

LAVERSTOCK & FORD PARISH COUNCIL

Report for Agenda Items 24.006 and 24.007.

Subject: Approval of Revised Budget and Precept for 2024/25.

Date: 15 January 2024

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1. Report Summary.

1.1 This Report presents a revised Budget and Precept for 2024/25. The Budget and Precept were approved at the December meeting of Council but two lines of the Budget have since been re-examined. This has resulted in a small reduction in the Precept requirement. Both changes require a new resolution to approve by the Council.

2. Background.

2.1 There are four main elements of the Council's Budget.

- a. Revenue Expenditure. Administration and Environment.
- b. Revenue Income. Interest, Rent and Advertising.
- c. A Contribution from the Council's Reserves provided by developers.
- d. A Capital Reserves provision to support Asset Replacement.

2.2 Revenue Expenditure and Revenue Income remain unchanged from the values agreed by Council in December.

2.3 A review of the Council's Reserves has permitted an increased contribution to support Revenue Expenditure. A review of the Council's Assets has resulted in an increase in the required Capital provision for Asset Replacement.

3. Contribution from Council Reserves.

3.1 When assets such as land and play areas are transferred to the Council, developers provide a maintenance fund that is generally required to last for 20 years. These funds are placed in an Earmarked Reserve and written down by 5% each year. The value of the write-down is transferred from the Earmarked Reserve to the General Fund to support revenue expenditure.

3.2 In the current financial year (2023/24) that contribution was £33,488. In the first draft for 2024/25 I increased the contribution to £46,796. A review of Reserves including extra funds received in October, has resulted in an increased contribution of **£53,698**.

4. Provision for Capital Asset Replacement (CAR).

4.1 The Council is now, or shortly will be, responsible for £2.3m of assets including play areas, sport facilities and open space furniture. At the end of

their useful life these assets must be replaced. The CAR Reserve, funded from the precept, provides the funds to carry out this work.

- 4.2 Each asset is assigned a replacement value, which increases each year with inflation, and a theoretical life. Assets made of timber have a life of 15 years. Play areas have a life of 25 years. A proportion of each replacement value is added to our Reserve each year. Many assets are transferred to the Council at no cost and their replacement value is estimated. With over 200 assets currently, and more to come, the calculation of the CAR value is complex.
- 4.3 In the current financial year (2023/24) the CAR value was £88,006. The first draft of the budget for 2024/25 assigned a value of £91,597. A reassessment of values and making an allowance for new assets about to be transferred, has resulted in a new Capital Asset Replacement value of **£95,581**.

5. Recommendations.

- 5.1 The Revised Draft Budget (v3) incorporates the above changes and a copy is attached at Annex 1. It results in a Revenue Budget of £225,623, a Capital Budget of £95,581 and a Precept of £321,204. This results in a Band D charge of £81.28, which is an increase of 7.17% on 2023/24.
- 5.2 It is recommended that the Council resolve the following.
 - a. **To approve a Revenue Budget of £225,623 and a Capital Budget of £95,581.**
 - b. **To approve a Precept Requirement for 2024/25 of £321,204.**

ANNEX 1 – DRAFT BUDGET & PRECEPT 2024-2025 v3

DRAFT BUDGET & PRECEPT 2024-2025 v3

	REVENUE EXPENDITURE		REVENUE INCOME	
Note	ADMINISTRATION			
1	Salaries Gross	180000	Lease/Rentals	5790
2	Mileage	2850	Insurance Rent	3383
3	Office Sundries & Expenses	5300	Newsletter Advertising	5000
4	Equipment inc IT	2500	Interest & Dividends	50000
5	Professional Fees	2940	TOTAL INCOME	D 64173
6	Subscriptions	2000		
7	Insurance	7104	FROM RESERVES	
8	Grants	10000	S106 Maintenance Reserves	E 53698
9	Newsletter	7700		
10	Community Engagement	2000	TOTAL REVENUE INCOME (D+E)	F 117871
11	Training	1500		
12	CLlr Expenses & Chair Allowance	500	REVENUE BUDGET (C-F)	G 225623
13	Business Support	5100		
14	Youth Support	5000	TO RESERVES	
15	Community Buildings	10000	Capital Asset Replacement	H 95581
	Total Administration	244494		
	ENVIRONMENT		CAPITAL BUDGET (=H)	I 95581
16	Bins & Litter	12500		
17	Grass Cutting & POS Maint.	35000	PRECEPT	
18	Trees	15000		
19	Infrastructure	6000	Precept Requirement 2024-25 (G+I)	J 321204
20	Play Parks-Maint. & Insp.	10500		
21	Highways & SIDs	5000	TAX BASE 2024-2025	K 3951.96
22	Salisbury City Cemetery	5000		
23	Community Farm Support	10000	BAND D (J/K)	£81.28
	Total Environment	99000	CHANGE ON 2023-24	
C	Total Revenue Expenditure (A+B)	343494	2023-24 Precept £295,838	+ 8.57%
			2023-24 Band D £75.84	+ 7.17%