

Covering notes to the Hambledon Parish Council Draft budget 2022/23

The Finance WG met on 7 December and agreed a first draft of next year's budget.

As background, it was decided last year that no increase to the precept should be sought. HALC recommends that the precept is increased yearly by inflation so as to maintain appropriate level of funding to cover costs year on year. Inflation uplift to be used is 5.1%. HALC also recommends retaining a Reserve of 3-9 months of running costs.

This year's draft budget offers a range of increases to the precept and these are explained below. However, it should first be noted that:

- fixed costs (salary, admin, Cllrs' expenses, membership subscriptions and village maintenance) amount to c£18,169. This must be covered by the precept which is currently £22,597. There is therefore £4,779 'headroom' for discretionary spending next year, based on this year's precept.
- Setting aside the two big capital projects (Better Streets and Playground) but funding the proposed discretionary Grants reduces the headroom to £2,597, again based on this year's precept.

There are two major budget uplift items being proposed, which together would add £25,000 to be found in the budget:

- £15,000 to cover 50% of the cost of the Playground refurbishment with the expectation that the balance will be raised from donations solicited from the Village.
- £10,000 to add to the Better Streets pot to cover various improvements around the Village.

An inflation rise of 5.1% will increase the precept to £23,749. Adding in the headroom of £2,597, this would give us £26,346 to spend whilst maintaining a Reserve that is presently around 4.9 months (well within 3-9). However, it can be quickly seen that the two capital projects would double the projected spend and hence the precept we would need to raise. I have, therefore, offered Councillors a range of increases from 5.1% (inflation), 10% and then up to 100% in 20% steps. Mid points may be found by extrapolation.

	Budget 22/23	% increase on 2021	5.1%	A/10%	B/20%	C/40%	D/60%	E/80%	F/100%
Expenditure									
Staff costs	10964.2		10964.2	10964.2	10964.2	10964.2	10964.2	10964.2	10964.2
Admin	2497.38		2497.38	2497.38	2497.38	2497.38	2497.38	2497.38	2497.38
Councillors	150		150	150	150	150	150	150	150
Grants	800		800	800	800	800	800	800	800
Mem subs	565		565	565	565	565	565	565	565
Running costs	3993		3993	3993	3993	3993	3993	3993	3993
Sub-total	18969.6		18969.6	18969.58	18969.58	18969.6	18969.6	18969.58	18969.6
Projects	25,000		4,780	5,765	7,902	12,177	16,451	20,726	25,000
Total	43969.6			24734.3	26871.6	31146.2	35420.8	39695.4	43970
Income									
Precept 2021	22597		23749.4	24734.3	26871.6	31146.2	35420.8	39695.4	43970
		Precept Band D	45.68	47.81	52.15	60.85	69.54	78.23	86.92
Balance	-21372.6	Incr in precept	2.22	4.71	9.05	17.75	26.44	35.13	43.82

The key figures are:

- in **RED** - For the given % increase in the precept, the amount available to spend on projects is as shown. Thus, 5.1% would offer £4,780 whilst 60% would offer £16,453.
- In **MAGENTA** – the actual £increase in the precept tax for a Band D household. Band H would be twice that.

The Finance WG is not offering a recommendation. Councillors will wish to consider what they each feel the market will bear given all considerations. Among these might be consideration of the level of precept paid in similar sized villages in the District:

BOARHUNT	324.14	28,072	86.60	79.47	Ave. of 8 nearest smaller
DROXFORD	348.72	37,665	108.01		
UPHAM	363.83	28,500	78.33		
WEST MEON	386.14	35,261	91.32		
OWSLEBURY	393.15	28,579	72.69		
CORHAMPTON & MEONSTOKE	422.42	17,320	41.00		
HURSLEY	436.18	41,000	94.00		
DURLEY	470.44	30,000	63.77		
HAMBLEDON	519.71	22,597	43.48		
HEADBOURNE WORTHY	590.85	25,125	42.52	53.15	Average of closest 2
WONSTON	624.43	38,000	60.86	65.29	Average of closest 4
MICHELDEVER	680.13	49,000	72.05	62.37	Average of closest 6

OTTERBOURNE	710.44	40,710	57.30	63.02	Average of closest 8
ITCHEN VALLEY	739.22	34,044	46.05	64.16	Average of closest 10
TWYFORD	751.06	109,489	145.78	72.14	Average of closest 12
OLIVERS BATTERY	766.72	36,000	46.95	72.91	Average of closest 14
CURDRIDGE	817.11	55,190	67.54	73.43	Average of closest 16

The above shows that we are currently well below what one might term par for Hampshire villages: Cllr Thornton has compared averages (average of the closest 2 to us up to closest 16) and the results are highlighted in green.

There is also the very important point that any increase is NOT hardwired into the precept. The two projects have a time limit: the Playground will hopefully need central funding for one year. Better Streets is a longer-term project that will see currently planned initiatives come to fruition and new ones, some in support of general village changes to encourage traffic calming, initiated. But they too will reduce in scope and demand for money.

Councillors will be invited to debate the merits of proposed increases and then to decide.

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