donations(4)	1,930		-
<b>Total Receipts</b>	<b>412,809</b>	<b>Total Receipts</b>	<b>347,452</b>
<b>Payments</b>		<b>Payments</b>	
Staff (note 5)	172,333	Staff (note 5)	193,850
Administration (note 6)	26,990	Administration	35,175
Civic (note 7)	5,050	Civic	1,450
Grants	5,000	Grants	5,250
Allotments	1,585	Allotments	2,550
Burial Grounds	4,330	Burial Grounds (note 8)	6,400
Parish Centre/Garage	8,250	Parish Centre/Garage	7,800
Adastra Pavilion	17,750	Adastra Pavilion	19,900
Adastra Park Grounds (9)	28,400	Adastra Park Grounds	16,150
Play Equipment	2,790	Play Equipment	3,250
Adastra Skate park	0	Adastra skate park	250
Adastra Tennis Courts	250	Adastra Tennis Courts (10)	1,500
Bowling Green	1,610	Bowling Green	2,150
Parklands Copse	1,000	Parklands Copse	1,250
Talbot Field	1,915	Talbot Field	1,900
Street Scene	12,020	Street Scene (11)	14,250
Street Lighting	20,250	Street Lighting	21,500
Environmental Improvements	5,350	Environmental Improvements	7,900
Neighbourhood Plan	7	Neighbourhood/Parish Plans	0
Parking Discs	900	Parking Discs	900
Christmas Lights (12)	4,750	Christmas Lights	3,500
Playground sinking fund (T/f to EMR)	10,102	Playground sinking fund (T/f to EMR)	10,102
<b>Total Payments</b>	<b>330,632</b>	<b>Total Payments</b>	<b>356,977</b>

### 3. (cont.) Capital Expenditure 2023/24 (Earmarked Reserves)

Description	EXPENDED	
ADASTRA PARK MASTERPLAN (EMR)	£8,739	Released Contract Retention funds in respect of Playground & Skate park projects
TENNIS COURTS	£15,351	Parishes Contribution (plus external funding)
		Further external funding was received from the Lawn Tennis Association & Developer Contributions £65,750 towards the overall costs
FLOODING	£500	Leaflet production
BURIAL GROUND	£37,885	Installation of new path network
GARDEN OF REMEMBRANCE	£1,493	Creation of new beds and planting in celebration of the King
	£63,968	

- (With the external funding contribution a total of £129,718 capital expenditure is projected for 2023/24) (Represented by £63,968 EMR + £65,750 External funding – LTA & Developer contributions)

#### 4. Budget Notes 2023/24 – 2024/25

<u>Notes</u>	<u>Details (Significant variations/proposal options)</u>
1	<b>Miscellaneous Income</b> – this is represented by external funding secured to deliver the tennis court refurbishment. Funds were secured from both the Lawn Tennis Association and Developer Contributions.
2	<b>Burial Fees</b> will exceed the budget this year. A number of factors may have contributed to this. The investment made to improve the site and the number of burials from individuals outside of the village that attract an increased fee.
3	<b>Tennis Court Income (23/24)</b> has been impacted due to the extended closure for the refurbishment over the peak summer months. <b>24/25</b> With the newly refurbished facility its expected income levels will improve significantly from previous levels realised together with the improved customer journey with online booking and payments.
4	<b>Other Miscellaneous donations (23/24)</b> this is represented by donations received for a Memorial Bench and street tree fund donations.
5	<b>Staff Costs (23/24)</b> budget is likely to be exceeded this year despite currently carrying a vacant post in the establishment. This is due to the anticipated pension liabilities associated with an individual retiring on health grounds and the need to recruit a replacement. <b>24/25</b> Reflects proposed pay scale point progressions and a full establishment in post from April 2024 .Provision for 2024/25 reflects amended salaries, inflationary uplift and incremental progression where appropriate, PAYE, National Insurance and Pension contributions The budget has also been amended to reflect total National Insurance costs which up to this point some have been offset by the vacant post.
6	<b>Administration (24/25)</b> – increase in budget spend projected to reflect costs of new software packages (Allotments/Burial ground) and various software licences which are due for renewal in year.
7	<b>Civic (23/24)</b> Underspent as no requirement to utilise allocation for elections but did support Twinning event hosted by Hassocks. <b>(24/25)</b> Budget reduced further as no requirement for provision for Twinning as this is not being hosted by Hassocks in year.
8	<b>Burial Ground (24/25)</b> In light of recent capital investment the grounds maintenance contract cost has increased. It's also proposed to undertake additional planting in the memorial garden to refresh the current planting scheme together with some additional maintenance repairs to the site. Revenue streams are anticipated to remain strong.
9	<b>Adastra Park Grounds – (23/24)</b> Anticipated to be over original budget due to the need to cover the long term sickness of the groundsman via the use of contractors. Members approved the use of funds from General Reserves to support these costs.
10	<b>Adastra Tennis Courts – (24/25)</b> some of the increase is to cover maintenance of the gate access system and booking software. Its anticipated increased revenue will cover these costs although these are difficult to accurately predict as we are yet to have a full season of operation since the new booking/payment system has been introduced.
11	<b>Street scene (24/25)</b> Increased to reflect the potential installation of some grit bins as part of a revised Winter Plan.
12	<b>Christmas Lights (23/24)</b> Budget increased this year to reflect a 'one off' additional contribution to the 'Light up Hassocks' event.

## 5. EFFECT ON RESERVES

	RESERVES	2023/24	RESERVES	2024/25
A	Opening Balance brought forward	481,221	Total Consolidated Reserves Opening Balance b/fwd.	474,262
B	<u>Less Total Earmarked Reserves</u>	(286,730)	Allocated EMR	(272,344)
C	General Reserves Balance (working capital) ( A - B )	194,491	General Reserves Balance (working capital) ( A - B )	201,918
D	<u>OPERATING COSTS</u>		<u>OPERATING COSTS</u>	
E	Add total Receipts	412,809	Add total Receipts 2024/25 Precept for illustrative purposes only added assuming no increase	347,452
F	Less Total Payments Capital Payments	(330,632) (65,750)	Less Total Payments	(356,977)
G	Projected Budget surplus (E – F)	16,427	Budget deficit– (based on no increase in precept) (E – F )	(9,525)
H	Capital EMR Expended in year	(63,968)	This assumes EMR expended in year (for illustrative purposes only see note 1 )	(134,785)
J	Add allocated EMR in year Donations received	40,102 480		
J	EMR carried forward ( B – H)	263,344	EMR Balance carried forward (B – H)	137,559
K	Proposed Additional EMR allocated 2024/25 as part of budget setting drawn from General Reserves.	9,000	Additional EMR allocated as part of budget setting.	0
L	Projected Total Consolidated Reserves (A +/- G – H)	474,262	Projected Total Consolidated Reserves (for illustrative purposes only) (A +/- G – H)	330,522

The current Reserve picture is based on existing allocations to Earmarked Reserves (EMR) and additional allocations from General reserves 2023/24 identified at Grounds & Environment Committee to support the Councils priorities.

**Note 1:** Projected EMR spend 24/25 Aadastra Park drainage, R & R sinking fund, PROW, Tennis Court retention, Aadastra Hall and Allotment Gate)

## 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 31/03/24 if unchanged**

	Projected cost	Value	How funded
1	Hassocks Trading Association	500	Reserves
2	Park Improvement scheme	25,148	Reserves
3	Garden of Remembrance	7,939	Reserves
4	Street Trees (Donations held)	936	Reserves
5	Play Equipment sinking fund	30,306	Reserves
6	Bus Shelter Replacement	10,000	Reserves
7	Repairs fund	18,785	Reserves
8	Legal/Land transfer	8,000	Reserves
9	Adastra Park Drainage scheme	76,000	Reserves
10	PROW Improvements	45,072	Reserves
11	SDNP CIL funding	1,994	Reserves
12	Flooding initiatives	1,900	Reserves
13	Tennis Court Improvements	4,649	<u>£2011 relates to contract retention)</u>
14	Adastra Hall	30,000	<u>Reserves</u>
15	Burial Ground	2,115	<u>Reserves</u>
	<b>Total EMR</b>	<b>263,344</b>	

**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	25,148	Reserves
3	Garden of Remembrance	7,939	Reserves
4	Street Trees (Donations held)	936	Reserves
5	Play Equipment sinking fund	30,306	Reserves
6	Bus Shelter Replacement	10,000	Reserves
7	Repairs fund	18,785	Reserves
8	Legal/Land transfer	8,000	Reserves
9	Adastra Park Drainage scheme	76,000	Reserves
10	PROW Improvements	45,072	Reserves
11	SDNP CIL funding	1,994	Reserves
12	Flooding initiatives	1,900	Reserves
13	Tennis Court Improvements	4,649	Reserves (£2,135 contract retention)
14	Adastra Hall	30,000	Reserves
15	Burial Ground	2,115	Reserves
16	Allotment gate	5,000	Reserves (new)
17	Village signs	3,000	Reserves (new)
	<b>Total EMR</b>	<b>272,344</b>	

## 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 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.