



# Three-year core projections and reserve movements

	2023/24	2024/25	2025/26	2026/27

# Net income/expenditure

	2023/24	2024/25	2025/26	2026/27
Net income/expenditure	70,881	-18,334	-21,023	-17,439

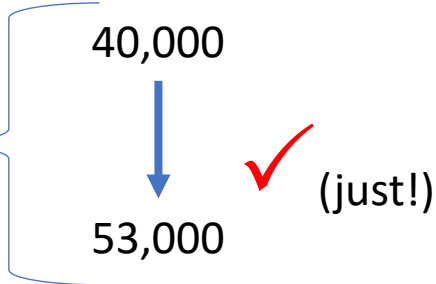
What we've targeted previously

# General Reserve

	2023/24	2024/25	2025/26	2026/27
Net income/expenditure	70,881	-18,334	-21,023	-17,439
<b>General Reserve</b>	<b>34,718</b>	35,151	38,162	<b>40,747</b>

General Reserve - cash we hold without needing to explain why we have it.

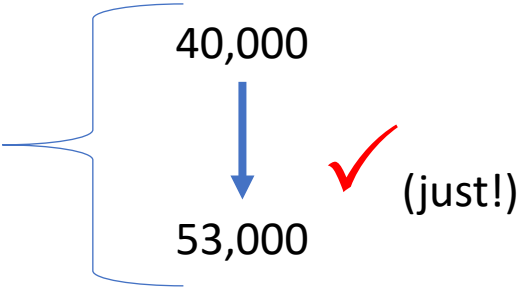
We need to increase General Reserves by a minimum £6,000



**Proposed: that the Parish Council adopt a policy of maintaining 9 – 12 months operational expenditure as General Reserve in line with industry guidelines.**

# Earmarked Reserve - total

	2023/24	2024/25	2025/26	2026/27
Net income/expenditure	70,881	-18,334	-21,023	-17,439
<b>General Reserve</b>	<b>34,718</b>	<b>35,151</b>	<b>38,162</b>	<b>40,747</b>
Earmarked Reserves	85,518	66,751	42,716	22,693



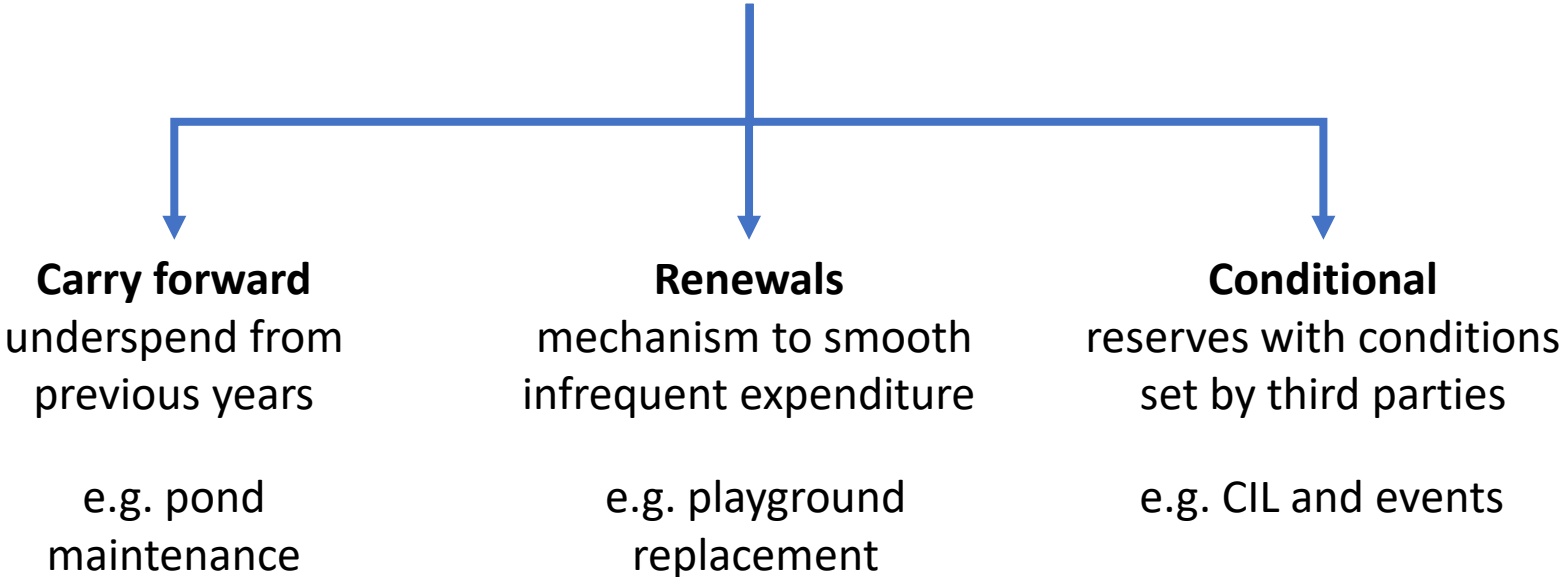
## Earmarked Reserves

- cash we hold for a specific purpose.
- no limit on how much – so long as we can explain why we have it.

The reducing Earmarked Reserve balance is a little bit more complicated than just spending CIL.

# Earmarked Reserves - subdivisions

## Three types of Earmarked Reserves



<b>At end 2022/23</b>
<b>At end 2023/24</b>
<b>At end 2026/27</b>

3,469
0
0

7,783
11,744
22,693

6,618
73,744
0

<b>Total</b>
17,870
85,518
22,693

# We need to increase General Reserves

We need to increase General Reserves by a minimum £6,000 over the next three years. We can do that by one or more of:

1. Reducing current operational costs	Currently £53,000 pa	<ul style="list-style-type: none"><li>• Would involve reducing open space maintenance (50%) or the clerk's hours (37%)</li></ul>
2. Increasing the amount used from CIL to fund operational expenditure	Current assumption £3,000 pa	<ul style="list-style-type: none"><li>• Not in the spirit of CIL</li><li>• Core assumption already reduces available CIL to £60,000</li><li>• Creates a problem when CIL is spent</li></ul>
3. Reducing the amount we put into Earmarked Reserves for future asset repairs and replacement	Current assumption £3 – 4,000 pa	<ul style="list-style-type: none"><li>• Some flexibility, but ....</li><li>• Creates a problem for councils in the future</li><li>• Likely to rise with more CIL-related projects</li></ul>
4. Increase income		

# Council income

Income = 55,000 pa

29,000	(53%)	Precept	Full control, no risk
17,500	(32%)	DBC grants	No control, possible long-term risk
3,500	(6%)	Interest	Some control over cash balances, rates a risk
3,000	(5%)	Burial ground	Some control but largely covers rechargeable costs
2,000	(4%)	Mainly allotments and sports field	Some control but can't create profit

Any meaningful increase in income can only mean an increase in precept.



# Precept

There is no need for a precept increase in 2024/25 - the level of cash balances means that no-one would question the level of General Reserves

But

- If we had to use Earmarked Reserves in some exceptional circumstance they would need to be replaced
- Over time Earmarked Reserves (and therefore cash balance) must reduce because of the requirement to spend CIL
- There are risks in the budget, primarily
  - Interest income will be less than forecast either/both because of faster spend or lower rates
  - CIL-funded projects will drive higher maintenance costs
- Consistent, regular increases in precept seem preferable to larger irregular increases

**Proposed: to increase precept by 10% for 2024/25**

- **+£3 to £33 pa for a band D house**

**Budget assumption that precept will also increase by 10% in 2025/26 and 2026/27**