

# Botus Fleming Parish Council

www.botusfleming.org.uk

## Briefing Note

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### Parish Budget & Precept 2022/2023

#### 1.0 BACKGROUND TO BUDGET & PRECEPT

1.1 The Parish Council is required to agree a budget for the coming year and make application to Cornwall Council to collect a precept before 31 December 2021. This briefing note sets out the options considered by Councillors to agree a budget, a level of reserve along with the level of Precept to be charged. This note and the table below, which analyses budget expenditure, describes the Council's budget for next year and highlights the management of residents' council tax receipts.

1.2 Councillors voted to approve the Parish Council budget at the Public Meeting 8<sup>th</sup> December 2021 (Resolution item 880(F))

#### 2.0 THE BUDGET

2.1 Councillors have reviewed the projected costs for 2022/2023. Estimated expenditure has been calculated as **£25,000** which is broadly as existing, with a small budget increase required to fund the cost of the necessary security improvements to access points at the Recreation Field. The following amounts have been maintained, and alterations are listed.

1. The cost of grass cutting is unaltered within the existing Contract conditions, as renewed under a tender procedure 1<sup>st</sup> April 2021.
2. Provision to meet on-going Loan repayments to the Public Works Loan Board which commenced 20<sup>th</sup> December 2020.
3. The Grants & Donations fund is reduced to **£300**.
4. A Budget for projects arising from consultations with Councillors is calculated as **£4,250** and the Assets sums insured values increased by 2% to **£11,340**.

	Budget 2020-21	Budget 2021-22	Budget 2022-23
<b>Gross Expenditure</b>			
<b>General &amp; Administration</b>			
Salaries	4,000	3,750	3,735
HMRC	700	686	700
Postage & Admin	400	350	350
Elections & Adverts	0	3,000	0
Training & Expenses	800	800	800
<i>sub total</i>	5,900	8,586	5,585
<b>Contracts</b>			
Legal & Website	2,000	550	600
Grass cutting	4,250	4,250	4,250
Dog bin cleansing	0	700	500
Insurance	1,000	1,000	1,150
Rent	0	0	0
Public Works Loan Board	2,500	5,464	5,465
Maintenance & Equipment	500	500	2,500
<i>sub total</i>	10,250	12,464	14,465
<b>Projects &amp; miscellaneous</b>			
Grants & Donations	650	300	300
Newsletter printing	1,000	400	400
Miscellaneous projects	4,500	2,750	4,250
<i>sub total</i>	6,150	3,450	4,950
<b>Total</b>	22,300	24,500	25,000
<b>Gross Income</b>			
Council precept	16,000	20,000	20,000
CTS grant	164	160	67
<b>Total</b>	16,164	20,160	20,067
Vat recovery actual / estimate	0	0	0
<b>Net Surplus / (Deficit)</b>	-6,136	-4,340	-4,933

### 3.0 RESERVES

3.1 Councils have no legal powers to hold Revenue Reserves other than those for reasonable working Capital needs or for specifically Earmarked purposes. The Parish Council hold no specific contingency reserves other than as mentioned below. The General fund balance will be maintained at a level based upon a financial Risk Assessment carried out annually by the Responsible Finance Officer (RFO) when setting the Budget for the forthcoming year. Cash holdings at 31<sup>st</sup> March 2021 were **£14,103 & £16,788** for the Council's General Account & Earmarked Account respectively.

Parish Councils maintain best practice by holding the equivalent of six months Precept income as a contingency against uneven cash flow or delayed payment. For this reason the Parish Council reviews it's Financial Reserves Policy and also the Financial Risk Assessment.

Any surplus on the Reserve above the required balance may be used to fund Capital expenditure, or possibly can be appropriated to Earmarked Reserves or used to limit any increase in the precept. These are deemed to be internal financial controls and Council Minutes will record a virement of budgeted amounts following approval and resolution at a Public Meeting.

3.2 Councillors have made proposals to fund Projects valued at **£4,250**. This is in addition to ring fenced Earmarked Reserves currently to the value of **£29,571**. Details of Earmarked reserve amounts may be viewed on the Council website [www.botusfleming.org.uk](http://www.botusfleming.org.uk)

## 4.0 THE PRECEPT

4.1 Parish Councils may raise a 'Precept' amount on the Council Tax bills produced by their local billing Authority (Cornwall Council). This is the only source of Tax Revenue available to this and many other Parish Councils.

4.2 By setting aside **£29,571** of earmarked reserves, the Parish Council will maintain the level of Precept amount of **£20,000** for the financial year 2022/2023.

4.3 The cost to a Band D property is currently £62.43 in the current year. In accordance with Tax Base instructions received from Cornwall Council, and at the same time reflecting the Precept amount of **£20,000**, the cost to a Band D dwelling will reduce from £62.80 to £61.10.

4.4 Overall, the Band D increase on the tax base (based upon the number of Band D properties in the Parish) increases from £318.49 to £327.32 equalling 2.77%. The % increase is offset with the Precept amount remaining the same. A comparison of the % increases with 6 neighbouring Parish Councils reveals a % scale of between 2.53% and 6.42%, so Botus Fleming Parish Council are at the low end of the % increase table.

## 5.0 THE OPTIONS

5.1 At the Public Meeting on 8<sup>th</sup> December 2021, Councillors were asked to vote on two separate resolutions: to approve the Budget as presented, and to approve the Precept for 2022/2023. Councillors also noted the Contingency and Earmarked Reserves amounts.

5.1 The budget for 2022/2023 (including Project costs) reflects the cost of providing Council services and is calculated at **£25,000**.

5.2 The level of Contingency Reserve will vary according to the Precept that has been agreed. The proposal is for 6 months equivalent Precept income, which is **£10,000**. Earmarked reserves will form the balance of funds available for Council Projects.

5.3 The Precept based on these proposals is **£20,000**.

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Date: 9<sup>th</sup> December 2021