**Batheaston Parish Council – Budget and Precept Setting – Briefing to Councillors**

## Introduction

The attached spreadsheet provides the summary of the finances for the current year to the end of last month, December 2022, and a forecast for the remaining 3 months of the year, to give an out-turn for the year. There are then two scenarios for the budget for 2023/24, giving:

1. the default, status quo, with business-as-usual efficiency savings
2. the "bare minimum" budget, with the reductions as described below

The spreadsheet allows for the percentage increase in the Precept to be changed, to show the effect on the key numbers: the cost for an average, Band D household; the bottom line "profit/loss" for the year; and the outcome for the Council's reserves (its total assets).

## Background: Financial Position, and trend over last 3 years

A spreadsheet is provided of the figures over the past 3 years, with projection to next year. The summary of the trend is:

- Reduced income from facilities, which are now under-used, and let for free for the most part.
- Increased costs due to inflation, additional staffing hours, and additional systems (to meet transparency code guidelines, etc.)
- The last two years have seen windfalls which masked the growing underlying deficit. Respectively CIL income in 2021/22, and VAT payments (3 years' worth in 1, in the current year). The former is not expected to be repeated (in fact, I know of no developments that will pay CIL for the foreseeable future), and we are now on a business-as-usual basis for VAT: claiming every year for the previous year's VAT (a reasonable estimate of the 2022/23 reclaim is included in the budget projection).
- We have a costly year in the following respects:
    - Playground, a net contribution to the upgrade project of £6,000
    - Streetlights, £3,000
    - Riverside, Car Park, maintenance and other investments: £2,250 car park lights; £1,300 felling ash trees; £950, installing signs in car park.
    - Pensions, £4,250, of which £2,780 relates to previous years.
    - Electricity, ca. £4,400, approx. 100% higher than previous years.
    - Jubilee Party, net cost £1560.
- Arguably all but the last two of these have an element of "catch-up": they are higher this year because money has not been spent in the past.

## Detail of Savings Modelled

The notes in the spreadsheet refer to the potential savings to be made from the following actions:

| Note | Action Taken | Impact | Saving Resulting |
|---|---|---|---|
| A | Close the rhymes pavilion, possibly as a step towards its substantial refurbishment. | Penny's Pantry, and sports would be disrupted | £ 9,068 |
| B | Ensure that all projects the playground and celebrations such as Coronation Party, and the Batheaston Times are entirely self-funding. | Places greater effort, and possibly some delay, on Working Groups etc. | £ 4,106 |

| | | | |
|---|---|---|---|
| C | Reduce staffing levels to a bare minimum | Reduction in support for Council projects and other initiatives; reduce services to residents. Risk regarding audit and governance improvements | £ 10,641 |
| D | Award no grants | Reduced community services and projects | £ 5,775 |
| E | Reduce substantially the frequency of grass-cutting; cancel hanging baskets and Christmas decorations | Reduce the attractiveness of the village | £ 5,987 |
| F | Cancel subscriptions to NALC and SLCC | Risk regarding audit and governance improvements | £ 937 |
| Total Possible Savings Identified | | | £36,514 |

It should be noted however that these are crude estimates of savings possible, and a specific set of actions should be modelled in detail.

For information, here are the figures for the current year, 2022/23, for BANES. The average is £82.63 p.a. for a Band D household (excluding the “un-parished” Bath City area, in which only £4.50 is levied).