HAWARDEN COMMUNITY COUNCIL
CYNGOR CYMUNED PENARLAG

10th January 2022
Annual Budget 2022-23

1.	**Name of Councillor(s)/ Officer**	Clerk and Financial Officer and Finance Working Group
2.	**Title of Report**	Annual Budget 2022-23
3.	**Purpose of Report**	To consider the Council's draft budget and precept for the year 2022-23, taking into account the earlier report on the "council tax reduction".
4.	**Background to this request**	Each year the council sets its draft budget and precept and considers the level of reserves it has. The council has to keep between three and twelve months' worth of operating costs in its reserves which ranges from approximately £100,000 to £400,000 based on current estimates. As at 30th November the council's reserves sit at £344,399 noting that four months of income and expenditure is still awaited. An advisory note is appended to this report about reserves and balances.
5. **5.1**	**Financial Implications**	The draft budget attached shows an annual expenditure of £408,838, income of 441,910 and a net surplus of £33,072. The budget includes the following recommendations of the Finance Working Group:

5.2		Inflationary increases on utilities and other annual costs at 3%.
5.3		30% increase on gas and electric based on existing data and expected increases.
5.4		Salaries at 2% based on annual review work undertaken by the Society of Local Council Clerks and the Association of Local Council Clerks (this is a contractual obligation). The annual review for 2021-22 is still outstanding but is expected to be 1.5% from April 2021 and similar or less in April 2022.
5.5		National Insurance contributions for both the employer and the employee have increased by 1.25%.
5.6		Employer pension contributions are currently at 21.8%.
5.7		Mandatory Member Allowances has increased to £3,650 to reflect the latest recommendations in the Independent Remuneration Panel for Wales draft report and council approval.
5.8		A new van is required next year and the working group felt that this cost should be taken out of general reserves and not included within the annual budget (although the cost has been added to the Joint Maintenance agreement budget proposals.) Annual budget provision should be made in earmarked reserves for this.
5.9		The cost of the local Community Council elections is expected to be circa £18,000 based on information supplied by the County Council's electoral office. Again it is suggested that this cost be met from general reserves with an amount included each year as ear-marked reserves for the next election in 2027.

5.10		The Finance Working Group considered that a budget of £6,800 for the annual painting of the tennis courts was not necessary. The proposal from Tennis Wales is outstanding pending legal advice from the Solicitors to the Herbert Gladstone Trust. The cost to paint the remaining two courts is £1,700 plus VAT per court and it is recommended that they are painted every 3-5 years based on usage. The cost of cleaning the courts, which should be an annual occurrence, is £400 per two courts, plus VAT. The council has an obligation to ensure that the courts are fit for purpose and health and safety compliant.
5.11		**Option 1** - The precept increase has been reduced from 5% to 2.5%. This means that the precept received will be £**289,307** which represents £45.64 for a council tax band D property, an increase of £1.11 per year and £0.02 per week. **Option 2 –** if the council considers the proposal contained in the previous report to reduce the council tax amount per Band D household by 1% this equates to a reduction per household from £44.53 to £44.08 resulting in an overall precept of £**279,399**. An overall decrease in the Band D charge of -1% (i.e. £-0.45 per property). It is proposed that the difference of £9,908 is met from reserves.
5.12		Ear-marked reserves are as per the attached schedule.
5.13		There is a draft budget of £10,000 for play equipment which includes repairs throughout the year. The county council have indicated that they would contribute £10,000 towards the cost of inclusive play equipment or improvements at Vicker's Close play area as part of its matched funding for 2022-23.

		At its meeting in December, members agreed to choose option 2 for Vicker's Close which means a budget will need to be set aside for this provision. There is currently a multi-climber with ladder and slide, a rocker, a set of Junior swings and a set of toddler swings at the play area. Quotes have been received for the replacement of inclusive equipment in all play areas excluding Circular Drive (as it has recently been modernised) at a total cost of between £40,816 to £68,710 dependent upon suppliers. Aston have £4,970 in earmarked reserves for play equipment and Mancot have £1,524; it was agreed at the December meeting that a cone climber be installed in Mancot with this money.
6.	**Environmental Implications**	None directly associated with this report but the budget contains finances for open spaces and tree management.
7.	**Decision sought by Council**	(i) To consider and agree the proposed draft budget as per the attached schedule and in line with section five of this report (Option 1); or (ii) To consider and agree the Council's precept reduction as in Option 2 in 5.11 above taking £9,908 from the council's reserves; and (iii) To consider the budget for play provision as outlined in section 5.13 above.
8.	**Equality implications**	The proposal to add an inclusive piece of play equipment in all play areas will enable a more inclusive provision of play.