

Budget notes to accompany draft budgets a and b.

Two draft budgets are attached to be discussed. The documents show the outturn for 22/23, the budget and projected outturn for 23/24 (the current year) and a proposed budget for 24/25. The budget columns for 23/24 and the proposed budget for 24/25 are highlighted in light green for clarity.

The budget plan also includes several tabs at the bottom of the spreadsheet, including salary information and a list of regular contractors and suppliers, which the Council are asked to review and, if appropriate, agree.

The precept needs to be agreed and submitted before the end of January. The tax base has been confirmed by Babergh and has reduced from last year.

Subscriptions: the only subscription I am aware of is the Suffolk Association of Local Councils (SALC). The projection is a 3% increase on last year's subscription.

Salaries and Expenses: the national pay settlement for 21/22 came into force in November 22 and the national pay settlement for 22/23 was agreed in November 23. Neither of these increases were implemented at Freston and due to Freston's tight finances, it is not proposed to back date these. However from April 2024, the correct hourly rate has been estimated, plus a potential 5% national increase. To offset this increase, it is proposed that hours be reduced to 2 hours per week, as opposed to 2.5. If this is agreed, then SALC payroll will be informed and the change will take place from April 1 2024. The outturn for 23/24 includes 5 quarters, as the last quarter of 22/23 was not paid until the 23/24 financial year.

It is proposed to agree in advance the schedule of payments so that salaries and tax owing to HMRC can be paid at the appropriate time. There is an item on the agenda for this proposal.

Asset Maintenance and Other Works:

Is the contribution to plants for the phone box intended to be an annual contribution? In the current year the cost of the defibrillator is a one-off and also, if agreed, the cost of the dog bins. The annual cost of emptying the dog bins has been included and the annual cost of maintenance for the defibrillator has also been included.

Administration:

Stationery: these costs have so far been absorbed by the clerk, but there will now periodically be the cost of printing and printing paper and some small stationery requirements.

Insurance: apparently insurance premiums are set to rise substantially. I have included an increase of 10%.

There is a small budget for travelling expenses, but so far there have been no claims for travel.

I have added a budget for training – sufficient for 3 courses with SALC or similar.

There is a small miscellaneous budget to cover incidental non-budgeted expenses (i.e. CCTV signs bought in 23/24)

INCOME

Apart from the precept, no income has been budgeted for next year. It may be that CIL funds will become available, but there are very strict rules of how CIL monies can be spent, so the income and expenditure will be separately accounted for.

PRECEPT

I have created two separate budgets – one with a 10% increase in the precept and one with a 15% increase. As Councillors will see, both result in a deficit over the year but currently the Council hold sufficient reserves to cover this deficit. This, however, will not be sustainable long term and hence the necessity for an increase in the precept this year. As the tax base has slightly decreased, the increase is slightly greater than it would have been if the tax base had remained the same as last year. Councillors are asked to consider both budgets and to make a decision on which, if either, increase to implement, or to suggest an alternative. The precept form has to be submitted to Babergh by the end of this month.

Other considerations

Obviously the budget is quite tight and it doesn't allow for new unplanned projects. It is hoped that grant funding could be available if such a project is identified. Improving the infrastructure may be funded by a CIL contribution if received.