

1. In 2023/23 a 5% precept increase was agreed, which followed a 0% increase the previous two years.
2. This proposed budget continues the strategy of planning for the future, by continuing to build up the existing building maintenance, streetlighting, play equipment and grounds vehicle earmarked reserve(EMR). A new building maintenance fund has been established for The Jubilee Centre. Income received from the rent of the pavilion carpark is also being moved into a newly created EMR for carpark maintenance.
3. A significant amount of CIL money and S106 monies have been received in the last two years, with more to come. A plan for using these funds has been put into place by the CIL and Commuted Sum Working Group, and is included with the budget for information. The majority of existing CIL money will be spent on The Jubilee Centre, but over £1m more is expected for future projects. There are minimal new projects planned for this forthcoming year from the precept, with the exception of an update to the Neighbourhood Development Plan, but long-term spending plans have been drafted by the CIL & Commuted Sum group for those funds, including items such as the pavilion carpark resurface and a committee room at The Willow Centre. More immediate plans are for the MUGA and pump track.
4. The tax base is the number of properties in Cringleford who pay precept. Due to the increase in houses, the Cringleford tax base has increased from 2194 in 23/24 to 2340 in 24/25. This brings about a natural increase to the precept amount to be received by the Council.
5. In order to keep the increase to a minimum the last few years, the budget has included the use of £18k of Council reserves. This cannot carry on indefinitely as a certain amount of general reserves (50% of precept) have to be held as part of sound financial management.
6. The level of precept has to be recalculated each year in line with current projects and expenditure, to cover the difference between income and expenditure. The Finance Advisory Group considered many options this year and, due to increases in all running costs, plus additional pressures from new developments, agreed that an increase would be required. Council then considered the options at their December 2023 meeting and agreed that a 8% increase would be acceptable. This



would involve using reserves of £18k (a lower use than in previous years), whilst still leaving the remaining reserves in a strong condition.

7. Therefore, Members of the Finance Advisory Group (FAG) are recommending to Council a precept of £418,860 for 2024/25, which is an increase of £54,656 on the precept. The Band D rate will increase from £166, to £179 per household per year, or 25p per week.
8. At 31 March 2023 the Council had funds totalling £3,138,993. Councils are recommended to hold a general reserve equivalent to 50-100% of precept, for emergencies. Some of this money is held in earmarked reserves, ring fenced funds (CIL /S106) and long-term maintenance funds.
9. The general budget has been calculated excluding ringfenced funds as these have to be spent in specific areas.
10. Assuming a precept of £418,860 is agreed, the projected income is £ 1,062,827 compared with outgoings of £1,080,494 (see appendix) – a deficit of £176,667, which would be taken from general reserves. This would leave the reserves at £1,069,941 on 31 March 2025 (including all EMRs). Deducting all reserves leaves a healthy balance of £216,880. Although this is at the lower end of the required reserves, we have an additional £399,788 put aside in maintenance funds, which can be used when required. That brings our actual reserves (excluding CIL & S106) to £616,668.
11. In Summary, if this budget is agreed the March 2025 year end position should be:

Total in bank account 31 March 2025	£ 1,069,941
<i>Minus current earmarked funds:</i>	
<i>CIL money</i>	<i>£200,923</i>
<i>Bus stop maintenance fund</i>	<i>£10,476</i>
<i>Commuted sums</i>	<i>£241,874</i>
<i>Maintenance Funds</i>	<i>£399,788</i>
Total in general spend 31 March 2023	<b>£216,880</b>



--	--

Building maintenance funds could be used in an emergency situation if required as these have been earmarked by the parish council, rather than legal CIL and S106 agreements.

12. One final option if Council wanted to consider it, is to match expenditure to income. This would be a 13% increase on the precept, or 40p per week for Band D properties. The figures can be seen on the precept setting page of the budget.
13. Council has acknowledged that it is likely a precept increase will also be required in 2526, to compensate for the reduced reserves, and to eventually ensure income matches expenditure. This budget allows Cringleford Parish Council to adequately manage all expenses, leaving an adequate reserve to cover any emergencies or unexpected costs.

Sonya Blythe  
Responsible Financial Officer  
December 2023

