



Report ABPC/23/011

To: Aldington and Bonnington Parish Council.

Date: 4 December 2023

Status: Public Report

Subject: Budget and Precept 2024 / 2025

1. **SUMMARY:**

This Report concludes the budget making process for 2024 / 2025 and makes recommendations to enable the Parish Council to set its precept for 2024 / 2025 and to notify the tax collecting authority, Ashford Borough Council, in accordance with statutory legislation.

2. **REASON FOR RECOMMENDATION.**

The Parish Council is asked to agree the recommendations set out below because:

1. The Parish Council must approve its Precept for 2024 / 2025 and to notify the principal tax collecting authority no later than 5th January 2024.
2. The approval of the budget makes provision for a spending plan next year.
3. The Parish Council must make provision to cover its liabilities and service growth proposals for 2024 / 2025 and beyond.
4. The Parish Council needs to provide for adequate reserves in the event of a sudden unforeseen, or unplanned, expenditure demand.

3. **RECOMMENDATIONS;**

1. **To receive and note Report ABPC/23/011**
2. **To determine the Parish Council's budget for 2024 / 2025 from the options provided in this report**
3. **To confirm the Precept for 2024 / 2025 in accordance with the provisions in Sections 39, 41 and 50 of the Local Government Finance Act 1992.**
4. **To authorise the Parish Clerk to sign the Precept demand on the Borough Council.**

4. **INTRODUCTION:**

This Report concludes the budget making process for 2024 / 2025. The Parish Council must now determine its Precept level and budget requirements for 2024 / 2025, taking into account:

1. Expenditure falling due in 2024 / 2025 to carry out its functions.
2. Appropriate amounts for contingencies
3. The need to provide adequate reserves
4. Any expenditure incurred in 2023 / 2024 not yet paid.

5. **BUDGET 2024 / 2025:**

The Responsible Financial Officer commenced the Parish Council's budget making process by reviewing its expenditure over the last two years as well as examining the remaining funds held by Ashford Borough Council in respect of Section 106 agreements resulting from the various developments that have taken place in the

Village.

6. **SECTION 106 FUNDS:**

The Borough Council are holding funds from the s106 agreement signed in respect of the Wheatfields development. These funds are for specific purposes defined in the planning obligations on the project. The table below shows the obligation, how the sum is divided between capital costs and maintenance, and the sum held by the Borough.

Allotments	Capital expenditure	£5,556.67
	Maintenance	£2,945.33
Informal/Natural Green Space		£9,500.91

Any applications for the s106 funding are required to be accompanied by three quotes, the application is the assessed by the relevant teams at Ashford Borough Council and when authorised the application is passed to the legal department to draw up the necessary legal agreement between the Parish Council and the Borough Council which will stipulate the sums being made available, the purpose for which they have been sought and the monitoring and reporting arrangements they require.

7. **RESERVES:**

The Parish Council holds the following reserves:

General Reserve	£20,000.00 Estimated	The Parish Council is required to maintain a general reserve sufficient to cover between 25 and 100% of its budgeted revenue expenditure to offset any potential delays in the receipt of funds, and to cover the sum paid in VAT pending reclaim from HM Revenue & Customs.
By-election	£3,500.00	This fund is maintained in the event that a by-election is required should a vacancy occur on the Parish Council and the electorate (minimum of 10) request it.
Play equipment (repairs & replacement)	£644.00	Funds held for any repairs or replacements required to the play equipment. The reserve has financed the replacement of the adult gym equipment in the current financial year.
Quarry Field maintenance	£599.60	Funds held for maintenance works to the field and pond
IT Replacement fund	£2,325.00	Funds set aside in preparation for the replacement of technology.

The following funds are held for a specific purpose

War memorial	£4,083.35	Sum remaining from the building of the War Memorial and donations towards its ongoing maintenance
War Memorial maintenance	£162.82	Sums donated specifically for the upkeep of the war memorial and garden
Meadows refurbishment		Funds raised and donations towards the refurbishment of the Aldington Meadows open space
VE Day Programme	£300.00	A specific donation towards the cost of preparing a brochure for the events that were due to take place in 2020.
Allotments	£342.50	Any income generated from the rental of allotment plots has to be retained separately and can only be used for maintenance and/or a small charge to cover the costs of administration.

8. THE BUDGET:

All references to Council Tax made by The Department For Levelling Up, Housing and Communities (DLUHC) are based on the "Band D equivalent". Every domestic dwelling is assigned a council tax band by the Valuation Office Agency based on the value of the dwelling as at 1 April 1991. Any built subsequently are allocated a notional 1991 value. These are split between eight tax bands.

In order that the Band D equivalent can be calculated in accordance with the Local Government Finance Act 1992 and the Local Authorities (Calculations of Tax Base) Regulations 2012 the Borough Council are required to complete a return to central government which is based on the number of properties on the valuation list as at 2nd October 2023 and excludes provisions for new properties, Council Tax Reduction discounts, and allowances for non-collection. In the current financial year the Tax Base for Aldington and Bonnington is 641, however, for the forthcoming financial year this has been decreased to 640 effectively increasing the sum each property has to pay.

Consideration also must be given to the fact that the Parish Council needs to maintain a General Reserve, which is recommended to be between 25 and 100% of the Revenue Budget depending on the size of the council, the larger the Council budget the smaller the percentage.

Various scenarios have been considered, for reference appendix 1 shows the budget for the current financial year together with a projection to the end of the financial year, any surplus or deficit being transferred to/from the General Reserve.

Appendix 2 shows the effect of each scenario on each property band of Council tax.

For the current financial year the full council tax bill for a Band D property in Aldington & Bonnington is made up as follows:

Kent County Council	£1,534.23
Ashford Borough Council	£ 182.50
Police & Crime Commissioner	£ 243.15
Kent & Medway Fire Authority	£ 87.30
Aldington & Bonnington PC	£ 86.86
Total	£2,134.04

The Parish Council proportion of the bill being 3.75%

Option 1 of the budget provides for a 2.63% increase which equates to 5p per week on a Band D property this is taking into account the reduction in income from the 106 maintenance fund for the play areas which has been fully drawn down.

Option 2 reflects increases in areas where the budget for the current financial year either has or will exceed the sum proposed as well as adding a new provision for play equipment repair and replacement as the reserve funds built over recent years have been utilised in the replacement of the adult gym.

Option 3 requires the same level of precept as option 2 but reduces the sum being proposed for the solar reserve by £5,000 and creating a new conservation / biodiversity reserve of £5,000.

Option 4 retains the solar reserve at £10,000 but proposes the Conservation / biodiversity reserve of £5,000 this would result in an increase of 26% on the Band D equivalent.

Appendix 2 shows the effect of the proposals on all of the tax Bands.

9. **CONCLUSION:**

The Parish Council needs to determine its Budget and Precept requirements to fund expenditure for 2024 / 2025 and beyond. The Parish Council is, therefore required to agree and confirm its spending plans for the next year.

Appendix 1

	Budget 2023/24	Projected outturn	option 1	option 2	option 3	option 4
Allotments	50.00					
Audit	610.00	610.00	610.00	610.00	610.00	610.00
Bank charges	72.00	51.00	72.00	72.00	72.00	72.00
dog waste bags	750.00	809.00	750.00	1,000.00	1,000.00	1,000.00
donations	600.00	400.00	600.00	600.00	600.00	600.00
telephone	120.00	120.00	120.00	120.00	120.00	120.00
grounds maintenance	12,000.00	11,000.00	12,000.00	12,000.00	12,000.00	12,000.00
hire of halls	500.00	360.00	500.00	500.00	500.00	500.00
insurance	1,300.00	1,572.00	1,600.00	1,600.00	1,600.00	1,600.00
newsletter	700.00	600.00	700.00	700.00	700.00	700.00
staff costs	26,000.00	29,810.00	26,000.00	30,000.00	30,000.00	30,000.00
stationery	400.00	250.00	400.00	400.00	400.00	400.00
subscriptions	950.00	1,030.00	950.00	1,050.00	1,050.00	1,050.00
training	250.00	424.00	250.00	250.00	250.00	250.00
storage			200.00	200.00	200.00	200.00
website			230.00	230.00	230.00	230.00
Revenue budget	44,302.00	47,036.00	44,982.00	49,332.00	49,332.00	49,332.00
contingency	3,261.00	3,000.00	1,491.00	3,666.00	3,666.00	3,666.00
IT replacement fund	775.00	775.00	775.00	775.00	775.00	775.00
Defibrillator fund	300.00	300.00	300.00	300.00	300.00	300.00
trees	800.00	800.00	800.00	800.00	800.00	800.00
solar	10,000.00	10,000.00	10,000.00	10,000.00	5,000.00	10,000.00
Conservation / biodiversity					5,000.00	5,000.00
play equipment repairs & renewals				1,500.00	1,500.00	1,500.00
Provisions budget	15,136.00	14,875.00	13,366.00	17,041.00	17,041.00	22,041.00
Total	59,438.00	61,911.00	58,348.00	66,373.00	66,373.00	71,373.00
Allotments	200.00					
Grounds maintenance	900.00	900.00	900.00	900.00	900.00	900.00
Interest	3.00	400.00	200.00	200.00	200.00	200.00
Miscellaneous	200.00	550.00	200.00	200.00	200.00	200.00
precept	55,675.00	55,675.00	57,048.00	65,073.00	65,073.00	70,073.00
106maintenance fund	2,460.00	2,950.00				
Total	59,438.00	60,475.00	58,348.00	66,373.00	66,373.00	71,373.00

