

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 2023-24

For the financial year running from 1st April 2023 to 31st March 2024, Mepal Parish Council has requested an increase in its precept from East Cambridgeshire District Council (ECDC) of £13,577, an annual increase of £33.03 on Band D properties compared to 2022; which is about 64p per week. 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 2% compared to last year (tax base). Unfortunately, Mepal has no predicted CIL money for 2023/24 and so the £6,900 spent on provision, improvement, replacement, operation, or maintenance of infrastructure in 2022 now has to be funded from the precept.

The Parish Council very much regret that it has been necessary to increase the precept, however we are now at the point where the level of reserves is insufficient to subsidise the costs of maintaining the village assets. With the absence of the substantial Covid Grants received in previous years, and a significant drop in pavilion hire income with the loss of previous education bookings, and no community interest in hiring the pavilion for non-sport related hire, we have been faced with a difficult decision. Our maintenance and utilities costs in 2022 rose by over 50% which meant that we were forced to use reserves and we therefore took a decision to stop using external contractors for the maintenance and all grass cutting in 2022. We are seeing further increases to gas and electricity as business energy rates are not capped unlike your domestic rates. The decision to bring maintenance all back in-house does mean that the staff budget had to be increased, but by less than the contractor's cost increases. In 2018 we were paying £38 per cut for the field and in 2022 this rose to costs of between no less than £120 and up to £180 per cut. Due to the conditions of the grant for the Pavilion, we are unable to simply close the premises down to save money without risking the £160,000 grant clawback clause being triggered. Due to the financial situation and increases in hot water and heating costs, we are also not able to subsidise football club use of the changing rooms and pitch as there is a gap between the incurred costs and the amount that any football club can afford.

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. The estimated figure provided to the Parish Council for 2023/24 is £384.9.

Who Are Mepal Parish Council?

Mepal Parish Council currently consist of 6 counsellors, although one Councillor has indicated that they will not stand for election in May (all councillors are unpaid), a part time salaried clerk and a part time salaried maintenance manager. 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 2024. 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

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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. Thus, it has been necessary to increase the precept to rebuild the earmarked reserves that have been spent on projects over the last three years. To see the provisional budget for the next financial year (23/24) 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 annual maintenance work to Brangehill Drove
- Improving the usage and welcome for new renters at the Pavilion
- Various maintenance work associated with the assets and vandalism.
- Grass cutting of the recreation field and verges and greens and reducing the height of the hedge around the playpark for better visibility.
- Maintaining a compliant website and maintaining up-to-date accountancy and booking software
- Mepal Neighbourhood Plan Development
- CiLCA Training for the Parish Clerk

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 have increased by 300-400% as will be understood by households. As we are on business contracts, the Parish Council have no protection from domestic caps, and we are exposed to the full costs of the increases in gas and electricity. 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. Additional use is only sustainable if the income is at least equal to the cost of the hire. We also have a historically large number of annual grant applications under the Section 137 funding, which 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 2023/24 budget by limiting the total grants to £1135 to try to minimise the precept increase.

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 2022