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# Briefing Note

## Budget & Precept 2023/24

Review December 2022

### 1.0 Background

1.1 At their public meeting on 17 November 2022, councillors agreed to postpone their usual decision on a budget and precept because they wanted more time to consider their options for change. With a current inflation rate of 11.1% (October 2022), the highest interest rates for many years and a background of economic uncertainty, the outlook for economic growth is not optimistic. The council holds high levels of reserves which it can call on to cushion the impact of increases on the precept. So, at that public meeting, councillors asked the Clerk to review all expenses, examine what had already been committed from its reserves and calculate the impact of limiting any increase in precept to 10% for the next financial year 2023/24.

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. This note explains what the council's budget for next year is and sets out how it manages residents' tax receipts.

### 2.0 The issues

2.1 Expenditure for 2023/24 is now budgeted to be £30,276, which is an increase of £4,506 (9%) compared to the budget set last year. The reason for the increase in expenses is because of the extra costs forecast for maintaining the council's open spaces. This is because of the commitment to a new contract that was agreed in April 2022. Councillors have taken the decision not to fund weeding across the parish. (Item 107B)

2.2 In order to meet the day to day expenses of the parish council, I have taken into account income from Cornwall Council and other income that will derive from fees and charges.

2.3 In calculating a budget for 2023/2024, the Clerk has examined all the costs incurred to date and made provision for changes, as well as including items that we may be liable for in the future.

2.4 At the close of business on 31 October 2022, the council's reserves were £77,645.

2.5 The final calculation for a budget that takes account of all these factors will require a precept which is higher than that previously levied. The proposal is that the precept be increased to £25,200. This is an increase of £2,384 or 10%.

2.6 At its public meeting on 16 May 2019, councillors agreed to set an annual budget for its Community Grants (Item 50/2019A) that would be based on current demand for grants.. Based on previous experience, the council might expect to receive applications totalling £2,500 each year.

### **3.0 Recommendations**

3.1 To accept the budget calculation and support an increased precept. The final calculation for the precept in 2023/24 would be £25,200.

3.2 To top up the Community Grants budget from the general reserve to a figure of £2,500, and the Donations budget at £500, the final amounts to be agreed at the April 2023 public meeting.

3.3 This means that the annual charge for a Band D house would be £38.55 (previously £34.85) which is an increase of £3.70 or 31p per month. Additional expenses of £3,472 not met from the precept for next year will be drawn from the General Reserve.

### **4.0 How the council uses your money**

The parish council owns and maintains three open spaces which are freely available to residents and visitors: the playing field (Menheniot village), the recreation area at Merrymeet and the community garden on Trelawney Road (maintained by local residents). In addition to its financial support for volunteering groups in the parish, the council owns and maintains the public toilets in Menheniot village, the bus shelters in Menheniot, Merrymeet and on the A38 by The Hayloft as well as carrying out other grass cutting and footpath maintenance.

Details of any proposals will be discussed and where appropriate, agreed at the public meeting. Visit [www.menheniotparishh.org.uk](http://www.menheniotparishh.org.uk) to download a calendar of meetings and updates of the forward plan.

### **5.0 Note on delegated powers**

5.1 S101(6) of the 1972 Local Government Act states that 'a local authority's functions with respect to levying, or issuing a precept for, a rate shall be discharged only by the authority'. This means that the Clerk's delegated authority previously amended in the council's Standing Orders in July 2022 (15b xviii) does not extend to setting the precept. Acceptance of the budget and agreeing the precept must be agreed by councillors in a public meeting.

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