

DITTISHAM PARISH COUNCIL
Incorporating the Hamlet of Capton and the Manors of Bozomzeal and Coombe

Topic: 2023/24 Budget and Precept

Date: 25/1/23

Author: A Thom, Clerk

1. Object of Paper

A discussion paper about Dittisham Parish Council's 2023/24 budget and precept demand. These will be finalised by DPC in an extraordinary meeting Friday 27 January 2023 at 10 am.

2. Forecast Year-end Financial Position

Please note that these values are estimates.

	22/23	
Bank Balance		
bank balance brought forward	72,387	
Receipts forecast YE	59,179	
Payments forecast YE	56,703	
22/23 Net	2,476	
carry forward forecast YE	74,863	
Reserves		
BF reserves	46,570	
CF YE Forecast reserves	48,391	
22/23 Net	1,821	New Village Hall Maintenance Reserve, £3,000 added
General Fund / Unearmarked Reserves		
General Fund / Unearmarked forecast YE	26,472	

3. 2023/24

2023/24 Receipt and Payments Budget

All 23/24 budget figures exVAT.

Core recurring transactions only.

Please see the Scribe Budget Report for more detail.

23/24 Budget

Budget

Payments	46,527	Payments - Recurring core + £500 contingencies
Receipts	37,711	Income from Car Parks
Net	<u>-8,816</u>	
Forecast YE bank balance	74,863.17	
Reserves		
total earmarked start 23/24	<u>55,492</u>	
unearmarked reserves start 23/24	19,371	

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3 months	11,632
12 months	46,527
6 months	23,264
9 months	34,895
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sum required to start year with 6 months unearmarked	-3,892
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Total Precept	-12,709 See tax base spreadsheet.

Notes:

Receipts

Car Parks (see details in Budget Calculations workbook)

Assumed 5% reduction on 22/23 forecast year end.

DSC £4,158.00 The fee for 23/24 permits will be £27.72 / permit, estimate 180 permits,

Payments

Training – As recommended by Personnel Committee.

Salary – Clerk's hours remain under review. 16 hours p/week budgeted. Assumed 5% award increase.

Contingencies - £500.

23/24 Grants- For Budget purposes only. Separate grant approval will be required.

300 - South Hams Citizens Advice £300.

3,000 - 2022/23 – 2025/26 Village Hall Management Committee

1,000 - St George's Church churchyard grounds maintenance

4. Reserves Allocations

A proposed change in 23/24 is to take the intermittent costs, eg ham maintenance and projects, from a reserve not a budget heading. It is hoped that this will add clarity and reduce my work. Scribe can attach multiple cost centres to one reserve. Only one reserve can be added to a cost centre. If a cost centre is linked to a reserve, all payment for that cost centre come out of that reserve.

It is recommended that councils hold between 3 and 12 months worth of un-earmarked reserves. A larger council may be closer to 3 months, a smaller council closer to 12 months. DPC decided during 2022 that holding six months reserves was appropriate. The unearmarked reserves requirement is a judgment for DPC to make based on its circumstances, not a precise figure.

Purpose of earmarked reserves - unexpected call on funds (e.g. churchyard), scheduled replacement

Purpose of unearmarked reserves - cash flow/unexpected expenditure.

Reserves Headings

The discussion group suggested renaming and reallocating **current** reserve funds as follows.

This is intended to better understand the anticipated use of these reserves. The same headings be used for a list of projects.

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Reserve		22/23
Council Asset Maintenance	CAM	2,705
Council Projects	CP	5,500
Ham Hire	HH	
Treeworks	TW	2,000
RR - Car Park Machine replacement reserve	RRCPM	6,000
RR - Playground replacement reserve	RRPG	10,000
Parish Asset Maintenance	PAM	1,500
Parish Health & Safety		
Parish Community Project	PP	1,480
Grants (made by DPC)		-300
Village Hall Maintenance		3,000
Footpaths DCC P3		573
Locality Budget Grant Playground Signs		69
Professional or Legal Fees		2,250
Election		1,500
IT		600
Sick leave		11,514
Total		48,391

23/24 Reserve allocation

Adding together the contribution to reserves required for the initial list of projects required a precept of 20,000 which was clearly not acceptable. The group reviewed the projects and the reserve requirements and allocations. The proposed funds the most important and "defendable" projects, without increasing the precept.

Reserve		22/23	Change	2023/24 Year Start
Council Asset Maintenance	CAM	2,705	295	3,000
Council Projects	CP	5,500	-3,500	2,000
Ham Hire	HH			0
Treeworks	TW	2,000	1,000	3,000
RR - Car Park Machine replacement reserve	RRCPM	6,000		6,000
RR - Playground replacement reserve	RRPG	10,000	2,600	12,600
Parish Asset Maintenance	PAM	1,500		1,500
Parish Health & Safety			2,500	2,500
Parish Community Project	PP	1,480	-500	980
Grants (made by DPC)		-300	800	500
Village Hall Maintenance		3,000	3,000	6,000
Footpaths DCC P3		573		573
Locality Budget Grant Playground Signs		69		69
Professional or Legal Fees		2,250		2,250
Election		1,500	-500	1,000
IT		600		600
Sick leave		11,514	1,406	12,920
Total		48,391	7,101	55,492

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DPC does not yet have quotes for options to do work on the Jubilee Steps or the slippery path to Dittisham Mill Creek. In discussions with the contractor – the installation of a railing down the Steps might cost £4,000. The path is harder to estimate even roughly – making the surface rougher, which might not help the problem, might cost £3-5,000. Therefore if DPC was to decide it wishes to carry out these projects it would **not** have sufficient in the proposed earmarked reserves. Unearmarked reserves could be used if that was agreed appropriate by DPC.

I also note that the sick leave reserve is an estimate to fund the liability based on my pay. Locum hourly rates are higher but complete absence from work not likely.

5. 23/24 Precept Calculations

The calculation above result in a precept of 12,709.

In 22/23 Dittisham was 51st in a list of 61 Town and Parish Council precepts. Most of its income comes from the car parks.

Increase in precept demand by £2,000 would cost each (Band D equivalent) household £5.50/year.

23/24 Precept Options proposed:

1. Leave precept at £12,000
2. Increase precept to £14,000 and allocate additional £2,000 to Parish Health & Safety reserve.

Supporting Documents

Budget Calculations 2023 24 Jan 25 Excel Workbook

Scribe Reports

- Budget 2023 24
- Forecast Year End 22 23 at 2023 01 19 v2 some budget figures wrong
- Reserves Balance 2023 Jan 19 South Hams District Council
- Parish Calculator Tool 2023_24