



1. Background

Every year, Alderbury Parish Council is required to set a budget for the forthcoming year and determine the amount to be charged to local council taxpayers in the form of a precept (the element of the overall Council Tax required to be levied on villagers).

2. How the Budget Works

The Council is required to calculate the amount of money it needs to spend in the next financial year. This takes account of:

- Adjustments to reflect expected 2022/23 budget outturn – budget corrections.
- Known increases in inflation
- Pay increases agreed through National Agreement
- Commitments and known expenditure requirements – such as Pension payments.
- Projects and priorities to be funded

Once agreed, the parish precept requirement is submitted to the collection authority (Wiltshire Council) who will send out the bills, collect the tax and forward two payments to the Parish Council – one in April and one in September.

As a prudent local authority, Alderbury Parish Council has set aside reserves, some of which is allocated to fund known future projects (ear-marked reserves) and some of which is held as a contingency fund (general or free reserves). This approach evens out annual budget variations and enables the Council to fund future ambitions without hiking the Council Tax.

In 2022/23 the precept requirement was £52,889.86 – this is the funding required to pay for all the Council's expenditure after the use of any ear-marked reserves.

3. The Council Tax Base

Each year Wiltshire Council calculates the Council Tax Base for the parish – the number of properties required to pay Council Tax. This is presented as a Band D equivalent figure. In 2021/22 this figure was £991.54. The figure for 2023/24 is £1019.26. The proposed 2023/24 precept requirement is divided by the Tax Base to provide the Band D Council Tax figure. An increase in the Council Tax base lowers the precept requirement because the parish council receives extra money from new homes.

4. Budget restraints

The Council will be minded of the cost-of-living pressures faced by villagers as inflation, mortgage rates and fuel costs have risen dramatically in 2022. Therefore, it is important that the Council does all that it can to minimize any adverse financial impact on villagers from excessive precept demands. In real terms, the precept represents a very small proportion of the overall Council Tax, nevertheless it is important the Council avoids unnecessary increases. The draft budget has been prepared with this in mind.

5. Draft Budget 2023/24

[The draft budget 2023/24](#) has been prepared and shows a marginal increase in the funds required to sustain operations at current levels. At this point it does not contain any new projects, as these need to be agreed by the Council. The draft budget reflects the following:

- Inflation currently running at 10%
- Increased energy prices
- Appointment of new clerk and auto-enrolment into the Wiltshire Pension Fund which will require pension contributions to be paid by the employer

- Clerk's salary - pay award pending

Members should be aware that several factors will mitigate the need to increase the precept significantly. These are:

- Marginal increase in the Council Tax Base
- Use of ear-marked reserves
- Expected income from Community Infrastructure funding – Firs Road
- Fixed contract prices
- Fixed interest rates on the Council's Public Works Loan Board borrowing.

6. Projected Budget Increase 2023/24

Based on the draft budget presented and taking account of the uplift in the Council Tax Base, the Precept will need to increase by £0.61 pa at Band D average to fund the Council's running costs before any additional areas of spending are considered. This would be an increase of 1% from last year.

7. Balances and Use of Reserves

On 30th September, the Council's reserves stood at £75,187.41. Of this, £20k has been allocated for the Solar Panels at the Village Hall. The reserves report, included on the agenda, shows how the funds are earmarked. The unallocated (free) reserve is £26,403.36. which represents a contingency of six month's expenditure – at the mid-level of recommended guidelines. It is likely that the Council will add to the projected free reserves in the current year by £6-10k – due to lower-than-expected expenditure.

8. Community Infrastructure Levy (CIL)

CIL is the amount of money developers pay for the provision of local infrastructure to support new developments. A proportion of this levy is paid to the Parish Council to support village improvements. The rest is retained by the Local Planning Authority (Wiltshire Council). It is expected that the Council will receive around £20k of additional CIL in 2023/24 arising from the new development at Firs Road. This can be used to offset Council Tax increases by paying for projects the costs of which would otherwise fall on the precept.

9. Potential Projects to be Funded

The following is a brief analysis of projects the Council may wish to consider for funding in 2023/24. The number of projects and the budget requirement needs to be agreed by the Council. Once agreed, this will be built into the draft budget for final approval after Christmas.

1. New Play Equipment - £20k

An inspection of the play equipment at the Recreation Ground has shown that the large wooden fort structure has reached the end of its usable life. An estimate of the cost of replacing this piece of equipment is £20k inclusive of installation and ground works.

Budget impact – if funded from expected CIL receipts this will have no impact on the budget and will require no increase in the precept.

2. Wildlife Project - £8k

The Council has included the provision of a 'Tiny Forest' tree planting scheme at Spiders Island in its Forward Plan.

Budget impact – The Council has set aside £8,500 in ear marked reserves for wildlife projects. Therefore, there is no impact on the budget.

3. Footpath Improvements - £10k

There are several sections of the Circular Footpath that become boggy and difficult in the Winter months. The Council may wish to set aside funds over the coming years to improve sections of the route and to improve accessibility – particularly for those with mobility challenges.

Budget impact – There is no money allocated in reserves for this project. Therefore, unless additional CIL funds are received this project would need to be included in the

precept.

4. Queen Elizabeth II Memorial - £5k

To mark the sad passing of the Country's longest reigning monarch, the Council may wish to erect a lasting memorial in association with its 'mini-forest' tree planting scheme in Spiders Island. This could be in the form of a carved monument surrounded by meditation benches in the centre clearing of the woodland area. Alternatively, this may be combined with 5 below by the addition of a commemorative plaque to a village brazier.

Budget impact – There is no money allocated in reserves for this project. Therefore, unless additional CIL funds are received, this project would need to be included in the precept or general reserves.

5. Village Brazier - £5k

The Coronation of King Charles III in 2023 will be an historic event celebrated throughout the country and commonwealth. Many villages have erected braziers to mark historic events and the Council may wish to do this, both as a celebration event and as a lasting commemoration of the coronation.

Budget impact – There is no money allocated in reserves for this project. Therefore, unless additional CIL funds are received this project would need to be included in the precept or general reserves.

6. Youth Shelter - £20k

A youth shelter is a covered space with chairs and tables, where young people can 'hang out.' The Council has considered this in the past and a quotation was sought.

Budget impact – There is no money allocated in reserves for this project. Therefore, unless additional CIL funds are received, this project would need to be included in the precept or general reserves. It is suggested this be included in the Forward Plan for 2024/25 should CIL funds permit.

7. Youth Club - £2.5k-8k

The Council supported a programme of summer activities in the Recreation Ground, this was funded in partnership with Wiltshire Council and provided by a local charity. The sessions were fairly well attended, and consultation carried out alongside the events has suggested that there is demand for more regular youth activities in the village. Already, Alderbury has scouts, guides, and an active youth football club. However, there is a gap for activities of an environmental, cultural or vocational nature. Funding a youth club would be a big commitment for a small parish council and add significant complexity to the role of the Clerk – particularly the safeguarding implications. A suitable venue or building would also be needed.

Budget impact – To provide a weekly youth activity session would be likely to cost in the region of £200 and the annual cost could exceed £8,000 pa. There is no money allocated in reserves for this project and the impact on the annual budget would be very significant. An alternative approach may be to seek providers of specific activities, and commission a limited number of activities from the providers through grants – match funded by Wiltshire Council. These sessions could be free or contributory. To provide a programme of 24 activities throughout the year, if part funded by Wiltshire Council and with modest charges to participants, would cost in the region of £2,500. This cost would have to be included in the annual precept.

10. Funding Strategy

Given the prevailing financial climate, the Council may seek to lessen the burden on residents by funding any new projects from CIL receipts and reserves. This would negate any further increases in the precept. It is anticipated that £15 could be taken from reserves and a sum of £20k might be reasonably expected from CIL receipts in year, giving a capital project fund of £35k in the year. This could be used to fund some (but not all) of the projects listed at Para 9 above.

11. Good Governance and Assurance

The financial year runs from 01 April to 31 March and the proposed budget is prepared in the autumn and set in January, in advance of the new financial year. It must be reviewed and approved by full council. The budget has been prepared in accordance with Joint Panel on Accountability and Governance (JPAG) guidance.

12. Recommendations

1. That the Council notes the draft budget.
2. That the Council agrees the capital projects to be included in the final budget 2023/24 and the funding strategy set out in para 10 above