



# MELTON PARISH COUNCIL

**MPC(23)127.03**

## **DRAFT BUDGET FOR 2024/25**

This report sets out the workings behind the first draft budget for the financial year commencing 1<sup>st</sup> April 2024, as recommended by Budget Working Group following a meeting on the 22<sup>nd</sup> November. **The full set of figures is in papers MPC(23)127.03a and MPC(23)127.03b and the papers should be read together. MPC(23)127.03a shows the budget excluding EMR spend. MPC(23)127.03b shows budget figures including EMRs, for 2023/24 and 2024/25.**

The Council is required to set its budget and precept requirement at its meeting in January 2024 and advise East Suffolk Council of its precept requirement by 31st January 2024.

The precept requested for 2023/24 was £117,261. East Suffolk Council has notified us that the tax base has decreased to 1,928.05 Band D equivalent properties in 2024 from 1,945.62 in 2023. This is due to an increase in exemptions and discounts applied against the chargeable dwellings which gives the total taxbase to be used. This trend is likely to continue with a slowdown in new properties being built and an aging population.

If the Band D charge was to be kept the same as 2023/24 at £60.27 (a 0% increase) the Precept would be £116,203.57. To keep the Precept the same as 2023/24 (£117,261) this would result in a Band D charge of £60.82. An increase of 0.91%.

Budget Working Group considered the cost forecasts for 2024/25, noting the substantial impact of inflation on pay and other costs and the tax base decrease. The Budget Working Group has recommended a Precept of £123,687 – an increase of 6.44%. This equates to an increase of £3.88 per Band D charge per year, bringing the charge per Band D property to £64.15 a year. This is a monthly increase of 32p. This is to cover inflationary increases and to cover the decrease in Precept of nearly 1% from the tax base reduction. The salary increases are set nationally and so outside the Council's control.

Savings have been made where possible and the budget will be carefully monitored over the next financial year. Working with these figures it will give an in-year deficit of £1,634.47. Some of the budget items could be paid out of CIL (eg woodland works, greenspace additional works) or potentially paused.

Full Council is recommended to consider this draft budget as a basis for the precept claim for 2024/25.

**Pip Alder**

**Clerk and Executive Officer to the Council**

**December 2023**

## **EXPLANATORY NOTES TO DRAFT BUDGET FOR 2024/25**

Appendix A was presented to Budget Working Group for their meeting on the 22<sup>nd</sup> November 2023. The budget was accepted with the following changes:

- Grant to the Melton Messenger has increased from £1,260 to £1,300.
- Woodland costs have reduced from £5,000 to £4,000 and £2,000 allocated to Tree Risk Assessments.
- This adjusted budget gives an in year deficit of £1,634.47. It is hoped this can be managed through allocating some payments against Community Infrastructure Levy and savings where possible as the year progresses.

### **Appendix A**

#### **Expenditure - Increases**

A 5% increase has been added to a number of budget lines to account for inflation (insurance, subscriptions, MM grant, Business Rates, accounts software, software licences, music licence, neighbourhood plan, security infrastructure and greenspace management contract)

Legal fees increased to £1k to cover contract renewals.

Pavilion Water increased to £1k. Will have a better understanding of the year's costs towards year end so this may need further adjustments.

Salaries – have taken this year's pay rise and gone up a scale point plus added 5% as estimate for pay rise next year. Pensions and HMRC/Ni lines have been adjusted accordingly.

#### **Expenditure - No Changes**

No change to Member expenses, Chair's Allowance, Member training, grant giving, General Maintenance, Maintenance Officer mileage, Maintenance Officer vehicle expenses, data protection, postage, stationery/printing, computer support, domain hosting, office cleaning and sundries, office service/maintenance, office utility costs, PWLB repayment, Pavilion electricity,

#### **Expenditure - Reductions**

Audit is reduced as income/expenditure will be much lower for 2024/25.

Tree warden expenses reduced from £100 to £60.

There are no election expenses this year.

Telephony reduced by £100 to £1k as phone contract costs are lower than previous year.

Play area checks – reduced as last year included a full zip wire inspection.

Tree Risk Assessment – 2024/5 is a year that will not incur a charge. However it might be sensible to include a nominal amount to cover ad hoc inspections. This will be an additional £5k for 2025/6 which needs to be considered when setting this year's Precept as this is a reason why the initial budget deficit for 2024/5 is not as great as other years.

Pavilion expenses have been reduced to £6k from £6,750.

### **Income Changes**

Rental income – no change.

Pavilion – income estimate has been increased to £9k from £6k. This does not account for any increase in hire charges. The budget predicts the Pavilion to run at a small profit of £675.04.

No changes have been made to income from the tennis courts or the football hire. A review of the hire charges will be carried out next year. The football hire charges may be increased to help cover the increased costs of the greenspace maintenance.

### **Risks**

The biggest risks facing the Council are loss of income from tenants, Pavilion or long term staff absence. In the longer term there is likely to be a continued decrease in the taxbase.