

MINUTES OF THE
BUDGET, STRATEGY & PRECEPT MEETING
OF BIRCHWOOD TOWN COUNCIL,
HELD AT PARKERS FARM, DELENTY DRIVE
ON TUESDAY 22ND NOVEMBER 2022

Present: Councillor Ellis in the Chair
Councillors Allen, Atkin, Brereton, Dempsey, Evans, Reeves, Scott, Sheridan
and Simcock

Clerk – Mrs F. McDonald
RFO / Deputy Clerk – Mrs C. Caddock
Administrative Assistant – Mrs H. Vout

Apologies: Councillors Ball (personal) and Bowden (work)

Code of Conduct – Declaration of Interests

The Chair reminded Members of their responsibility to declare any personal interest or prejudicial interest which they have in any item of business on the agenda, no later than when the item is reached.

Councillor Ellis – Birchwood Youth and Community Centre
Councillors Atkin, Reeves and Simcock – Birchwood Carnival Committee

228/22-23 **INTRODUCTION**

The RFO stated that prior to the commencement of the meeting, she wished to apologise to Members for an error in the figures presented at the October 2022 meeting, which had resulted in incorrect Earmarked Reserves figures being produced, which affected sheets 3 and 4.

These have since been corrected and circulated to Members. The corrected figures show a more positive financial situation for the Council for the 2023/2024 financial year.

The RFO informed the meeting that the business to be transacted was to formally discuss the Town Council's current budgetary position, foreseen future expenditure and any potential contributory factors which may affect the Town Council, and to propose a Council precept for 2023/2024.

The RFO reminded Members that there will be some repetition of information at tonight's meeting as various detailed pre-budget and precept related discussions and decisions had taken place during the October 2022 Part I Finance, Audit & Personnel meeting, including: see Minutes:

- 188/22-23 Locking Stumps Play Area Refurbishment
- 190/22-23 Speed Indicator Devices
- 192/22-23 Memorial Plaque – Birchwood Forest Park
- 196/22-23 Budget, Strategy and Policy Considerations
- 197/22-23 Earmarked Reserves:
 - (a) BTC Vehicles
 - (b) Speed Indicator Devices
 - (c) Benches
 - (d) Bus Shelters
 - (e) Boiler
 - (f) Birchwood Carnival
 - (g) Wildflowers
 - (i) Staff Resources

- (j) Other Projects
- (k) Elections
- (l) Room Hire
- (m) Tenancy Fees

The RFO said that the Council's policy in recent years, due to ongoing economic uncertainty, has been to set out the proposed income and expenditure for the forthcoming financial year and to set out indicative income/expenditure for a further year, to present a two-year budget plan, as it is difficult to make projections for more than two financial years ahead.

Correspondence and papers relevant to tonight's budget, strategy and precept discussions, were copied to Members in their papers. Amended papers had been circulated by email and were also presented as hard copies at tonight's meeting.

The RFO gave Members a brief reminder and explanation of the precept procedures and how tonight's budget and strategy discussions and recommendations were necessary prior to the formal setting of the precept at next month's meeting. These discussions form part of the Annual Governance and Accountability (AGAR) considerations for the end of year audits.

229/22-23 2022/2023 YEAR END BALANCES PROJECTIONS

The RFO presented the estimated projections regarding the end of year balances for the 2022/2023 financial year:

Sheet 1			
Nov-22			
Birchwood Town Council			
Projection - Year End March 2023 Balances (rounded)			
Income			
Balances B/F March 2022		£ 303,771.00	(Audited)
Precept 22-23		£ 367,625.00	
General Income		£ 1,660.00	
	Total:	£ 673,056.00	
Expenditure			
See Budget Schedule A			
Projected Expenditure 2022/2023		£ 326,600.00	
Balances C/F		£ 346,456.00	
6 months Cash flow		£ 185,000.00	
Reserves /Earmarked:			
Elections		£ 16,000.00	
Vehicles/Equipment		£ 75,000.00	
Community Development		£ 40,000.00	
Contingency fund (new)		£ 30,456.00	
		£ 161,456.00	
Total cash flow plus earmarked reserves:		£ 346,456.00	

The RFO advised that the projections above include, and are based on, the earmarked reserves agreed for the 2022/2023 financial year (£161,456.00).

The earmarked reserves differences for the 2023/2024 options (see sheet 3 on page 170 below) are therefore compared against this amount.

The current projected expenditure (£326,600.00) remains as an estimated amount, based on half-yearly figures plus the expectation of agreed expenditure within this financial year on two community-based projects: the improvement of a play area in Locking Stumps and the installation of a memorial in Birchwood Forest Park, to remember the people who worked at the Royal Ordnance Factories in Risley during World War II.

In addition, as resolved by Council at the October 2022 Part I Finance Meeting (see Minute 197/22-23 (e)) the boiler in Parkers Farm has been replaced and has therefore been accounted for within the 'Parkers Farm Estate' 2022/2023 budget line.

230/22-23 BAND D FIGURES

The RFO asked Members to note that a letter and worked example had been received from Warrington Borough Council giving us details of the precept calculations for 2023/2024 and the number of properties on which they set the Council Tax Band:

Birchwood (Town Council) - Worked Example

	2022/23	2023/24
a) Your Tax Base - Band D equivalents	3,137	3,123
b) Your Band D Charge (based on current year)	£117.19	£117.19
c) Your parish precept	£367,625	£365,984

The amounts relevant to the other bands are calculated as follows:-

Band A = b) multiplied by 6/9	£78.13	£78.13
Band B = b) multiplied by 7/9	£91.15	£91.15
Band C = b) multiplied by 8/9	£104.17	£104.17
Band D = b) multiplied by 9/9	£117.19	£117.19
Band E = b) multiplied by 11/9	£143.23	£143.23
Band F = b) multiplied by 13/9	£169.27	£169.27
Band G = b) multiplied by 15/9	£195.32	£195.32
Band H = b) multiplied by 18/9	£234.38	£234.38

Birchwood Town Council is required to send a breakdown of our budget and expenditure to Warrington Borough Council, with its precept requirement, by Friday, 13th January 2023.

The letter received indicates that the precept payment for 2023/2024, will be made as a single payment from Warrington Borough Council to the Town Council, by 30th April 2023.

The tax base for our Council for 2023/2024 has been calculated as 3,123; this compares to 3,137 for 2022/2023, a decrease of 14. The impact of this will need to be considered when setting the precept. The tax base represents the number of Band D equivalent properties in our Parish after allowing for various adjustments e.g. single person discounts, etc.

The RFO stated that the decrease in the number of Band D properties and the way the Band D formula works means that Band D would produce around -£1,640.66 less income for the 2023/2024 financial year, if the 2022/2023 precept level was applied (£365,984).

Councillors were surprised that there had been a reduction in Band D properties, particularly as there is a new housing development in Birchwood. The Chair enquired if we could ask for information from WBC regarding how the number of Band D figures for an area is calculated.

Members agreed with Councillor Ellis and asked if we could request information from WBC.

Action Clerk's office to contact WBC to request information re: the calculation of Band D figures.

231/22-23 **SCHEDULE A – YEAR-END PROJECTED OUTTURN 2022/2023 AND FINANCIAL PROJECTION FOR 2023/2024 AND 2024/2025**

The RFO stated that since receiving the Band D figures for 2023/2024, she had looked again at the proposed financial projections for next year. She has made amended budget projections for 2023/2024 (Schedule A) on some items and following detailed prior discussions that took place during the October 2022 meeting. These now represent the most up-to-date auditable figures upon which to consider the decision for the 2023/2024 budget (and subsequent formal precept decision to be made at the December meeting).

The current year's interim accounts have not yet been considered by the internal auditor. Members continue to receive complete monthly income, expenditure and bank reconciliation details as part of each monthly Council meeting. Any relevant issues raised by the internal auditor for 2022/2023 and during the last 18 months have been reviewed by Members as they have been reported. The next interim internal audit has been arranged for 23rd January 2023.

For the formal Precept Meeting, on 13th December 2022, the RFO said she will make projections on the precept and earmarked balances for next year 2023/2024 through to 2024/2025, following guidance and resolutions by Members after discussions at tonight's meeting and allowing for reasonable continuance of working balances to be retained.

The RFO added that as costs of all items continue to increase, and with the current inflation rate now standing at 11.1%, she proposes maintaining the 6-month cash flow figure at £185,000.

Members **unanimously resolved** that they are happy to maintain this cash flow figure.

The auditor has previously suggested that the Council could hold a 12-month cash flow, but the Council has resolved that a 6-month figure is sufficient.

The RFO asked Members to consider the amended (sheet 2) Schedule A – Year-End Projected Outturn 2022/2023 and Financial Projection for 2023/2024 and 2024/2025.

The proposed 2023/2024 budget figure has been adjusted downward by £8,000 since the October 2022 meeting as follows: Item 1 reduced from £7,000 to £5,500, Item 2 is reduced from £19,000 to £18,500, Item 5 from £45,000 to £41,000 and Item 9 from £5,000 to £3,000. This reduces the overall budget estimated expenditure 2023/2024 from £383,800 (proposed at the October 2022 meeting) to £375,800.

Sheet 2 Schedule A		BIRCHWOOD TOWN COUNCIL YEAR-END PROJECTED OUTTURN 2022/2023 AND FINANCIAL PROJECTION FOR 2023/2024 AND 2024/2025				Nov-22
ITEM NO.	EXPENDITURE ITEM	BUDGET 2022/2023	PROJECTED EXPENDITURE OUTTURN 2022/2023	BUDGET ESTIMATED EXPENDITURE 2023/2024	BUDGET ESTIMATED EXPENDITURE 2024/2025	
1	General and Water Rates/Gas/Electric	£ 6,500	£ 4,500	£ 5,500	£ 7,000	
2	Insurance/Subs/Fees/Car Tax/Bank Charges	£ 17,500	£ 17,000	£ 18,500	£ 20,000	
3	Employment costs (inc employer NI & superannuation)	£ 265,000	£ 220,000	£ 275,000	£ 285,000	
4A	Civic - Chairman's Allowance	£ 1,000	£ 1,000	£ 1,000	£ 1,000	
4B	Civic - Newsletter	£ 1,000	£ 1,000	£ 1,000	£ 1,000	
4C	Councillors Allowances/Expenses	NIL	NIL	NIL	NIL	
5	Town Council Revenue Expenditure (inc. cleaning services)	£ 40,500	£ 35,000	£ 41,000	£ 45,000	
6	Community Developments/Projects	* £ 5,000	£ 22,000	£ 5,000	£ 5,000	
7	Town Council Elections	£ 2,000	£ 2,000	£ 1,500	£ 6,000	
8	Grants	£ 5,000	£ 3,000	£ 5,000	£ 5,000	
9	Parkers Farm Estate/Maintenance/Equipment fund	£ 5,000	£ 1,000	£ 3,000	£ 5,000	
10	Loans inc. Mortgage Fund for Parkers Farm Estate	£ 20,000	£ 20,100	£ 19,300	£ 18,500	
	TOTALS	£ 368,500	£ 326,600	£ 375,800	£ 398,500	

*£5,000 from budget & £17,000 from earmarked community development reserves

The RFO informed Members that she considers the above figures are realistic amounts of potential expenditure for the next two financial years. She added that given the current Consumer Prices Index (CPI) which has now risen to 11.1% and the continuing uncertainty regarding the current economic climate, it is difficult to give more considered figures at the present time.

Members considered the figures presented.

The RFO asked Members if there are any figures on Schedule A that they wish to amend.

Members **unanimously resolved** that they are happy with the Schedule A figures and estimated budget expenditure amount for the 2023/2024 financial year (£375,800).

232/22-23 **DISCUSSION / CONSIDERATION OF KEY INCOME/EXPENDITURE ISSUES**

(a) **Employee Wages 2023/2024**

The RFO reminded Members that the increase proposed in the Item 3 line 'Employment costs . . .', which has not been amended, is mainly due to the rise in the 'Real Living Wage', which BTC currently applies to the wages of seven members of staff. At the October 2022 Finance Part II meeting, Councillors resolved to approve the increase from £9.90 per hour to £10.90 per hour from April 2023 (see minute 202/22-23 (a)).

Members also resolved (see minute 202/22-23 (b) in the October Finance Part II minutes) that an equivalent percentage rise will be applied to the Maintenance Team Supervisor's salary from April 2023.

(b) **Employee Wages 2022/2023**

The RFO reported that local government pay negotiations for 2022/2023 have now been concluded and that advice has been received that the pay increase for this year is now agreed. The Town Council usually applies this pay agreement to the Clerk's and RFO/Deputy Clerk's salaries (pro-rated according to their contracts).

The pay offer is for a flat rate payment of £1,925 on each scale point, back-dated, with effect from 1 April 2022.

In addition, the National Joint Council (NJC) has agreed that from 1 April 2023, all employees covered by this National Agreement, will receive a permanent increase of one day to their annual leave entitlement.

Members will be asked to consider this proposed pay and conditions offer later in the meeting, during Part II discussions.

The RFO reminded Members that the agreed local government pay offer for 2023/2024 will probably not be known, until later in 2023.

The amount in this budget line still includes the potential for an additional member of the maintenance team.

(c) **Staff Resources**

The RFO stated that a meeting, as requested, took place between Councillors and the Maintenance Team Supervisor on 9th November 2022. A list of the Maintenance Team's 'normal' duties (not an exhaustive list) was circulated in Members' papers for information.

Councillor Scott said that the information is useful, especially when speaking to residents (who often ask what BTC does).

The RFO stated that during this meeting with the Maintenance Team Supervisor, he explained to the Councillors present, why it would be beneficial for the team to have an additional member of the maintenance team. He would prefer a full time additional member of staff. At present, the resources available (5 fte) means that the team is working more reactively than proactively – which is a very different way of working from when the team had seven or eight members of staff.

In response to a comment by Councillor Allen regarding the team not following a formal work schedule, the RFO explained that several years ago, when there were more maintenance team members, the team used to work to a strict schedule, with certain roads litter-picked on certain days, cutting work scheduled in, etc. Also, they did not have the additional grass cutting work to undertake during the spring/summer months.

The Clerk reminded Members that the Council has to work with the permission of other land owners. As BTC does not own any of the land throughout Birchwood, strictly speaking the team does not have the responsibility to undertake any work. However, if the BTC team did not carry out the work they do, it would soon be noticed by residents.

The Clerk added that we are continuing to have communication issues, especially with WBC, with regard to them letting us know where and when they may be undertaking any environmental work within Birchwood, so that we can ensure that work is not being duplicated, or undertaken by the BTC team if it is already planned by WBC.

The RFO said that the Maintenance Team Supervisor had commented that next year, particularly during the mowing season, there will be fewer staff available to undertake the usual day-to-day duties, as two members of the team will need to ‘shadow’ the member of staff who currently does the majority of the grass cutting in order to learn the routes and areas that WBC allow us to cut (and those patches that residents prefer to maintain themselves).

This member of staff is due to reduce his hours from April 2024 from three days a week to two days a week.

The RFO informed Members that one additional full-time Maintenance Operative would add approximately £27,100 to the wages requirements in 2023/2024. This includes the on-costs (employer tax, and pension payments if an employee wishes to opt-in to the pension scheme).

The amount in the proposed budget line of Item 3 on Schedule A is sufficient to include the employment of one additional full-time Maintenance Operative.

The RFO asked Members to formally consider and resolve whether or not they wish to appoint an additional Maintenance Team Officer to start in April 2023 and, if so, on what basis i.e. full or part time.

Members discussed the options and a vote was held.

Eight Members voted in favour of employing one additional full-time member of staff from the start of the 2023/2024 financial year. One Member voted against.

Therefore **by a majority vote it was resolved** that one additional Maintenance Team Operative be employed from the start of the 2023/2024 financial year.

Action Clerk’s office to commence the processes for employing an additional member of the maintenance team at the appropriate time.

(d) **Birchwood Carnival**

To confirm that BTC resolved at the October meeting (minute 197/22-23 (f)) that a maximum grant of £2,500 will be approved if the Carnival Committee needs to apply for grant funding for the 2023 Birchwood Carnival. The Carnival Committee is committed to trying to make future carnivals self-funding, but this also relies on other local businesses and organisations sponsoring the event.

(e) **Wildflowers**

To confirm that BTC resolved at the October meeting (minute 197/22-23 (g)) that a maximum of £600 be spent on the wildflower scheme for 2023.

(f) **Room Hire**

To note that it was resolved at the October meeting (minute 197/22-23 (l)) that the meeting room will no longer be routinely hired out to external user groups, either during the day or in the evenings. Therefore there will be no ongoing lettings income to the Town Council.

(g) **Tenancy Fees**

To note it was resolved at the October meeting (minute 197/22-23 (m)) to maintain a 'peppercorn' rent charged to Birchwood Youth and Community Centre, relating to the land owned by BTC that the centre is built on, at £1.00 per annum.

(h) **Bus Shelters**

To note that there will be a (currently unknown) cost involved in repairing the two Council-owned bus shelters in Locking Stumps.

The RFO stated that the team are going to inspect the current state of the two BTC bus shelters. It might be more financially prudent to remove these two bus shelters and replace them with very basic new options, with a perch bench in each. Officers will bring information and options to a future meeting.

(i) **Website**

At the Budget and Strategy Meeting in November 2021 (minute 432/21-22 (x)) it had been resolved that Members wish to consider alternative website options and this would be considered by the Policy, Strategy and Engagement Sub-Committee.

The RFO said that time constraints and workload this year has prevented further consideration relating to the website. The current website is onerous to manage, and does not look as attractive as some other website package offerings do; however, it is still functional. The RFO added that consideration needs to be given to this, so that it can be progressed during the 2023/2024 financial year.

Councillors asked how much traffic visits the website.

Action Clerk's office to investigate the number of visitors to the BTC website.

(j) **Income Sources**

The RFO stated that the expected income sources for 2023/2024 will be very limited.

There will be a relatively small amount of bank interest, possibly around £400.

The shopping centre has indicated that they are likely to ask us to supply and maintain hanging baskets again in 2023. The income received for hanging baskets in 2022 was £860, for a relatively small number of baskets. However, the income only covers costs, it does not bring in 'additional' income for BTC.

The RFO stated that decisions regarding the following items will have an effect on the earmarked reserves proposed for the 2023/2024 financial year.

The amount available for allocating to various earmarked reserves will only be known once the Council has decided on the precept for 2023/2024.

(a) **BTC Vehicles**

HK64 NNM - The RFO reported that, as requested at the October meeting, she enquired about the estimated cost of repairing the subframe that has sustained some damage. The subframe needs to be replaced. The mechanics advised that IVECO tippers are very low to the ground compared to some other makes of tippers, and this is an issue that they see with them relatively regularly. This cost of replacement is currently estimated to be around £3,000. She had also asked for a 'trade-in' value for the vehicle.

Taking the subframe issue and an ongoing 'engine management' light fault into consideration, we have received a trade-in value of around £5,000. If the subframe is not replaced, the front tyres cannot be properly aligned and will wear more quickly than usual. It would have to go to an IVECO dealer for the work to be undertaken.

Not having a tipper on the road for the time it is in a workshop/garage makes it difficult for the team to effectively carry out their duties; particularly regarding the collection of waste bags due to the fumes and smell they emit in the enclosed vehicles, which is a health and safety concern. Also they are not able to undertake cutting work whilst the tipper is off the road.

During the meeting on 9th November, with the Maintenance Team Supervisor, he explained to the Councillors present, why it would be beneficial for the team to have an additional tipper in the fleet – the openness of the back of the vehicle (for the collection of the bin waste), the reduced 'handballing' of bags of waste and the ability to continue environmental work if one tipper is off the road, were some of the reasons given.

There is £75,000 in the Vehicles/Equipment earmarked reserves for the 2022/2023 financial year – therefore an additional, second-hand, tipper could be purchased and the current tipper can also be repaired.

The RFO said that a 'reasonable' second hand tipper could be purchased for in the region of £22,000 - £23,000.

Members discussed the various options.

It was **unanimously resolved** that HK64 NNM be repaired and that an additional, second-hand tipper be purchased.

Action Clerk's office to arrange for the repair of HK64 NNM and the purchase of an additional tipper.

MK71 FUU – For information, the RFO advised that there are currently some ongoing, intermittent issues with the speedometer in this vehicle. It has been back to the garage twice for diagnostics and a reset. It has been in the garage again, today. (Note: subsequently the garage has advised that they cannot diagnose anything wrong with the speedometer. They asked that next time the issue occurs, to take it straight to the garage.)

The RFO said that she would recommend maintaining the Vehicles/Equipment earmarked reserves at a realistic level for 2023/2024 onwards. Depending on the precept agreed for 2023/2024, she proposes an amount between £70,000 and £80,000.

Members **unanimously resolved** to accept an amount within the proposed range.

(b) **Speed Indicator Devices (SIDs)**

To remind Members that the Council has formally resolved (see minute 197-22-23 (b) of the October 2022 Part I Finance Minutes) to include, in the 2023/2024 budget, enough funding in the Community Project Reserves to purchase one additional SID in the 2023/2024 financial year (approximately £2,900).

(c) **Benches**

To ask Members how many additional benches they might wish to consider installing on the Brook Footpath / Ordnance Avenue if approved by the relevant landowner. Any benches would need to be in line with WBC's preferred designs/materials, etc. The cost of the supply and installation of each bench would be in the region of £1,300.

Benches would also need to be funded from the earmarked Community Project reserves.

Following discussions, it was **unanimously resolved** that BTC works with partner organisations regarding the installation of two new benches in 2023/2024.

Councillor Allen enquired about installing litter bins next to new benches.

Additional litter bins, including fixings, would cost in the region of £230 +VAT each. Delivery is approximately £100 +VAT. They would also need to be added to the bin emptying schedule.

(d) **Community Projects / Other Projects**

To ask if Members have any other suggestions or projects in mind for consideration that will affect the budgeting and precept decisions for the 2023/2024 financial year.

Members did not have any suggestions to make at this point in time.

Depending on the precept agreed for 2023/2024, the RFO proposed an amount between £36,000 and £40,000 for this earmarked reserve.

Members **unanimously resolved** to accept an amount within the proposed range.

NB: Items such as additional benches, speed indicator devices, bus shelters, may also have to be covered by this earmarked reserve.

(e) **Elections**

The RFO confirmed that this fund will be reduced slightly – but the amount on the Income and Expenditure budget line for 2024/2025 which will be an election year, will be increased for that year. BTC is usually offered an option by WBC to pay for election costs in instalments over a number of years.

Regardless of the precept agreed for 2023/2024, the RFO proposed an amount of £10,000 in earmarked reserves for elections.

Members **unanimously resolved** to accept this amount.

(f) **Contingency Fund**

To recommend that this fund be kept at a realistic level to cover any unexpected costs going forward.

Depending on the precept agreed for 2023/2024, the RFO proposed an amount between £37,300.00 and £41,621.25.

Members **unanimously resolved** to accept an amount within the proposed range.

234/22-23 **PROJECTION FOR 2023/2024 – VARIOUS PRECEPT OPTIONS**

The RFO presented to Members (sheet 3) projections for 2023/2024 (amended since the October 2022 meeting) with precept options and their effects ranging from a 0% to 5% increase:

NOV-22 - Sheet 3		Projection for 2023 to 2024 if Precept is Increased Five options 0% 2%, 3%, 4% or 5%				
Birchwood Town Council Projection - Year End March 2023 Balances		0% Increase	2% Increase	3% Increase	4% Increase	5% Increase
Income						
Balances B/F March 2022	£ 303,771.00	£ 346,456.00	£ 346,456.00	£ 346,456.00	£ 346,456.00	£ 346,456.00
Precept 22-23	£ 367,625.00	£ 367,625.00	£ 374,977.50	£ 378,653.75	£ 382,330.00	£ 386,006.25
General Income approx. (bank interest & other)	£ 1,660.00	£ 1,660.00	£ 1,600.00	£ 1,600.00	£ 1,600.00	£ 1,600.00
2023/2024 reduction in Band D properties (14 less)		-£ 1,641.00	-£ 1,641.00	-£ 1,641.00	-£ 1,641.00	-£ 1,641.00
Total:	£ 673,056.00	£ 714,100.00	£ 721,392.50	£ 725,068.75	£ 728,745.00	£ 732,421.25
Expenditure						
See Budget Schedule A						
Projected Expenditure: 22-23	£ 326,600.00	£ 375,800.00	£ 375,800.00	£ 375,800.00	£ 375,800.00	£ 375,800.00
Projected March 2023 Balances C/F	£ 346,456.00	£ 338,300.00	£ 345,592.50	£ 349,268.75	£ 352,945.00	£ 356,621.25
Less 6 months Cash flow	£ 185,000.00	£ 185,000.00	£ 185,000.00	£ 185,000.00	£ 185,000.00	£ 185,000.00
Therefore projected Reserves / Earmarked funds available	£ 161,456.00	£ 153,300.00	£ 160,592.50	£ 164,268.75	£ 167,945.00	£ 171,621.25
Effect on current projected 23/24 Reserves/Earmarked funds available		0% -£ 8,156.00	-£ 863.50	£ 2,812.75	£ 6,489.00	£ 10,165.25

The RFO said that projections on sheet 3 are based on the estimated 2023/2024 budget expenditure, from the amended Schedule A, being in the region of £375,800.00. Five precept increase option illustrations have been calculated ranging from 0% increase to a 5% increase (with the exception of a 1% increase).

In the case of a 0% or 2% increase, the effect on earmarked reserves shows a reduction in the amount available to maintain in reserves of -£8,156.00 and -£863.50 respectively.

A 3% precept increase would create a projected +£2,812.75 increase, 4% would be +£6,489.00 and 5% would be a +£10,165.25 increase.

A separate sheet circulated to Members (sheet 4) - see below - illustrates the potential effect on earmarked reserves of the various options. The RFO reminded Members that last year the Council increased the BTC portion of the precept by 2.5%.

Sheet 4 also illustrated the effect of various increases on Band D local tax for 2023/2024.

The local (BTC) portion of the precept for a Band D property is currently £117.19. A 2% increase would add an additional £2.34 per year – around 0.01 pence per week. A 5% increase would be approximately an additional £5.86 per year – or around 11 pence per week.

The RFO commented that the distribution of reserves can be altered; these amounts are to be resolved by the Council.

Nov 22 - Sheet 4		Effect of various percentage increases on Band D local tax for 2023/2024 Current Band D charge (2022/2023) £117.19				
		0%	2%	3%	4%	5%
		£ 117.19	£ 119.53	£ 120.71	£ 121.88	£ 123.05
	Annual Increase (rounded):	£ -	£ 2.34	£ 3.52	£ 4.69	£ 5.86
	Weekly Increase (rounded):	£ -	£ 0.05	£ 0.07	£ 0.09	£ 0.11
	Daily Increase (rounded):	£ -	£ 0.01	£ 0.01	£ 0.01	£ 0.02
Effect on Earmarked Reserves of Various Precept Increases if Budget Estimate for 2023/2024 is £375,800.00						
Reserves /Earmarked:	2022/2023 Reserves	2023/2024 Reserves (examples - amounts can be shared differently)				
		0%	2%	3%	4%	5%
Elections	£ 16,000.00	£ 10,000.00	£ 10,000.00	£ 10,000.00	£ 10,000.00	£ 10,000.00
Vehicles/Equipment	£ 75,000.00	£ 70,000.00	£ 72,000.00	£ 75,000.00	£ 77,000.00	£ 80,000.00
Community Projects	£ 40,000.00	£ 36,000.00	£ 40,000.00	£ 40,000.00	£ 40,000.00	£ 40,000.00
Contingency fund	£ 30,456.00	£ 37,300.00	£ 38,592.50	£ 39,268.75	£ 40,945.00	£ 41,621.25
	£ 161,456.00	£ 153,300.00	£ 160,592.50	£ 164,268.75	£ 167,945.00	£ 171,621.25

235/22-23 CONSIDERATION OF SCHEDULE A AND SHEETS 2 TO 4

The RFO asked Members to consider the information presented to them in Schedule A and sheets 2 to 4 above.

The RFO asked Members to agree a formal precept recommendation for the 2023/2024 financial year. This will enable her to present finalised figures to the Precept meeting which will take place on 13th December 2022.

Members discussed the various figures in detail, bearing in mind that the current Consumer Price Index inflation rate (November 2022) is 11.1% and that costs to the Council are rising significantly for all supplies and other purchases, some fees, etc.

Members are also concerned that they do not wish to add the burden of a larger increase in Council Tax than they think is absolutely necessary, to add to the increasing cost of living for Birchwood's residents.

Councillor Dempsey commented that a small increase this year would potentially mean that the Council does not have to consider a significantly larger increase for 2024/2025, if inflation rates continue to stay at high levels.

Councillor Atkin said that, taking the above figures as correct (although he knows that they are still projections) a 2.2% increase in the precept amount would keep the balances at the same level as 2022/2023.

Following further considerations, it was **proposed** by Councillor Reeves and **seconded** by Councillor Scott that a 2.5% increase be applied for the 2023/2024 precept requirement.

This amount would equate to around an additional 6 pence per week increase, or £2.93 per year.

Councillor Allen commented that even a small increase in the precept will add to the increased costs of living that residents are already experiencing, such as heating bills, shopping, etc. He added that even a few pence will make a difference as the increases all add up.

Councillor Allen proposed a 0% increase. There was no seconder.

Members noted Councillor Allen's point of view and the Chair called for a vote.

A vote was held with regard to the proposed 2.5% increase in the precept for 2023/2024.

Eight Members voted in favour of increasing the precept by 2.5% for the 2023/2024 financial year. One Member voted against.

Therefore **by a majority vote it was resolved** that the precept be increased by 2.5% for the 2023/2024 financial year.

Action RFO to prepare final figures for formal ratification at the Precept Meeting, being held on 13th December 2022.

This part of the meeting concluded at 7.45 pm