



QUEEN CAMEL PARISH COUNCIL

Clerk: Elaine Owen, Innes House, Kingsdon, Somerton, Somerset, TA11 7LL

Tel: 07726 245 101

e-mail: clerk@queencamelpc.org.uk **website:** www.queencamelpc.org.uk

Budget Setting and Precept Request 2022-2023

Summary

This is a difficult budget round for Queen Camel and includes the recommendation that the precept must rise in order for costs to be covered.

Queen Camel Parish Council has previously been generous with grant funding because there were sufficient funds in the General Reserve to allow more money to be spent than was received from the precept. However, the General Reserve has now dropped below the level recommended. To deplete it further would place the parish council at risk should unexpected bills occur. Going forward, expenditure must be balanced so that it does not exceed the precept income.

The parish is very fortunate to have 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. Earmarked reserves includes income from the solar farms, the Playing Field Committee and some other specific items.

The only earmarked funds that affect the budget are those where permission is given for transfer. The Playing Field Committee has indicated that £2,200 could be used to support the running costs of the field and this amount is therefore shown as income in the budget spreadsheet.

All other earmarked funds remain separated and are shown in the second tab of the budget spreadsheet. A commentary on the earmarked funds is at the end of this paper.

Budget setting

Our financial regulations say that we should compile a budget for the next 3 years. Although this is difficult to do its worth making an attempt as it provides more context for the coming year. However, the Parish Council agrees the budget one year at a time. Figures beyond that are based on current knowledge and many things might occur that would change the predictions.

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. It is advised that there should be no budget set for VAT. (See item 19)

Managing Reserves

QCPC now has a DRAFT 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

The disruption to activities and spending patterns during Covid-19 make it harder than normal to set a budget. Therefore the budget spreadsheet includes the actual expenditure from 2019-2021 so that pre-pandemic figures can be reviewed. It also includes the Budget for 2021/22, actual spending to end of period 8 (November) and the predicted outturn for the present year.

1. Parish Receipts:

- 1.1 **Precept** proposal to be agreed. £20,000 is a recommendation from the Finance and Risk Committee.
- 1.2 **Playing Field income pitch fees** Pitch fees from PFC accounts show these might be Cricket £250, Cary Swans £300, other receipts £150. The budget is raised in future years to reflect the aspiration for more chargeable usage.
- 1.3 **Transferred from PFC** for field maintenance £2,200. This represents the reserve held by PFC for running costs in their accounts. i.e. 6 months-worth.
- 1.4 **Bank interest received** Not available due to the low bank rate.
- 1.5 **Training contribution** In a previous year QCPC received a small amount of money from councillors from other parishes attend a course paid for by Queen Camel.

2. Annual Village meeting

2.1-2.5 Refreshments, Printing, hall hire, entertainment and sundries

Costs for everything except hall hire for the actual meeting element fall under S137 funding. It is suggested that the event needs to be kept to a budget of £250.

3. Assets maintenance

Assumes no significant maintenance in 22/23.

4. Bank Charges

c £75 Bank fees plus 2 debit cards = £75, Total £150

5. Election costs

There will be an election in 22/23. SSDC quote is for £350.

6. Environment:

- 6.1 **Footpath Maintenance** £300 is proposed.
- 6.2 **Environment projects** £1000 is proposed to cover: £250 wildflower project support, £250 school project support, £300 for 2 stiles, £200 for strimming and volunteer support costs.
- 6.3 **Plants** For triangle £30
- 6.4 **Traffic Management** No ongoing costs.

NOTE: no estimated costs have been received for Speed Indicator Devices's (purchase or rental) or community speedwatch.

7. **Insurance** A quote has been received for insurance to cover additional playing field items. The quote is for £672 for 2022-23, but has been uplifted in the budget to £900 to reflect the fact that a review is expected to reveal an increase in the quantity and value of items to be insured.
8. **Mileage:** The clerk only 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 or other reasons.
9. **Neighbourhood Plan:** no more costs expected
10. **Parish Office Costs:**
 - 10.1 **Postage** £10 minimal
 - 10.2 **Stationery** £300 Mainly ink and paper
 - 10.3 **Office sundries** Reduced budget of £50 for 2022-23. (Present year included the Arnold Baker book.) It is suggested that an allowance for a new printer is made in 2023-04 and a new computer in 2024-25.
 - 10.4 **Home Office Allowance** Remains at £402 per year.

11. Playing Field running costs

£2,200 has been approved by the PFC as a contribution to the running cost of the playing field. The remainder of the running costs must be found from a combination of pitch fees and the precept.

The parish council is not permitted to take a fully commercial approach to running the playing field. Grants are not usually available for running costs. Although it should be possible to narrow the gap it must be anticipated that the playing field will continue to cost more than the income that it produces.

- 11.1 **Sundries** £250. For example the cost of materials for events
- 11.2 **Electricity** £373 based on SSE quote at variable rate
- 11.3 **Water** £450 based on previous costs
- 11.4 ***Field mowing and maintenance of pitches** £1,125 estimate including fuel
- 11.5 ***Training for volunteers** £350 estimate for essential Health and Safety training
- 11.6 ***Machinery maintenance** £500 estimate for servicing costs
- 11.7 **Play area inspections** £200 estimate as informed by PFC
- 11.8 ***Pavilion maintenance** £500 estimate
- 11.9 ***Play area maintenance** £500 estimate

* some items may cost more, some less

12. **Premises Hire:** Increased to £300 a year as there are more meetings than before.

13. Professional Fees:

- 13.1 **Internal Audit** £240 fixed quote
- 13.2 **External Audit** £200 fixed fee.
- 13.3 **Professional Fees** £0 Vague, heading no longer used
- 13.4 **SALC/ NALC affiliation** £230 fixed fee
- 13.5 **Data protection / ICO fee** £35 fixed fee.
- 13.6 **Payroll fees** £80 fixed fees
- 13.7 ***Legal fees** £1000

*If SCC are willing to transfer the land at the north end of the playing field to QCPC then we will be liable for both QCPC fees and SCC legal fees. The estimated cost is £4000 based on actual fees SCC charged to another parish in a similar case. (SCC costs £2684, plus parish legal costs of £1198 = £3882 in total).

QCPC are keen for this transfer to take place as soon as possible, but SCC have not yet committed to it. As we do not know if this cost will occur in the next year loading the entire amount into one budget year does not seem appropriate. If the cost IS incurred this year, and an alternative source of funding cannot be found, the balance will need to be funded from the General Reserve

14. Salary:

2022/23 salary and PAYE is based on 11 hours per week and includes pay award pending and scale point uplift for obtaining Cicla in around September 2022. (Present hours are 10 per week and subject to workload review once additional clerk work for playing field becomes more apparent.)

15. Software:

- 15.1 Parish online** £75 without discounts, will seek special offer
- 15.2 SCRIBE accounting software** c. £300
- 15.3 Dropbox** £165 for cloud storage and online sharing of parish documents

16. Training:

- 16.1 Councillor Training** £200. Could be new councillors elected this year.
- 16.2 Clerk Training** qualifying for Cicla is a requirement of the job QCPC advertised. Course starts April and costs approx. £420 (Cicla) and £300 SALC support. Clerk undertaking in own time.

17. Website:

- 17.1 Domain fees (includes emails)** £150 a fairly constant amount
- 17.2 Website maintenance** £100 retainer for expert assistance. Suggested to budget for new website budget for 2024-25.

18. Grants and donations from Precept:

18.1 Grants from precept

The grant budget has been lowered to £3000 going forwards because there is plenty of money for projects with long term benefit in the Community Benefit Fund. 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 £5744 in 2021-2022.

18.2 Donations Retained at £500.

19. General Reserve

The General Reserve at the end of 2021-2022 is expected to be in the region of £11,250 which will represent about 7.5 months-worth of precept.

The target number of months-worth of precept that Queen Camel should have is agreed to be 10 months-worth. £500 added to the reserve in 2022-23 will take it to £11,750. The reserve will need to be topped up from precept until it reaches the target level, but that can be spread over a number of years.

20. VAT Refund

Recovery of VAT will always come in the year after the expenditure is made. The General Reserve absorbs the cash-flow fluctuations from year to year.

- In 2021-22 £1064 was recovered for VAT paid in 2020-2021.
- In 2022-23 around £1,400 is expected to be recovered for paid in 2021-22

Earmarked Reserves

Earmarked reserves are shown on a separate spreadsheet that shows the agreed numbers at 31/3/2021 plus the estimated position at 31/3/2022 with an indicative position for 31/3/2023. The situation is made complex by the fact that some funds are being released from one earmarked reserve to another.

There is no interest presently available on the parish reserves so inflation will reduce the spending power of the money over time.

1. Liabilities

These 'debts' were all dealt with. Prompt management of finance at the end of each year should help to prevent further cross-year liabilities.

2. Solar

The solar funds are ring-fenced in the Community Benefit Fund. In 2021 a Community Benefit Fund Panel was formed from elected community representatives and parish councillors to encourage and consider applications to the fund. The spreadsheet shows that one application was approved in 2021 for defibrillators.

It's possible another grant may be approved before 31/3/2022, but as that is unknown, none is shown in the spreadsheet. The figures show how the flow of funds would permit grants of £20,000 to be given in 2022-2023 whilst still ending up with rather more than the fund had at 31/3/2021. This is not to say that grants MUST be given out, but simply to illustrate the situation.

An application was made for £10,000 towards the play area that was placed on hold in autumn 2021. If that application is approved then that £10,000 would move to earmarked funds for the play equipment.

3. Opening up safely

The parish council was very successful in its application for the *Opening Up Safely and Reconnecting Communities* grant, receiving not just the standard £1,500, but another £3,500 as well. This money all has to be spent by 31/3/2023 and will give great public benefit through the programme for the Community Lounge, without any impact on the parish finances at all.

4. Youth

4.1 Youth Shelter

The Youth Shelter funds are reliant upon the longer term plan for the playing field.

4.2 Youth Council

There is £857 available ring-fenced as Youth Council. Spending has been hampered by Covid-19. It is suggested that a firm plan should be made to spend this money in 2022-23, not least because the *Opening up Safely Grant* is focused at the older generation and it would provide balance to create a project for young people.

5. Playing Field

5.1 MUGA

Spending the Multi-Use games area funding is hampered by the fact that the land is presently owned by Somerset County Council. Therefore these funds continue to be shown as unspent by 31/3/2023.

5.2 Playing Field ring fenced £1200

These funds have been ring-fence since at least 2017. It is marked as to be spent in 2022-23. There appear to be no conditions relating to this expenditure which it seems was earmarked from precept, so it could be used to supplement funding for the playing field running costs, or for other playing field related purposes.

5.3 Transfer for playing field running costs

On 1/1/2022 the Playing Field Committee (PFC) will be supplying £2,200 ring-fenced for playing field running costs. This will sit in the earmarked reserves until it is made available for the purpose stated from 1/4/2022.

5.4 PFC residual monies

Sometime between 1/1/2022 and 31/3/2022 it is expected that the PFC will be supplying c £7000 to the parish council. This will be placed in the earmarked reserves for whatever purpose is proposed by the Playing Field Management Committee and agreed by the parish council in relation to the playing field.

However, in order to receive a £12,500 grant towards the play area £1,250 has to be found in match-funding from the parish council. An assumption is made in the spreadsheet that the Committee will agree to release the necessary match-funding from these transferred funds.

6. Play area

The spreadsheet shows that it is possible for almost £29,000 to be made available for the play area by 31/3/2023 from the sources shown. Should there be further fundraising it would be added to these amounts.

6.1 Transfer from PFC for play area

The £5188 represents money raised for the play area, including from the summer fete.

6.2 SSDC Grant for play area

This grant is understood to be available from SSDC

6.3 Match fund for SSDC grant This line receives the match-fund from PFC transferred monies

6.4 Grant from Solar Farm Community Benefit Fund

The maximum grant for any single project in any one year is £10,000 and this line assumes that a grant is made for this amount from the Community Benefit Fund.

Precept Calculation

Queen Camel	
Precept 2021/22	£17,819
Tax Base 2021/22	330.76
Equivalent Band D Charge 2021/22	£53.87
Precept 2022/23	£20,000
Tax Base 2022/23* (*not yet announced – last year shown)	330.76
Equivalent Band D Charge 2022/23	£60.47
Increase/decrease in Charge	£6.60
Increase/decrease in % to Tax Payer	8.9%

National increases in parish precepts have been as follows:

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 2021/22 up to £19,935.

Elaine Owen
Parish Clerk and RFO