

ALDENHAM PARISH COUNCIL

Council Document

To agree the budget for 2024/25, and set and inform Hertsmere Borough Council of the Council's precept demand for 2024/25.

AGENDA item 8

Full Council meeting 30 January 2024

Budget for APC for 2024/25

I attach the budget, which includes the adjustments suggested by the Finance & General Purposes committee at its meeting on 11 January 2024. (appendix a). As highlighted on page 6 the budget required for Aldenham Parish Council (APC) for 2024/25 in order to carry out its duties is £740,437, an increase of £46,386 on the 2023/24 budget of £694,051.

The general principles behind this increase is

- Allowance for inflationary pressures on goods purchased
- Cost of living rises for staff which are negotiated nationally over which APC has no control.
- The decision not to renew the grant to Hertsmere Borough Council (HBC) in order to ensure that the first hour of parking in Newberries Car Park is free, due to the fact that HBC had indicated that this subsidy would need to increase to at least £60,000 from £12,500 in order to replace HBC's lost revenue.
- To ensure that APC replenished the General Reserves to an acceptable level following two years where these reserves had been used to fund planning appeals, as a Rule 6 party on the 'Solar Energy' proposals and 'Land to the South of Shenley Hill' development for housing etc. (approximately £160,000).

The recommendation from the Finance & General Purposes committee is as follows;

- a) **That the committee asks the Council to confirm a budget requirement for APC of £740,437 net for the financial year 2024/25.**

Precept requirement for 2024/25

Once the budget has been agreed, APC needs to consider how this will be funded. This can be from council tax collected by Hertsmere Borough Council (HBC) or partly/fully from reserves (not capital reserves as they have to be spent on capital items). As reported in December the balance of monies held by APC was £1.9m of which £1.3m is either capital reserves or Community Infrastructure Levy which cannot be used to fund the revenue budget.

HBC has informed APC that the tax base figure, which is the number of households it predicts will be charged with a percentage of the precept demand requested by APC is this will be 5415 which, unusually, is a reduction from 5481 due to an administration error at HBC where they included properties within the APC calculation whereas they were actually in Bushey ward. Unfortunately, this means number of council tax properties in the parish, from which the precept required by APC is collected, is less. Please note the final tax base figure will be finalised at the next meeting of HBC which is set for 24 January 2024.

Use of reserves to offset the precept requirements of APC

In 2023, APC made a provision that any asset purchases required would be funded from the reserves. APC could consider this again, but as discussed at the F&GP Committee meeting, the general reserves have been reduced significantly over the last two years, mainly due to the fact that APC have been involved as a 'Rule 6' party in two planning appeals, costing approximately £160,000. It is therefore

b) Recommended that the Council do not use any reserves to off-set the budget requirements for APC for 2024/25.

Precept demand

So, if you divide the budget required figure of £740,437 (shown as A) below) and divide this by the new tax base of 5415, the amount charged to Band 'D' level council tax payers in Aldenham Parish in 2024/25 will be £136.74 (shown as D) below).

Precept calculation

Income

Admin	£ 13,300
Parks & Open Spaces	£ 7,900
Comm Development	£ 3,150
Total	£ 24,350

Expenditure

Admin	£ 468,681
Open Spaces	£ 235,136
Comm Development	£ 60,970
Total	£ 764,787

Net Precept requirement	£ 740,437	A)	£ 694,051	£ 46,386	B)	6.68%
--------------------------------	------------------	-----------	------------------	-----------------	-----------	--------------

Tax Base (Band D)	5415	C)	Previous year	difference	percentage
Divide Net Precept by Tax Base	£ 136.74	D)	£ 126.63	£ 10.11	7.98%
			E)	F)	G)

The 2023/24 figure was £126.63 (shown as E) on the above table), this leads to an increase of £10.11 for the year (shown as F in the table above), a percentage increase of 7.98% (shown as G) in the table above). This allows for a £30,000 increase in reserves, as well as other inflationary increases.

The recommendation from the Finance & General Purposes committee is as follows;

- c) That the Council Manager informs HBC (the Council tax collector) that the APC precept demand for 2024/25 will be £740,437.

Members are asked to consider this report.

Peter Evans
Council Manager