



NASH MILLS

PARISH COUNCIL

RFO Budget Setting Report for 2025/26 (Report 3)

January 2025 V2 (updated 9/1/25)

**Please note that for further detail this report should be read in conjunction with the supporting Excel and Rialtas (accounting software) reports.*

Financial Regulations

3.2 The RFO must each year, by no later than end of November prepare detailed estimates of all receipts and payments including the use of reserves and all sources of funding for the following financial year in the form of a budget to be considered by the council.

3.3. The council shall consider annual budget proposals in relation to the council's three-year forecast of revenue and capital receipts and payments including recommendations for the use of reserves and sources of funding and update the forecast accordingly.

The budget process as dictated by statute is laid out below.¹

- 1. Council determines its expenditure budget*
- 2. Council takes into account any income*
- 3. Council determines any use of reserves*
- 4. Shortfall is met from the precept*

Introduction

Council considered the first version of the budget in November 2024, however at the time it was uncertain whether Dacorum Borough Council (DBC) would be continuing with their financial support in the form of the concurrent services grant and wardens grant, these grants contribute £11900 to NMPC annually.

DBC have since confirmed that this grant will remain for 2025/26, but it is likely that it will be significantly reduced or removed at a later date, depending on the outcome of a full review by DBC.

V2 of the budget has taken into account any points raised by councillors prior to 21/12/2024.

¹ [Local Government Finance Act 1992 \(legislation.gov.uk\)](https://legislation.gov.uk)

This revised version of the budget has also been impacted by two major developments.

- The Autumn Budget from the newly elected government increased the rates payable for Employers National Insurance contributions and removed the thresholds. (Note it has been confirmed by the statutory bodies that parish councils are not an exempt authority in relation to these increases)
- Abbots Hills School chose not to renew the lease for the Bunkers Lane Playpark (expiry 31st March 2025)

NMPC remain comfortable with their current reserves' levels (7/1/25 £66950 earmarked reserves and £29104.51 general reserves), this has steadily reduced over the last few years as NMPC has completed projects. Projects take considerable time to implement from decision making to completion. Currently NMPC have projects under investigation that have not yet been accounted for in the current budget year and these have therefore been listed on the budget workings for 2025/26. These may be funded by reserves.

Council has a statutory duty when collecting their precept to ensure that they consider how the funds raised and held could be used appropriately for the benefit of the residents of Nash Mills. Projects to benefit Nash Mills and to provide a tangible benefit or legacy should continue to be identified and delivered as councils are not encouraged to hold large sums in reserves without plans for expenditure. The clerk has been working with the borough councillor and the DBC team to investigate possible locations for a new playpark. If a location is approved by DBC then NMPC may be able to secure some s106 funding from DBC for a new playpark, but council would likely be expected to contribute and to pay for inspections and maintenance. A brand-new playpark costs in the region of £150000.00

Currently the funds held on general reserves are within the recommended statutory limits and the earmarked funds are regularly reviewed by council to determine their appropriateness.

RFO/Clerk Recommendation.

- **That council approve an expenditure budget of £52237 plus projects, equally total expenditure £60587.**
- **That council approve the estimated income figure of £2380 plus grants from DBC (£11118) resulting in total budgeted income £13498**
- **That council approve the use of reserves to cover projects of either**
Option A £8350 from reserves (fully covers proposed projects-see list)
or
Option B £8192 from reserves (partly covers proposed projects but keeps Precept unchanged from 2024/25)
- **That depending on the choice made above NMPC approve a precept demand to DBC for a total of**
Options A £38739 (reduction from 2024/25)
Or
Option B £38897 (same as 2024/25)
- **That NMPC notes that the tax base has changed up to 1228.60 (last year was 1222.60)**

The impact of the precept demand on a Band D property is

Option A £31.66 per band D per annum (last year was £31.82)

Option B £31.53 per band D per annum (last year was £31.82)

Even if NMPC keep the precept the same as last year the change in tax base would alter the individual sums paid by residents.

It is unusual for councils to reduce the precept or band D figures but following the budget process undertaken by NMPC and the loss of some of our annual expenditure (playpark closure) it appears to be the appropriate option. The change is minimal and therefore would not have a dramatic impact.

Background

Grants from Dacorum Borough Council

This grant is guaranteed for 2025/26, but its cessation should be a consideration at the next budget setting (2026/27).

Council may wish to continue to ensure that there are appropriate funds held as a contingency to enable any removal of the grant to be managed. If funds are held in a contingency fund these could enable council to consider a phased increase to the precept rather than an immediate increase in the region of 25%.

Whilst losing the grant in full is a large percentage change to our precept the actual £ value is likely to be less than £11 per band D property per annum. Should DBC withdraw the grant then we must communicate to our residents that this increase was not due to increased NMPC expenditure but due to the unexpected loss of longstanding DBC income.

NMPC Budget 2025/26

Expenditure

The figures contained within the budget figures are based on the most accurate quotes available. Where quotes have not been available a % increase has been applied. This is detailed under the budget notes section on the circulated spreadsheet.

Council should be aware that for this year the expenditure line includes projects that have already been agreed by council. When comparing last year's expenditure to these years that sum should be taken into account otherwise it falsely inflates any year-on-year comparison. These projects are covered by funds held in reserves.

As expected, and usual for a parish council of this size, with minimal liabilities and assets, our biggest expenditure is for staff costs, closely followed by magazine production and Christmas lights provision at The Denes.

- Staff salaries are negotiated at a national level, for local government officers (NJC awards) and annual increments are awarded following national consultations. The recommended salary for a clerk is usually benchmarked via salary scale points that are reflected in the services that the council provides or the assets that it has to manage and maintain. Additional, one-off increments are awarded for professional, sector specific qualifications (such as CiLCA). These pay awards are separate from any performance related increments. There have been no performance related increments since 2022.
- The magazine continues to provide a tangible benefit to residents. Council have considered the use of online versions; however, it was determined that residents continue to prefer to receive a paper copy delivered to every residence. NMPC uses this medium to engage with residents and to communicate projects and initiatives within the parish. Cost savings have been applied by using Cllrs to deliver the magazine. NMPC have also ensured that the paper used is fully recyclable.

- The Christmas lights are in the final year of a 3-year deal. Council will need to confirm revised pricing for the end of this deal in Summer 2025 ready for budget setting 2026/27

Income

Income is derived from the precept, grants from DBC, magazine advertising and bank interest. Due to the rise in interest rates and the prudent movement of funds to higher interest-bearing accounts the income from interest is performing better than predicted, however this is potentially volatile again with interest rates starting to drop over the last few months. We cannot accurately guarantee what this will provide for 2025/26 therefore I have used the average interest figure for the last quarter minus 25% for budget setting purposes.

- CIL ² amounts are not included in the budgets as income as these sums vary depending on development agreed within the parish. CIL 2024/25 YTD shows £6363 received in CIL. This is a conditional spend with a 5-year expiry date.
- Magazine advertisement fees have not been increased for a number of years and council will be reviewing these again during 2025/26.

Forward Planning 2025/26

Cllrs will be expected to notify the clerk, prior to determining new projects, of any potential ongoing maintenance costs for that project. It is the clerk's recommendation that any subsequent ongoing annual costs are met from the main budget and not the reserves. Funding general day to day expenditure from reserves is not something that is sustainable or advisable (NMPC do not do this but this is just a point to note).

It is unusual for councils to reduce the precept or band D figures but following the budget process undertaken by NMPC and the loss of some of our annual expenditure (playpark closure) it appears to be the appropriate option. The change is minimal and therefore would not have a dramatic impact.

Expenditure

CIL Funds/Earmarked Reserves

- Council to consider if funds are appropriately allocated.
- Council to consider the expiry date of CIL funds (NB NMPC have projects in progress that are using CIL funds (library box/parish map/verges project/bleed kit/new benches)
- There should be consideration for an annual programme of parish boundary sign replacement as they are deteriorating. (potential CIL expenditure)
- Clerk laptop will need replacement in the near future as it is 4 years old
- Defibrillator may need replacement soon; it is experiencing intermittent faults and is 7 years old.

Staffing

- Council to be aware that currently there is no pension for the warden role as it does not meet the criteria, however any future staffing changes may mean that this expense be added to future budgets.

² [Community Infrastructure Levy - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

- Councillors should be aware that the training budget does include provision for sector specific Cllr training and Cllrs should make the clerk aware if they wish to undertake any training to assist them in their roles.

Nikki Bugden (RFO & Clerk) 9th January 2025

Supporting Information

Circulated in EXCEL sheets prior to meeting

- Proposed expenditure budget for 2025/26 v1 & v2 and reserves balances to December 2024 with notes. (more detailed notes are available from the clerk on request) showing last year and current year budget versus actual
- Potential new projects 2025/26 onwards
- Earmarked Reserves and CIL summaries (**also included below**)
- Previous year's budget setting and notes
- Updated IT figures
- Last 3 years budgets
- Explanation of band D and precept comparable for Dacorum 2024/25
- Tax base explanation and Dacorum precept information.

Included below

- Proposed budget summary (using £8350 from reserves)
- Precept calculation information.
- EMR review (separate agenda item)
- Budget year to date performance 6/1/2025
- Year-end figures 2024/25

	Budget 2024/25	Suggested 2025/26 V2
Income		
Precept	38897	
Council Tax Grant	11118	
Bank Interest	750	1800
Grants Received		
CIL		
Parish Magazine Income	660	580
Total Income	51425	2380
Expenditure		
Administration		
Staff Costs (Inc HMRC & Pension)	37301	38060
WFH allowance & mileage	499	500
Payroll Charges	250	250
P.O.Box	347	424
Communications/Mobile	278	378
Office Supplies	347	347
Subscriptions	1335	1413
Insurance	968	1016
Election Costs	0	0
Audit Fees	800	815
Website Maintenance	100	50
Domain Hosting	0	
ICT/Licenses/IT Support	1103	1103
Community Grants	500	300
Grants Made	0	
Conferences/Training Courses	743	743
Section 137	0	
Misc (park inspect and misc)	460	0
Park Repairs	600	0
Sundry Expenditure	120	120
Defib Sundries	221	270
Hire Costs (Hall or Zoom)	475	360
Tools	220	220
Garage Rent	678	736
Parish Magazine		
Parish Magazine	2591	2591
Delivery of Magazine		
Projects		
The Denes Project/maintenance	1300	1300
Christmas Lights/Repairs/sign	1241	1241
Total estimated expenditure	52477	52237
Existing Projects agreed but no funds spent in 2024/25		
Parish Map Board		5000
Parish Map Install		750
New parish mobile phone		100
benches throughout parish		2500
		8350
total budgeted expenditure		60587
Use of reserves to cover projects		8350
Expenditure		52237
Potential projects or future items to note		
Gateway sign renewal		4710
Clerk laptop (6 yrs old)		700
Replacement defib (due to age)		1200
Potential removal of warden grant and concurrent services grant		11800
Verges spend		TBA
Possible Georgewood Steps Pathway		12000
New parish mobile phone		
Estimated allocation for projects		30410
Expenditure	60587	
Income	2380	
Shortfall	58207	
Warden Grant from DBC	-11118	
Less actual use of reserves	-8350	
Total required from precept	38739	
last years precept	38897	
decrease	158	decrease on precept negligible
Expenditure 2024/25	52477	
Expenditure 2025/26 exc project	52237	
Expenditure 2025/26 inc project	60587	but reserves being used £8350
Reduction in exp budget		240 day to day expenses.

2025/26 Tax Base Calculation		2025/26 Tax Base Calculation	
November Tax Base	1,328.10	November Tax Base	1,328.10
Manual Adjustments	0.00	Manual Adjustments	0.00
Starting Tax Base	1,328.10	Starting Tax Base	1,328.10
Council Tax Support Adjust	(80.80)	Council Tax Support Adjust	(80.80)
Non Collection Allowance	(18.71)	Non Collection Allowance	(18.71)
Tax Base for 2025/26	1,228.60	Tax Base for 2025/26	1,228.60
Parish Precept Calculation and Information		Parish Precept Calculation and Information	
Precept Demand	38,739.33	Precept Demand	38,897.00
Tax Base	1,228.60	Tax Base	1,228.60
2025/26 Band D Tax	31.53	2025/26 Band D Tax	31.66
2024/25 Band D Tax	31.82	2024/25 Band D Tax	31.82
Band D Tax Increase / (D)	(0.29)	Band D Tax Increase / (D)	(0.16)
Band D Tax Change (%)	-0.91%	Band D Tax Change (%)	-0.50%
Option A		Option B	

Precept Explanation

- The precept is a tax that the district council requests annually along with its council tax bills [Council Tax \(dacorum.gov.uk\)](https://www.dacorum.gov.uk)
- The precept is calculated per band D property (this gives a method of comparing nationally). This is then scaled up or down in 8ths depending on the actual property band
- The NMPC precept is calculated by taking the actual sum needed and dividing it by the parish 'tax base' figure.
- The tax base is provided by DBC. A "tax base" is the number of Band D equivalent dwellings in a local authority area. To calculate the tax base for an area, the number of dwellings in each council tax band is adjusted to take account of any discounts, premiums, or exemptions
- **In 2024/25 There were 10,245 parishes in England, 8,904 of which issued a precept. The average Band D parish precept was £85.88, an increase of £6.74 or 8.5%**
- **Last year NMPC requested £31.82 (there are 16 parishes in Dacorum, the band D sums ranged from £71.15 to £29.58, and the tax bases from 8584 to 179.5**

Suggested amendments to EMR to cover 2025/26		
	Dec-24	Proposed
Business Expenses	£ 9,785.87	£ 4,285.87
Playpark	£ 4,981.64	£ -
Election Costs 2027	£ 3,000.00	£ 3,000.00
Election Costs 2030	£ 3,000.00	£ 3,000.00
Community Support	£ 1,309.50	£ 4,541.14
Verges	£ 10,000.00	£ 10,000.00
Community Events	£ 174.11	£ 1,174.11
Projects Denes Defib	£ 6,906.09	£ 1,200.00
CIL	£ 16,420.95	£ 16,420.95
4 yr plan reserves	£ 6,372.09	£ 6,372.09
Parish Map & Board	£ 5,000.00	£ 5,750.00
*New 25/26		
Warden Grant		£ 11,206.09
Gateway Sign Renewal		£ 4,710.00
	£ 66,950.25	£ 66,950.25
CIL Balance		£ 16,420.00
Potential CIL Expenditure approved by council		
Parish Map Board		5000
Parish Map Install		750
benches throughout parish		2500
Future CIL projects?		
Gateway sign renewal		£ 4,710.00
Replacement defib (due to age)		£ 1,200.00
Verges spend		TBA
Possible Georgewood Steps Pathway		£ 12,000.00
Potential total exp/use of CIL and EMR		£ 26,160.00

Care should Council determine that it wishes to use CIL then the EMR amount will require re allocating elsewhere

Detailed Receipts & Payments by Budget Heading 06/01/2025

Cost Centre Report

	Actual Year To Date	Current Annual	Variance Annual	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
100 Income							
1076 Precept	38,897	38,897	(0)	29,690		176.3%	
1077 Council Tax Grant	11,118	11,118	0			100.0%	
1090 Bank Interest	1,768	750	(1,018)			235.8%	
1110 CIL	6,363	0	(6,363)			0.0%	6,363
200 Administration							
4000 Staff Costs (Inc HMRC & Pensio	(27,431)	(37,301)	9,870		9,870	73.5%	
4002 WFH allowance & mileage	(306)	(499)	193		193	61.4%	
4050 Payroll Charges	(169)	(250)	81		81	67.7%	
4055 P.O.Box	(354)	(347)	(7)		(7)	101.9%	
4060 Communications/Mobile	(166)	(278)	112		112	59.6%	
4075 Office Supplies	(74)	(347)	273		273	21.4%	
4080 Subscriptions	(1,043)	(1,335)	292		292	78.1%	
4085 Insurance	(722)	(968)	246		246	74.6%	
4095 Equipment Replacement	(214)	0	(214)		(214)	0.0%	214
4105 Audit Fees	(815)	(800)	(15)		(15)	101.9%	
4110 Website Maintenance	0	(100)	100		100	0.0%	
4120 ICT/Licenses/IT Support	(626)	(1,103)	477		477	56.8%	
4130 Community Grants	(3,333)	(500)	(2,833)		(2,833)	666.6%	3,333
4135 Grants Made	(200)	0	(200)		(200)	0.0%	200
4140 Conferences/Training Courses	(125)	(743)	618		618	16.8%	
4155 Section 137	(40)	0	(40)		(40)	0.0%	
4160 Misc (park inspect and misc)	(483)	(460)	(23)		(23)	105.0%	52
4161 Park Repairs	0	(600)	600		600	0.0%	
4162 Sundry Expenditure	(442)	(120)	(322)		(322)	368.3%	190
4163 Defib Sundries	(32)	(221)	189		189	14.5%	
4165 Hire Costs (Hall or Zoom)	(240)	(475)	235		235	50.5%	
4170 Tools/Covid Exp	(147)	(220)	73		73	66.7%	
4175 Garage Rent	(526)	(678)	152		152	77.5%	
250 Parish Magazine							
1150 Advertising (Income)	505	660	155			76.5%	
4065 Parish Magazine	(785)	(2,591)	1,806		1,806	30.3%	
300 Projects							
4164 2023 Coronation	(40)	0	(40)		(40)	0.0%	40
4301 The Denes Project/maintenance	(1,392)	(1,300)	(92)		(92)	107.0%	1,392
4305 Christmas Lights/Repairs/sign	(1,155)	(1,241)	86		86	93.1%	
999 VAT Data							
115 VAT on Receipts	1,033	0	(1,033)			0.0%	
515 VAT on Payments	(1,060)	0	(1,060)		(1,060)	0.0%	
Grand Totals:- Receipts	59,684	51,425	(8,259)			116.1%	
Payments	41,918	52,477	10,559	0	10,559	79.9%	
Net Receipts over Payments	17,766	(1,052)	(18,818)				
plus Transfer from EMR	5,421						
less Transfer to EMR	6,363						
Movement to/(from) Gen Reserve	16,824						

Detailed Receipts & Payments by Budget Heading 31/03/2024

Cost Centre Report

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent	Transfer to/from EMR
100 Income							
1076 Precept	37,759	37,759	(0)	29,690		178.6%	
1077 Council Tax Grant	10,571	10,571	(0)			100.0%	
1090 Bank Interest	1,455	100	(1,355)			1455.2%	
1110 CIL	300	0	(300)			0.0%	300
1111 Insurance claim settlement	1,254	0	(1,254)			0.0%	
200 Administration							
4000 Staff Costs (Inc HMRC & Pensio	(32,704)	(34,524)	1,820		1,820	94.7%	
4002 WFH allowance & mileage	(415)	(475)	60		60	87.4%	
4050 Payroll Charges	(225)	(238)	13		13	94.6%	
4055 P.O.Box	(330)	(330)	0		0	100.0%	
4060 Communications/Mobile	(220)	(264)	44		44	83.3%	
4075 Office Supplies	(168)	(330)	162		162	50.9%	
4080 Subscriptions	(1,168)	(1,271)	103		103	91.9%	
4085 Insurance	(712)	(968)	256		256	73.5%	
4090 Election Costs	(502)	(3,000)	2,498		2,498	16.7%	
4105 Audit Fees	(475)	(1,010)	535		535	47.0%	
4110 Website Maintenance	0	(165)	165		165	0.0%	
4115 Domain Hosting	0	(91)	91		91	0.0%	
4120 ICT/Licenses/IT Support	(764)	(1,050)	286		286	72.7%	
4130 Community Grants	0	(735)	735		735	0.0%	
4135 Grants Made	(5,050)	0	(5,050)		(5,050)	0.0%	5,050
4140 Conferences/Training Courses	(90)	(743)	653		653	12.1%	
4155 Section 137	(37)	0	(37)		(37)	0.0%	
4160 Misc (park inspect and misc)	(420)	(440)	20		20	95.5%	
4161 Park Repairs	(594)	(440)	(154)		(154)	134.9%	518
4162 Sundry Expenditure	(1,867)	(110)	(1,757)		(1,757)	1697.2%	659
4163 Defib Sundries	(105)	(221)	116		116	47.5%	
4165 Hire Costs (Hall or Zoom)	(300)	(475)	175		175	63.2%	
4170 Tools/Covid Exp	(58)	(220)	162		162	26.3%	
4175 Garage Rent	(655)	(646)	(9)		(9)	101.4%	
250 Parish Magazine							
1150 Advertising (Income)	593	660	67			89.9%	
4065 Parish Magazine	(2,175)	(2,145)	(30)		(30)	101.4%	
4070 Delivery of Magazine	0	(396)	396		396	0.0%	
4166 Half Cent Mag & Delivery	(850)	(770)	(80)		(80)	110.4%	
300 Projects							
4164 2023 Coronation	(463)	(350)	(113)		(113)	132.2%	463
4301 The Denes Project/maintenance	(1,010)	(1,300)	290		290	77.7%	
4305 Christmas Lights/Repairs/sign	(1,155)	(1,241)	86		86	93.1%	
999 VAT Data							
115 VAT on Receipts	1,333	0	(1,333)			0.0%	
515 VAT on Payments	(1,475)	0	(1,475)		(1,475)	0.0%	
Grand Totals:- Receipts	53,267	49,090	(4,177)			108.5%	
Payments	53,986	53,948	(38)	0	(38)	100.1%	
Net Receipts over Payments	(719)	(4,858)	(4,139)				
plus Transfer from EMR	6,690						
less Transfer to EMR	300						
Movement to/(from) Gen Reserve	5,671						