

Briefing Note West & Middle Chinnock Precept 2025/26

To the Chair and Councillors, West & Middle Chinnock Parish Council

25.01.25

1. Summary

At the Parish Council meeting held on 13.11.2024, I presented the first draft of the proposed Parish Council budget for 2025/26.

24/1257 Reports & Correspondence, Item C.

Parish Council Budget: 24/25: The Clerk presented the draft budget and the detail of this was discussed. It was agreed that the budget was sensible in light of the current situation of the uncertainty. The Clerk recommended that this budget be the baseline for moving forward, using the PCs reserves policy as the basis for decision making, in relation to ear-marking reserves. One item which needs to be considered is an increase in insurance due to the additional services being passed to the Parish Councils as part of devolution. **Action: Clerk to make any further budget recommendations at the December and January meetings as any final decisions do not have to happen until the end of January 2025.**

Since the meeting, I have been taking further advice and gathering evidence to establish if any changes should be considered to the recommendations presented on 13.11.2024.

Source data collection from:

- Somerset Council, including corporate and individual officers from various departments. SC Clerk fortnightly meetings, LCN reports;
- Ward Councillors Patrick and Hewitson;
- Local Clerks Group (Newly formed – December 2024);
- National & Local Press;
- Highways Group as part of the Crewkerne LCN;
- Informal networks.

2. Factors impacting on decision making

The financial stability of Somerset Council is still questionable, with no definitive steer on whether or not the Council will be able to produce a balanced budget when the budget is finally announced on 19th February 2025. If a balanced budget is not agreed a Section 114 notice could be served. The amount the Council has to find in savings has been revised on a number of times over the past year, with the current estimate that they are still 20% short of the figure required.

A further reduction in key officers and services which directly impact on Parish Councils ability to either commission or deliver services has been on-going throughout the year.

The legality of the Devolution proposals has, and is being questioned for some services. This has resulted in the reversal of some original decision making.

Parish Councils have questioned the statutory responsibility of Somerset Council to provide key services and these investigations are on-going.

Following significant redundancies in 2024 at Somerset Council, there was a further tranche of redundancies over the Christmas period and more reported to be taking place in the next 2 weeks.

The current Director of Finance at Somerset Council is an interim post.

2. Calculation

The Parish Council suggested raising the Precept by £1000.00 I have rounded this to 5%, which equates to £975.00

The remainder of the figures remain similar, however I have added £250.00 for a review to meet the public sector computer compliance regulations which Parish Councils are bound to undertake, including certification. This is on top of the computer software upgrade and backup systems which will be required as part of the compliance. This should also address GDPR revised guidance.

Expenditure exceeds income by £143.00, however I have carried forward the predicted underspend on our contingency budget from this year (2024/25) to earmarked reserves, of £2000.00.

Forecast cash reserve excluding earmarked/ring fenced at 24/25 year end is £21,262.00, which meets the recommendation relating to the PCs reserve policy.

I have reduced the salt budget to £250.00 as this was an underspend from 24/25 due to Somerset Council providing salt, which was originally budgeted. The Parish Council also has a number of bags located at strategic points around the villages for emergency use.

The impact on band D properties will be an increase of £2.88 pa, 3.69% (£78.05 - 24/25 to £80.93 - 25/26)

3. Conclusion

In light of the uncertainty of Somerset Councils financial situation, the proposed budget recommendations presented to the Parish Council, which were discussed at the November 2024 meeting, still stand.

The budget increase of 5% is significantly lower than a number of Parish Councils locally, with some predicting a 35% increase. The prudent approach which the W&MC PC has taken to ring fence money for drains and highways over the past 3 years, when it predicted that Somerset Council would have significant ongoing financial issues, has reduced the need to make a significant increase in 2025-6.

The recommendation from last year which relates to financial uncertainty still stands. *"In situations where there is financial uncertainty Parish Councils should ensure a General Reserve equivalent of 12 months precept".*

This budget has the recommended 12 month cash reserve level, equivalent to the 25-26 recommended precept. (£20,500). This should allow for any major changes in the services which the PC may have to take on as part of the further devolution of services.