

Briefing Note

Parish Budget & Precept 2024/2025

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 2023. 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 22nd November 2023 (Resolution item 1278 (F)). This enables the Parish Clerk & RFO time to complete the Precept request form for 13th December 2023.

2.0 THE BUDGET

2.1 Councillors have reviewed the projected costs for 2024/2025. Estimated expenditure has been calculated as **£30,500** which is broadly a 5% increase in the existing Budget of **£29,050** with an increase required to fund the cost of the necessary Parish Council functions. **The Precept amount does not necessarily increase in line with the Budget level.**

1. It is necessary to further pump prime the budget for the Local Elections 2025 to reflect the increase in Electoral administration, postage, and Postal voting costs. With the existing £400 in the Elections budget and earmarked funds standing at £3,000, a further £1,600 will increase the Local Elections 2025 budget to £5,000.
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. The budget provision for Professional fees (Audit fees), identified in 2023 / 2024 and associated expenditure is retained and protects the Council's Reserves.
4. The budget provision to provide for an annual safety inspection of all new play equipment at the Recreation Field is retained.
5. A Budget for projects arising from consultations with Councillors is calculated at and remains in the sum of **£4,250**. The Assets sums insured value increases by 17% to **£42,160** in line with the RPI % and insured values as recommended by Zurich Insurance, and includes all the new play equipment valued at **£30,510**

The Budget expenditure increases and adjustments (savings) can be summarised as follows with the budget increasing from **£29,050** to **£30,500**.

Grass cutting contract	£ 550	
Elections 2025 (EMF)	£1,600	
HMRC salaries	£ 100	
Professional subscriptions	£ 100	Budget increase = £2,350
Website & Legal admin.	-£ 200	
Training expenses	-£ 200	
(CAT) Projects	-£ 500	Budget savings = -£900 <u>Overall + (£1,450)</u>

	Budget 2020-21	Budget 2021-22	Budget 2022-23	Budget 2023-24	Budget 2024-25
Gross Expenditure					
General & Administration					
Salaries	4,000	3,750	3,735	3,750	3,750
HMRC	700	686	700	836	936
Postage & Admin	400	350	350	300	300
Elections & Adverts *	0	3,000	0	400	2,000
Training & Expenses	800	800	800	450	250
Professional fees & Subscriptions	0	0	0	500	600
sub total	5,900	8,586	5,585	6,236	7,836
Contracts					
Legal & Website Admin	2,000	550	600	700	500
Grass cutting	4,250	4,250	4,250	6,000	6,550
Dog bin cleansing	0	700	500	750	750
Insurance	1,000	1,000	1,150	1,100	1,100
Play Equipment inspections	0	0	0	400	400
Rent	0	0	0	0	0
Public Works Loan Board	2,500	5,464	5,465	5,464	5,464
Maintenance & Equipment	500	500	2,500	3,000	3,000
sub total	10,250	12,464	14,465	17,414	17,764
Projects & Miscellaneous					
Grants & Donations	650	300	300	750	750
Newsletter printing	1,000	400	400	400	400
Miscellaneous projects	4,500	2,750	4,250	4,250	3,750
sub total	6,150	3,450	4,950	5,400	4,900
Total annual budget	22,300	24,500	25,000	29,050	30,500
Gross Income					
Parish Council Precept	16,000	20,000	20,000	20,500	21,500
CTS grant (ceased 2023/2024)	164	160	67	0	0
Total precept level	16,164	20,160	20,067	20,500	21,500
Vat recovery actual / estimate	0	0	0	0	0
Net Surplus / (Deficit)	-6,137	-4,340	-4,933	-8,550	-9,000

BUDGET INCREASES			BUDGETS	
Grass cutting	550.00		Budget 2024/2025	30,500.00
Elections 2025 (EMF) *	1,600.00		Budget 2023/2024	29,050.00
HMRC	100.00		Budget Increase	1,450.00
Professional Subscriptions	100.00			
TOTAL	2,350.00			
BUDGET ADJUSTMENTS			PRECEPTS	
Website & Legal Admin	-200.00		Precept 2024/2025	21,500.00
Training Expenses	-200.00		Precept 2023/2024	20,500.00
(CAT) Projects	-500.00		Precept Increase	1,000.00
TOTAL	-900.00			

* Amount to be transferred to the EMF Account - £400 already in the budget from the Tender.
The original Budget for Elections was created in 2021/2022

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 2023 were **£12,979.26 & £11,264.73** for the Council's General Account & Earmarked Account respectively. Total funds **£24,243.99**.

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 its 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 **£18,670**, this includes the purchase and installation of new play equipment at the Recreation Field. A grant of £18,646 was secured from the Community Capacity fund for purposes of a feasibility study to build a Community Centre on the Recreation Field. 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 **£18,670** of earmarked reserves, the Parish Council will adjust the level of Precept amount to **£21,500** for the financial year 2024/2025.

4.3 The cost to a Band D property is currently £62.01 in the current year (2023 / 2024). In accordance with Tax Base instructions received from Cornwall Council, and at the same time reflecting the existing Precept amount of **£20,500**, the cost to a Band D dwelling may increase from £62.70 (revised Taxbase figure 2023 / 2024) to £65.75. **

The proposed Precept amount of £21,500 based upon the current Tax Base it is ESTIMATED will result in the cost to a Band D dwelling increasing from £62.70 to £65.75 which reflects almost a 5% 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 £327.32 to £330.59 equalling 1.00% in respect to 2023 / 2024. The tax base (set by Cornwall Council) is indicated as decreasing from £330.59 to £326.98 for 2024 / 2025.

A comparison of the % increases with 5 neighbouring Parish Councils reveals a % scale of rate decreases of between 0.83% to 1.09% and rate increases of between 0.90% to 4.12%. The mean average decrease is 0.79% and mean average increase at 2.12%. The rate decrease for Botus Fleming Parish Council is 1.09%. **

4.5 The revised Budget amount represents an increase of 4.8% necessary to assist in financing budget increases identified at 2.1 above. The amount of Precept increase does, on this occasion, represent the Budget increase and anticipated expenditure over the next financial year 2024/2025, for this particular year.

4.6 The Government has published information on Council Tax levels set by Councils in England for the financial year 2023 / 2024 as follows.

'There are currently 10,245 Councils in England of whom 8,881 raised a Precept this year with an aggregate total of £708 million. The Average Band D precept charged by local precepting bodies for 2023 / 2024 will be £79.71, an increase of £4.90, or 6.5% from 2022 / 2023'.

5.0 THE OPTIONS

5.1 At the Public Meeting on 22nd November 2023, Councillors were asked to vote on two separate resolutions: to approve the Budget as presented, and to approve the Precept for 2024/2025. Councillors also noted the Contingency and Earmarked Reserves amounts.

5.1 The budget for 2024/2025 (including Project costs) reflects the cost of providing Council services and is calculated at **£30,500**.

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 **£10,750**. Earmarked reserves will form the balance of funds available for Council Projects.

5.3 The Precept based on these proposals is **£21,500**.

**** 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 2023/2024. The proposed Precept increase from £20,500 to £21,500 will not significantly alter the Band D dwelling recharges for 2024 / 2025 other than within permitted percentage increases.**

Author: Christopher Cook – Parish Clerk & Responsible Financial Officer
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