



Helsby Parish Council

Budget Report: Justification of the Precept Request for the Financial Year 2024/25

The Finance Committee is recommending an increase in the Band D precept charge this year given current rates of inflation. The cost of living increased sharply across the UK during 2021 and 2022 (For example, CPI inflation was over 11% in October 2022). Whilst rates appear to be stabilising more recently, the Council has noticed an increase in the costs of many of its goods and services. In our latest 5-year Business Plan, we have estimated inflation (where relevant) at 5% during 2024/25 and 2025/26 due to the current financial climate and then 2% thereafter.

Despite this, we have continued to be mindful not to overburden our local taxpayers further with significant increases in the precept. To balance our income with our expenditure in 2024/25, we would need to increase the Band D precept charge by around 9%. However, we are proposing a much lower increase of 5.4% by using some of our general reserves to fund some goods and services in 2024/25 (around £3,865). We will also continue to shop around for quotes during 2024/25 to ensure that we receive best value for money.

Based on a precept amount of £109,040, a Band D property will pay £52.00 (a cost of £1 per week), an increase of £2.68 when compared with 2023/24. It is worth noting that the tax base has fallen from 2,125.8 in 2023-24 to 2096.8 in 2024-25, thus also meaning an increase in payments for residents. As can be seen in the table below, this will be the first increase in the Band D precept charge since 2018/19. For comparison, the average Band D precept charge across Cheshire in 2023/24 was £51.37.

Year	Per Band D Property	Band D Properties	Total	Percentage change
2018/19	£49.32	1960.3	£96,675	10.78%
2019/20	£49.32	2,023.50	£99,799	3.23%
2020/21	£49.32	2,032	£100,218	0.42%
2021/22	£49.32	2,046.70	£100,943	0.72%
2022/23	£49.32	2080.6	£102,615	1.66%
2023/24	£49.32	2125.8	£104,844	2.17%
2024/25	£52.00	2096.8	£109,040	4.00%

Despite the current financial climate as outlined above, we expect to end the 2023/24 financial period with a balanced budget. We budgeted £140,798 in receipts but we expect an overall income of around £156,009 (an additional income of around £15k). In terms of payments, we budgeted £145,293 and expect to spend £138,207¹ on budgeted expenditure

¹ We also expect to spend an additional £17,583 on projects under earmarked reserves funds (broken down as follows: £10,000 on Sherwood Court, £1,708.33 on cemetery garage roof, £3,925 on planters and hedge cutting under 'Neighbourhood Plan Grant' and £1,950 on 2024 Grant Show).

by the end of March 2024. Comparing predicted end of year income with predicted end of year budgeted expenditure, we expect there to be a surplus of around £17.8k (receipts of £156,009 less payments of £138,207). However, in real expenditure terms (budgeted expenditure plus earmarked reserves expenditure), any surplus is expected to be minimal.

Receipts

Receipts in 2023/24 were higher than anticipated due to higher levels of bank interest, a late rental payment due in 2022/23, higher than anticipated burial fees and larger levels of VAT recovery income due to the parish field lighting and CCTV projects. The budget for Council income has been increased from £140,798 in 2023/24 to **£147,255** in 2024/25. This covers the larger precept amount, anticipated increases in bank interest based on latest interest rates and an increase in payments from Helsby Community Centre (although this is difficult to predict without further input from CW&C). We do not anticipate any significant grant income during 2024/25 although there may be some additional CIL monies due and S106 and grant claims for allotment and play equipment projects. Predicted income from VAT recovery has been decreased slightly for 2024/25 but this largely depends on the levels of projects carried out during the year. Burial income was higher than anticipated again in 2023/24 due to a greater than average number of burials at the cemetery but we have agreed to keep this at £7,000 for 2024/25.

Payments

The Council budgeted £145,293 in 2023/24 and it is anticipated that expenditure will be around £138,207. Along with the Council's usual annual expenditure (e.g. grass cutting, salaries, general maintenance, Christmas lights) we will have implemented several projects throughout the year including additional replacement village planters and Sherwood Court landscaping (to be completed in January), carried out various repairs at the cemetery and allotments and invested in an update to our IT system. We will also offer £10,000 of funds to local community projects through our annual Grant Show to be held in February. Expenditure was lower than anticipated for several cost centres for the reasons below:

- Grass cutting – cuts were undertaken every 2 weeks in 2023 and very few additional cuts were requested in addition to this. We had a number of complaints this year that the grass was too long on the playing field so we will cut the field every week during 2024;
- Christmas illuminations – we were intending to purchase some lit spheres this year to replace some of the tree wrap decorations that were taken down. On reflection, it was felt that the spheres were too expensive and it might be better to look at alternatives. We have increased the budget for decorations in 2024 to cover some of the gaps in the village.
- Community centre repairs and heat/light – CW&C has yet to provide an invoice for any centre maintenance and shared electricity bills despite many attempts by the council to request any outstanding costs and any predicted costs going forward.
- Parish election expenses – parish seats were uncontested in Helsby in May 2023 so election costs were minimal.

The budget for Council expenditure has been increased from £145,293 in 2023/24 to **£151,120** in 2024/25. This covers general inflation in some areas but also includes additional

funds for items such as subscription fees, Helsby News, salaries (due to increased hours for council staff) and Christmas illuminations.

Reserves and Future Projects

By the end of March 2024, the Council will have placed some £171,615 into earmarked funds. This is considerably more than in previous years. Some of this is for long-term resilience planning, including future burial provision (£35k by end of March 2024) and play area improvements/upgrades (£41k by end of March 2024). Other funding is for one-off projects which have been completed this year (e.g. cemetery garage roof, Sherwood Court landscaping) or will be completed in future years (e.g. wheelchair accessible play equipment). During 2023/24, we also allocated new reserves for the following projects: average speed cameras (£50k), Helsby Community Centre maintenance (£10K) and a parks masterplan (£20k). The Council also received some CIL monies in 2022/23 which have yet to be spent and will be kept under earmarked reserves for future projects. £1,950 of unspent earmarked reserves from previous schemes (e.g. Queens Jubilee) were used to supplement income for the 2024 Grant Show.

The Council's general reserves act as a contingency for unexpected inflation, unforeseen events and unusual circumstances. They can also be used to offset the budget requirement, if necessary. For the last few years, the Council's general reserves have been increasing. At the end of March 2023, our general reserves stood at £138,586. It is recommended by the Joint Panel on Accountability and Governance that our general reserve should be maintained at between three and twelve months of net revenue expenditure.

As set out above, during 2023/24 we allocated considerable amounts of our general reserves monies to earmark funds to several future projects, thus decreasing these levels of general reserves significantly. Our bank balance at 31 March 2023 was £240,471. It is expected that the balance as at 31 March 2024 will be £240,690². With £171,615 in earmarked reserves in 2024/25, we will have a remainder of up to £69,075 in general reserves. The Council will draw up a reserves policy by the end of March 2024 to agree a level appropriate to our size, situation and risks and plan any future budgets to ensure that the adopted level is maintained.

Budget 2024/25

RECEIPTS

Budget Heading	Description	Budget 2023-24	Receipts as at 30.11.23	Predicted receipts at 31.3.24	Budget 2024-25
Code		£	£	£	£
101	Precept	104,844	104,844	104,844	109,040
102	Interest on accounts	1,000	1,696	2,866	3,000
103	Rent on 'Eccies' etc	13,054	15,090	19,485	13,315
104	Grants	0	2,318	2,318	0
105	Insurance claims	0	0	0	0
106	Helsby Community Centre	4,000	2,436	4,044	5,000
107	Cemetery fees	7,000	6,790	9,190	7,000

² Balance at 1/4/23 plus income of £156,009, less payments of £138,207 plus earmarked payments of £17,583.

108	Allotment rents	1,800	1,629	1,659	1,800
109	Sundries	100	0	0	100
110	VAT recovery	9,000	11,603	11,603	8,000
112	Ho Ho Helsby	0	0	0	0
TOTAL		£140,798	£146,406	£156,009	£147,255

Explanation of significant variances (+/- 10% or above) between 2023/24 and 2024/25 budgets as follows:

102 Interest on Accounts - interest received in 2022/23 was £1,055.41, expected to be much higher this year as interest rates have continued to increase. For example, interest rates on savings with the Natwest Bank are currently at 1.46%. Last year the rate was considerably lower at 0.80%.

106 Helsby Community Centre – The Council has been waiting several years for an invoice for energy costs for the shared areas. This will be passed onto the HCA for payment in due course. Budget has been increased as bill could be significant as it is likely to cover several years.

110 VAT Recovery – reduced by £1,000 – increased substantially last year to cover parish field and CCTV project reclaims.

PAYMENTS

Budget Heading	Description	Budget 2023-24	Payments as at 30.11.23	Predicted payments at 31.3.24	Budget 2024-25
Code		£	£	£	£
201	Allotment maintenance	3,000	3,059	4,149	3,150
202	Allotment water charge	300	172	252	315
212	Cemetery maintenance	3,500	3,091	3,291	3,675
211	Cemetery repairs/renewals	1,000	438	508	1,050
213	Parks and general maintenance	12,000	8,245	11,140	12,600
214	Park grass cutting	5,000	2,939	2,939	5,250
215	Park equipment	2,500	1,556	2,456	2,500
218	Bedding plants	500	372	737	750
219	Village clock	0	0	0	0
220	Maltby Triangle / A56 land	200	31	31	210
223	Litter/dog/grit bins	400	0	0	400
224	Village awards	200	0	0	0
225	Ho Ho Helsby Traffic Manage	1,100	0	1,050	1,155
226	Average speed cameras	5,000	0	5,000	0
227	Bridge Lantern Lights	1,000	458	618	1,000
228	Christmas Illuminations	15,500	2,371	10,283	20,000
222	Christmas tree	2,700	0	2,949	2,757
229	Sherwood Court Land	500	835	1,629	525
230	Street furn/BT Phone Boxes	6,000	1,732	7,557	4,000
231	War Memorial	0	0	0	0
232	CC – Light and heat	5,000	2,459	3,967	5,000
233	CC – Repairs and renewals	3,000	0	0	3,000
234	CC – Water charges	400	288	431	450
235	CC – Insurances	500	528	528	510
237	CC – Sundries	100	44	44	100
239	Hire charges (Meetings)	250	160	240	250
240	Cllr/employee training	600	695	755	600

241	Salaries	31,419	25,265	36,865	38,000
238	Clerk's annuity/pension	2,247	1,804	2,692	2,800
242	Council Office	700	1,662	1,662	735
243	Admin subscriptions	3,000	3,663	3,783	3,800
244	Admin car allowance	360	170	263	378
245	Admin stationery	100	62	103	100
246	Postage and phone	1,000	609	909	1,000
247	Councillors' expenses	100	13	28	100
249	Admin sundries	250	119	199	250
250	Remembrance Day	250	319	319	300
251	External audit fees	420	420	420	420
248	Internal audit fees	350	338	338	365
252	Insurance premium	1,300	1,469	1,469	1,500
253	Legal and professional	1,000	905	905	1,000
254	Donations – s.137	200	0	0	0
256	Equipment	1,000	516	677	1,000
258	Sundries	3,000	1,025	1,025	3,000
261	Community projects	8,000	0	8,049	5,000
262	Chairman's allowance	225	225	225	225
265	H&S, PPE etc	500	0	0	500
267	Newsletter	3,000	3,022	4,027	4,500
270	Neighbourhood Plan review	0	0	0	0
275	Parish Election Expenses	3,517	591	591	0
501	Play area improvements/upgrades	9,000	0	9,000	9,000
502	Future burial provision	4,105	0	4,105	7,900
TOTAL		£145,293	£71,670	£138,208	£151,120

Explanation of significant variances (+/- 10% or above) between 2022/23 and 2023/24 budgets as follows:

218 Bedding plants – Increased considerably as general maintenance contractor is tending additional village planters (3 new planters in Sherwood Court, 2 new planters at HCSC and some volunteers have dropped out)

224 Village awards – Due to lack of volunteers and councillors, agreed not to hold awards in 2024.

226 Average Speed Cameras – funds moved into earmarked reserves for this project.

228 Christmas Illuminations - Budget significantly increased to fund some additional lighting displays in 2024.

230 Street Furniture/ BT phone boxes – Budget reduced as all planters have now been replaced and phone boxes now all have defibs installed. Keep some budget for new benches and any repairs/upgrades.

234 Community Centre water charges – increased to reflect invoice charges in 2023/24.

241 Salaries – Clerk increased hours increased from 30 to 33 from 1st March 2023. Budget increased to reflect this. Also includes NJC inflationary pay increase and possible

performance increase of 1 increment in 2024/25 to SCP30 (£38,223 FTE).

238 Pension – as above.

243 Admin subscriptions – increased to reflect additional subscriptions for Scribe, HR support and IT support.

250 Remembrance Day - Increased budget to cover purchase of additional lamp post poppies in 2024/25.

252 Insurance premium - increased to reflect premium cost in 2023/24. Will need to source quotes for renewal in June 2024.

254 Donations – s.137 – Council now has General Power of Competence.

261 Community projects – budget was increased by £3,000 in 2023/24 from general reserves to cover Grant Show in February 2024. Could decide to transfer additional funds from general reserves for 2025 Grant Show depending on success of event held in this financial year.

267 Newsletter - Newsletter costs increased as now paying for design costs.

275 Parish election expenses – budget reduced to £0 as elections not expected to be held until May 2027.

Claire Jones, Responsible Financial Officer, January 2024