



Town Council Offices,  
1 Park Road,  
Shepton Mallet  
BA4 5BS

t: 01749 343984

e: [info@sheptonmallet-tc.gov.uk](mailto:info@sheptonmallet-tc.gov.uk)

w: [www.sheptonmallet-tc.gov.uk](http://www.sheptonmallet-tc.gov.uk)

**Meeting:** Policy & Resources Committee, Item P&R3.6

**Date:** 4 January 2022

**Author:** Liz Evans, Responsible Financial Officer

**Subject:** Budget consideration for 2022/23

## **1.0** Purpose of report

- 1.1 For Councillors to agree the budget and precept requirements for 2022/23. The budget proposal chart is attached at Appendix A.
- 1.2 For Councillors to make a recommendation to Full Council of the budget and precept needs for 2022/23.

## **2.0** Background information

- 2.1 A draft budget was presented to this Committee at a meeting in November and scrutinised thoroughly. A few minor changes were made and the budget presented at Full Council on 23 November 2021.
- 2.2 The tax base (number of properties that pay council tax) has been confirmed as 3398.07, a decrease of 14.92. The Responsible Financial Officer must submit the Council's demand to Mendip District Council by 13 January 2022 and therefore the Council will consider the budget at a meeting on 11 January 2022.
- 2.3 The Council's anticipated expenditure for 2022/23 is £684,784 and the net expenditure and budget required for next year is £675,415. This is an increase against the current year of £59,445. A summary is below:

Cost Centre	Previous	Current Year	Proposed	Variance
	Year 2020/21	2021/22	2022/23	between current year and next year
<b><u>Staff Costs</u></b>				
<b>Salary Costs</b>	<b>£182,019</b>	<b>£247,939</b>	<b>£239,984</b>	
<b>Total Budget</b>	<b>£184,919</b>	<b>£250,339</b>	<b>£242,384</b>	<b>-£7,955</b>
<b><u>Admin and Office Costs</u></b>				
<b>Total Budget</b>	<b>£60,050</b>	<b>£63,900</b>	<b>£70,200</b>	<b>£6,300</b>
<b><u>Elections</u></b>	<b>£0</b>	<b>£0</b>	<b>£8,000</b>	<b>£8,000</b>
<b><u>Recreation, Amenities &amp; Environment</u></b>				
<b>Total Budget</b>	<b>£153,100</b>	<b>£88,900</b>	<b>£118,300</b>	<b>£29,400</b>
<b><u>Art, Culture &amp; Tourism</u></b>				
<b>Total Budget</b>	<b>£0</b>	<b>£35,000</b>	<b>£55,300</b>	<b>£20,300</b>
<b><u>Collett Park</u></b>				
<b>Total Budget</b>	<b>£120,033</b>	<b>£125,250</b>	<b>£123,700</b>	<b>-£1,550</b>
<b><u>Policy and Resources</u></b>				
<b>Total Budget</b>	<b>£82,150</b>	<b>£72,300</b>	<b>£66,900</b>	<b>-£5,400</b>
<b>Total Expenditure Budget</b>	<b>£600,252</b>	<b>£635,689</b>	<b>£684,784</b>	
<b><u>Income</u></b>				
<b>Total Income</b>	<b>£20,000</b>	<b>£19,719</b>	<b>£9,369</b>	
<b>Net Expenditure</b>	<b>£580,252</b>	<b>£615,970</b>	<b>£675,415</b>	<b>£59,445</b>
<b>Precept</b>	<b>£580,252</b>	<b>£615,970</b>	<b>£675,415</b>	

### 3.0 General Reserves and Earmarked Funds

3.1 The Council in addition to the revenue income and expenditure budget has General Reserves and Earmarked Funds.

#### 3.2 General Reserves

General Reserves are to meet unexpected, unavoidable and emergency payments. The opening balance of its General Reserves on 1 April 2021 was **£296,090**. Following transfers to Earmarked Funds, the current balance is **£166,384** and this will increase if there are any underspends in the current year that have not been agreed to transfer to a specific Earmarked Fund. This amount is in line with regulations that state that a Council must hold between one quarter and one third of its precept in reserves at any one time. The current figure against this year's precept is **27%**.

### 3.3 Earmarked Funds

The current position of the Earmarked Funds (after in year adjustments) are as follows and total £644,072.32.

<b>Title</b>	<b>Balance</b>	<b>Projected Expenditure</b>
Local Projects Capital	£203,627	£115,500 (Market resurface)
Town Capital Replacement	£63,058	Committed to Signage & market resurface additional infrastructure
Skatepark	£7,370	Committed for repairs
Neighbourhood Plan	£7,643	Ongoing and being spent
Strawberry Line	£37,000	Committed
Professional fees & Elections	£11,966	Committed to elections 2022
Collett Park Feasibility Study	£12,675	For action in 2022
Wayfinding Signage	£73,558	Committed/ongoing and shared with Town Capital replacement
Collett Park New infrastructure	£30,000	Committed for repairs
Collett Park Capital Replacement	£44,000	For improvements etc
Library Support	£29,000	2 years' grant allocation (1 yr paid)
People & Promotion	£8,153	Committed
Collett Park Play Development	£108,155	Committed for play equipment
Twinning	£1,400	Twinning events
S106 monies	£6468	Allotment improvements
<b>Total</b>	<b>£644,072</b>	

### 4.0 The Precept

- 4.1 The current year's budget is **£615,970**. The staff have predicted a small underspend this year, however it is very difficult to state exactly what that will be, but any underspend is either accrued into the new year or placed in a relevant Earmarked Fund or put in the General Reserves. Officers will recommend at the next meeting where any underspends should be allocated.
- 4.2 The precept for the current year is also **£615,970**. This can be different to the budget of the council. This is the charge that is placed on tax payers to cover or contribute towards the council's budget.
- 4.3 The budget could be funded by the precept in its entirety, or the committee could choose to take some funds from General Reserves to fund the budget so that there is less of an increase, or no increase, on the precept.

### 5.0 Impact on Council Tax

- 5.1 The precept is paid by the council tax payers. The average number of properties that pay the council tax is known as the tax base and is confirmed as 3398.07. Mendip District Council provide this figure after considerable adjustments to the various bands and those on income support. This figure is used to calculate our precept and identify the increase between the different years. This figure has decreased by 14.92 for next year.

5.2 If this committee accepts the budget proposal and agrees that it should be funded by the precept the summary below shows the increase on the tax payer: an increase from £180.48 for the average Band D property, to £198.76, an increase of £18.29 a year to fund the additional £59,445.

	Agreed in 2019/20	Agreed in 2020/21	Agreed in 2021/22	<b>Proposal 2022/23</b>
<b>Precept /Proposed Precept</b>	<b>£452,765</b>	<b>£580,252</b>	<b>£615,970</b>	<b>£675,415</b>
Increase in £	<b>£14,464</b>	<b>£127,487</b>	<b>£35,718</b>	<b>£59,445</b>
Increase in %	<b>3.30%</b>	<b>28.10%</b>	<b>5.50%</b>	<b>9.65%</b>
Tax Base	<b>3366</b>	<b>3394</b>	<b>3413</b>	<b>3398.07</b>
Band D tax £ p/a	<b>£134.50</b>	<b>£170.96</b>	<b>180.48</b>	<b>198.76</b>
Increase in £ p/a	<b>£4.07</b>	<b>£36.46</b>	<b>£9.52</b>	<b>£18.29</b>
Increase in £ p/m	<b>£0.34</b>	<b>£3.04</b>	<b>£0.79</b>	<b>£1.52</b>

## 6.0 Conclusion

6.1 The Committee must now confirm the budget, agree the precept and take into account the impact this has on the tax payers who fund the precept.

## 7.0 Recommendations

7.1 For Councillors to consider the information contained in this report and make a recommendation to Full Council on the following:

- a. That the budget for 2022/23 is £675,415.
- b. That the precept for 2022/23 is also £675,415.