

The Precept for Medstead Parish Council

What is the Precept?

The precept is the tax which Medstead Parish Council is required by law to raise from the residents of the parish to fund all of its normal operations and services. The level is set each year by the parish council during its annual budgeting setting process, and it is collected and passed on by East Hants District Council as part of the Council Tax.

Why is the Precept necessary and important?

The Precept is the main source of income for Medstead Parish Council to cover all of its normal business activities. A small amount of additional income comes from Cemetery fees and an even smaller amount from the rental of the Allotment facilities.

We also have access to grant money and allocated funds from EHDC which is levied on property developments. This is welcome but there are strict conditions on its use and the allocation of grants to organisations is competitive. Grants are only for specific projects that are agreed in advance through grant application processes and meet certain criteria. This has covered things in the past such as new playground equipment, the Village Pond renovation, the building of the Sports Pavilion extension to create a new Parish Office, purchase of additional land for the Cemetery, a new water pipe and tap in the Cemetery, and extension of the Village Hall Car Park. The Community Infrastructure Levies that we receive also have restricted uses and are intended to mitigate the impacts of development on the parish. Therefore, the Precept is very important to Council in allowing it to fund all its day-to-day activities.

What does the Precept cover?

The precept covers everything to do with day-to-day, year-by-year running of its facilities and amenities and the cost of employing a staff member.

- **Village Green and Playgrounds**



The village green lies at the heart of the village and offers something for all ages, whether you want to play on the playground or adult gym equipment, walk your dog, have a picnic, use the BBQ, play sport or simply laze on one of the benches. It is the location of the annual village fete and other village events and the football pitch is available for hire.

We use grant money where possible to cover major items of expenditure such as acquisitions and replacements but the precept covers the following:

- Weekly mowing and strimming for seven months of the year
- Quarterly inspections of the playground equipment and adult gymn equipment, with repairs and replacements as needed
- Bi-annual deep cleaning of the equipment, which prolongs the life of the equipment by removing lichen and algae, as well as making it more pleasant for users

- Inspection of trees and removal and replacement of diseased and storm-damaged trees
- Provision, maintenance, replacement and cleaning of the large number of benches and picnic tables
- Provision and fortnightly emptying of seven litter bins
- Weekly leaf blowing for a period during autumn
- Maintenance and replacement of the wooden dragon's teeth, which surround the green to prevent vehicle incursions. These will need replacing on a rolling basis, as they have a finite lifetime before rotting.
- Aeration and fertilisation of the green and occasional treatment for moles and chafer bug damage.

• The cemetery and churchyard



Medstead Parish Council owns the cemetery on South Town Road and this is open for new burials. It also owns a cemetery extension field, located behind the current cemetery. This was bought by the Council for the village in 2023 with grant money as there are only a few years worth of space left in the current cemetery. The precept covers the following:

- Weekly mowing of the grass during the growing season, leaf-blowing in autumn, maintenance of the trees and hedges, keeping the paths weed free and other ad hoc grounds work. The cemetery extension is also mowed, although less frequently.
- Occasional work on memorials - there is a rolling cycle of inspections of the memorials to ensure they are safe. Although the owners of exclusive rights of burial are responsible for maintenance of their loved one's memorials, sometimes the council incurs costs for older memorials.
- Maintenance of the cemetery gates, noticeboard, paths and water taps.
- Keeping the public footpath behind the cemetery clear.
- Water charges for the taps in the Cemetery to allow residents to water plants and flowers on graves.

The St. Andrew's Churchyard is a closed churchyard owned by the church, but the council has responsibility for its maintenance, including mowing, hedges and other ground work. It is also responsible for the upkeep of the war memorial.

• Ponds



Medstead Parish Council owns ponds on the Village Green, Five Ash crossroads and Soldridge Road, which take drainage water from the adjacent roads and surrounding areas. Costs need to be allocated for adhoc maintenance of fencing, signage, buoyancy aids and drainage grips. Every few years, Five Ash pond needs to be deep-dredged, although the council has previously been fortunate in getting grant money for this.

This year the village pond has undertaken significant work to renovate it as a permanent pond. It has been dug out and a semi-permeable liner installed to allow water retention but also allowing it to slowly drain to avoid overfilling. It also has a raised soakaway in the centre designed to not let it overfill in times of very heavy rain when it fills quickly. Hampshire County Council drains water from neighbouring roads into the pond.

The main renovation work has included landscaping around the pond and planting with marginal plants, with the work fortunately covered by EHDC grants and volunteer labour. The council is exceedingly grateful to all the volunteers who have given their time and energy to this project. On an ongoing basis, the Precept will cover small maintenance costs each year and topping up allocations to reserves when needed at the start of each year for major items of repair, such as the fencing.

- **The Knapp Wood and the Wildflower Meadow**



The Knapp Wood was donated to Medstead Parish Council many decades ago. It supports much wildlife and is an attractive small island of bluebells in the spring. It costs little in upkeep as it is left as natural as possible. However, the council has to pay for regular tree surveys to make sure that trees are safe for the public walking on footpaths, and has to remove diseased or storm-damaged trees, which is all paid for by the Precept. The costs for trees are also incurred on the village green, the cemetery and the wildflower meadow and Five Ash Pond.

The land for the Wildflower Meadow at Cedar Stables, Trinity Hill was donated to the Council by Crudace Homes in 2019/20 when a new development was built there. It is a beautiful, peaceful spot with great views down the valley. In summer it is full of wildflowers that are a haven for native butterflies, bees and other insects. It is maintained by our mowing contractor using the Precept and needs a special regime of when it needs to be cut and the seed topped up in order to keep it as self-sustaining as possible. We also need to maintain reserves, topped up by the Precept at the start of each year when needed, for major things such as the fencing.

- **The Sports Pavilion and Parish Office**



The Sports Pavilion has long been an attractive feature on the Village Green. The Council has leased it for years to the Medstead Sports Club, and it is mainly used for cricket matches. It has changing-rooms and a kitchenette and small social area and plenty of space to store sports equipment. The Precept covers the cost of running and maintaining this building.

In late 2023, work started on building an extension to create a Parish Office, complete with environmentally-friendly air source heat pump and solar panels. None of this was funded by the precept but rather was covered by EHDC grant money. A few unexpected hitches with the builders have led to this taking long than expected, but Medstead Parish Council was handed back the building in January 2024, with further work on the interior now at completion.

The Parish Office will be a very welcome new space for the Council. In past years it has rented office space in a variety of locations, and in more recent times has had Parish Clerks working at home. But home-working is not without problems as the Council has a very large volume of filing, far too much for the average home office, so it places limitations on who would be able to do the job – not exactly an ideal situation for equal opportunities employment. Also, the Council feels that the councillors and clerk should be available to the public at pre-arranged times and not shut away from parishioners. The new Parish Office has created premises for ad hoc meetings.

The new Parish Office will also become the location for Parish Council Meetings, with a stair lift to allow access to all. At present meetings are held in the Village Hall, which works fine for regular meetings, but often when the Council needs additional meetings it finds itself unable to book a room as the Village Hall is very much in demand. Once the office is up and running, the Council will consider whether there is scope for wider use by the community.

Whilst the costs of the building work were covered by grants, the running of it needs to be covered by the Precept, with costs including broadband, electricity, servicing of the air source heat pump, business rates, routine maintenance work other ad hoc running costs.

The Council has also provided and maintains a shed for the Medstead Fete Committee to store its marquees and other fete related equipment. This popular event raises much needed funds for village causes. As it is newly built little expenditure is expected on the shed next year, but there will be ongoing cost in future to keep it in good condition.

- **Street Furniture**



The so-called street furniture includes litter bins and numerous benches and picnic tables on the village green, with two new picnic tables bought earlier this year to replace ones at end of life. The Council also owns and has responsibility for the bus shelter at Greenstiles. It owns three noticeboards in the village and co-owns two in Four Marks. Whilst ongoing costs for maintenance of these items are small, the council does need to allocate reserve funds to deal with the replacement cycle for these items, although we will use grants where we can.

- **The Allotments and Village Hall Car Park**



Parish Council's have legal obligations to provide allotment facilities if they are reasonably able to do so. The current Allotments at Ivatt Way were donated to the Parish Council when that development was built. The Medstead Allotment Association runs it and manages its membership and pays a rental fee to the Council, which in turn is responsible for its maintenance, including the large timber shed and the fencing. This is covered by reserves which are topped up by the Precept at the start of each year if needed.

The Council owns and maintains the Village Hall Carpark and needs to use the Precept to pay for repairs as well as routine items such as grit in winter, leaf-blowing in autumn and annually cutting the long hedge that runs down one side.

- **Insurance, IT Services and Legal services**



The precept covers insurance premiums, IT service charges and legal fees (via reserves), should situations arise.

Insurance for a Parish Council is surprisingly expensive, covering public liabilities as well as the regular risks of fire, damage and theft to all its estate of assets. Separate insurance is also needed for the Neighbourhood Plan.

IT Services fees include the cost of the Council's email services and web hosting for its website plus additional software, security and computer repairs when needed. It is important for a council to have its own separate email addresses to maintain security, confidentiality and continuity of its electronic communications and to ensure council business is independent of councillors' private business, and is "official" and well-organised.

The council must also put aside reserves for legal services. This is thankfully not something needed on a regular basis, but is important that we have the funds to swiftly deal with legal issues if they arise, such as illegal occupation of our land. The Precept is used to top up this reserve when the need arises.

- **Office expenses**

The precept covers the Council's costs for printing, stationary, mobile phone charges, postage and a range of other ad hoc things.

The council needs to pay for mobile services for the clerk as she is the main link for all interactions with the public, suppliers, contractors, councillors, EHDC and Hampshire Country Council.

The Council pays for office equipment such as furniture and computers out of reserves, which are topped up when needed each year from the Precept.

- **Training, Professional Subscriptions and Audit Services**



The Council is a member of a number of professional organisations, paid for out of the Precept, including the Hampshire Association of Local Councils, the Society of Local Council Clerks and the Institute of Cemetery and Crematoria Management. These provide advice services, training, information resources, guidance, news and legal updates on relevant matters. They help the council to make sure that it is operating legally and professionally at all times.

Training is important for both new councillors and the clerk. In particular, there is a lot for a new clerk to learn and they need the professional CiLCA qualification (Certificate in Local Council Administration) as one of the conditions to allow Councils to use the full legal powers allowed by the Localism Act 2011 (General Power of Competence).

The law places tight controls on councils to make sure that they use and account for public money legally and effectively. One of these measures is the auditing of the council's accounts every year by an externally-appointed auditor and twice-yearly by the internal auditor (an independent auditor appointed by the council). The fees for this are covered by the Precept.

- **The Clerk / Responsible Financial Officer**

Some people are surprised that the Council pays for a Clerk – after all, the councillors are all volunteers. But being the Clerk is actually an involved role taking 20-25 hours per week and needing a high level of knowledge and training. The clerk covers the agendas and minutes for meetings, getting quotes for any work needed, managing contractors, providing legal advice to the councillors, researching projects, managing the council's responses to planning applications, dealing with enquiries from the public and providing the link to EHDC and HCC. The Clerk needs a good understanding of all the laws with regard to Local Authorities.

The Responsible Financial Office part of the role involves keeping the accounts, paying the bills and preparing the submissions required by the auditor, doing VAT returns, applying for grants, managing cash flow, preparing the annual budget and monthly reporting to councillors. It is hopefully clear by now from everything in this document that the council has a large range of assets and responsibilities and there are a lot of items of expenditure to manage. As you would expect with public money, there is a high level of scrutiny and bureaucracy to make sure everything is in order.

The Clerk / RFO's salary and associated costs is actually the largest expenditure for the Precept. As well as the salary to the clerk, the Council also has to pay National Insurance Contributions and pension contributions.

- **Allocated Reserves and General Reserves**

Reserves play an important part in helping the Council to manage longer term and unpredictable expenditure requirements. For example, a longer-term expenditure requirement would be replacing the play equipment every 10-20 years, replacing the village green dragon's teeth or dredging a pond every 5-8 years etc. An unpredictable expenditure could be large tree costs due to a major storm or legal fees for some eventuality etc.

If the council needed the Precept each year to factor in any possible unpredictable eventualities in that year it would be very high indeed. And if it included costs in each current year for the major items of expenditure needed in that year, it would be up and down year by year in an erratic way. Instead, over many years, the council builds up the reserves it needs from the Precept, and then only needs to top them up from the Precept when they are spent and need replenishing, or when a new activity arises. E.g. for 2025/26 the Precept needed to fund £8,000 in a reserve for the updating of the Neighbourhood Plan. But no changes were needed to many other others such as Ponds, the Allotments, Wildflower meadow etc as no work was needed last year. The Allocated Reserves effectively even out the peaks and troughs and de-risk the budgeting process for the council in any particular year.

General Reserves are also very important to the smooth functioning of the Council. This is reserve money that is not allocated to any particular project but serves two purposes. The first is to fund completely unpredictable expenditure not in the budget. This can also be a result of planned expenditure coming in higher than expected, which has particularly been an issue in recent years with abnormally high inflation. If costs come in higher than budgeted, the council has no means to go back to EHDC for more money. The second purpose of General Reserves is to deal with peaks and troughs in cash flow. The Precept covers expenditure not including VAT, but in reality, the Council pays VAT on most payments and claims it back quarterly, so is always out of pocket for the 20% VAT. For grant-funded projects, they are always reimbursed in arrears so the council often has to find the funds to pay for the work upfront from non-grant income. The Precept is paid twice a year in April and September, so again this can cause cashflow issues. If in one year the General Reserves have been depleted due to higher than expected or unplanned expenditure, the budget for the Precept the following year will need to include an amount to boost General Reserves again.