

REPORT TO PICKMERE PARISH COUNCIL

6th December 2022

AGENDA ITEM 7.3 BUDGET and PRECEPT 2023-24

1. REPORT

1.1 At your November meeting members considered the financial outturn for the year 2022-23, and the draft budget for 2023-24 and held a subsequent informal discussion about the figures. It is now necessary to decide upon the budget and consequently the precept to be required of Cheshire East for 2023-24.

2. FINANCIAL OUTTURN 2022-23

2.1 Attached to this report is a table showing:

- Projected outturn figures at 31 March 2023, and
- A draft general budget for 2023-24

2.2 Both the outturn figures and the draft budget have been updated to incorporate the very recently agreed national pay award for parish clerks. The draft budget figures assume no change in the Precept figure of £13650, though clearly that is a matter for consideration at this meeting.

2.3 However, those figures do not include the following:

- installation of car park lighting at the Village Hall (£2550 excl VAT)
- acquisition of a replacement laptop and mobile phone (£555 excl VAT)
- possible costs of CCTV installation, were match-funded grant available, of potentially £750-£1800 (assume £1275 excl VAT)
- one-off cost of the IROS fencing materials and abortive employees' time of £4446
- potential costs of village boundary signs (£1100 approx. excl VAT)
- (excluding VAT);
- potential cost of installing the proposed IROS fence (£2727)
- cost of replacement printer for clerk (£120? excl VAT)
- unknown costs of funding a Parish Poll on the question of the proposed IROS fence (assume £1500?)

2.4 In total these additional costs amount to £14,273 excl VAT.

2.5 They would be funded as follows:

- From the Council's 'general' funds: £5333 (£4446 plus part fence- installation costs £887)
- From the Council's various 'earmarked' funds: £8940

2.6 Such deductions would leave the Council's 'general' fund at a figure of £15822 – thus in a general area complying with the normal assumption of keeping roughly a year's precept figure for general contingency purposes – and it would leave the earmarked funds in total at £53168, broken down as follows:

Category of Earmarked reserve	Reserved sum as at 27 June 2022	Envisaged sum after current spending
Enhancement of property assets	£35000	£29400
Play area refurbishment fund	£9000	£9000
Unforeseen election costs	£2750	£1250
Play area maintenance fund	£2500	£2500
Neighbourhood Plan preparation fund	£2968	£2968
Unforeseen legal fees	£1000	£1000
IROS grass cutting contingency	£2000	£2000
Unforeseen tree work	£1220	£1220
Building repairs	£5000	£1320
Unallocated Covid Business grant	£594	£594
CIL unallocated funds	£1916	£1916
Other earmarked reserves	£2000	£0
Total	£65948	£53168

2.7 The above figures do not track likely 'general' expenditure for the remainder of the year to 31st March 2023. These figures are indicated on the attached table (columns 2 and 3). As a result of expenditure to date plus forecast expenditure (including for instance increased energy costs) there is likely to be a deficit of approximately £4000 for the current year. This shortfall will have to be met either by reducing the Council's 'general' fund, which as seen above is estimated at £15822, thus taking it below the normal 'assumed' general contingency figure of around £13650, or by taking the excess from the one or more of the earmarked reserves listed above.

3. BUDGET FOR 2023-24

3.1 The current draft budget is shown on the attached table (columns 4 and 5). Various remarks are made in the Comment column (column 6) to indicate how individual items have been arrived at. Key remarks are as follows:

- The overall budget does not balance in that it shows expenditure of £22354 as against income of £15950, **a shortfall of £6404.**
- These figures assume retaining the Precept at £13650.
- A figure of £2000 income is included as VH rental fees; this may be considered somewhat optimistic, as current hirers are only a Zumba group, for 2-3 hours per week, and the village table tennis group, again 2 hours per week. There are occasional short-term lets in addition.
- A 400% increase in energy costs is included – this may be considered somewhat optimistic.
- Significant potential increases in other services provided to the Council, e.g. open space maintenance, pest control, fire safety survey/renewals, as a result of general inflationary pressures.

3.3 Possible options for ameliorating the financial shortfall include:

- Increasing the Precept – the following table shows some possible variations:

Precept for 2022-23	Precept possibilities for 2023-24	Equivalent to (per band D dwelling)
Precept for 2022-23 - £13650		£34.92 per annum
	£13962	£34.92 (i.e. no change)
	£14650	£36.64
	£15650	£39.14
	£16650	£41.64
	£17650	£44.14

- Even the largest of these possibilities would result in less than a £10 increase on the existing annual Parish Council bill for a Band D property.
- Increasing the hire rate for the Village Hall. The current rate of £6/hour has not changed for at least 6 years, and probably more. The current rate could be considered virtually minimal, and certainly, in winter, might barely pay for the heating required to let the building (it is to be noted though that the current two users mentioned above are obviously exercise-based and therefore do not demand that the Hall be heated to normal ambient temperature levels.) One possibility may be say to increase the rental to £8 per hour for ‘community’ activities arising from Pickmere parish (including small-scale activities which primarily serve the Pickmere parish community), and perhaps say £10 per hour for any larger or commercial users or for persons or organisations who come from outside the parish.
- The shortfall could simply be absorbed – again – by the Council’s reserves, therefore reducing the earmarked reserves available for the specified projects.
- Some of the expenditure items could be removed or reduced.

4. RECOMMENDATION

4.1 That members consider the report and decide accordingly.

Jack Steel
Clerk to the Parish Council