

THUNDRIDGE PARISH COUNCIL

BUDGET 2023/24

Update Position January 2023

At the November meeting the Council considered the potential budget for 2023/4 and two following years. This was partly driven from the forecast outturn for the current year calculated from the figures after 7 months. Figures for 9 months are now available and some changes have been made to the recommended budget . These are shown in blue font on the Budget 2023-24 Workings file. Figures in red font are the changes previously made for the November meeting. The figures are shown on the I&E tab highlighted in red with a column for the budget years 2023/4 to 2025/6.

The budget figures show:

2023/24	-	A deficit of £166,855 – this is explained in the Overall Position below.
2024/25	-	A surplus of £2,777
2025/26	-	A surplus of £3,338

The deficit for 2023/24 arises from the expenditure refurbishing the Wodson Pavilion currently reserved at £168,000 and this is funded from cash reserves as described below. This therefore enables the proposed budget to be acceptable.

Recommendation

1. The Council is requested to approve the budget which is summarised in the table below and shown in more detail on the Budget 2023/24 Workings File.
2. The Council is requested to approve the precept sum for 2023/24 shown as £33,850 which is an increase of 2.1% on the current year.

**Thundridge Parish Council
Summary Budget 2022/23 - 2024/25**

	Budget 2022/23	Forecast Outturn 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26
INCOME					
Allotments Rent	1,275	1,395	1,488	1,488	1,488
Wodson Field	14,454	15,351	15,220	14,945	15,332
Other	175	1,570	393	100	100
Sub Total	15,904	18,256	17,101	16,533	16,919
Precept	33,150	33,150	33,850	34,527	35,218
TOTAL	49,054	51,406	50,951	51,060	52,137
EXPENDITURE					
Clerk	10,035	11,340	11,680	12,031	12,392
Admin	9,872	15,361	9,552	5,070	5,089
Subscriptions	850	904	915	936	958
Parish maintenance	1,180	1,721	200	200	200
General Expenditure	7,025	5,100	11,125	11,025	11,025
Wodson Pavilion	8,646	8,800	178,280	9,174	9,494
Wodson Field	2,500	4,100	2,500	2,500	2,500
Playground	4,183	747	1,650	3,668	3,687
Allotments	458	999	1,054	1,080	1,106
Planning	2,850	0	850	2,600	2,350
TOTAL	47,598	49,072	217,806	48,283	48,799
SURPLUS or DEFICIT	1,456	2,334	166,855	2,777	3,338

Budget Report

Introduction

The Council is required to set a budget for the next financial year from April 1st 2023 to 31st March 2024. A key reason for this exercise is for the Council to determine its recommended Precept for next year which has to be confirmed by the end of January. A key feature is the budget for the anticipated refurbishment works on the Wodson Pavilion and use of cash reserves. It is therefore necessary to show figures for the next three years.

Presentation of Budget

The main figures of the budget are shown in the table above. More detail is shown in the Budget 2023/24 Workings File on the I&E Account tab highlighted in red. The columns to review are highlighted in yellow at the top.

The budget figures are for next year (Year 1, 2023/24) and the two following years (Year 2, 2024/25 & Year 3, 2025/26). They are a combination of the budget this year taking into account forecast outturn of income and expenditure where this materially differs from the present budget. Forecast inflation for three years has been added on many headings. The forecast outturn for this year is shown. Figures in red font indicate a change from the present budget shown in November and further recent changes are shown in blue font. New comments are also shown in blue font.

Key Points for Budget 2023/24

Income

1. Day Nursery – the income assumption is based on the lease agreement with the Day Nursery plus Ware Lions.
2. Precept – a proposed rise of 2.1% is shown for 2023/24 with a rise of 2% for each of the following 2 years.

Expenditure

1. Admin Legal Fees – this has been maintained at the current the budget provision in 2023/24 of £5,000.
2. General Expenditure – Miscellaneous – this is a general items budget intended to fund any unforeseen items which occur during the year. It has been reinstated to its previous level of £10,000 having had £4k transferred in the current year for legal costs.
3. Wodson Pavilion – Business Plan – the current budget of £5,000 has been increased to £7,000 to fund the architects and possible legal fees, plus storage and increased insurance costs. This is an estimate for the Wodson Pavilion project. The budget for this increase has been transferred from the previously unused Planning Defence sum.
4. Wodson Pavillion refurbishment works – the estimate of refurbishment works is shown as £168,000 and is forecast to be completed in one period of works in 2023/24. A budget for this is shown as the expenditure will be charged to the I&E account but it will cause a very significant deficit to occur noted below.

5. Playground Equipment – as most of this equipment was replaced in recent years the budget is lower for next year by £2,000 and is used by previous increases in admin and legal costs.

Overall Position

1. The budget shows that if the income and expenditure follow the budget provisions, the Council will generate a small surplus of approximately £3,000 in years 2 and 3. However the occurrence of the Wodson Pavilion works of £168,000 will cause a very large deficit slightly offset by a surplus on the remainder of the budget of £1,145 bringing the forecast deficit to £166,855 next year. This arises because capital expenditure is recorded in the I&E A/C alongside revenue expenditure as the Parish Council does not operate a capital account. In order for such a position to be approved the Council has to demonstrate how such a deficit can be funded. The Council has consistently approved the establishment of a Long Term Reserve backed by cash holdings in Savings Accounts to fund these works and this is shown on the balance sheet tab on the appendix and summarised below.

2. Balance Sheet 2023/24 – the forecast position is :

	Start of year	Expenditure Wodson Works	End of Year
	£	£	£
Long Term Reserve	168,009	- 168,000	9
Short Term Reserve	62,757	+ 1,145	63,902
Total	230,766	- 166,855	63,911
Represented By:			
Saffron Walden BS	82,954	- 82,950	4
Redwood Bank	85,055	- 85,050	5
Unity Bank	60,259	+ 1,145	61,404
Debtor – VAT	2,498		2,498
Total	230,766	- 166,855	63,911

The use of the Long Term Reserve's cash holdings in the Saffron Walden and Redwood accounts is seen to finance the Wodson Pavilion works. At the end of the year the Council is forecast to be holding cash reserves of over £60,000 which is a robust position to enable it to plan for a small land acquisition on the Wodson Field site. That would be a separate project for consideration at a later date.