

BURLAND & ACTON PARISH COUNCIL DRAFT BUDGET PROPOSALS 2024-2025

MEETING: 18TH JANUARY 2024

1. INTRODUCTION

Burland and Acton Parish Council is invited to consider budget proposals for 2024-2025.

Cheshire East Council will require precept requests by January 2024.

The Parish Council can consider the budget again at its meeting in January 2024 and come to a final decision.

Documents enclosed comprise: -

- Receipts and Payments Statement for the period 1 April – 30 September 2023
- Schedule showing
 - Budget monitoring for the current financial year to 30 September 2023
 - Variation between budget for 2023-2024 and expected spend; and
 - Draft budget proposals for 2024-2025 (to be developed)

2. DECISION REQUIRED

At the January 2024 meeting, the Parish Council will be asked to RESOLVE –

- That a budget of **£21,060.00** be approved; and
- That the Clerk be authorised to request a precept of **£17,914.00** from Cheshire East Council.

3. BUDGETING APPROACH

The preparation of an annual budget is one of the key statutory tasks to be undertaken by a Parish Council, irrespective of its size. The budget has three main purposes:

- It results in the Council setting the precept for the year (the amount it requests from the Borough Council to fund the shortfall between its available funds on the 1 April 2024 and the amount required to fund the budget proposals for the forward year).
- Subject to the Financial Regulations, it gives the Clerk overall authority to make spending commitments in accordance with the plans approved by Members; and
- It provides a basis for monitoring progress during the year by comparing actual spending against planned spending.

The importance of the budget should not be underestimated. It is essential that Members understand how it is put together and how it should be used in the operation of the Council. At its simplest, the budget compares what the Council would like to spend in the forthcoming year on local services and projects, with the amount of income which it expects to generate, with the excess of planned spending over income being made up by the precept.

Review of the current year budget and spending

Most councils start their process by examining the current year figures with the three

main purposes:

- To identify activities which are being carried out this year and will also be carried out in the next year and therefore, need to be budgeted for again.
- To identify items such as projects or schemes which are occurring in the current year but will not occur in the forward year and there is, therefore, no need for a budget.
- To identify items, such as new schemes, which are not an activity in the current year but should be added for next year's budget.

All the above is “incremental budgeting” as it builds on the decisions which the Parish Council has taken in the past. An alternative approach is zero-based budgeting which is a “clean sheet” approach and is not constrained by what has happened in previous years. This approach to budgeting encourages Members to question more closely each item of expenditure. It starts from the premise that no costs or activities should be factored into the plans for the coming budget period simply because they were in the costs or activities for the current or previous period. Every item of expenditure must be considered and justified, and there must be a reasonable prospect of each item of expenditure coming to fruition during the financial year, to avoid criticism by the auditor. However, there are certain items which must be included in each budget and the proposals include current activities and projects which have not yet come to fruition. Members may wish to add other projects.

4. BUDGET PROPOSALS – 2024-2025 (TO BE DETERMINED)

The budget proposals amount to £21,060.00 and require a precept of £17,914.00.

The taxbase for 2024/25 is likely to be 534.60 compared to a current amount of 513.06.

As an indication, if the current Band D Council Tax (of £33.51) remained the same, this would increase the precept from £17,191 to £17,914. Alternatively, if the precept remained at £17,191, then the Band D Council Tax would reduce to £32.16 when using the new taxbase.

5. CALCULATION OF PRECEPT

The precept is calculated as follows and has been included in the detailed schedule attached to this report.

(a)	Forward Year Budget Proposals	£21,060.00
(b)	Add unallocated reserves.	£60,723.84
(c)	Less balance available on 1 st April 2023	£63,869.84
(d)	Precept Required	£17,914.00