

Statement regarding the increase in Precept 2023/24

Datchworth Parish Council (the Council) made the difficult decision to increase its precept by 41.77%, which we are aware is a substantial increase on the previous year's figure. In monetary terms this equates to an increase of less than £21.20 per year/£1.77 per month or 6p per day based on a BAND D property.

It is important to note that over half of this increase was due to unbudgeted costs associated with a complaint from a member of the public (see first bullet point below) and the need to budget for this year's election (together these equate to approximately 27% of the precept increase). Save for any unforeseen circumstances, we are hopeful that the precept can be reduced significantly in 2024/25. The current cost of living crisis was at the forefront of the Council's mind when calculating the precept. Unfortunately, the crisis has also had an impact on Local Authority finances.

Primary reasons that have forced such an increase include:

- Approximately 22% increase due to costs incurred resulting from an investigation into the Council's accounts for 2019/20 & 2020/21. The unfounded complaint was instigated by a member of the public. The Council was completely exonerated and the complaint was dismissed by the auditors with no right of appeal.
- Tree Maintenance budget – this requires replenishment. The Health & Safety of our residents is of paramount importance. Under advisement from our insurers, Local Authority and County Council tree surveys should be completed every three years. The survey will be carried out this year and the cost is approximately £3,000. It is worth noting that Datchworth Parish Council are responsible for circa 500 trees.
- Other costs have risen substantially due to the crisis. The Council's highest outgoings are as mentioned trees, grass cutting and staff salaries. Grass cutting charges will be increasing by 10% due to increased fuel costs (3% increase on the precept). Salaries were increased in the current financial year by an unexpected 6-10%. The Council has no control over this increase as this is a decision made between staffing unions and the Government.
- The District Council are withdrawing the annual grant that contributes to litter picking costs. This was approximately £2,200 per annum (6% of precept). The New Homes Bonus of £2,600 has also been withdrawn. Whilst we have never included this figure when calculating the precept, it has decreased the incoming funds available to the

Council to earmark for Community projects. This means that the Council has a shortfall of £4800.

- 2023 is an election year and we are required to have funds in place in the event that a ballot is required. For this we have been advised by the District Council to allow £2,000 which adds just over a 5% increase to the precept.

In an attempt to keep the precept increase as low as possible the Council has:

- Calculated the precept based only on what is necessary for the general running of the Parish. Funds from next year's public purse have not been allocated for any additional 'niceties/projects'. The Council still hopes to go ahead with projects that are already in the pipeline, which will be funded from money that has been previously earmarked or obtained by way of grants (Councillors have worked diligently to bring in over £5,200 in grants this current financial year). Further projections this year include grant income in the region of circa £50,000, however this is not guaranteed.
- Whilst some councils are estimating another exceptionally high percentage increase in wages, historically, salary increases have generally been around 0-3%. The Council has budgeted for a 3% increase in 2023/24.
- The Council has only raised the budget in areas where we have been made aware of increases from external organisations and not automatically implemented a high increase across the board as many other councils have done.
- If there are any unforeseen cost increases, these will be covered from the Emergency Reserves and reviewed during the budget/precept discussions in the Autumn of 2023 for the following year's precept.

It is important to remember that it is illegal for Local Authorities to spend more than its income as this risks putting the Council into financial disrepute and could result in its finances being taken over by the Government.

The estimated budget sheet for 2023/24 itemising the Council's predicted expenditure and ultimate calculation for its precept, has been available to view on our website since it was agreed at the end of January. It can be viewed on the website (www.datchworth-pc.gov.uk under: The Parish Council/Finance/Budget).

Please email our Responsible Financial Officer – finance@datchworth-pc.gov.uk if you have any questions or require clarification on the above.