

## East Langton Parish Council – Budget 22/23

### Notes to Budget proposal for meeting 5/1/22

#### 1. Two spreadsheets

- a “Proposed Budget”
- b “Expenditure Against Budget” (which shows estimated expenditure to 31/3/22)

#### Looking at Spreadsheet b first:

#### 2. Spreadsheet b

- a) Figures for April to November and those unshaded in December are exact, and already reconciled. Shaded yellow in December is salary due to be paid 31/12/21 and so not included in reconciliation to 27/12/21. Note payments for bin emptying in April, August and October have been moved from “Litter bin maintenance” category to “Lightsource” as agreed at meeting 18/11/21
- b) Shaded blue in January under “General Expenses, £26.67, is reimbursement of printer ink to clerk to be authorised meeting 5/1/22. (£26.67 + £5.33 VAT)
- c) Shaded yellow are estimates
  - i. Street Furniture – assumes the work on the bench in East Langton will take place before 31/3/22 and the invoice for £105 received and paid.
  - ii. Subscriptions – assumes £20 payment to TLPC towards SLCC subscription to balance out after Zoom payments taken into account.
  - iii. Room hire / Zoom – £12.50 for meetings in January, February and March.
  - iv. Salaries for February and March - assumes pay increase due from 1/4/21 is not agreed until after 31/3/22, [see advice from LRALC below](#). March payment includes payment of arrears for 19.5 hours work on Neighbourhood Plan as agreed at meeting 18/11/21, based on breakdown of hours presented to that meeting. This is calculated as follows:
    - Jan 2020 – Feb 2020 1 hour 30 minutes at £10.57 an hour = £15.86
    - April 2020 – September 2020 – 6 hours 30 minutes at £10.86 an hour = £70.59
    - May 2021 – September 2021 – 11 hours 30 minutes at £10.86 an hour (pay increase from 1/4/21 not yet agreed) = £124.89.
    - Total £211.34
  - v. ICT is the service agreement with Northants Computer for January to March, Direct Debit payments (see (b) above for November payment)
  - vi. Church Clock It was agreed to pay a maximum of £150 a year contribution to church. £300 originally in budget was for current year and also 20/21 year which was not claimed by church. It is

now understood that the PCC did not have any work done on the clock during 20/21 but did have work done in May 2021 and will get proof of payment to us. **Proposal to move this to Lightsource funding for discussion at meeting 5/1/22** and so in anticipation of this no payment has been entered in this category and instead it is included in the Lightsource category for March

- vii. Training – assumes no further spend to 31/3/22
- viii. Internal Audit - £190 for 21/22 audit, invoice expected during current year
- ix. Trees – assumes no payments to 31/3/22
- x. VAT – Jan estimate of £15.26 (£2 IT support, £5.33 for printer paper (see b above) and £7.93 for bin emptying. February and March are £2 for the VAT on IT support payment
- xi. Lightsource
  - January £100 subscription to Environmental Law Foundation as agreed at meeting 18/11/21 and £39.65 litter bin maintenance - total £139.65
  - March - £150 towards Church Clock maintenance **(subject to agreement at meeting 5/1/22)**
- xii. Chair allowance assume £50 in March as budgeted
- xiii. Newsletter insertions £15 for one more edition
- xiv. Travel - assume no claims
- xv. Emptying of bins – see xi above

Then looking at Spreadsheet a

### 3. Spreadsheet a

- a) The grey column is the budget set for 21/22 updated to reflect revised budget agreed at meeting 5/5/21 and any other variations between budget headings agreed to date.
- b) The orange column is the receipts and expenditure up to the end of 27/12/21 (i.e. the last reconciliation) taken from spreadsheet (b) white entries April to December which was taken from the relevant sheet on the Accounts spreadsheet reconciliation to 27/12/21
- c) The green column is the expenditure and income estimated to 31/3/22. Expenditure taken from spreadsheet (b) April to March all figures. Estimated income assumes Lightsource funding is the same as last year and that we will not receive any more Neighbourhood Plan grant before 31/3/22. If we do a corresponding expenditure would need to be entered under expenditure and so it would be cancelled out.
- d) The purple column is suggestions for next year's budget for the precept, see below for breakdown of explanations
- e) The blue section is a breakdown of the balances held showing an expected balance to be carried forward at 31/3/2022. This will change depending on what the final expenditure figures are in the green column at 31/3/22

f) The yellow section is the predicted balances held, i.e. General Reserves, Lightsource and Earmarked Reserves. Note a new area has been added at the bottom to show breakdown of Lightsource Funding

- **Note on General Reserves – this should be 75% of Net Revenue Expenditure.** (Joint Panel on Accountability and Governance Practitioners’ Guide section 5.31 to 5.33, Nett Revenue Expenditure is defined as precept less any loan repayment, amount included for capital projects and transfer to earmarked reserves). In the revised budget for 21/22 a General Reserve was set of £2,912 (acknowledging at the time that this was too low and that the council would work towards increasing this in future budgets). £2,912 General Reserve is again allowed for in this budget, so there is no increase. For the budget suggested in the purple column (see notes below) the precept is £7,034. Deducting Election (225) which is precepted for to float into Earmarked Reserve gives £6,809, 75% of which is £5,107. The General Reserve of £2,912.00 suggested in this budget is therefore too low and the council would not be working towards increasing it, which puts the council at risk.
- Earmarked reserves – This is what we have already precepted for plus the Lightsource funding not yet spent:

Maintenance of Street furniture	£225	No change, and nothing put in budget for 22/23 as trying to reduce expenditure. This goes against the Reserves Policy which states any unspent from 21/22 year is to be added to this earmarked reserve and is not building up a reserve for future maintenance work.
Election	£850 (20/21 year £625)	£225 floated in from 21/22 budget to build up reserve. Aiming to build up £1,300 by 2023 election
Trees	£200	To be used towards next survey due 2022 and any work that needs to be done. (last time work cost £340)
Lightsource allocated (see notes below)	£500 £160 £100 £150 Total £910	Defibrillator maintenance Litter bin maintenance 22/23 Wildflower verges 22/23 Church Clock 22/23
Lightsource not allocated	£12,228.37	
	£14,413.37	

**Notes on Lightsource Funding:**

- Lightsource Reserve anticipated carry over at 31/3/22 – Balance carried forward at 31/3/21 was £10,831.31. Deducting anticipated

spend in 21/22 year of £472.82 and adding estimated receipt of £2,779.88 gives an estimated balance carried over at 31/3/22 of £13,138.37.

- Note re defibrillator maintenance – Defibrillator Maintenance – we were aiming to build up a reserve of £500 over eight years by precepting £63 a year to go into an earmarked reserve to cover the maintenance of the two defibrillators (although the school has undertaken to pay these costs for the one sited there, assume that we may have to pay if this decision is varied)– At 31/3/22 we anticipated having built up £189 into earmarked reserve. At the meeting on 18/11/21 it was agreed to fund this from Lightsource funding. Therefore £189 has been removed the £189 from earmarked reserve and the full £500 is shown as held in Lightsource Reserve.
- Litter Bin Maintenance – estimated £160 for the 22/23 year. At the meeting on 18/11/21 it was agreed that this should be funded from Lightsource Funding
- Wildflower Verges – £100 for 22/23 year. At the meeting on 18/11/21 it was agreed that this should be funded from Lightsource Funding.
- Maintenance of Church Clock – this has been allocated to Lightsource Funding – **subject to agreement at meeting 5/1/22**

**g) Purple column – suggestions for budget / precept for 2020/21. (Note that these are suggestions for discussion and final decision by the council and the council may wish to make changes and introduce new projects). There is some background to the decisions as I have outlined below. **Some decisions / discussion points are highlighted below in blue:****

- i. Income** – this is the VAT estimated for 2021/22 to be claimed in 22/23 (total estimate VAT 21/22 is £918.61 less £299.20 already claimed gives a balance of £619.41) and the next instalment of Lightsource funding (have used this year's figure).
- ii. Salary** – [See advice from LRALC below](#). Currently £188.24 a month plus £8.67 Homeworking Allowance. For 12 months £2,258.88 plus **£104.04** Homeworking Allowance = £2,362.92. Assume the pay increase due from 1/4/21 is not agreed prior to 31/3/21 (see advice from LRALC below). Assume pay increase from 31/3/21 is 2% and the arrears have to be paid in 22/23 year. 2% of £2,258.88 is **£45.18**. Salary would then be £2,258.88 + £45.18 = £2,304.06. Assume the pay award due from 1/4/22 is agreed in the 22/23 year and is 2%, i.e. £46.08. This would give a salary of £2,304.06 + £46.08 = **£2,350.14**. So total estimate for 22/23 is £2,350.14 + £45.18 + £104.04 (Home Working Allowance) = **£2,499.36**. So, estimate of £2,500 entered.
- iii. Street furniture (maintenance of street furniture including war memorial)** – **Nothing added, we have £225 in reserve. Is this enough? We are not increasing our reserve.**
- iv. Election** – £225 to float into earmarked reserve at the end of 21/22. Aiming to build up £1,300 by 2023 election.

- v. **General expenses** – I have kept this at £70
- vi. **Subscriptions (LRALC and SLCC)** – I have put this at £260. We haven't paid 50% contribution to SLCC to TLPC as this has to be balanced against Zoom payments. Estimate at end of year will pay £20. Full amount paid by TLPC is £112 for SLCC sub. If 50% of this were paid the estimate for payment for 21/22 year would be £256.87
- vii. **Room Hire** – have set this at £150. This would cover us for 12 meetings at £12.50 a meeting. **Is the room fee likely to go up?**
- viii. **Website Maintenance** – I have put at £290; it was £275 (excluding VAT) this year
- ix. **Insurance** – Have set at £440, it was £435.20 this year. **Is this enough? If we adopted the street light it may increase the premium**
- x. **IT product and support** – Northants Computer Homefix will be £10 a month (£120) so have put in £120. **This does not allow for any other purchases and we are not building up any reserve for if the lap top needs replacing in the future.**
- xi. **Church Clock Maintenance** – now in Lightsource. **(subject to agreement at meeting 5/1/22)**
- xii. **Training** – I have put in £90, this covers two LRALC courses at present cost. **Is this reasonable?**
- xiii. **Internal Audit** – This will be for 22/23 audit, have set at £190, last year was £170, we haven't had invoice for 21/22 audit year yet, expected before March 2022.
- xiv. **Trees on Village Green** – £100 in budget, we have £200 in reserve so total of £300. We are due an inspection of trees during 2022 which may trigger some work. Last time we had work done on the trees (2019) it cost £340.00. Assuming less will need to be done this time. **Is this reasonable**
- xv. **Grass Cutting on Village Green** – 7 cuts at £75 a cut = £525.
- xvi. **VAT** – Have put in £268 to take into account VAT on bin maintenance, general expenditure, website, any work to trees and street furniture, , IT support and emails. If not enough we can use General Reserve and we claim it back the next year anyway. **Is this going to be enough?**
- xvii. **Lightsource** – Expect to receive payment in March 2023, last year it was £2,779.88 and so I have assumed the same (see income). I have added this as an expenditure as it will go into reserve held in Lightsource as we receive it too late to spend in current year.
- xviii. **ICO** - £35 assume the same as this year
- xix. **Chair allowance** – Have added £50 again
- xx. **Newsletter** – four insertions, have put in £60 to cover 4 insertions, currently £15 a copy. **This doesn't cover any increases**
- xxi. **Travel** – I have left this at £30
- xxii. **Defibrillator Maintenance** – now in Lightsource
- xxiii. **Litter bin maintenance** – £0 - £160 in Lightsource, quarterly bills are currently £39.65.
- xxiv. **Emails** - £175 entered in line with Cllr Ward's recommendation.
- xxv. **Wildflower verges** – £0 - £100 in Lightsource

#### 4. Conclusion

- This gives a precept of £7,034.00, **a significant increase on the previous precept of £5,794.** (5% increase would be £6,084)
- Increase in precept is £1,240. 21.4 % increase in precept, 19.8% increase in Council Tax from £33.00 to £39.54 for a band D property, increase of £6.54.
- See confirmation that there will be no [Council Tax Referendum Principles for 22/23](#) below
- The budget gives a low General Reserve, which we should be looking at increasing.
- Some of the budget headings are tight as I have tried to reduce them to make the total less.

#### **LRALC Advice on pay award:**

##### Pay claim and NALC/SLCC Pay Scales

We are getting regular queries about the 2021-22 NALC/SLCC pay scales and when they will be issued. Unfortunately the simple answer is that the negotiations at a national level (which do not involve anyone from the parish sector) between the employers and the unions are not going well and as such it could be months before the pay awards is even agreed.

This week the National Employers notified NALC that all of the trade unions have now provided them with the results of their ballots and they have all rejected the National Employers' final pay offer to local government services ('Green Book') employees:

- UNISON members have voted by a majority of 79% to 21%. Their local government committee also agreed to begin preparations for an industrial action ballot.
- GMB members have voted by a majority of 75% to 25%. It will shortly conduct a consultative industrial action ballot, the result of which will determine whether there is support to then hold a formal ballot for industrial action.
- Unite members have voted by a majority of 81% to 19%, plus 85% also voted to say they are supportive of taking industrial action. Their local government committee will meet to discuss the next steps which include holding a formal ballot for industrial action.

The National Employers will be meeting on 19 October to take stock of the situation and we understand they do not expect a deal soon. We will keep you informed of developments provide further updates when we can.

Please remember that any pay award is backdated to 1<sup>st</sup> April. If councils applied a provisional figure of 2% (for example) to their staffing budget for 2020-21's pay award then those councils could find themselves with a staffing budget underspend as the year end approaches as the pay award has yet to be applied. **Remember that some or all of this money will, at some point, have to be paid in salary**

**back-pay to staff employed on the “Green Book” contract (the SLCC/NALC Model Contract).**

**NALC communication - No council tax referendum principles in 2022/23**

On 16 December the secretary of state for Levelling Up, Housing and Communities, Michael Gove MP, published the Provisional Local Government Finance Settlement 2022/23 which includes the welcome confirmation of no referendum principles for local councils in 2022/23. As you know NALC have continued to lobby for this including through its spending review submission and will be responding to this consultation to continue to push for a multi-year deal and access to dedicated government funding. You can read more including NALC’s response in its news story [here](#).