

MEPAL PARISH COUNCIL

Clerk: Mrs Karen Peck, email: clerk@mepalparish.org tel: 01353 741066

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Mepal Parish Council Statement in relation to the budget/ precept in the Mepal Parish 2022-23

For the financial year running from 1st April 2022 to 31st March 2023, Mepal Parish Council has requested an increase in its precept from East Cambridgeshire District Council (ECDC) of £1492, a 4% increase on the 2021 precept. We have been advised that for the purposes of calculation the revenue that ECDC receives from Council tax in Mepal is estimated to increase by 8% compared to last year (tax base).

This 4% increase will mean that the amount that Mepal Parish Council will receive from a Band D property will DECREASE from £106.97 to £103.03. All properties will pay less in monetary terms to Mepal Parish Council despite the 4% increase.

What is a Precept?

The Precept is money that a Parish Council requests from their District Council to meet their budget requirements in the next Financial Year. Parish Councils do not receive any direct funding from central government and rely on their precept plus any other income they generate from services or facilities they provide. The Parish Council precept is part of the Council Tax and is collected from households via their Council Tax payments. The annual precept figure decided on by the Parish Council is sent to the East Cambridgeshire District Council who divide it up based on the Council Tax band of each property within the Mepal parish. If the precept requested remains the same year on year, when the number of households in the parish increases, the amount of money the Parish Council asks for is divided by more houses and therefore the amount each property pays will reduce.

What is the Tax Base?

In simple terms the "tax base" is the number of Band D equivalent dwellings in a local authority area. This is calculated by looking at the number of houses in all bands, adjusting for discounts and exemptions and applying a proportion relative to Band D across all eight bands. This then gives a single tax base figure that is given to each Parish Council to be able to calculate what Precept to apply for each year. In 2021/22 it was £348.70, the estimated figure provided to the Parish Council for 2022/23 is £376.50. When the tax base increases the Parish Council only receives additional money if they request a proportion of the increase via the precept.

Who Are Mepal Parish Council?

Mepal Parish Council currently consist of 4 counsellors (all councillors are unpaid), a part time salaried clerk and a part time salaried maintenance manager. Currently Mepal Parish Council have 3 long standing parish councillor vacancies. For more information on the parish council and to see who your councillors are please visit Mepal Parish Councillors - Mepal Parish Council.

How is the Precept Amount Determined?

The Parish Council has statutory obligations to maintain the assets it owns and so every year a budget is created based on the financial circumstances visible at the time, which is then approved and minuted during one of its public meetings. This budget helps the Parish Council to calculate the precept request it submits to ECDC in January before the end of the financial year, 31st March 2023. The budget sets out the areas in which the Parish Council plans to spend money for the upcoming financial year and is determined by looking at historical costs of maintenance of the assets owned by the Parish Council as well as judgement as to areas of the council owned property and assets that are likely to need more or less money spent on them the following year. The council will also look at the projects it plans to complete in the next financial year and budget for those. The precept is the only stable income that the parish council receives, and the purpose of this income is to cover the day to day running of the parish and the annual maintenance of Parish Council assets.

If the Parish Council wish to undertake any special projects outside of the normal maintenance and running costs, this is covered by any 'earmarked reserves' that are being held, any Community Infrastructure Levy payments from house developers (CIL), any other grants applied for or by community fundraising. In future years, it may be necessary to increase the precept to rebuild these earmarked reserves once they are spent. To see the provisional

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budget for the next financial year (22/23) please visit Parish Council Finance - Mepal Parish Council on the website.

Why has the Precept Increased?

So, What Have the Parish Council Been Spending Your Money On?

A full report and break down of the money spent for the last financial year will be made public via the Parish Council website when the Parish Council closes its accounts for the financial year ending 31st March after the accounts have been signed off by the independent accountant and the independent auditor.

The spending for each month is found in the minutes of each council meeting (please go to Parish Council/Meetings and select the relevant minutes). In addition to the points made above, here is an overview of the major costs that have been incurred and projects that have been completed in the last year:

- Continued work on the drainage lines in the Recreation Field.
- Major repairs to equipment in the play park.
- Reducing the height of the hedge around the playpark for better visibility
- New benches around the field
- Installation of a New Parish Council Noticeboard on the Recreation Field
- Major clearance work to Brangehill Drove
- Improving the usage and welcome for new renters at the Pavilion
- Various maintenance work associated with the assets and vandalism.
- Maintaining a legally compliant website
- Maintaining an up-to-date accountancy package and pavilion bookings system

Unlike many other Parish Councils of a similar size, we have a lot of Parish Council managed assets that are not run by charitable community groups. We also have contractual obligations in relation to the original grant funding to build the Pavilion and maintaining the drainage of the Recreation Field. The utilities costs of the Pavilion are increasing, and our annual budget must cover this until we are able to find more community groups to hire the facility to try to cover the costs. We also have a historically large number of annual grant applications under the Section 137 funding, which normally must be met using the Precept; this is very unusual for a Parish Council the size of Mepal. This year we have decided to balance the 2022/23 budget without using the precept for the grants awarded to minimise the precept increase. Long term this is not sustainable, once the reserves are depleted.

Conclusion

The Parish Council has written this statement to give an insight as to how the amount of the precept applied for is calculated, and how the budget for the forthcoming financial year is set. The Parish Council recognizes that not all the decisions it makes will please every resident of the Parish, but it does its best to provide as much as possible to everyone whilst maintaining its current assets to a reasonable standard.

The Parish Council would also like to encourage residents to view the website regularly, to attend meetings to hear what is being discussed and then make a positive input to the process by voicing ideas, concerns, and opinions during the public participation section. The Parish Council would also like to remind residents that there are currently Parish Councillor vacancies should anyone like to make a positive impact on the parish we all live in.

Lorna Williams, Vice Chairman and Finance Working Group Representative

December 2021