

2023-2024 PRECEPT BUDGET REPORT

The preparation of KHPC's budget for the financial year 2023-2024 has been challenging as the organisation is absorbing abnormal cost increases across several our budget heads. Covid -19 did affect our income, but we were successful in obtaining an insurance pay-out of £86,000 which has helped to replenish our reserves.

1. Purpose of the Report

1.1 To seek approval to set the 2023-2024 Precept. It is KHPC's budget and members must decide what it wants the council to achieve in 2023-2024.

1.2 KHPC needs to agree a budget for 2023/2024 and submit a precept request to TMBC by 20 January 2023.

1.3 In accordance with S25 of LGA 2003, this report provides members with information on the robustness of the budget and the adequacy of balances and reserves.

2. Background to the Report

2.1 KHPC is required to set its Precept in accordance with statutory requirements. This report sets out the implications of setting KHPC's Precept for 2023/2024 and the impact it will have on KHPC's portion of the Council Tax Bill.

2.2 It is unlikely that referendum (Council Tax Capping) principals will be introduced for 2023/2024 but there is still the expectation that KHPC is fiscally responsible.

3. 2023/2024 Precept: An increase of 5% (£27,255) would require a precept of £564,000 on the 2022/2023 precept which was £536,745. The Precept is the amount required to meet the estimated cost of providing KHPC Services after deducting expected income. A 6% increase would require a precept of £568,950, an increase of £32,205 and a 7% increase in the precept would yield £574,317 which would be an increase of £37,572

4. Income

- KHPC's main source of income continues to be the precept
- Community Centre Income
- Allotment Income
- Other sources of income include a possible TMBC Christmas Lighting Grant and interest payments.

5. 2023/2024 Kings Hill Parish Council Tax Base

5.1 The Council Tax Base is a statutory calculation of the number of chargeable households in the parish and used by TMBC to calculate Council Tax. TMBC has advised that the 2023-2024 Council Tax Base figure is 4,493.17.

5.2 The 2023-2024 Precept is divided by the Tax Base of 4,493.17 and results in a Band D Council Tax as indicated below:

			+ 5%	+6%	+7%
Year	2021/22	2022/23	2023/24	2023/24	2023/24
Precept	484,279	£536,745	£564,000	£568,950	£574,317
Band D	4,202.92	4,353.68	4,493.17	4,493.17	4,493.17
Band D (9/9)	£115.22	£123.29	£125.52	£126.62	£127.82

6. Robustness of the 2023/2024 Budget Estimates

6.1 Working papers have been prepared to support the budgetary estimates.

6.2 The budget process has incorporated a budget review. All budgets have been prudently set considering spending pressures such as pay awards, inflation, and

unavoidable budget growth. Balancing the budget has required efficiency savings to be identified and budget reductions to be made. Savings have been delivered and budget reductions made in underutilised budget areas.

6.3 The Budget sets out key issues and changes, the projects included and explains how spending pressures and funding cuts have been offset. The Budget includes details of last year's actual spending and income as well as the latest projection of current year outturn which allows members to make informed decisions based on actual financial performance.

6.4 The robustness of the budget has been ensured through a budget framework ensuring that practical steps have been taken to prudently identify and provide for likely spending commitments and income next year.

7. Adequacy of Balances and Reserves

7.1 The assessment of the adequacy of balances and reserves has been based on best practice. No case has been made to set a statutory minimum reserve level and KHPC should base its judgement on its own circumstances; by taking this prudent approach KHPC is able to operate within a lower level of general reserves as recommended by NALC and KALC, these however will need to be supported by earmarked reserves to fund specific needs and future spending commitments.

7.2 In coming to a view on the adequacy of balances and reserves, account needs to be taken of the risks facing KHPC in terms of significant unforeseen spending commitments or funding cuts and any capital investments over the medium to long-term considering the ability of KHPC to secure external funding via capital grants, contributions, borrowing or capital receipts from the sale of assets.

7.3 It is recommended that the balances & reserves policy remains unchanged, i.e.:

- Maintain a General Fund Balance of between 3 – 12 months of the budget to protect against unforeseen budget pressures and possible funding cuts.
- Set aside sufficient sums in Earmarked Reserves to support future years capital investment requirements and meet other specific commitments
- Undertake an annual review as part of the Budget Setting process.

7.4 The current levels of balances and reserves taken alongside the contingency sum should provide adequate resources to protect against unforeseen spending pressures, funding cuts and support future year's capital investment requirements.

8. Policy Implications: The budget conforms to one of the KHPC's aims and objectives which is to manage KHPC's finances and assets in a responsible manner

9. Staffing Implications: The Budget has been agreed with the Clerk / RFO

10. Financial Implications: These have been set out in this report.

11. Risk Assessment

11.1 The Budget has been robustly prepared in accordance with key principles of prudence and transparency and the levels of balances, reserves and contingencies within the Budget are adequate.

11.2 If the Precept is not set by 20 January 2023, then KHPC may not meet the deadline set by TMBC for the receipt of the Precept Request Form and would not therefore receive a Precept payment in 2023/2024.

12. Recommendations

- 12.1 Members approve the 2023-2024 budget and precept
- 12.2 The Clerk / RFO be authorised to sign the Precept Request Form which will then be submitted to TMBC.