



HASSOCKS PARISH COUNCIL

APPENDIX 2

Hassocks Parish Council

Draft Budget Proposal 2025/26

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1. Introduction

The following paper sets out the projected budget out turn for 2024/25 and a draft budget for consideration for 2025/26.

The aim of this document is to create a budget that takes into account both revenue and capital expenditure. As part of the budget setting process a number of factors are required to be considered which include:

- Allowing for general (e.g. inflationary) changes to expenditure where necessary.
- Allowing for future staffing costs.
- Allowing for changes to the Councils operational priorities identified as part of the Business Planning process.
- Taking into consideration the potential possibility that Parish Council precepts may be capped in future years although at the current time Parish Councils unlike 1st and 2nd tier Councils are not restricted.. (County & District)
- Setting aside an amount to be transferred to reserves to contribute to the cost of longer term projects to support the Councils priorities.
- Being prudent in the Councils assessment of future income streams.
- The level of unallocated reserves should be set at a prudent level to allow for unforeseen but possibly costly expenditure.

The Council operates a 'balanced budget' approach to ensure the long term viability of its operations, and earmarks funds in advance to support the longer term priorities of the Council. This has enabled the Council to establish itself on a sound financial footing, and protect its existing reserves to be utilised to fund the Councils priorities. Based on the current budget projections if the Council chose not to increase its precept for 2025/26 the budget would return a projected deficit of **£7,750**. Members may wish to not increase the precept but still retain the ability to allocate further funds to Earmarked Reserves to support future Council priorities.

Members should determine whether to allocate further funds currently held within General Reserves (24/25) to the existing Earmarked Reserves to support the longer term priorities of the Council prior to this financial year end. Members have suggested a number of additional allocations for consideration which are set out in the section 'Effect on Reserves'.

These funds could be allocated from existing General Reserves to Earmarked Reserves without impacting on the level of precept required for 2025/26 and enable these funds to be ring-fenced to support the on-going priorities of the council.

Appendix A sets out the impact on the Council Tax Bands if the Council were to choose not to apply an inflationary increase and retain the current precept level.

Timescale for setting the budget

Legally Hassocks Parish Council must set its precept no later than 1st March for the financial year that commences 1st April 2025. In practice the Council normally determines the precept requirement in December. We have not yet received formal confirmation of our final tax base figures from Mid Sussex District Council which are normally provided in December.

Therefore for the purposes of calculating the precept the Council Tax Base figure has been based on provisional figures to enable the draft precept to be calculated. In the event of this provisional number being adjusted this would either increase or decrease the precept per band D equivalent property.

2. Summary of Budget Information

HPC Precept Year	Property Tax Base (Band D equivalent)	Total Precept	Precept per Band D equivalent Property
2016/17	3329	£181,500	£54.42
2017/18	3348	£188,760	£56.38
2018/19	3365	£275,009	£81.73
2019/20	3382	£280,545	£82.95
2020/21	3468	£295,545	£85.22
2021/22	3,490	£295,545	£84.68
2022/23	3,612	£312,302	£86.46
2023/24	3,677	£312,302	£84.93
2024/25	3,780	£331,827	£87.74
2025/26	4,022 (Est)	£331,827	£82.50

Option 1: if the Council were to retain the (2024/25) precept level for (2025/26) due to the increase in property base of Band D equivalent properties (+ 242) the Band D precept would actually reduce by (£5.24) per annum and would return a deficit budget of (£7,750).

Option 2: If the Council wished to deliver a balanced budget for 2025/26 due to the increase in property base the total precept would equate to £339,577, therefore for a band D equivalent property the charge would be £84.43 which would still equate to a reduction of (£3.31) per annum based on the current charge (24/25)

Option 3: To consider whether to increase Council tax, to raise additional funding to support the Councils long term projects.

3. Summary of projected Income & Expenditure 2024/25 and proposed budgeted 2025/26

Receipts	2024/25 Year-end projected	Receipts	2025/26 Draft Budget
Precept	331,827	Precept (illustrative purposes only)	331,827
Bank Interest	6,000	Bank Interest	5,250
Miscellaneous Income	0	Miscellaneous Income	0
Allotment Income	1,650	Allotment Income	1,750
Burial Fees	7,500	Burial Fees	7,750
Adastra Park Pavilion	5,000	Adastra Park Pavilion	5,000
Adastra Park Grounds	7,750	Adastra Park Grounds	7,750
Adastra Park Tennis	5,100	Adastra Park Tennis	4,800
Adastra Park Bowling Green	2,500	Adastra Park Bowling Green	2,750
Parking Disc Income	900	Parking Disc Income	850
Tree fund donations	0		-
Total Receipts	368,227	Total Receipts	367,727
Payments		Payments	
Staff (note 1)	158,134	Staff	183,850
Administration	29,930	Administration (note 2)	35,500
Civic	700	Civic	1,500
Grants	6,000	Grants	7,500
Allotments	1,050	Allotments (note 3)	2,625
Burial Grounds	5,629	Burial Grounds (note 4)	7,950
Parish Centre/Garage	7,325	Parish Centre/Garage (note 5)	8,550
Adastra Pavilion	14,350	Adastra Pavilion (note 6)	17,700
Adastra Park Grounds (note 7)	21,372	Adastra Park Grounds	18,650
Play Equipment	2,400	Play Equipment (note 8)	3,250
Adastra Skate park	0	Adastra skate park	250
Adastra Tennis Courts	3,031	Adastra Tennis Courts	2,800
Bowling Green	3,554	Bowling Green	2,400
Parklands Copse	2,000	Parklands Copse	1,750
Talbot Field	1,700	Talbot Field (note 9)	2,200
Street Scene	10,250	Street Scene (note 10)	14,850
Street Lighting	24,500	Street Lighting	25,500
Environmental Improvements	5,875	Environmental Improvements (note 11)	8,750
Garden of Remembrance	250	Garden of Remembrance	0
Parking Discs	800	Parking Discs	800
Christmas Lights	3,500	Christmas Lights	3,500
Economic Develop	0	Economic Development	0
Playground sinking fund	10,102	Playground sinking fund (T/f to EMR)	10,102
Total Payments	312,452	Total Payments	359,977

CAPITAL EXPENDITURE 2024/25	EMR Spend 24/25
Tennis Court – release of retention	2,011
Garden of Remembrance	5,739
Adastra a Park – Drainage scheme	213
Repair & Renewal Fund	18,785
Total Net Capital Expenditure	26,748

PROPOSED AMENDMENTS TO EMR FOR CONSIDERATION	
Members consider establishing a sinking fund towards future maintenance /repairs of the courts – suggested this is transferred from the addition revenue the court now generates. It is regarded as good practice to establish 'sinking funds' to manage assets effectively.	£1,000 this should be added to the residual £2,638 balance remaining from the original project = £3,638 this will enable the establishment of a sinking fund which should be added each year to ensure the Council is able to adequately invest in the ongoing maintenance /repair of the facility over future years.
Hearing Loop – Parish Centre	Identified in Business plan – suggested allocation £3,500
Speed Indicator Device (SID)	Allocation to support potential future initiative supported by the Speed Working Group. Suggested allocation £4,000

Total proposed additional allocation to EMR **£ 8,500**

4. Budget Notes 2024/25 – 2025/26

<u>Notes</u>	<u>Details (Significant variations/suggested options)</u>
1	Staff Costs (24/25) underspend realised this year due to a number of factors: vacancies – Grounds person (3 months. Deputy Clerk 2 months) and carrying over vacant post on establishment. (25/26) Proposed increase reflects staff restructure and Employee NI increases and allowance for inflationary salary uplift, and incremental progression where appropriate.
2	Administration (25/26) – increase in spend is anticipated to reflect a number of areas including subscriptions, Business rates as the reliefs are tapered and reduced, additional IT support /packages/hardware upgrade(s).
3	Allotments – (25/26) Increased tree works on the perimeter of the site.
4	Burial Ground (25/26) Repairs & Renewals required to railings and some re-planting in the memorial garden. Also increase in Grounds Maintenance Contract costs to reflect the enhanced provision since the installation of the extended path network.
5	Parish Centre/ Garage Repairs – (25/26) – Increase reflects increase in allocation set aside for Grounds Machinery & Equipment that needs to be replaced.
6	Adastra Pavilion (25/26) budget reflects a reduction on the 24/25 budget due to Utility costs previously being over stated to reflect the then volatile energy market.
7	Adastra Park Grounds (24/25) Reflects increase costs where contractors were utilised to cover period when grounds person was not in post and subsequent periods when resources were not available. Costs are expected to normalise in 25/26 with establishment in post.
8	Play Equipment – Anticipated repairs/service maintenance required to some pieces of kit.
9	Talbot Field expenditure expected to increase in 25/26 due to an increase in tree works.
10	Street Scene – 25/26 Budget reflects increased planting scheme (Floral displays) within the village and increase in contract costs for Dog bins & Maintenance contracts.
11	Environmental Improvements- Increased street tree planting budget to reflect rising costs to deliver tree planting programme on verges.

5. EFFECT ON RESERVES

	RESERVES	2024/25	RESERVES	2025/26
A	Opening Balance brought forward	434,335	Total Consolidated Reserves - Opening Balance brought forward.	473,864
B	<u>Less</u> Total Earmarked Reserves	(243,616)	Allocated EMR (b/fwd.) (J + K)	(235,870)
C	General Reserves Balance (working capital) (A - B)	190,719	General Reserves Balance (working capital) (A - B)	237,994
D	<u>OPERATING COSTS</u>		<u>OPERATING COSTS</u>	
E	Add total Receipts	368,227	Add total Receipts 2025/26 Precept for illustrative purposes only added assuming no increase	367,727
F	Less Total Payments	(312,452)	Less Total Payments	(359,977)
G	Projected Budget surplus (E – F)	55,775	Budget deficit– (based on no increase in precept) (E – F)	(7,750)
H	Capital EMR Expended in year	(26,748)	This assumes EMR expended in year (for illustrative purposes only)	(77,572)
	Add allocated EMR Tree planting donation	10,102 400		
J	EMR carried forward (B – H)	227,370	EMR Balance carried forward (B – H)	158,298
K	Proposed Additional EMR allocated 2025/26	8,500	Additional EMR allocated as part of budget setting.	-
L	Projected Total Consolidated Reserves (A +/- G – H)	473,864	Projected Total Consolidated Reserves (for illustrative purposes only) (A +/- G – H)	387,842

The current Reserve picture is based on existing allocations to Earmarked Reserves (EMR) and additional allocations from General reserves 2024/25 identified by Members which support the Councils priorities.

Income Streams

The Council has a number of key Income Streams that it can utilise.

Precept

Other Income

Adastra Park – Community Pavilion – hire fees
Grounds (pitch hire fees etc.)
Tennis Courts (hire fees)
Bowling green (fees)

Burial Ground

Parklands Allotments

Miscellaneous Income

Sale of Parking Discs

Bank Interest.

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6. EARMARKED RESERVES (PROJECTS) projected closing balance 31/03/25 if unchanged

	Projected cost	Value	How funded
1	Hassocks Trading Association	500	Reserves
2	Park Improvement scheme	27,148	Reserves
3	Garden of Remembrance	2,201	Reserves
4	Street Trees (Donations held)	572	Reserves
5	Play Equipment sinking fund	40,408	Reserves
6	Bus Shelter Replacement	10,000	Reserves
7	Repairs fund	0	Reserves
8	Legal/Land transfer	8,000	Reserves
9	Park Drainage	75,787	Reserves
10	PROW Improvements	45,072	Reserves
11	SDNP CIL funding	1,994	Reserves
12	Flooding initiatives	2,096	Reserves
13	Tennis Court	2,638	Reserves
14	Burial Ground	2,115	Reserves
15	Allotment Gate	5,000	Reserves
16	Village sign(s)	4,000	Reserves
	Total EMR	227,531	

PROJECTED DETAILED EARMARKED RESERVES POSITION if schemes recently identified as priority initiatives are adopted (items 13, 17 &18)

	Projected cost	Value	How funded
1	Hassocks Trading Association	500	Reserves
2	Park Improvement scheme	27,148	Reserves
3	Garden of Remembrance	2,201	Reserves
4	Street Trees (Donations held)	572	Reserves
5	Play Equipment sinking fund	40,408	Reserves
6	Bus Shelter Replacement	10,000	Reserves
7	Repairs fund	0	Reserves
8	Legal/Land transfer	8,000	Reserves
9	Park Drainage	75,787	
10	PROW Improvements	45,072	Reserves
11	SDNP CIL funding	1,994	Reserves
12	Flooding initiatives	2,096	Reserves
13	Tennis Court Sinking fund (a)	3,638	Residual balance plus £1,000 from income.
14	Burial Ground – paths	2,115	Reserves
15	Allotment gate	5,000	Reserves
16	Village sign(s)	4,000	Reserves
17	Hearing loop (Parish centre) (b)	3,500	Proposed business plan
18	Speed Indicator Device (SID)	4,000	Proposed speed Working Group
	Total EMR	236,031	

Notes 13 (a) Balance of £2,638 from project suggested retained in EMR and additional £1,000 from increased revenue allocated to start R & R sinking fund towards future tennis court maintenance/ repairs.

17 – Hearing Loop , £3,500.(new proposed allocation) and 18 acquiring Speed Indicator device

HASSOCKS PARISH COUNCIL

7. Glossary of Terms

Financial Year: The financial year for a Parish Council runs from the 1st April to the 31st March each year, this is set in statute.

A revenue budget: Revenue is the running cost of the council and its services, and the income that meets those costs.

Capital Budget/Earmarked Reserves: A capital budget involves funding for capital projects - the acquisition or construction of long term assets e.g. the development of facilities within Aadastra Park or creation of a cemetery or the purchase of a new council building.

The precept: The Parish Council is able to raise funds by levying a charge on residents. This is known as the precept. The precept is raised through an additional charge on resident's council tax. The billing authority pays, in this case Mid Sussex District Council, each precepting authority the amount they require and collects such sums from its residents through the council tax. Unlike other tiers of government the precept is not capped at present.

Council Tax Bands: The amount of Council tax that you pay varies depending on the "BAND" your property is in. Bands run from A-G, the banding is based on a valuation of a property as at 1 April 1991. Band A is the lowest valuation and Band G the highest. Council tax is usually expressed as the Band D equivalent (this being the mid-point).

Council Tax Base: The Council tax base is determined by expressing all domestic properties in an area as Band-D equivalents. The total amount required to be met from council tax is then divided by the tax-base to produce a Band D charge. From that amount so produced, each of the other seven band council tax charges are calculated.

Council Tax Support (CTRS) Grant: Council Tax Benefit was abolished from 1st April 2013 and each local billing authority was required to provide their own scheme of Council Tax Support to assist vulnerable and low paid residents in paying their council tax.

Support for low income individuals is now provided through a discount applied to their Council Tax Bill, meaning that the Council Tax Base (the number of Band D equivalent properties in a local authority's area that Council Tax is charged on) is reduced and as such, less Council Tax is collected. The net effect of this is that precepting authorities either need to increase their precepts to offset the cost of this or face a reduction in their funding.

Reserves: Part of budgetary control is to ensure adequate but not excessive reserves or balances are held.

It is rare for a local council to hold its reserves other than in the form of easily accessible bank deposit or other short-term savings accounts. Councils have no legal powers to hold revenue reserves other than those for reasonable working capital needs or earmarked purposes. The value of all reserves should be approved by the Council and the amount of working capital to be held should also be approved by the Council.

8. Members are requested to consider the following options

8.1 To approve the allocation £8,500 from general reserves (24/25) to Earmarked Reserves in this financial year. If members support this approach this would not impact on the precept for 25/26 and would be absorbed within the 24/25 budget.

8.2 Precept/Budget 25/26 to recommend a proposed budget/precept to Council for consideration.

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