

## Third Quarter RFO report:

The Council's spending is projected to exceed the 2022-23 budget by around £400 at the end of the current financial year. The main areas of overspend are staff salaries (overtime and NALC pay award), replacement of the council's laptop, printing costs (PROW and Broadband leaflets) and installation of kissing gates.

The 2022/23 budget was set significantly above the 2022 precept, so the general reserve has been depleted by approximately £2,500 to around £1,100.

At the November meeting councillors resolved to approve a budget for 2023/24 which will increase the precept by a maximum of 2%. A higher increase is felt inappropriate in the current national economic situation.

The RFO has prepared an updated budget for 2023/24 which includes all the accurate figures where these are now known, applying a 3% - 5% increase to appropriate budget lines to allow for inflation. No provision is made where an adequate earmarked reserve is held. No provision is made for additional replacement of stiles with kissing gates and minimal provision is made to support events.

Provision is made to build a new earmarked reserve for future laptop replacement and to allow the Council to consider a contribution if necessary to Broadband in the Village Hall (This would require a formal resolution and an application from the Village Hall Committee via the grant awarding process).

To improve forecasting accuracy, the RFO has revised the recording of earmarked reserves, adding budget lines for the Chairman's allowance, work on Public Rights of Way to install kissing gates and for an annual Christmas Tree. A more accurate estimate of general reserves is therefore made possible.

The RFO advises council that it would be good practice to hold half to a full year's precept in general reserves i.e. between £3,000 and £6,000. To build this figure an above inflation increase to the precept will be necessary next year and a goal of rebuilding > £3,000 by 2026 is recommended.

The 2023/24 budget if approved will mean Kempley Parish Council will request a precept of £6,271 which is a 1.48% increase.

Due to a small reduction in the Tax Base, this is anticipated to have a +2% effect on Council Tax.