

The *Local Government Finance Act 1992 section 50* requires a Council to set a budget and it should be published.

The *Model Financial Regulations 2019* state that:

*3.1. The RFO must each year, by no later than November, prepare detailed estimates of all receipts and payments including the use of reserves and all sources of funding for the following financial year in the form of a budget to be considered by the council.*

A budget proposal document comprises income and expenditure across three years so that Councillors can see the variances and use that information to determine a precept for the following year. Comments are given as to why figures are higher or lower than expected for the year and what changes will be made for the following year. This information should help Councillors make sound financial decisions. Councillors need to be mindful of what duties the Parish Council has to fund, and what they would want to do in the future, for example save for playground equipment.

<b>Income / Receipts</b>	<b>2022-2023 Actual</b>	<b>2023-2024 Budget</b>	<b>2023-2024 To date As at 31<sup>st</sup> October</b>	<b>2023-2024 Year end anticipated</b>	<b>Difference</b>	<b>2024-2025 Budget</b>	<b>Comments/ explanations</b>
<b>Precept</b>	£4,450.00	£4,450.00	£4,450.00	£4,450.00	£0.00	£4,850.00	Precept to increase to offset additional costs for grass cutting and election costs (which were £300 in 2019). See Precept Proposal on page 9.
<b>VAT</b>	£1,558.94	£1,000.00	£947.58	£1,100.00	+£100.00	£750.00	VAT to be claimed April 24, there has been a lot of expenditure up to 31/10/23. However it is not expected that there will be much more. Next year spend will be reduced as there have been big purchases the last 2 financial years.
<b>Grants/Receipts</b>	£0.00	£2,500.00	£2,000.00	£2,300.00	+£300.00	£0.00	Received some donations towards the SID this year, expecting possibly some more funding for the defibrillator, But no further income is expected in either 23/24 or 24/25.
<b>Interest</b>	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	No interest is expected after changing bank accounts to Unity Trust.

<b>Expenditure / Payments</b>	<b>2022-2023 Actual</b>	<b>2023-2024 Budget</b>	<b>2023-2024 To date As at 31<sup>st</sup> October</b>	<b>2023-2024 Year end anticipated</b>	<b>Difference</b>	<b>2024-2025 Budget</b>	<b>Comments/ explanations</b>
<b>Clerks Salary</b>	£1,529.70	£1,450.00	£1088.86	£1,895.00	+£445.00	£1,650.00	Salary is increased slightly each year to account for national pay increase and going up the salary scale range by 1 point. Salary in 23/24 has no PAYE removed therefore the spend has gone over, see next row for what saved.
<b>PAYE</b>	£375.00	£375.00	£98.60	£100.60	-£274.40	£375.00	Budget prediction for 24/25 remains the same as 23/24 but it depends on the tax code assigned in April for the Clerk.
<b>Expenses (Clerk)</b>	£511.16	£200.00	£78.24	£140.00	-£60.00	£150.00	Expenses are relatively stable due to only having 4 meetings per year. The budget for 24/25 has been reduced therefore.
<b>Stationery</b>	£138.71	£50.00	£4.40	£25.00	-£25.00	£30.00	Stationery costs are low but am allowing for ink cartridges, and paper so have reduced budget for the year 2024/25.
<b>Training</b>	£0.00	£100.00	£22.50	£40.00	-£60.00	£150.00	The budget has been increased slightly in case any new Councillors wish to attend training or the Clerk during 2024/25.
<b>Hall Hire</b>	£72.00	£100.00	£0.00	£100.00	£0.00	£100.00	Budget remains the same in 2024/25. The future of the Village Hall is uncertain and rent has not been claimed therefore allowing

							£100.00 in the budget for 4 meetings per year.
<b>Memberships &amp; Fees</b>	£675.65	£500.00	£414.66	£450.00	-£50.00	£500.00	The figures include all bank fees, association charges, audit costs and memberships. Budget increased to cover additional fees 23/24 in line with 22/23 costs. Will remain at £500 for 24/25.
<b>Insurance</b>	£590.08	£600.00	£639.62	£639.62	+£39.62	£650.00	Insurance costs have risen again this year 23/24. So have increased the budget a bit more again for 24/25.
<b>Grants given</b>	£500.00	£500.00	£0.00	£300.00	-£200.00	£400.00	Grants are considered at November's Council meeting, therefore spend is expected to go up before year end. As the future of the Village Hall is unknown only a grant will be given to the Dorset/Somerset Air Ambulance. Budget reduced to £400.00 for 24/25.
<b>Play Area Maintenance</b>	£495.00	£750.00	£1,075.00	£1,475.00	+£725.00	£1,100.00	Grass cutting has been more frequent this year and the cost of petrol has also driven up costs. Budget has been increased for 24/25 but maybe a change of contractor could negate this.
<b>Play Area Equipment</b>	£7,076.16	£500.00	£513.44	£513.44	+£13.44	£500.00	As all equipment is new and in place, there should be no spend in 24/25 however a small contingency has been left in case something needs to be repaired or replaced..
<b>Highways</b>	£607.30	£500.00	£4,684.80	£4,684.80	+£4,184.80	£500.00	Have allowed an amount for 2024/25. The spend went way

							over this year due to the decision to purchase a SID and its associated costs. This has been counteracted by £2,000 grants towards the purchase.
<b>Burial Ground</b>	£280.00	£500.00	£685.00	£885.00	+£385.00	£750.00	Budget increased for £24/25 to counter for additional grass cuts (weather dependent) and increased petrol costs.
<b>Reserves</b>	£5,350.00	£1,800.00	£0.00	£1,800.00	£0.00	£0.00	There are no reserves left, the bank accounts have been merged into one. All the £1,800.00 was used for the SID costs in 23/24.

The *Local Government Finance Act 1992 section 41* requires a Council to set a precept.

The *Model Financial Regulations 2019* state that:

*3.3. The council shall fix the precept (council tax requirement), and relevant basic amount of council tax to be levied for the ensuing financial year not later than by the end of December each year. The RFO shall issue the precept to the billing authority and shall supply each member with a copy of the approved annual budget.*

I think the table below makes it clearer for Councillors to see what the Precept proposal was last year and is expected to be next year. It takes information from the tables above and makes clearer where more of the Precept is going to be spent in the future.

	<b>Precept Proposal 23/24</b>	<b>Precept Proposal 24/25</b>	<b>Difference/Comments</b>
Clerks Salary	£1,450.00	£1,650.00	Higher – accounts for national pay increase, spinal point increase
PAYE	£375.00	£375.00	Same
Expenses (Clerk)	£200.00	£150.00	Lower – expenses stabilised
Stationery	£50.00	£30.00	Lower – no need for stamps anymore
Training	£100.00	£150.00	Higher – allowing for new Councillors induction
Hall Hire	£100.00	£100.00	Same
Memberships & Fees	£500.00	£500.00	Same
Insurance	£600.00	£650.00	Higher – price increases, more assets
Grants given	£400.00	£400.00	Same
Play Area Maintenance	£750.00	£1,100.00	Higher – increased costs of grass cutting
Play Area Equipment	£500.00	£500.00	Same
Highways	£500.00	£500.00	Same
Burial Ground	£500.00	£750.00	Higher – increased costs of grass cutting
<b>Reserves</b>	<b>£1,800.00</b>	<b>£0.00</b>	<b>Money used towards SID costs</b>
Precept Predicted Spend	£6,025.00	£6,855.00	
Income (other than Precept)	£1,000.00	£750.00	
<b>Precept less Income</b>	<b>£5,025.00</b>	<b>£5,105.00</b>	

The current precept for Manston and Hammon Parish Council is £4,450.00. The Council no longer has a Reserves account for 24/25 due to the spend on the SID in this financial year 23/24. The precept should be about £5,105.00 to cover costs, however it is recommended that the Parish Council claims an intermediate increase in Precept for 2024/25 to £4,850.00 to cover increased costs which are passed on, to put towards election costs and the cost of purchasing 2 defibrillators for each of the villages. This can then be reconsidered next year, maybe changing grass cutting contractors could reduced the prices. Also, we could look at getting grants for the defibrillator which would help towards costs.