

St Dennis Parish Council Budget Report for 2025 – 2026

Back Ground:

The Parish Council must produce an Annual Budget and comply with the relevant Financial Regulations, including its own Standing Orders. Planning concerning budget content and the factors that influence its details usually commences in October of each year. The Parish Council needs to budget for a number of reasons:

- To plan for future activities
- To provide opportunity to monitor progress during the year, by comparing what it actually spends against what it plans to spend
- To assist the Council with setting its precept
- To provide a framework authority for expenditure under various headings.

Precept – what it is and it’s legal basis:

The precept is the Parish Council’s share of the Council Tax. The precept demand goes to the billing authority, in our case Cornwall Council, who collect the tax for the Parish Council. The precept is the main source of income for St Dennis Parish Council.

During the process of setting the precept the Parish Council should be mindful that the amount it sets must be sufficient to cover the following:

- Meeting the office expenses
- Adequate insurance cover
- Meeting Cemetery Expenses
- Employment of staff
- Maintenance of Parish Assets grass cutting, grit bin re-fills, litter picking etc.
- Adequate funding for the management of the Playing Field Trust
- Adequate funding for the running of the public toilets
- Funding for village enhancements and projects or events

Risks associated with setting the precept:

Capping of Parish Council Precepts- Whilst capping is possible in the future, the Department for Leveling Up Housing and Communities has again exempted Town and Parish Councils. This means that we can continue to set precepts without a referendum.

Sustainability of Village Amenities- The continuing operation of amenities in the parish relies on the efforts of the Parish Council to raise income whilst controlling costs. There are times when the Parish Council will need to rely on external funding or where the Parish Council itself will be asked for financial assistance. With the continued growth of the services the Parish Council now undertakes, and the need for improvement and maintenance as well as the provision for new services, for the population. There is an expectation that as in previous years the Parish Council will be expected to undertake a number of services that are no longer offered by Cornwall Council or are not adequately maintained at present.

Personnel Costs- The Parish Council must be aware it needs to comply with employment law and pension legislation. Annual pay awards and performance reviews should be built into the budget for future years. In addition as the Parish Councils’ responsibilities grow the need for additional staff to assist with the management of these responsibilities is required. If any new employees “opt-in” to the pension scheme provided there will be higher staff costs through employer contributions. In addition to this changes within the allowances and thresholds expected to come into place in April 2025 will also greatly increase the overall staff costs, as a Parish Council is unable to claim the National Insurance Small Business Relief towards these costs. The budget summary shows these costs in comparison to last year.

Asset Replacement Reserve- The Parish Council should on an annual basis consider a sum to be made as a contribution to the Ear Marked Reserve fund for the replacement of assets held by the Parish Council on a rolling basis. The Parish Council needs to ensure that it has sufficient reserves to allow for asset replacement planned within 2025 – 2026.

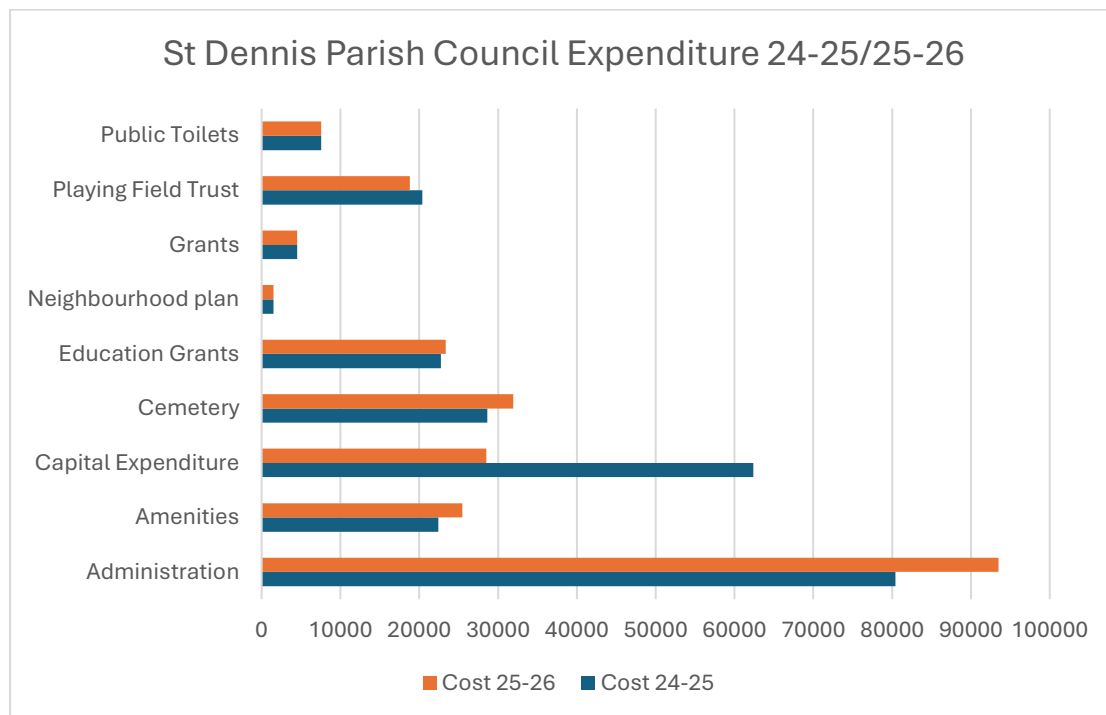
Failure to Contribute to General Reserves – The Parish Council currently has a sufficient level of general reserves but due to increase in running costs for 2025 – 2026 this level is due to decrease. Reserves are held in accordance with Proper Practices which state that one of the key stages in determining a budget is to “ provide for contingencies and consider the need for reserves” As with any financial entity the Parish Council must ensure that it has sufficient reserves (both general and earmarked) to finance both its day-to-day operations and future plans.

Failure to Manage Restricted Funds – St Dennis Parish Council receive an annual payment to be spent specifically on the provision of Education Bursaries. These funds must be held in a designated restricted reserve to support the expenditure in the provision of grants for educational purposes. CIL funding is another such reserve, it is an income paid to the Parish Council to be spent on capital projects to offset the impacts of development in the area. Whilst The Community Infrastructure Levy is zero rated within our parish, a contribution is received from Cornwall Council’s CIL funding.

The Precept Demand:

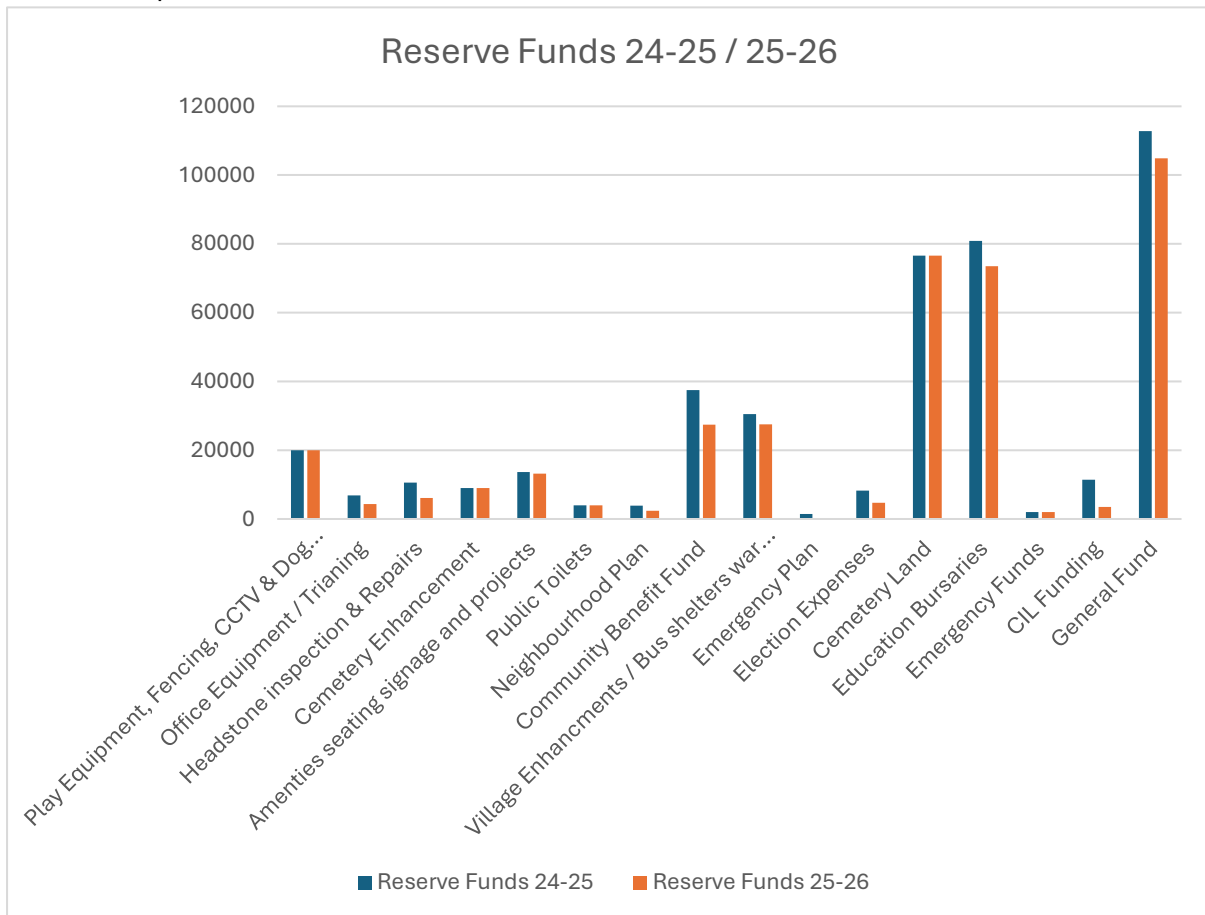
The starting point for the preparation of the draft budget involves an examination of recent trends in respect of receipts and payments along with known associated costs for new assets and new expenditure incurred.

The expenses for 2024-2025 are compared with the predicted expense for 2025 – 2026 in the chart below:

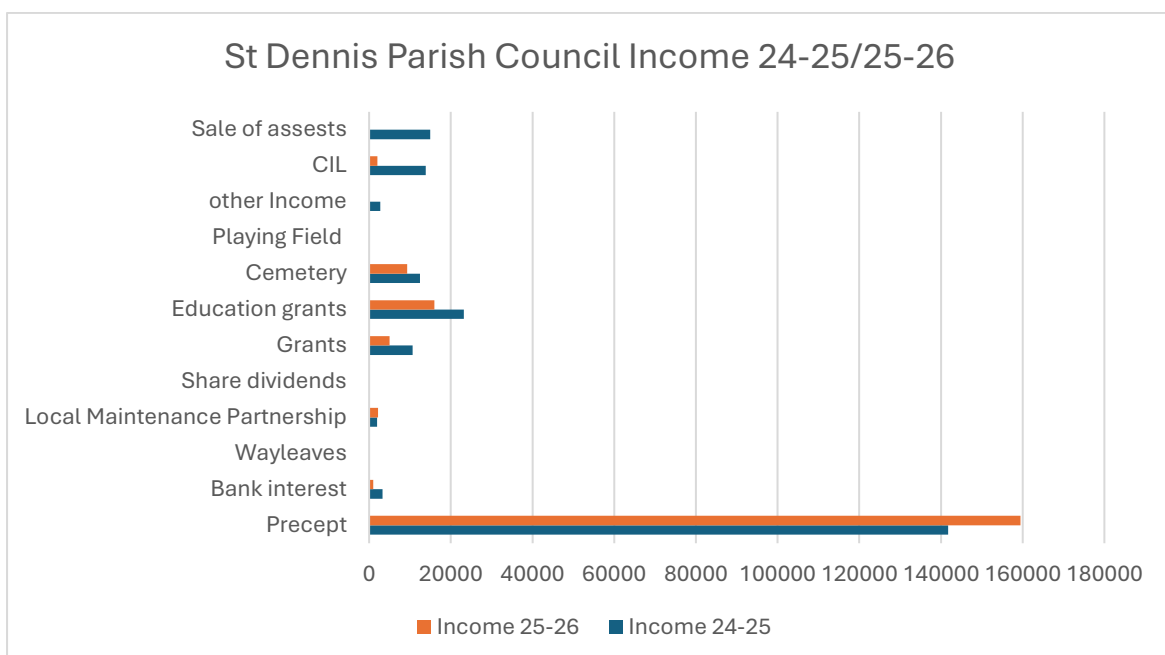


Some of the expenditure shown within the chart above is offset by the use of Ear marked reserves. The table below compares the spending from these reserves for the period of 2024-2025 and the predicted spend for 2025 – 2026.

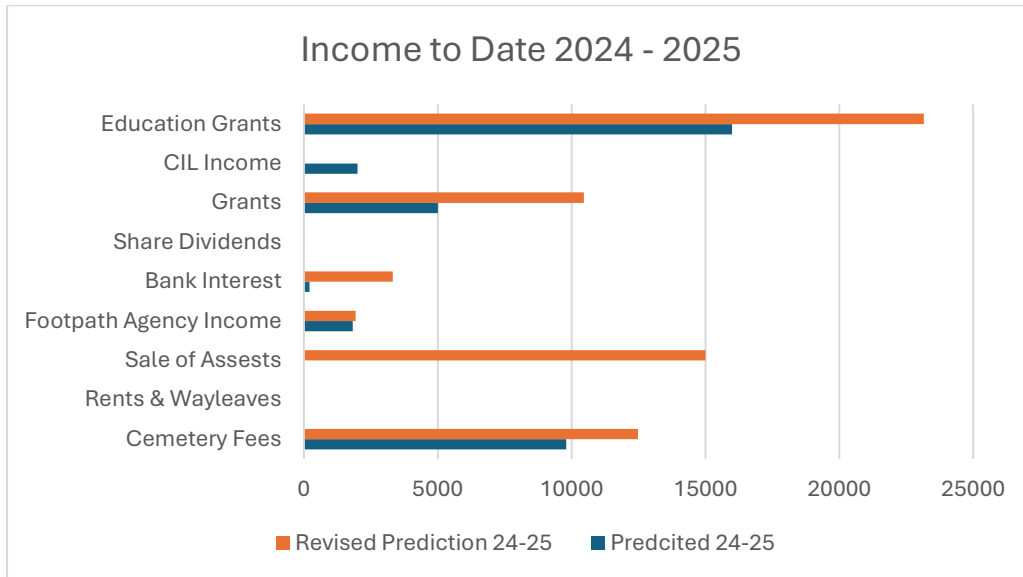
The chart below demonstrates how the previous table impacts on the overall level of reserves held for the period between 2024 / 25 – 2025 / 26.



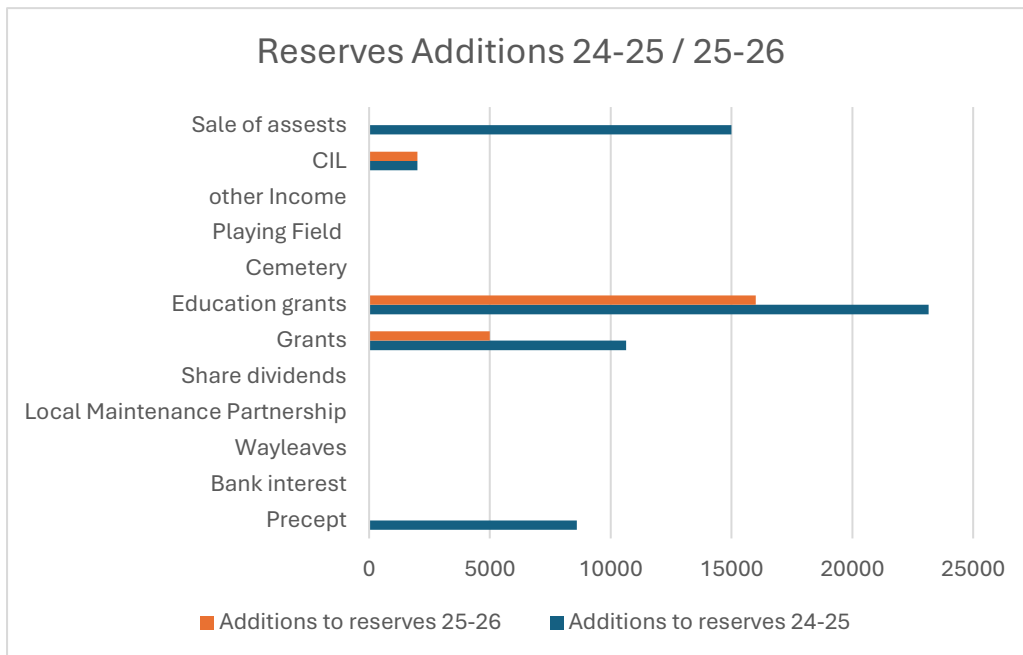
Below shows a comparison between the income received as well as the predicted income for 2024-2025 against the predicted income for 2025-2026. This is subject to change but the Parish Council must be mindful when predicting income as there are various factors that can affect what is actually received.



This chart demonstrates the changes between what was predicted for 2024 – 2025 and compares this to the actual income received for accounts other than the precept as the precept is a known factor when looking at the Parish Council’s income.

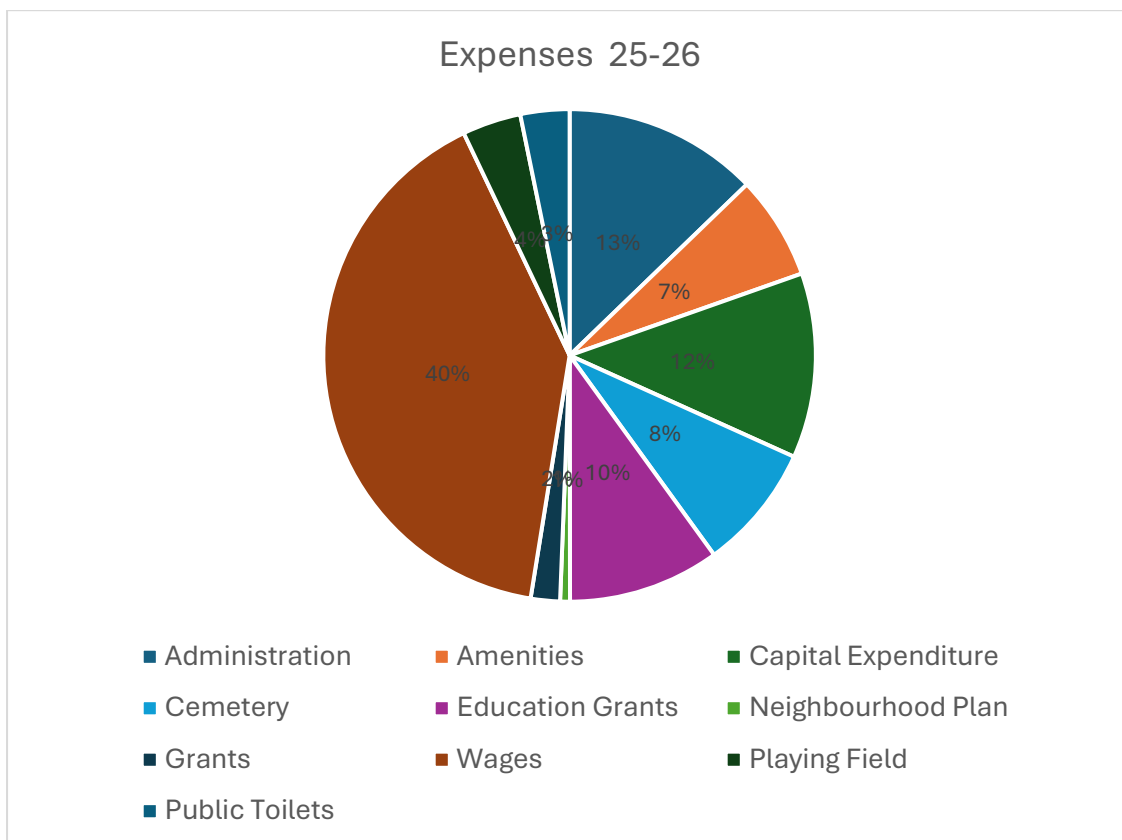
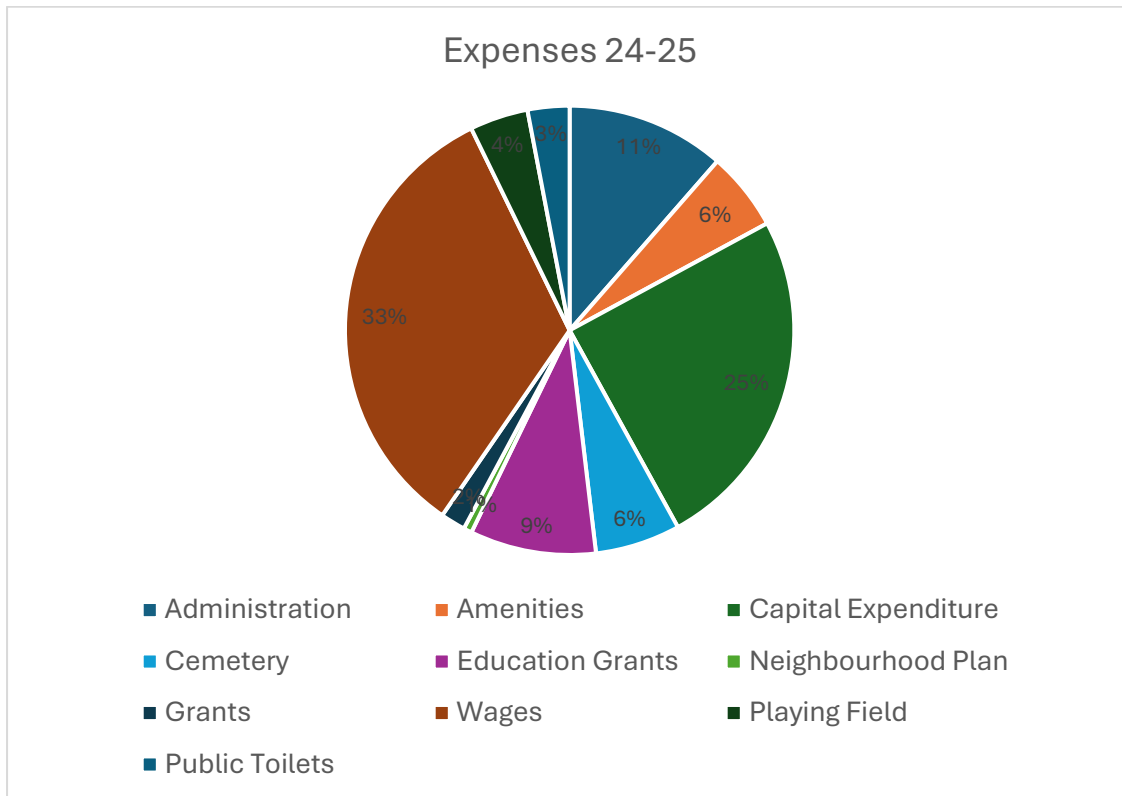


As highlighted earlier in this document the Parish Council carries reserves for projects and contingencies, and restricted funds. Below we can see what has been allocated to the reserve fund in the current year compared to what we are predicting to add to the reserves in 2025-26.



The pie charts on the following page illustrate the various categories of the Parish Council spending. A significant portion of the budget is allocated to staff costs, as the Parish Council currently employs six part-time staff members. These employees are responsible for managing the key areas under the Council's remit, ensuring the smooth and efficient operation of its services. Under the Local Government Act 1972, section 112(1), councils are required to appoint the necessary officers to fulfil their duties effectively. Employing staff not only meets

this legal obligation but also helps reduce costs that might otherwise be incurred through the use of external contractors.



The 2025 – 2026 Budget and what it means for you.

Cornwall Council have advised that the tax base calculator and indicative tax based information as issued to the Parish Council office via email, is used to calculate the Precept to be set and the effect that this will have on your Council Tax. The figures are based on Band D properties in the Parish. Below is shown an analysis of the increases by St Dennis Parish Council for the period from 2021 – 2022.

Year	Tax Base	Band D	Movement in £	Movement in %	Precept in £	Weekly cost Band D	Weekly Increase Band D
2022 – 2023	744.11	168.77	15.33	9.97	125584.00	3.24	0.29
2023 – 2024	756.87	185.07	16.24	9.62	140026.00	3.56	0.31
2024 – 2025	759.01	186.73	1.72	0.93	141757.00	3.59	0.03
2025 - 2026	772.33	206.44	19.72	10.56	159442	3.97	0.38

This of course is based on a band D property here is St Dennis the majority of properties are in either band A or band B the chart below reflects how this will affect those properties.

Year	Tax Base	Band A	Movement in £	Movement in %	Precept in £	Weekly cost Band A	Weekly Increase Band A
2022 – 2023	744.11	112.51	10.20	9.97	125584.00	2.16	0.19
2023 – 2024	756.87	123.34	10.83	9.62	140026.00	2.37	0.20
2024 – 2025	759.01	124.48	1.14	0.93	141757.00	2.39	0.02
2025 - 2026	772.33	137.63	13.15	10.56	159442	2.65	0.25

Year	Tax Base	Band B	Movement in £	Movement in %	Precept in £	Weekly cost Band B	Weekly Increase Band B
2022 – 2023	744.11	131.27	11.90	9.97	125584.00	2.52	0.23
2023 – 2024	756.87	143.89	12.62	9.62	140026.00	2.77	0.24
2024 – 2025	759.01	145.23	1.34	0.93	141757.00	2.79	0.02
2025 - 2026	772.33	160.57	15.34	10.56	159442	3.09	0.29

The following pages contain a copy of the agreed budget for 2025 – 2026 and a breakdown of expected changes within the Reserves.

**ST DENNIS PARISH COUNCIL
BUDGET 2025/26**

V.2

	2023/24 Actual	2024/25 Actual	2024/25 Fcst Oct-Mar	2024/25 Forecast	2024/25 Budget	2025/26 amended	2025/26 BUDGET COMMENTS/NOTES
Expenditure							
Administration							
Office Salaries, NI & Pensions	54,178	27,268	29,751	57,019	64,134	75,265	Increase due to additional member of staff, proposed increase to NI rates and pay increases in 25-26
Other Administration Costs	18,674	11,438	15,252	26,690	28,640	30,000	General increase in running costs included for 2025-26
Amenities	13,613	3,105	8,225	11,330	14,200	16,000	increase for additional verges and maintenance of Hall Rd play area du to be acquired in 25-26
Capital Expenditure	26,341	9,848	45,770	55,618	62,370	28,500	Decrease due to toilet refurbishment, mobile speed signage and penny darn clearance underatken in 24-25
Cemetery	14,261	4,757	10,020	14,777	15,350	19,400	increase for memorial safety inspection & repair work
Grants	1,670	1,509	2,500	4,009	4,500	4,500	
Maintenance Wages	12,441	7,113	8,787	15,900	19,000	19,500	Increase in NI rates and additional hours allocated in 24-25 for litter picking.
Playing Field Trust	9,454	4,314	4,276	8,590	10,530	9,050	Genreal increases in costs for 25-26
Public Toilets	6,013	2,588	3,625	6,213	7,550	7,550	
Total Core Activities	156,645	71,940	128,206	200,146	226,274	209,765	
Education Grants	10,798	7,579	9,780	17,359	22,750	23,357	EMR Release
Neighbourhood Plan	(119)		1,110	1,110	1,510	1,516	EMR Release
Total Expenditure	167,324	79,519	139,096	218,615	250,534	234,638	
Receipts							
Precept	140,026	141,727		141,727	141,727	159,442	
Cemetery Fees	15,280	6,430	6,050	12,480	9,800	9,300	
Rents & Wayleaves	16	16	0	16	20	20	
Sale of Assets	0	0	15,000	15,000		0	
Footpath Agency	1,242	1,299	0	1,299	1,183	1,309	
Highways Agency	640	0	640	640	640	863	
Bank Interest	2,905	2,314	1,004	3,318	210	1,010	
Share Dividends	24	7	7	14	20	20	
Other Receipts	2,723	0		0			
Grants	0	10,640	0	10,640	5,000	5,000	
C.Tax Benefit-Grant	0	0		0			
CIL Income	13,895	0	2,000	2,000	2,000	2,000	EMR addition
Total Core Activities	176,751	162,433	24,701	187,134	160,600	178,964	
Education Grants	22,431	23,155		23,155	16,000	16,000	EMR Addition
N/Plan				0			
Total Income	199,182	185,588	24,701	210,289	176,600	194,964	
Net	31,858	106,069	(114,395)	(8,326)	(73,934)	(39,674)	
Earmarked Reserves:							
Additions	36,326	33,795		59,395	18,000	23,000	
Releases	(34,335)	(20,013)		(70,085)	(62,260)	(55,323)	
General Fund Incr/(Decr)	(33,849)	(119,851)	114,395	19,016	118,194	71,997	
Fund Balances:							
General Fund	124,571	202,671		112,748	111,235	108,315	
Earmarked Reserves	312,214	325,990		301,524	245,214	269,201	
TOTAL	436,785	528,661	0	414,272	356,449	377,516	
GF Equiv. Months	8.35			9.01	7.5	6.90	
Tax Base	724.16				759.01	772.33	1.76% increase from 24-25 rates
Band D Tax Rate	185.01				186.73	206.44	10.55% increase

ST DENNIS PARISH COUNCIL
RESERVES

Inclusive of the Playing Field Trust

	Opening	2024/25			Closing	2025/26			Closing
	Balances	Additions	Releases	Re-alloc.	Balances	Additions	Releases	Re-alloc.	Balances
	31/03/2024				at 31/03/25				at 31.03.26
-									
-									
<u>EARMARKED RESERVES</u>									
Play equipment & Fencing	13,920				13,920				13,920
Office Equipment	2,765			2,500	5,265		-1,500		3,765
Open Spaces- Provision of Seats	4,085		-1,500		2,585		-500		2,085
Cemetery- Headstone Safety Insp	4,502				4,502		-500		4,002
Cemetery Headstones Remedial Work	6,070				6,070		-4,000		2,070
Cemetery Enhancement	8,993				8,993				8,993
Trelavour Sq. Tarmac	3,843		-500		3,343				3,343
St Dennis Toilets	15,774	1,000	-12,755		4,019				4,019
Weed Control	1,000				1,000				1,000
Neighbourhood Plan	5,398		-1,510		3,888		-1,516		2,372
Community Benefit Fund	32,452			-5,000	27,452				27,452
Notice Board	2,400				2,400				2,400
Village Enhancements	10,390	15,000		-2,500	22,890		-3,000		19,890
Emergency Plan	1,500		-1,500		0		-1,500		-1,500
Cemetery Wall Repairs	386			-386	0				0
Election Exp	8,245		-3,500		4,745		-3,500		1,245
Tree work	5,350		-1,000		4,350				4,350
Cemetery Land	73,550	3,000			76,550				76,550
CCTV	1,178				1,178				1,178
Education Bursaries	80,418	23,155	-22,750		80,823	16,000	-23,307		73,516
Emergency Funds	2,000				2,000				2,000
Training	1,600				1,600		-1,000		600
Dunstan Close Land	11,500			-5,000	6,500				6,500
Bus Shelters	1,000				1,000				1,000
Dog Walking area		4,000	-10,000	10,386	4,386	5,000	-5,000		4,386
CIL Funding	13,895	2,000	-4,430	0	11,465	2,000	-10,000		3,465

Mobile speed signage		10,640	-10,640		0				0
War Memorial		100			100				100
Skate Park		500			500				500
TOTAL	312,214	59,395	-70,085	0	301,524	23,000	-55,323	0	269,201

	Opening	24-25			Closing	25-26			Closing
	Balances	Receipt	Payments	EMRs	Balances	Receipt	Payments	EMRs	Balances
-	at 01.04.24				at 31.03.25				at 31.03.26
<u>GENERAL FUND</u>									
Opening Balance	106,308				110,385				112,748
Receipts	199,182	210,288			210,288	194,964			194,964
Payments	-178,928		-218,615		-218,615		-235,138		-235,138
Additions to EMRs	-36,326			-59,395	-59,395			-23,000	-23,000
Releases from EMRs	34,335			70,085	70,085			55,323	55,323
TOTAL	124,571	210,288	-218,615	10,690	112,748	194,964	-235,138	32,323	104,897

TOTAL FUNDS	436,785				414,272				374,098
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Agreed by Full Council
Min Ref 285/24

To enable the Council to make their decision they are provided with alternative increases and it is these alongside the documents above that these figures are carefully considered when setting the precept. A copy of these budget workings can be found on the following page.

Precept Workings 2025 - 26						
Band D Rate 1.76% to 766.57						
	Previous Years	Precept	%	Band D	%	
	2021-2022	111137	3	153.47	2.8	
	2022-2023	125584	12.9	168.77	10.14	
	2023 - 2024	140026	11.5	185.01	9.62	
	2024 - 2025	141727	1.2	186.3	0.93	
Option A	2025 - 2026	155899	10	201.86	8.1	
Option B	2025 - 2026	159442	12.5	206.44	10.56	
Option C	2025 - 2026	162986	15	211.03	13.2	
General Fund Equivalent in Months						
Year	21/22	22/23	23/24	24/25		
General Fund	84376	110385	124839	112788		
Spend	178083	149102	138466	147810		
Months	5.68	10.8	10.8	9.16		
Alternatives	10%	12.50%	15%			
Spend	179815	179815	179815			
General Fund	101228	104117	108315			
Equivalent Months	6.75	6.9	7.2			

The table above outlines the scenarios for various projected budget increases. These projections must be carefully balanced to ensure the Parish Council maintains sufficient funding in its general reserves. Town and Parish Councils are required to keep a minimum reserve equivalent to three months' spending to cover potential delays in receiving the precept and to meet any expenses that arise beforehand. Ideally, reserves should be able to support up to 12 months of operational costs for financial stability. With the proposed 12.5% increase for the 2025–202 budget, the general reserve fund predicts to cover approximately 6.9 months of the Council's running costs, ensuring a prudent and balanced approach to financial management.

Prepared By: Lynn Clarke PSLCC Clerk / RFO to St Dennis Parish Council.

Date: 9th December 2024

