



QUEEN CAMEL PARISH COUNCIL

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Budget Setting and Precept Request 2023-2024

Approved at Council on 21st November 2022

Summary

This is an easier year to predict for Queen Camel as distortion from COVID-19 disruption and take-over of the management of the Playing Field have worked through the figures. This provides the opportunity to keep the precept at the same level as last year, despite inflationary pressures.

The *Opening Up Safely* grant has enabled the successful reopening of the Community Lounge and over the last few months this has started to organize as an independent village organization. Once certain criteria are met the remainder of the grant can be handed over to them, which means that the grant is not referred to in this budget as it will be off the parish books before 1/4/2023.

The parish still has a considerable amount of funds in earmarked reserves. These must be used for specific purposes, so they cannot be used to offset increases in general expenses.

Income from the solar farms will continue and donations and grants received to replace the play equipment are earmarked as they arrive. In order to keep track of funds raised a Reserves Statement has been tabled at each parish council meeting and is now published online with the minutes.

Budget setting

Although the Parish Council agrees the budget one year at a time, our financial regulations say that we should compile a budget for the next 3 years. Figures beyond the current year are therefore based on current knowledge and are only indicative. Comments on the extra two years are at item 22.

The Parish Council budget is made up of Payments and Receipts. The budget should be our best estimate of how much will be spent / received within the next year. Each item of expenditure must be specified, there is no category for 'general contingency'. All amounts are shown as NET of VAT. (See item 21)

Managing Reserves

QCPC has a Reserves Policy from which the relevant points for budget setting are:

- The General Reserve is recommended to be '*3-12 months-worth of precept, smaller authorities at the higher end*'. If depleted by withdrawals, it is in order to budget for an amount to be put into the reserve each year to bring it back up to the required level. In this way unexpected spending can be smoothed over several years.
- At the end of the year some bills might not have been paid, or expenditure has been delayed. Funds for such items have already been raised from the precept so this money should be placed and identified in the 'earmarked reserve' and NOT put into the new budget OR into the General Reserve.

Notes to the budget forecast spreadsheet

1. Parish Receipts:

1.1 Precept proposal to be agreed. £20,000 (same as last year) as recommended by the Finance and Risk Committee.

1.2 Playing Field income Fees have been raised and are expected to yield £900:
Cricket £450,
Football £400,
other receipts £100.

1.4 Bank interest received Bank interest is now payable at a variable rate linked to bank base rate movements. It's not possible to estimate very reliably, but £750 has been added to the income for the year. Interest earned helps to keep the precept down.

1.5 Grants and income to earmarked funds (for example Solar funds) These are not shown as 'parish receipts' in this spreadsheet as the amount is earmarked on arrival and not available for general spending. The Reserves are monitored on a separate spreadsheet (Annex 2)

2. Annual Village meeting - Refreshments, Printing, hall hire, entertainment and sundries

Costs for everything except hall hire for the actual meeting element fall under S137 funding. A budget of £250 is adequate.

3. Assets maintenance This budget is for telephone box, bus stop and seats maintenance. An amount of £200 is provided.

4. Bank Charges These will be around £75 Bank fees plus 2 debit cards = £75, Total £160 to include inflation uplift.

5. Election costs There is unlikely to be an election so there is no budget. If one does happen the general reserve will be used to cover the cost.

6. Environment: The budget was reduced a lot last year and still underspent. Planned projects did not happen and items that need work may be accumulating.

6.1 Footpath Maintenance £300 is proposed.

6.2 Environment projects £400 is proposed

6.3 Planters Replacement of planters and cost of plants £500.

7. Grants

Grants from precept now include what QCPC used to (incorrectly) call donations. The budget has been lowered to £2500 because there is also (as at November 2022) £1500 unspent precept grant/donation money remains unspent in the earmarked reserves account. This provides a total of £4000 available for next year.

Any Grant made to the church has to be for items of whole community benefit like mowing, clock, external lighting and magazine, and not for general funding. A Church grant counts towards the Queen Camel S137 limit which was £5979 in 2022-2023.

8. **Insurance** was cheaper than expected, but costs are rising again so the budget has been set at £650.
9. **Mileage:** The clerk charges mileage if travel is NOT in relation to a public meeting at the Memorial Hall. There could also be some councillor mileage for events. £30 is budgeted.
10. **Neighbourhood Plan:** Costs are expected for its revision, but grants may be available. £5000 is budgeted with a contra entry of £4000 placed in parish receipts, making a net of £1000 to fund from precept. The latter amount may be used to advance Neighbourhood Plan projects.
11. **Parish Office Costs:**
 - 11.1 **Postage** £10
 - 11.2 **Stationery** £300 Mainly ink and paper
 - 11.3 **Office sundries and equipment** total budget of £100. The clerk laptop had to be repaired this year. If a new laptop is required the reserve will be used to cover the cost.
 - 11.4 **Home Office Allowance** Remains at £402 per year.
12. **Playing Field running costs**

The parish council is not permitted to take a fully commercial approach to running the playing field. Although it should be possible to gradually narrow the gap it must be anticipated that the playing field will continue to cost more than the income that it produces. A total of £3000 has been budgeted. Sub-heads have been changed to provide the Management Committee with the monitoring it requires and the breakdown as follows

12.1	Electricity	£350
12.2	Water	£200
12.3	Field maintenance	£750
12.4	Pavilion maintenance	£500
12.5	Play area	£450
12.6	Equipment service and maint	£500
12.7	Sundries including training	£250
13. **Premises Hire:** Budget reduced slightly to £275 for village hall meetings.
14. **Professional Fees:**
 - 14.1 **Internal Audit** £250 fixed quote
 - 14.2 **External Audit** £220 fixed fee.
 - 14.3 **SALC/ NALC affiliation** £235 fixed fee
 - 14.4 **Data protection / ICO fee** £35 fixed fee.
 - 14.5 **Payroll fees** £90 fixed fees
 - 14.6 ***Legal fees** £1000

* £1000 was budgeted in 2022/2023 and may be unspent, but will remain earmarked for this purpose. This will be inadequate for SCC land transfer costs (estimated at £4000) Therefore, the same amount will be budgeted again to build up the earmarked pot to £2000.

If legal fees are incurred in 2023/2024 (and an alternative source of funding cannot be found) the balance of legal fees would need to be funded from the General Reserve.

15. Salary and PAYE

Estimate of £7,800 2023/24 Salary and PAYE is based on 11 hours per week. Conditioned hours are presently 10 per week, but overtime means that the average is actually around 11 hours.

16. Software:

- 16.1 Parish online mapping software £50
- 16.2 SCRIBE accounting software c. £300
- 16.3 Dropbox £165 for cloud storage and online sharing of parish documents

17. Traffic and Flood Management A new budget head for £500. This may be needed to:

- Put towards a speed indicator device (SID). These cost around £4000 each. QCPC would need to apply to its own Community Benefit Fund for any balance that cannot be found from other sources.
- To pay for road signs for traffic management
- For flood equipment
- For training or event attendance related to roads or flood.

18. Training:

18.1 **Councillor Training** £200.

18.2 **Clerk Training** This was high last year due to clerk CiLCA training. Reduced to £200 this year

18.3 **Volunteer training and support** A new heading in anticipation of expected costs to support volunteer activity

19. Website:

19.1 **Domain fees (includes emails)** £150 a fairly constant amount

19.2 **Website maintenance** £100 retainer for expert assistance. Suggested to budget for new website budget in 2024-25.

20. General Reserve

The General Reserve at the end of 2022-2023 is presently expected to be in the region of £14,000, which will represent 8.5 months-worth of precept. (based on precept of £20,000 / 12 = £1666) This will be an improvement on last year when it was 7.5 months, but is still a bit low bearing in mind that land transfer legal costs may be required that are not all covered in the earmarked reserve.

The target number of months-worth of precept that Queen Camel should have is agreed to be 10 months-worth. Nothing specific will be added to the reserve in 2024-25 as it may be possible to make further savings in the present financial year, or to gain more interest on banked monies.

21. VAT Refund

Budgets are required to be set net of VAT. Recovery of VAT arrives the year after the expenditure is made. The General Reserve absorbs the cash-flow fluctuations from year to year.

- In 2022-23 £1194 was recovered for VAT paid in 2021-2022.
- In 2023-24 around £2000 is expected to be recovered for VAT paid in 2022-23.

22. Future Years

A modest increase in precept may be needed to cover inflationary pressures and pay for items QCPC may need to fund after the Unitary Authority comes into being. Unless mentioned below spending is expected to remain in line with previous years

- Environmental spending has been increased in 2025-2026 to £1,200
- A new website is budgeted for in 2024-2025 at a typical cost of £600. Accessibility compliant websites for parish councils typically also have a £400 annual maintenance fee. Further costings would be sought at the time from more than one company.
- A new clerk laptop is budgeted for 2025-2026

23. Earmarked Reserves

Earmarked reserves are shown on the Reserves spreadsheet at Annex 2

0. Liabilities

A stile was voted for in early 2022, but never installed. This money will return to the general reserve unless spent by end of March 2023.

1.1. Playing Field Running costs

These were earmarked in 2022-2023 because the fund included monies provided by the playing field charity for running costs that had to be ring-fenced. This transferred fund has been spent so there is no need to earmark playing field running costs in 2023-2024. From 1st April the playing field running costs will be managed like any other budget item, but under the control of the Playing Field Management Committee.

1.3. Playing Field capital fund: This was provided by the playing field charity and will continue to be ring-fenced in earmarked reserves for major capital purchases.

2. Play Area Fundraising: This is a growing earmarked fund for replacement of play equipment, some of which must be spent on the specific items listed.

3. Solar: The solar funds are ring-fenced in the Community Benefit Fund. In 2022 a Community Benefit Fund Panel formed from elected community representatives and parish councillors was disbanded with Council now taking on the responsibility for reviewing grant applications. No money has been spent from this fund so far in 2022-2023 (to November)

4. Grant reserve: This is unspent precept grant money that remains available for community projects mentioned at 7 above.

5. Legal fee reserve This was allocated in 2022-2023 and will have a further £1,000 added from the budget this year.

23. Precept Calculation

The calculation below is an estimate because it is dependent on the tax base being provided which is not available until around January each year.

A very small difference in the tax base can create quite a large movement in the % figure. The more important figure is the increase/decrease shown in £.

QCPC is mindful that for 2 years running the number of council tax payers in the village has shrunk, due to a combination of a slightly smaller population and a larger number of householders being eligible for discounts on their council tax.

Should numbers shrink again in 2023-2024 then the amount of council tax each house pays might rise slightly even if the precept remains the same. However, if the number of council tax payers rises the opposite would happen and the amount of council tax each house pays will reduce, even if the precept remains the same.

Queen Camel	
Precept 2022/23	£20,000
Tax Base 2022/23	328.43
Equivalent Band D Charge 2021/22	£60.90
Precept 2023/24	£20000
Tax Base 2023/24* (*not yet announced – last year shown)	328.43
Equivalent Band D Charge 2022/23	£60.90
Increase/decrease in Charge	£0
Increase/decrease in % to Tax Payer	0%

National increases in parish precepts have been as follows:

The average increase in parish precepts in 2022/23 was 4.1%

The average increase in parish precepts in 2021/22 was 2.8%

The average increase in parish precepts in 2020/21 was 4%

The average increase in parish precepts in 2019/20 was 4.9%

The average increase in parish precepts in 2018/19 was 4.9%

The average increase in parish precepts in 2017/18 was 6.3%

In 2017/18 Queen Camel precept was £15,941. Applying the above % would have brought the precept for 2023/24 up to £21,603.

Elaine Owen Parish Clerk and RFO