East Dean & Friston
Parish Council

Date: **06 January 2022**

Title: **Report Item 7 – Budget and Precept 2022/23**

By: **K Larkin (Parish Clerk)**

Purpose: **To present a fourth draft for consideration and approval**

Recommendations: **To approve the budget and precept 2022/23**

---

1. The Budget for 2022/23 is difficult to set. This is because a significant amount of uncertainty has to be built into it. It has become apparent that the council needs to budget for the cost of by-elections which are unpredictable, but also expensive. The average cost of a by-election is about £5,000 and this covers the administrative costs incurred by Wealden District Council, who run it. The cost (with the exception of poll cards) is not related to the size of the parish. So, for example, if a by-election is held in a Wealden town with a precept of £1 million, the cost will be only 0.5% of the precept and is relatively easy to smooth over in budgeting. If a by-election is held in a small rural parish with a precept of £25,000 it will cost 20% of the precept. East Dean and Friston is in between: an average by-election will cost 8.2% of the current precept of £61,245. Actually in 2021/22 there were two by-elections in EDF which will have cost around 16% of the precept. The council is bound to budget for some recurrence in 2022/23, and the potential for financial instability is clear.

2. The electors of the parish have a statutory right to summon a by-election to fill any casual vacancy, and this right is fundamental to local democracy. For example, it allows ten electors to field a candidate who might not otherwise have been considered for co-option, or chosen for co-option. If that candidate is successful there is a clear gain for local democracy. Other positive examples may come to mind. Nevertheless, the cost factor remains, and must be managed.

3. Accordingly, councillors have considered raising the precept. At an informal budget meeting held on 14 December 2021 a draft budget was worked out as shown in the Appendix to this report. **It proposes that the precept be raised from £61,245 to £71,500, an increase of 16.7%.** The tax base is projected to be 994.7, so **the cost per average Band D household would be £71.88, as compared with the current rate of £61.29, i.e. an increase of £10.59 per annum.** The percentage increase is large but the actual bill per household is small. That said, the other taxing authorities listed on residents' council tax bills may all be proposing increases which though capped at 4% involve much larger sums, which will have a greater effect on household bills.

4. Here is a commentary on the draft budget which sets out the advantages of raising the precept to £71,500:

- **Revenue income** – the precept is the parish council's only significant source of income. If it is not raised, and administrative costs (e.g. paying for by-elections) increase, other items have to be reduced or cut.

- **Council Office costs** – this section of the budget is proposed to increase from £19,087 to £20,954, which allows for the following: (i) Clerk and Admin Officer to move up the salary scale, as approved at the December parish council meeting; (ii) Clerk and Admin Officer each to receive the increased home working allowance of £26 per month (up from £18 per month) approved by HMRC; (iii) £750 for the replacement of office equipment.

- **Professional Expenses** – this section of the budget is proposed to go up from £5,933 to £12,225. This allows £6,000 for one by-election in 2022/23, plus £1,500 to be set aside as a contribution to the cost of the next general parish elections, to be held in May 2023. Wealden District Council has confirmed that any casual vacancy occurring after 01 November 2022 can be held over to May 2023. Therefore, provision has only been made for one by-election, though statistically there are on average two vacancies per year. Note: any unspent budget can be transferred to Projects.

- **Councillor Expenses –** this sections is proposed to be increased from £2,099 to £2,129, a modest amount to cater for the increase in councillor allowances proposed by the Independent Remuneration Panel which met in November 2021. Note: a number of councillors choose not to claim their allowances, and unspent funds are transferred to the Council Grant Scheme and grants can be applied for by village clubs and societies.

- **Revenue funding of Projects** – this section is proposed to be reduced from £16,537 to £8,410. It should still cover, as a minimum (i) the Admin Officer's project hours £3,310; (ii) the revision of the Village Design Statement £2,000; (iii) extra speed sign posts on the A259, £2,100; (iv) Environment project support £1,000. The council cannot rely on capital grants from other bodies to fund projects which fall outside routine expenditure, and must expect to fund them from revenue, even if grants are applied for. However, if the by-elections budget is not spent then £6,000 could be transferred to Projects, raising the total to £14,410. The council's intention is to consult the community at the next Annual Village Meeting (scheduled for 20th May 2022) as to what projects they would like to see.

- **Pavilion Maintenance** – this section is proposed to be increased from £1,733 to £2,430. Further maintenance work is required at the pavilion, and there are known to be inflationary pressures on utility bills.

- **Sports and Play Grounds Maintenance –** this section is proposed to increase from £1,600 to £2,800. A sinking fund is needed for the maintenance of sports equipment, in particular the tennis court which may need re-surfacing.

- **Other Maintenance –** this section remains unchanged at £2,630, though internally it has been adjusted so that £450 is transferred from East Dean in Bloom to Minor Asset replacement. East Dean in Bloom is now largely equipped to continue and only needs finance for fresh plants, £250 being allowed for this (down from £700).

- **Mowing Services –** no increase is proposed, in fact there is a slight decrease from £8,834 to £8,427 as the sanitising of play equipment has ceased.

- **Other Services –** this section is proposed to increase from £10,672 to £12,567. There is provision for one extra dog bin (already purchased) to be installed on the Downlands Estate when a suitable location can be found. This will add to the ongoing costs of collection. A sum of £1,355 is allocated for Events, which in 2022/23 will mean Her Majesty's Platinum Jubilee celebrations. An application has been made for £500 of funding from the Community Infrastructure Levy which is managed by the South Downs National Park Authority, and if successful this would be put towards the installation of a permanent village sign at the entrance to East Dean from the south.

5. The total of these items of expenditure would be £72,572, and if the precept is set at £71,500 as proposed, the council will end 2022/23 with a slight surplus of £709. This will mean that the council's reserves should be held steady.

6. At the halfway mark in the current financial year, it was projected that the out-turn at 31 March 2022 would be £63,311, though in fact it may be greater depending on expenditure in the second half of the year, when Covid restrictions are re-emerging. This compares with £66,422 at 31 March 2021.

Note: Wealden District Council on 21 December issued a press release saying that it is proposing a 2.53% increase on council tax bills from 2022/23, which is equivalent to £5 a year – or 9p a week – for a Band D property, 20p a week for the highest band and 6p a week for the lowest band. However, nearly 90% of council tax bills is levied by other authorities: the county council, the police, and the Fire and Rescue authorities.