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Meeting: Full Council, Item TC8.18

Date: 11 January 2022

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Subject: Budget consideration for 2022/23

1.0 Purpose of report

- 1.1 To receive a recommendation from the Policy & Resources Committee, which met on 4 January 2022, to agree the budget and precept requirements for 2022/23. A budget proposal chart is attached at Appendix A.

2.0 Background information

- 2.1 A draft budget was presented to the Policy & Resources 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 must agree its budget and precept.
- 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
Staff Costs				
Salary Costs	£182,019	£247,939	£239,984	
Total Budget	£184,919	£250,339	£242,384	-£7,955
Admin and Office Costs				
Total Budget	£60,050	£63,900	£70,200	£6,300
Elections	£0	£0	£8,000	£8,000
Recreation, Amenities & Environment				
Total Budget	£153,100	£88,900	£118,300	£29,400
Art, Culture & Tourism				
Total Budget	£0	£35,000	£55,300	£20,300
Collett Park				
Total Budget	£120,033	£125,250	£123,700	-£1,550
Policy and Resources				
Total Budget	£82,150	£72,300	£66,900	-£5,400
Total Expenditure Budget	£600,252	£635,689	£684,784	
Income				
Total Income	£20,000	£19,719	£9,369	
Net Expenditure	£580,252	£615,970	£675,415	£59,445
Precept	£580,252	£615,970	£675,415	

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.

Title	Balance	Projected Expenditure
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
Total	£644,072	

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 Policy & Resources Committee recommend that the budget for next year should be funded by the council tax payers and not from any movements from General Reserves.

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 The budget proposal is as follows: 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	Proposal 2022/23
Precept /Proposed Precept	£452,765	£580,252	£615,970	£675,415
Increase in £	£14,464	£127,487	£35,718	£59,445
Increase in %	3.30%	28.10%	5.50%	9.65%
Tax Base	3366	3394	3413	3398.07
Band D tax £ p/a	£134.50	£170.96	180.48	198.76
Increase in £ p/a	£4.07	£36.46	£9.52	£18.29
Increase in £ p/m	£0.34	£3.04	£0.79	£1.52

6.0 Recommendations

- 6.1 For Councillors to agree the information contained in this report:
- That the budget for 2022/23 is £675,415;
 - That the precept for 2022/23 is also £675,415;
 - That delegated authority is given to the Responsible Financial Officer to inform Mendip District Council of the required precept for 2022/23.