

SHIPTON PARISH COUNCIL

PRECEPT PROPOSAL & RATIONALE TO YEAR ENDING MARCH 2025

Key considerations:

1) Our financial Proposed budget for yr ending March 2025 of £ 19,276.14 covers two distinctly different activities:

- a) The collection and repayment of the Reading Room Public Works fixed loan of : **£ 8,626.14**
- b) Parish operational costs : **£ 10,650.00**
- c) Parish operational costs of £10.7K excluding the fixed PW loan are thus projected to increase by £ 1.7K on previous yr of £ 8,973.86 : **+ £ 1,676.14 (+18.6%)**

Cotswold council provide a precept calculator to the Parish RFO which looks at the total amount of money required and spreads it out as an average factoring in all the different house tax bands.

A combination of the public Works loan being at a fixed rate, and the spread of our tax bands means that to deliver a precept income of £ 19,276.14 the average precept for the coming year must increase by + **12.02 %**

2) Parish Clerk now needs to be paid:

Unusually our previous Clerk HM provided their services free of charge, our new clerk VS operates normally on a payee salary (with all the associated costs of NI and salary role)

3) There are some Parish assets that have fallen into disrepair and need to be fixed:

- a) The Telephone box island wall has now caused the Highways Dept to close the adjoining road deeming our wall a potential hazard.
Initial top line assessment indicate a worst case scenario it costing upto £ 30,000 to repair
- b) The speed awareness machine needs new batteries and charging system. (estimated at £ 300)
- c) We need an official Parish post box next to the RR & the official Parish signs in lower Shipton & Hampen need attention.
- d) We have to continue the development and launch a village Parish web site & new village e-mail & communication systems

4) We have some reserves which can mitigate most of the repairs:

We are fortunate in having some reserves which we believe should allow us to make most of these repairs without going to the village for substantial funding.

5) Our Reserves are likely to be depleted to below 1 year's operational costs;

If repairs come in at estimated worst case prices our reserves will fall to circa £ 3,000 which is only 3.4 months operational costs, and is below the recommended 1 year of operational costs Parish Councils should aim to hold.

It should be noted that for the current year just ending (to March 2024) the Parish Council in place prior to May 2023 asked for an average precept increase of **minus 1.1%** in the belief that they were sitting on reserves that equated to three years worth of operational precept, and that they had no overhanging liabilities which was clearly wrong. Because this belief did not factor in the critical condition of the telephone box island wall, or the fact that the Highways Department would deem it dangerous and close the road, and force our hand to deal with repairs which are entirely the Parish Council's responsibility.

6) Is + 12.02% precept to year end March 2025 justifiable and what are the risks. ?

- a) We clearly can't escape from our repair liabilities on the phone box wall any longer.
- b) The assessment made by Highways inspectors on October 25th that led to Highways closing the road makes grim reading. By the looks of it the wall is rotten and only held up by the ivy that has grown into it. Highways are not going to back down, it is clearly far more than a patch up job, the road is going to remain closed until the Parish which owns the wall and is financially responsible fixes it.
- c) To meet construction design management regs (CDM) the Parish will have to commission a Structural Engineer Practice to specify and manage the rebuild project, which will require concrete structural retaining wall with Cotswold Stone facing and proper drainage. It is possible this project might cost upto £ 30,000 which would seriously deplete our reserves and it might need to be rolled financed over two financial years. 2024/25 & 2025/26