

Preston Brook Parish Council

Budget + Precept

2022-2023

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Proper Officer: Mr Luke Trevaskis

BUDGET

INTRODUCTION

The budget of Preston Brook Parish Council is an estimate of income and expenditure for the financial year.

With openness and transparency at the core of all Local Council's financial decisions, Preston Brook Parish Council should expect, nay encourage, proper scrutiny by the public and Councillors of the spending plans and any subsequent precept request.

BACKGROUND

In order to carry out duties, powers, and delegated functions, it is a statutory duty of a Parish Council to prepare a budget for each financial year.

Section A of 'The Good Councillor's Guide to Finance and Transparency' states:

"The preparation of an annual budget is one of the key statutory tasks undertaken by a Council, irrespective of its size."

STRUCTURE

Without a budget in place, a Council is in breach of its Financial Regulations. Budgets must be set in line with S.101 (6) Local Government Act 1972, S.50 Local Government Finance Act 1992 and S.78 Localism Act 2011.

Section A of 'The Good Councillor's Guide to Finance and Transparency' states:

"The budget:

- Results in the Council setting the precept for the year;*
- Gives the Clerk and any other officers overall authority to make spending commitments in line with the decisions of the Council;*
- Enables progress monitoring during the year by comparing actual spending against planned spending. It is important that Councillors understand how the budget is put together and how it should be used. The budget is an essential tool for controlling the Council's finances, and demonstrates that the Council will have sufficient income to meet its objectives and carry out its activities.*

The Council must approve a budget before it sets a precept. The budget and precept both need to be approved at a full Council meeting and recorded in minutes; the Council must then manage its activities within budget.

The key stages in the budgeting process are:

- Review of current year budget and spending;*

- Determine the cost of spending plans;
- Assess levels of anticipated income;
- Provide for contingencies and the need for reserves;
- Approve the budget;
- Set the precept.

Some Councils may budget to minimise spending to keep the local precept as low as possible, which may sometimes result in the Council doing little for their local community. However, there is evidence that local taxpayers are willing to pay more if they can see the results in terms of better local services. Local electors will often be prepared to contribute more for tangible local community benefits, rather than pay an amount where it appears that the Council is not active on behalf of the community and is merely administering itself."

HOW DOES THE COUNCIL DECIDE THE BUDGET?

A Parish Council must ensure all legislative requirements are met when deciding the budget, ensuring that policies are adhered to and all predicted spend falls within the duties and/or power(s) of a Parish Council.

PREDETERMINATION AND BIAS

The duty on public authorities to avoid bias in their decision-making is essentially part of their duty to act fairly.

Predetermination (where a decision-maker effectively decides on an issue in advance and closes his or her mind to any other possibility) is unlawful and Councillors must comply with S.25 Localism Act 2011 when setting the budget.

Councillors must safeguard their democratically accountable functions, ensuring that any fair-minded and informed observer, having considered the facts, could not conclude that there was a possibility of bias or predetermination in their decision making.

CODE OF CONDUCT

All Councillors are required to act within a Code of Conduct that governs their decision making. The Code of Conduct ensures budgeting decisions are not made for the benefit of any Councillor and that all Councillors act with openness, integrity, objectivity and accountability.

Halton Borough Council Council Code of Conduct includes:

Accountability

Councillors are accountable to the public for their decisions and must co-operate fully with whatever scrutiny is appropriate to their office, including by local residents.

Objectivity

Councillors should remain objective, listen to the interests of all parties appropriately and impartially and take all relevant information, including advice from the authority's

officers, into consideration.

Openness

Councillors must be as open and transparent as possible about their decisions and action and the decisions and action of the authority. Councillors should be prepared to give reasons for those decisions and actions. Councillors must not prevent anyone getting information that they are entitled to by law.

Honesty

Councillors must declare any private interests, both pecuniary and non-pecuniary that relate to their public duties and must take steps to resolve any conflicts arising in a way that protects the public interest, including registering and declaring interests.

Integrity

Councillors must not place themselves under any obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

Selflessness

Councillors must act solely in the public interest and must never use or attempt to use your position improperly to confer an advantage or disadvantage on any person or act to gain financial or other material benefits for yourself, your family, friends or close associates.

CONSULTATION

It is good practice for a Council to consult the community to ascertain the needs and aspirations of residents.

Section A of 'The Good Councillor's Guide to Finance and Transparency' states: "The Council should consider consulting the local community for their views."

Income List
April 2021 - December 2021

No.	Date	Supplier	Payment Type	Detail	Budget	Net	VAT	Total
1	1.04.21	Cheshire West and Chester Council	Online	Precept	£13,000.00	£13,000.00		£13,000.00
2	24.9.21	Preston Brook Village Hall	Online	Toilet Refurbishment		£18,064.00		£18,064.00
3	26.10.21	VAT Return	Online			£1,597.77		£1,597.77
Total								£32,661.77

Expenditure List
April 2021 - December 2021

No.	Date	Supplier	Payment Type	Detail	Budget	Net	VAT	Total
1	23.4.21	ChALC	Online	Training	Cllr Training / Expenses	£25.00		£25.00
2	23.4.21	DM Payroll Services	Online	Payroll	Payroll Services	£120.00		£120.00
3	23.4.21	J Kinross	Online	Bridgewater Green maintenance equipment	Bridgewater Green - Commuted Sum Reserves	£373.14		£373.14
4	23.4.21	ChALC	Online	ChALC Subscription	Annual Subscriptions	£261.36		£261.36
5	23.4.21	HMRC	Online	Payroll	Salaries	£74.20		£74.20
6	23.4.21	ChALC	Online	Training	Cllr Training / Expenses	£90.00		£90.00
7	23.4.21	C Wyna	Online	Payroll	Salaries	£320.42		£320.42
8	4.5.21	CF Corporate Finance	Direct Debit	IT	Printer Lease / Print Charges			£75.60
9	24.5.21	Zurich	Online	Insurance	Insurance			£257.60
10	24.5.21	C Wyna	Online	Reimbursement?	Grants / Donations?			£488.00
11	24.5.21	HMRC	Online	Payroll	Salaries			£74.20
12	24.5.21	C Wyna	Online	Payroll	Salaries			£320.42

13	21.6.21	Parish Online	Online	Mapping Subscription	Software Subscription			£40.50
14	21.6.21	HMRC	Online	Payroll	Salaries			£74.20
15	21.6.21	C Wyna	Online	Payroll	Salaries			£320.42
16	21.6.21	Halton BC	Online	Election Costs	Misc.			£308.50
17	30.6.21	SBSUK PLC	Direct Debit	Rental of MX3640NFK - 1.8.21-31.10.21	Printer Lease / Print Charges	£63.00	£12.60	£75.60
18	30.6.21	Unity Trust	Direct Debit	Service Charge	Banking Charges			£18.00
19	28.7.21	C Wyna	Online	Payroll	Salaries			£320.22
20	28.7.21	C Wyna	Online	Gift Vouchers - David Felix (reimburse)	Misc.			£25.00
21	28.7.21	ChALC	Online	Training	Cllr Training / Expenses			£25.00
22	28.7.21	M Lacey	Online	Village Hall	Projects Expenditure			£4,163.00
23	28.7.21	HMRC	Online	Payroll	Salaries			£74.40
24	28.7.21	Peter Bolton	Online	Rockery Plants (reimburse)	Projects Expenditure			£170.00
25	2.8.21	CF Corporate Finance	Direct Debit	IT	Printer Lease / Print Charges			£75.60
26	17.8.21	R Rainford	Online	Tree Survey Report	Projects Expenditure			£300.00
27	17.8.21	HMRC	Online	Payroll	Salaries			£74.20
28	17.8.21	C Wyna	Online	Bench at Windmill Lane	Projects Expenditure	£327.47		£404.95
29	17.8.21	C Wyna	Online	Payroll	Salaries			£320.42
30	25.8.21	M Lacey	Online	Village Hall	Projects Expenditure			£18,732.00
31	24.9.21	ChALC	Online	Training	Cllr Training / Expenses			£30.00
32	24.9.21	L Tickle	Online	Internal Audit Fee	Audit			£55.00
32	24.9.21	HMRC	Online	Payroll	Salaries			£148.40
33	24.9.21	C Wyna	Online	Payroll	Salaries			£246.22
34	27.9.21	M Lacey	Online	Village Hall	Projects Expenditure			£19,596.00

35	30.9.21	Unity Trust	Direct Debit	Service Charge	Banking Charges			£18.00
36	1.11.21	CF Corporate Finance	Direct Debit	IT	Printer Lease / Print Charges			£75.60
37	24.12.21	SBSUK PLC	Direct Debit		Printer Lease / Print Charges			£219.88
38	31.12.21	Unity Trust	Direct Debit	Service Charge	Banking Charges			£18.00
Total								£48409.05

**Current Position
April 2021 - December 2021**

The current position of Preston Parish Council demonstrates the current budget, the actual spend to date against that budget, and the anticipated total expenditure (outturn) by 31 March 2022.

The Council's opening bank balance as at 1 April 2021 was £26,683.38

INCOME

Item	2021-22 Budget	2021-22 Actual
Precept	£13,000.00	£13,000.00
VAT Refund	£1,597.77	£1,597.77
Village Hall Contributions	£17,344.60	£18,064.00
Total		£32,661.77

EXPENDITURE

Item	2021-22 Budget	% of Total Budget	2021-22 Actual	Estimated 2021-22 Outturn
Salaries	£5,300.00	16.01	£2367.72	£5,000.00
Staff Allowances and Expenses	£35.00	0.11	£0.00	£0.00
Stationary	£200.00	0.60	£0.00	£0.00
Postage	£10.00	0.03	£0.00	£0.00
Cllr Training and Expenses	£500.00	1.51	£170.00	£170.00
Insurance	£300.00	0.91	£257.60	£257.60
Audit	£325.00	1.0	£55.00	£55.00
Annual Subscriptions	£345.00	1.04	£261.36	£261.36
Website	£300.00	0.01	£0.00	£300.00
Software	£150.00	0.45	£40.50	£40.50
Equipment	£100.00	0.30	£0.00	£0.00
Repairs and Renewals	£100.00	0.30	£0.00	£0.00
Village Hall Rent	£200.00	0.60	£0.00	£200.00
Remembrance Sunday Wreath	£35.00	0.11	£0.00	£0.00
Grounds Maintenance (planters, manweb corner, the green)	£3,000.00	9.06	£0.00	£3,000.00

Item	2021-22 Budget	% of Total Budget	2021-22 Actual	Estimated 2021-22 Outturn
Payroll Services	£120.00	0.4	£120.00	£120.00
Banking Charges	£72.00	0.2	£54.00	£54.00
Misc	£300.00	0.9	£333.50	£333.50
Printer Lease and Print Charges	£400.00	1.2	£522.28	£522.28
Grants	£500.00	1.5	£488.00	£488.00
Projects	£20,813.50	62.87	£43,365.95	£43,365.95
Total	£33,105.50		£48,035.91	£54,168.19

GENERAL & EARMARKED RESERVES

Item	2021-22 Budget	2021-22 Actual	Estimated 2021-22 Outturn
Bridgewater Green Earmarked Reserve	£2,532.22	£373.14	£373.14
General Reserves	£0.00	£0.00	£0.00
	£2,532.22		£373.14

It is estimated that expenditure will total approximately £54,541.33 by 31 March 2022. It is therefore estimated that £4,803.82 will remain at bank as of 31 March 2022. As £2,159.08 of this balance is the Council's reserves, the actual carry forward to the 2022-2023 budget is estimated to be £2,644.74.

**Approved Preston Brook Parish Council Budget
April 2022 - March 2023**

The Proper Officer has considered a budget to satisfy the obligations of Preston Brook Parish Council.

EXPENDITURE

Item	Budget	% of Total Budget
Salaries	£5,500.00	28.31
Staff Allowances and Expenses	£600.00	3.09
Stationary	£200.00	1.03
Postage	£50.00	0.26
Cllr Training and Expenses	£500.00	2.57
Insurance	£300.00	1.54
Audit	£500.00	2.6
Annual Subscriptions	£500.00	2.57
Website	£300.00	0.02
Software	£150.00	0.77
Equipment	£100.00	0.51
Repairs and Renewals	£100.00	0.51
Village Hall Rent	£200.00	1.03
Remembrance Sunday Wreath	£35.00	0.18
Grounds Maintenance (planters, manweb corner, the green)	£3,000.00	15.44
Payroll Services	£120.00	0.6
Banking Charges	£72.00	0.4
Misc	£300.00	1.5
Printer Lease and Print Charges	£400.00	2.1
Grants	£500.00	2.6
Projects	£6,000.00	30.88
Total	£19427.00	

GENERAL & EARMARKED RESERVES

Item	2022-23 Budget
Bridgewater Green Earmarked Reserve	£2,159.08
General Reserve	£2,644.74
	£4,803.82

PRECEPT

INTRODUCTION

The precept is an amount collected by Halton Borough Council on behalf of Preston Brook Parish Council and is budgeted by Preston Brook Parish Council to meet the needs of the community.

There are approximately 10,239 parishes in England - 8,877 of which levied a non-zero precept in 2021-22.

There are six parish councils in Halton Borough Council - all of which set a precept in 2021-22 with an aggregate value of £146,707.

The precept is essentially a demand for a sum to be collected through the council tax system. Council tax-payers cannot refuse to pay it, and the billing authority cannot refuse to levy it. It is the only source of tax revenue available to parish councils.

Historically, parish councils were able to raise a 'rate' from the time of their establishment in 1894: this was linked to their then duties under the Poor Laws. Rates were levied on non-domestic and domestic property until 1990, when the rates were replaced by the National Non-Domestic Rate and the Community Charge respectively. Since then, parishes have precepts on domestic property only, via the Community Charge and then the council tax.

In 2021-22 the largest amount precepted by a parish council was £3.36 million, and the lowest was £10.00. The largest amount per Band D household was £369.32 and the smallest £00.27. The largest tax base of a precepting parish was 37,101 and the smallest 1.4.

Since 2012-13, the Government has had the power to require parish and town councils to hold a referendum if their precept increases by more than a set threshold. Thresholds are imposed on principal authorities every year, but to date the Government has never extended them to parish councils.

Twelve new precepting parish councils were created in 2021-2022. Nine parishes ceased to exist in 2021-2022.

CALCULATION

S.78 Localism Act 2011 states:

- (2) *The local precepting authority must calculate the aggregate of -*
- a) The expenditure the authority estimates it will incur in the year in performing its functions and will charge to a revenue account for the year in accordance with proper practices,*
 - b) Such allowance as the authority estimates will be appropriate for contingencies in relation to amounts to be charged or credited to a revenue account for the year in accordance with proper practices,*
 - c) The financial reserves which the authority estimates it will be appropriate to raise in the year for meeting its future expenditure, and*
 - d) Such financial reserves as are sufficient to meet so much of the amount estimated by the authority to be a revenue account deficit for any earlier financial year as has not already been provided for.*

(3) The local precepting authority must calculate the aggregate of –

- a) The income which it estimates will accrue to it in the year and which it will credit to a revenue account for the year in accordance with proper practices, other than income which it estimates will accrue to it in respect of any precept issues by it, and
- b) The amount of financial reserves which the authority estimates that it will use in order to provide for the items mentioned in paragraphs (a) and (b) of subsection (2) above.

(4) If the aggregate calculated under subsection (2) above exceeds that calculated under subsection (3) above, the authority must calculate the amount equal to the difference; and the amount so calculated it to be its council tax requirement for the year.

CONTEXT

Over the past twenty years, Preston Brook Parish Council has levied the below sums:

Year	Precept	Tax Base	Precept per Band D Properties	Year-On-Year change per Band D Properties (£)	Year-On-Year change per Band D Properties (%)
2021/22	£13000.00	357	36.41	3.58	10.9
2020/21	£12084.00	368	32.84	0.00	0.0
2019/20	£11788.00	359	32.84	-0.69	-2.0
2018/19	£11330.00	338	33.52	0.39	1.2
2017/18	£11000.00	332	33.13	5.90	21.7
2016/17	£9150.00	336	27.23	1.00	3.8
2015/16	£8500.00	324	26.23	1.16	4.6
2014/15	£8000.00	319	25.08	2.10	9.2
2013/14	£7260.00	316	22.97	3.95	20.8
2012/13	£6600.00	347	19.02	6.27	49.1
2011/12	£4400.00	345	12.75	0.63	5.2
2010/11	£4268.00	352	12.13	0.13	1.0
2009/10	£4164.00	347	12.00	1.37	12.8
2008/09	£3605.00	339	10.63	0.06	0.6
2007/08	£3500.00	331	10.57	0.99	10.4
2006/07	£3123.00	326	9.58	-0.00	-0.0
2005/06	£3200.00	334	9.58	0.00	0.0
2004/05	£3247.00	339	9.58	-0.00	-0.0

Year	Precept	Tax Base	Precept per Band D Properties	Year-On-Year change per Band D Properties (£)	Year-On-Year change per Band D Properties (%)
2003/04	£2567.00	268	9.58	0.00	0.0
2002/03	£2519.00	263	9.58	-0.00	-0.0
2001/02	£2069.00	216	9.58	-0.00	-0.0
2000/01	£1600.00	167	9.58		

The precept of 2021/2022 levied the approximate sums in the table below per annum for each property band in the Preston Brook Parish Council area.

Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
£24.39	£28.40	£32.40	£36.41	£44.42	£52.43	£60.80	£72.82

There are approximately 392 net dwellings in Preston Brook which are liable for Council Tax (before any adjustments are made for discounts and before the properties are converted into Band D equivalents to reach the final tax base figure). The approximate number of net dwellings of each property band in Preston Brook is as follows:

	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
Number of Dwellings	12	32	81	70	159	26	12	0
% of Total	5.41	14.41	36.49	31.53	71.62	11.71	5.41	0.00

Therefore, the majority of homes in Preston Brook fall within Band E, and paid a precept of approximately £44.42 in 2021-2022.

Over the last decade, the Parish Council's precept has recurrently remained below the national average. Preston Brook Parish Council's precept can be compared to the national average in England for Band D properties:

Year	Band D (National Average, England) Value	Band D (National Average) Year-On-Year Variation (£)	Band D (National Average) Year-On-Year Variation (%)
2021/22	£71.86	£1.97	2.8%
2020/21	£69.89	£2.71	4.0%
2019/20	£67.18	£3.14	4.9%
2018/19	£64.05	£3.01	4.9%
2017/18	£61.03	£3.64	6.3%

Year	Band D (National Average, England) Value	Band D (National Average) Year-On-Year Variation (£)	Band D (National Average) Year-On-Year Variation (%)
2016/17	£57.40	£3.28	6.1%
2015/16	£54.12	£1.75	3.3%
2014/15	£52.37	£2.14	4.3%
2013/14	£50.23	£2.49	5.2%
2012/13	£47.74	£1.77	3.9%
2011/12	£45.97	£1.04	2.3%
2010/11	£44.93	£2.42	5.7%
2009/10	£42.51		

Preston Brook Parish Council's precept for Band D properties in 2021-2022 was £35.45 below the national average.

Preston Brook Parish Council's precept can be compared to other precepts in the Halton Borough Council area for Band D properties in 2021-22.

Parish / Town	Parish Precept	Tax Base	Band D	Year-on Year Variation
Hale	£43,724.00	655	£66.75	-10.77%
Daresbury	£6,700.00	179	£37.43	25.02%
Moore	£5,625.00	324	£17.36	7.66%
Preston Brook	£13,000.00	357	£36.41	7.58%
Halebank	£39,085.00	521	£75.02	-0.38%
Sandymoor	£38,573.00	1,326	£29.09	4.82%

Preston Brook Parish Council's precept, when compared to other precepts in Halton Borough Council for Band D properties in 2021-22, ranked 4th (descending) out of the 6 parishes that set a non-zero precept, with Halebank ranked first with a precept of £75.02 and Moore ranked last with a precept of £17.36.

2022-2023 Approved Precept

With an approved budget of £19,427.00, it is proposed that Preston Brook Parish Council set its 2022-2023 precept at £19,427.00.

The estimated carry forward of £4,803.82 has been factored into the proposed precept. As the recommended level of general reserves an authority should hold is between 25-100% of its annual anticipated expenditure, the carry forward of £4,803.82 will appear in the new general reserves which, whilst is in line with the advice in NALC's 'Good Councillor's Guide to Finance and Transparency', and can be built on in future years.

With a 2022-2023 tax base of 368*, this precept level would equate to the approximate sums in the table below for each property band in the Preston Brook Parish Council area.

Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
£35.37	£41.18	£46.98	£52.79	£64.40	£76.02	£88.16	£105.58

This precept level would equate to an annual year-on-year increase for each property band in the Preston Brook Parish Council area outlined in the table below.

Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
£10.97	£12.78	£14.58	£16.38	£19.98	£23.59	£27.35	£32.76

As the majority of households in Preston Brook fall within Band E, most households would pay a year-on-year increase of approximately £19.98 (+45%) - the equivalent of £0.38 per week.

**The tax base is calculated by taking the number of Band D equivalent properties in the parish from information supplied by the Valuation Officer, making allowances for discounts and exemptions, successful valuation appeals, the cost of the Council Tax Reduction Scheme, non-collection, and housing growth estimates. The number of Band D equivalent properties is calculated by scaling properties in other bands either up or down to convert them to a Band D level.*

The determination of a parish council's tax base includes the impact of the Welfare Reform Act 2012 which abolished Council Tax Benefit from 31.3.13 and introduced localised Council Tax Support (CTS) schemes. Billing authorities are required to express localised council tax support schemes in terms of a reduction in the Council Tax tax base.