

Botus Fleming Parish Council

www.botusfleming.org.uk

Briefing Note

Parish Budget & Precept 2023/2024

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 2022. 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 23rd November 2022 (Resolution item 1071(F)). This enables the Parish Clerk & RFO time to complete the Precept request form for 7th December 2022.

2.0 THE BUDGET

2.1 Councillors have reviewed the projected costs for 2023/2024. Estimated expenditure has been calculated as **£29,050** which is broadly a 16% increase in the existing Budget of **£25,000** with an increase required to fund the cost of the necessary Parish Council functions. **The Precept amount does not increase in line with the Budget level.**

1. The cost of grass cutting is likely to increase as BMS contractors quoted the lowest price under the last Tender exercise. With the sad passing of Mr Nick Brown, the Parish Council are forced to proceed to Tender only 2 years into the Contract.
2. Provision to meet on-going Loan repayments to the Public Works Loan Board which commenced 20th December 2020. This budget is as existing.
3. New budget provision for Professional fees (Audit fees). This expenditure was previously made from Reserves.
4. New budget provision to provide for an annual safety inspection of all new play equipment at the Recreation Field. Additional insurance premium for 'All Risk' cover on the new equipment.
5. The Grants & Donations fund is increased to **£750**. (Resolution 986(A))
6. A Budget for projects arising from consultations with Councillors is calculated as **£4,250** and the Assets sums insured values increased by 2% to **£36,020** and includes all the new play equipment valued at **£25,500**.

The Budget expenditure increases can be summarised as follows with the budget increasing from **£25,000** to **£29,050**.

Grass cutting contract	£2,000	
Tender advert	£ 400	
Play equipment inspection	£ 400	
Insurance 'All Risk' premium	£ 100	
Donations & Grants	£ 450	
Professional fees	£ 500	
Budget Rounding off	£ 200	= £4,050

	Budget 2019-20	Budget 2020-21	Budget 2021-22	Budget 2022-23	Budget 2023-24
Gross Expenditure					
General & Administration					
Salaries	4,000	4,000	3,750	3,735	3,750
HMRC	0	700	686	700	836
Postage & Admin	400	400	350	350	300
Elections & Adverts	0	0	3,000	0	400
Training & Expenses	1,200	800	800	800	450
Professional fees	0	0	0	0	500
<i>sub total</i>	5,600	5,900	8,586	5,585	6,236
Contracts					
Legal & Website	650	2,000	550	600	700
Grass cutting	4,250	4,250	4,250	4,250	6,000
Dog bin cleansing	0	0	700	500	750
Insurance	1,000	1,000	1,000	1,150	1,100
Play Equipment inspections	0	0	0	0	400
Rent	2,150	0	0	0	0
Public Works Loan Board	0	2,500	5,464	5,465	5,464
Maintenance & Equipment	200	500	500	2,500	3,000
<i>sub total</i>	8,250	10,250	12,464	14,465	17,414
Projects & miscellaneous					
Grants & Donations	650	650	300	300	750
Newsletter printing	300	1,000	400	400	400
Miscellaneous projects	4,750	4,500	2,750	4,250	4,250
<i>sub total</i>	5,700	6,150	3,450	4,950	5,400
Total	19,550	22,300	24,500	25,000	29,050
Gross Income					
Council precept	14,600	16,000	20,000	20,000	20,500
CTS grant	164	164	160	67	0
Total	14,764	16,164	20,160	20,067	20,500
Vat recovery actual / estimate	0	0	0	0	0
Net Surplus / (Deficit)	-4,787	-6,137	-4,340	-4,933	-8,550

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 31st March 2022 were £12,438.86 & £37,022.09 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 purpose 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 **£11,760**, this is after the purchase and installation of new play equipment at the Recreation Field. Funding for this project was achieved through general donations, fundraising and grant donations. Details of Earmarked reserve amounts may be viewed on the Council website 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 **£11,760** of earmarked reserves, the Parish Council will adjust the level of Precept amount to **£20,500** for the financial year 2023/2024.

4.3 The cost to a Band D property is currently £62.43 in the current year (2022 / 2023). 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. **

The proposed Precept amount of £20,500 based upon the current Tax Base will result in the cost to a Band D dwelling increasing from £61.10 to £62.01 which reflects a 1% increase per household.

4.4 Overall, the Band D increase on the tax base (based upon the number of Band D properties in the Parish) increased from £318.49 to £327.32 equalling 2.77% in respect to 2022 / 2023. The tax base (set by Cornwall Council) is indicated as increasing for Botus Fleming from £327.32 to £330.59 equalling 1% in respect to the 2023 / 2024 recharge. A comparison of the % increases with 6 neighbouring Parish Councils reveals a % scale of between minus 0.43% and plus 3.58% with the mean average increase at 0.95%. The increase for Botus Fleming Parish Council is 1%. **

4.5 The revised Precept amount represents an increase of 2.5% necessary to assist in financing budget increases identified at 2.1 above. The amount of Precept increase does **NOT** represent the Budget increase and anticipated expenditure over the next financial year 2023/2024, nor does the Precept increase uplift the Band D recharge beyond 1%.

5.0 THE OPTIONS

5.1 At the Public Meeting on 7th December 2022, Councillors were asked to vote on two separate resolutions: to approve the Budget as presented, and to approve the Precept for 2023/2024. Councillors also noted the Contingency and Earmarked Reserves amounts.

5.1 The budget for 2023/2024 (including Project costs) reflects the cost of providing Council services and is calculated at **£29,050**.

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 **£20,500**.

**** As at the date of this briefing note the information contained in 4.3 & 4.4 is in accordance with the indicative taxbase details from Cornwall Council for 2022/2023. The proposed Precept increase from £20,000 to £20,500 will not significantly alter the Band D dwelling recharges for 2023 / 2024.**

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