

# Briefing Note

## Budget & Precept 2023/24

### 1.0 Background

1.1 This note explains how the budget has been drafted and what your choices might be in agreeing it for the next financial year. It has been prepared against a background of economic uncertainty, with a current inflation rate of 10.1% and the highest interest rates for many years. The outlook for economic growth is not optimistic.

1.2 The council's precept is collected to pay for the day to day running costs in the parish and is not usually intended to pay for capital items. It is calculated by deducting expenses from non-tax income and charging the difference to each household in the parish. The figures below are based on a worst-case scenario where the highest level of expenses have been included. These are made up of costs that you are committed to and costs that you wish to commit to. **There is scope to reduce the wish-list – but you have to decide what your priorities are.**

Item	Current budget	Worst case budget	Change
All expenses	£25,970	£34,976	+£9,006 +35%
Precept total	£22,816	£32,372	+£9,556 +42%
Band D per annum	£34.85	£49.49*	+£14.64* +42%
Band D per month	£2.90	£4.12*	+£1.22* +42%

\*Best estimate based on same number of households as current year.

1.3 You can manage the budget by reducing costs OR subsidising all of the increased costs from your reserves OR a combination of the two.

### 2.0 Where are the increased costs coming from?

2.1 The chart below shows each of the 6 categories of expenses and what the changes are:

Expenditure for 2023/24		Budget 2023/24	Current 2022/23	Change £	Change %
1.0	Open Spaces	12627	7565	5062	67%
2.0	General Administration	14949	13598	1351	10%
3.0	Allotments	180	180	0	0%
4.0	Public toilets	3945	3445	500	15%
5.0	Public lighting	0	682	-682	-100%
6.0	Donations	500	500	0	0%
All Expenditure		32201	25970	6231	24%

2.2 Quick notes to explain

1.0 Open Spaces – maintaining grass, weeds, footpaths, playground, waste disposal.

2.0 Day to day costs of administering the parish council: £1122 of this increase derives from a salary increase for the Clerk (set down by national agreement and estimated for the year ahead)

3.0 Council has a long-term agreement with a local farmer who rents us the land at East Road for allotments.

4.0 Public toilets on East Road: £300 of this increase derives from a salary increase for the cleaner (based on estimates for the National Minimum Wage next year) and £200 for increased cost of water (based on usage during the current year)

5.0 Ownership and responsibility for maintenance of public lighting on Mine Hill and Bowling Green has been transferred to Cornwall Council, so no charges are made.

6.0 Grants & Donations the council makes to voluntary groups.

### 3.0 Why is the Open Spaces budget so high?

3.1 The chart below shows each of the 9 categories of expenses and what the changes are:

Expenditure for 2023/24		Item	Budget 2023/24	Current 2022/23	Change £	Change %
1.0	Open Spaces					
1.1	Grasscutting	New contractor	5952	2320	3632	157%
1.2	Strimming	Deleted from specification	0	0	0	0%
1.3	Weedspraying	New contractor	3950	1100	2850	259%
1.4	Misc	Footpaths New contractor	1725	370	1355	366%
1.4		RoSPA Inspections	0	150	0	0%
1.4		Trelawney Gardens	0	200	0	0%
1.4		Miscellaneous Repairs	0	500	0	0%
1.4		Biffa waste disposal annual fee	0	1925	0	0%
1.5		Menheniot Green - from reserves	1000	1000	0	0%
	sub total		12627	7565	5062	67%

3.2 In April 2022, the parish council appointed a new contractor to carry out grounds maintenance on a fixed two-year contract, so the cost of grass-cutting (1.1) and footpath maintenance (1.4) is fixed at this level for the next 12 months. Together, this accounts for an increase of £4,987. Also in this budget, councillors agreed to carry out weed spraying (1.3) across the parish and budgeted for £1100 in the current year. However, the latest estimate is for £3,950 (not yet accepted)

3.3 Quick notes to explain non-contractor costs

RoSPA Inspections – compulsory for playground maintenance and insurance

Trelawney Gardens – paid for out of Menheniot Green budget

Miscellaneous Repairs – in the current year, this has covered the cost of unplanned maintenance (ash tree removal, gravel for village green cottages, playground repairs)

Biffa waste disposal annual fee – weekly disposal of general waste and dog bins.

Menheniot Green - Budget to fund works undertaken by volunteers relating to climate change and environmental projects. Currently funded from the General Reserve.

### 4.0 What are the options for reducing costs?

4.1 Open Spaces: reduce or delete (full amounts)

Weedspraying £3,950

Trelawney Gardens £200

Menheniot Green £1000 (taken from General Reserve)

4.2 General Administration: reduce or delete (full amounts)

Printing and stationery £1000

Clerk training £125

Councillor training £500

Zoom subscription £144

Web support £150

- 4.3 Grants & Donations: reduce or delete (full amounts)  
Donations £500  
Community Grants £5,000 (taken from General Reserve)

## **5.0 What are the options for increasing income?**

- 5.1 Allotment rentals. Currently £12pa – increasing annual rental by 10% would increase income from 26 plots by £31.20.

## **6.0 Drawing from the General Reserve**

- 6.1 At the close of business on 31 October 2022, the council held £77,645 in its combined accounts. Advice from CALC is that you should usually hold the equivalent of 6 months expenses as reserves. Based on your budgeted expenses for this year, that would be £13,000 meaning that you hold surplus reserves of £64,645.

- 6.1 You are already committed to draw down from your reserves these amounts in the current year:

Playground repairs £7,307

Grounds maintenance overspend £3,887 (net of £1,100 underspend on weed spraying)

Menheniot Green £1,000

Community Grants £1,200

**Total £13,394 leaving you a net amount of £51,251.**

Optional items to draw down:

Christmas food parcels £1,000

**Total £1,000 leaving you a net net amount of £50,251.**

## **7.0 Recommendations**

- 7.1 That councillors use their November public meeting to decide which items to maintain or reduce and ask the Clerk to recalculate the 2023/24 budget.

- 7.2 When a new budget has been calculated, the precept is also recalculated and circulated to councillors for approval.

- 7.3 Once approved, the Clerk uses his delegated authority to submit the precept to Cornwall Council.

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Date: 8 November 2022

<b>Expenditure</b>		
<b>1.0</b>	Open Spaces	The day-to-day ground maintenance and repair of the grounds and assets of the parish council. In April 2022, the parish council appointed a new contractor to carry out grounds maintenance on a fixed two-year contract. <i>The proposals in this section will still lead to an increase in costs of 104% (£7,837) compared to the current year.</i>
<b>1.1</b>	Grass cutting	Set out in the specification for the contractor we employ. <i>The new contract cost is £3632pa higher than the previous contract.</i>
<b>1.2</b>	Strimming	Deleted in this year's budget because it was not included in the new specification.
<b>1.3</b>	Weed spraying	Your original budget was set at £1100, and the proposal submitted in October 2022 was for £3950. You have not appointed a contractor in the current year.
<b>1.4</b>	Other expenses	Costs of footpath maintenance, RoSPA safety inspection, tree survey and other general maintenance costs. <i>The new contract for footpath maintenance is £1355pa higher than the previous contract.</i>
<b>1.5</b>	Menheniot Green	Budget to fund works undertaken by volunteers relating to climate change and environmental projects. This has previously been funded from the General Reserve.
<b>2.0</b>	General Administration	Day to day costs of administering the parish council. <i>The proposals in this section will still lead to an increase in costs of 3% (£401) compared to the current year.</i>
<b>2.1</b>	Salaries	Clerk's salary is negotiated centrally and increases each year, subject to a satisfactory annual appraisal.
<b>2.2</b>	Audit fees	Charges for our statutory annual audit.
<b>2.3</b>	Other expenses	Includes our printing and stationery costs; training budget (for clerk and councillors); professional subscriptions; insurance' IT support; venue hire; clerk's home expenses.
<b>2.4</b>	Fees and election	Only applicable in election years (the next in 2025) – so no budget included.
<b>3.0</b>	Allotments	Council has a long-term agreement with a local farmer who rents us the land at East Road.
<b>3.1</b>	Rent	Annual peppercorn rent payable.
<b>3.2</b>	Maintenance	Repairs and water supply charges. The exceptionally hot summer has increased the demand for water in summer 2022.
<b>4.0</b>	Public toilets	Public toilets on East Road. <i>The proposals in this section will still lead to an increase in costs of 15% (£500) compared to the current year.</i>
<b>4.1</b>	Cleaner's salary	Salary for part-time cleaner <i>increased because of statutory minimum.</i>
<b>4.2</b>	Maintenance	Repairs and waste disposal. Maintained at previous levels.
<b>4.3</b>	Water	Water supply charges. <i>Showing an increase of £200.</i>
<b>5.0</b>	Public lighting	Ownership and responsibility for maintenance of public lighting on Mine Hill and Bowling Green has been

		transferred to Cornwall Council. <i>This will save £682 on charges no longer incurred.</i>
5.1	Electricity	Deleted wef April 2022.
5.2	Maintenance	Deleted wef April 2022.
6.0	Donations	Council operates a system of giving financial support to local and regional organisations. Details on website.
6.1	Donation	Small sums (up to £100) are funded usually through the precept.
6.2	Grants	Larger grants (more than £100) are funded from the General Reserve. Budget is agreed each year.
6E	Neighbourhood Development Plan	The NDP was adopted in April 2022 and this budget line is now deleted.
7.0	<b>Income</b>	
7.1	Precept	Cornwall Council collect the parish precept (the very local council tax) on our behalf, and we receive this in two equal amounts in spring and autumn. You can see what your current parish precept payment is on your annual Council Tax bill.
7.2	CTS Grant (Council Tax Support)	<i>The Council Tax Support scheme ended in March 2022 and is no longer payable onto the parish council.</i>
7.3	Allotment rentals	Annual fee per plot of £12 is set to recover all running costs, based on 90% occupancy and income.
7.4	Parish paths grant (Local Maintenance Partnership)	The parish council receives a fixed sum each year from Cornwall Council as a contribution towards the cost of maintaining footpaths.
7.5	Grants	Council may receive unplanned for amounts of funding from other sources.
7.6	Fees & other income	Council receives a small fee income from the Menheniot Playgroup and Village Green cottages.
7.7	Bank interest	The council has deposited surplus funds with Cornwall Council and receives a higher rate of interest than from commercial banks. You can see the balance on your monthly bank reconciliation.
7.8	Miscellaneous income	Council occasionally received other grants, subsidies and donations that are shown here.
7.9	From General Reserve	Where councillors wish to fund work that is outside the scope of day to day running expenses, payments can be made from the council's reserves and this section shows that amount.

Nov 2022