West Rainton Parish Council - 18 January 2024

Agenda Item 12: Precept for 2024/25

Report of the Parish Clerk

To comply with the deadline of 19 January 2024 set by Durham County Council (the Council Tax administering Authority), the Parish Council is required to agree, set and request the precept for the financial year 2024-25.

Tax Base 2024/25

The County Council has updated its tax base modelling taking into account the updated position in terms of new build and incidence of other discounts and exemptions impacting on the tax base calculation.

The table below shows the position for West Rainton Parish Council

Current Tax Base (2023/24) (A)	708.3
Tax Base for 2024/25 (B)	728.4
Tax Base increase from 2023/24 (C) = (B-A))	20.10
Current Band D Council Tax (2023/24) (D)	£51.80
Increase in Council Tax Yield (E) (C X (D)	£1041.18
Removal of the 2023/24 LRTRS Grant (F)	£2582
LCTRS Grant Applicable in 2024/25 (G)	£1302
*Net Position (E) – (F) + (G)	(£238.82)

*This is the amount the Parish Council could increase its precept by to give a standstill position in terms of resource availability.

To assist Parish Council consider the setting of the 2024/25 precept please refer to the attached Appendix A.

This summarises:

- Actual expenditure and income in 2022/23
- Forecast expenditure and income outturn for 2023/24
- Draft budget for 2024/25based on a standstill position i.e. no change to precept.

Draft Budget 2024/25

In drawing up the proposed budget for 2024/25, careful consideration has been given to anticipated spending based upon experience gained over previous years. Your attention is drawn to key provisions in the draft budget:

- The forecast general reserve balance brought forward from 2023/24 is is £32,288
- The earmarked Election Reserve and Village Improvement Programme balances of £4,000 and £20,000 at the beginning of 2023/24 have been carried over to 2024/25.
- The potential to support Durham Area Youth'sfunding request for £5,000 2024/25 (to be considered under a separate agenda item at this meeting)

- The potential to support other grant applications received from community groupstotalling £1920(To be considered under a separate agenda item at this meeting)
- Contingency provision of £1,000 is included in the cemetery maintenance budget
- Contingency provision of £1000 is included the village maintenance budget for essential ad hoc work
- No spend or income in relation to the memorial leaves have been included due to the uncertainty of sales
- An increase for inflation of 5% on pay and other relevant expenditure
- An increase on all cemetery fees of 5%for inflation wef 1/4/2024
- A reduction in LCTSS grant from DCC from £2582 to £1302.
- The precept figure without any increase is **£37,731**
- The draft 2024/25 budget forecasts a surplus of £6,483 which includes £3,861net refund of VAT from 2023/24.

Conclusion

The 2024/25draft annual budget forecasts asurplus of £6,636. This will increase the general reserve forecast balance at 31 March 2025 to £38,924.

This level of general reserve is considered a reasonable sum based on previous reserve guidance**.**However, the Parish may face a number of potential funding pressures during 2024/25 and in future years for which there is no budget provision. These include:

- Further support for Jubilee Hall

- Match funding to help reduce damage to our green spaces due to anti social behaviour (fencing/bollards on the green opposite the garage)

- Unsuccessful S106 application for the Street Furniture element of School Avenue Projectrequiring funding from the VIP earmarked reserve as previously agreed. (Estimated Cost £6000 including installation)

- Match funding for potential third element of the SchoolAvenuePark relating to fencing - potential to fund from VIP

- Match funding to support outstanding action relating to road safety measures – potential to fund from VIP reserve

- Support for “exceptional circumstances”, in year community grant funding applications

- The need for additional staffing resources

In view of these potential funding pressures Parish Council may wish to consider on increase in the precept. To assist Parish Council, examples of an increase in the precept and the resultant increase on the current band D property of £51.80 is given in the table below:

% Increasein precept	Increase in funding	Band D Precept	Increase per annum
5%	£1647.74	£54.39	£2.59
10%	£3534.29	£56.98	£5.18
6.63%	£2500	£55.23	£3.43
13.25%	£5000	£58.66	£6.86

It should also be noted that the Head of Finance at DCC, in notifying the Parish Council of its tax base for 2024/25, has advised, *“ the Government has previously issued a challenge to Town and Parish Councils to demonstrate restraint when setting precept increases, that are not a direct result of taking on additional responsibilities, and to make precept decisions more transparent to local taxpayers.”*

“The Government expects Town and Parish Councils, in setting their precepts, to consider all available options to mitigate the need for council tax increases. For a number of years, the Government has threatened to implement a cap on council tax increases implemented by Town and Parish Councils. There is no indication at this stage that a cap will be implemented for 2024/25, however any Government proposals to do so would be set out at the time of the provisional local government finance settlement which is due in December 2023.”

Parish Council is asked to consider this report andAppendix A in order to agree the precept requirement for 2024/25 and approve a draft provisional budget for 2024/25

Jan 2024

APPENDIX A

West Rainton & Leamside Parish Council Draft Budget 2024-25			
	Outurn	Forecast	Draft
	2022/23	2023/24	2024/25
	£	£	£
Wages - Clerks & Project officers Salary Gross	6,619	7,249	7,611
Learning & Development (including Cllr Training)	10	50	100
Premises			
Water Rates	61	67	70
Supplies & Services			
IT Equipment/Supplies	642	1,832	1,000
Printing , Stationary and Postage	275	200	210
Subscriptions	594	638	670
Accountancy Fees (Wages)	300	150	158
Insurances	-	764	802
ICO Data controller Fees	40	56	59
Internal Audit	220	220	231
External Audit	200	315	331
Room Hire	112	204	214
Clock Servicing/Repairs	2,150	185	194
Cemetery Maintenance	7,196	5,706	5,991
Village Maintenance	3,480	3,580	3,759
Village Planters and Heritage Garden	2,422	2,799	2,939
Bulbs	2,000	1,950	-
New Planters and Benches	5,624	3,000	-
New Waste Bins	-	2,600	-
Kings Cornation	120	537	-
Queens Jubilee	1,251	-	
Christmas Tree & Carol Evening	3,201	3,330	3,497
Memorial Tree	14,663	378	
Purchase of leafs		1,070	-
Community Grant Funding Applications	1,390	2,800	1920
British Legion Wreath	20	20	
Youth Service	5,000		5,000
Bank Charges	5	52	52
VAT	8,046	4,022	3,200
Elections			
	65,640	**43,775**	**38,008**
Funded by			
Precept	35,768	36,690	37,731
LCTSS Grant	3,187	2,582	1,302
Aap Grant - Queens Jubilee	300	-	
Bank Interest	20	700	250
Test Deposit on new bank account		5	
Income - Burials	2,806	1,665	1,500
Avant Homes Donation	300	-	
Cemetery Earmarked Reserve	9,633	-	
VIP Earmarked Reserve Contribution	13,000		
St Mary's Church Repair Contribution	1,290	-	
Memorial Tree Incvome	875	807	-
VAT on memorial tree income	175	161	-
Recvoerable VAT from previous year	2,091	8,046	3,861
	69,445	**50,656**	**44,644**
Surplus(/deficit) for the year	**3,805**	**6,881**	**6,636**
Reserves Position			
Earmarked Election Reserve	4,000	4,000	4,000
Earmarked ViP	20,000	20,000	20,000
General Reserve Brought Forward	21,602	25,407	32,288
Surplus/deficit for year	**3,805**	**6,881**	6,636
General Reserve at year end	**25,407**	**32,288**	**38,924**
Total Reserves at year end	**49,407**	**56,288**	**62,924**
Funding Presssures			
£6000 for street furniture if S!06 grant not sucessful			
Potential match funding for anti social behaviour			
Further funding for the "we care project"			
Further funding to support JH			
Road traffic measures			
Potential Church Clock Repairs - 50%			