BAGBY AND BALK PARISH COUNCIL

Budget Precept Report 2022/23

To be discussed at the Ordinary Parish Council 10/11/2021

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1. Purpose

1.1. The Parish Council is required to set out a budget and Precept for 2022/23, in accordance with the information set out by the Responsible Financial Officer [RFO].

2. Background Information

2.1. Bagby and Balk Parish Council agrees a budget annually for the next financial year and submits a Precept request to Hambleton District Council.

2.2. In accordance with section 25 of the Local Government Act 2003, this report provides members with information concerning the recommended budget and adequacy of balances and reserves, to meet the financial requirements of the next financial year.

2.3. Bagby and Balk Parish Council is required to set its Precept in accordance with statutory requirements. The report sets out implications of setting the Council's Precept for 2022/23 and the impact it will have on the Council's proportion of the Council Tax Bill. The recommendation of the RFO is to be ratified by full Council.

3. 2022/23 Proposed Budget

3.1. A draft budget has been prepared, see Appendix 1. The budget also provides comparative figures for the current financial year (2021/22) and also a projection for 2022/23 if the Parish Precept remains the same. It should be noted that the Infrastructure Levy has been separated out in the event of it not being spent in 2021/22. There is a 5-year time limit on spending this levy.

3.2. The key changes/issues proposed are as follows:

3.2.1. Expenditure – Salary & Expenses, the Clerk is now at the top of the salary scale so there is no requirement to put a provision in for moving up the salary scale. A 1% increase has been included as an estimate for a national incremental salary increase in April 2022.

3.2.2. Expenditure – General & Insurance, estimated increase of 5% included

3.2.3. YLCA – estimated increase 5% included

3.2.5 For budget purposes It has been assumed that all the CIL money will be spent in 2022/2023.

4. 2022/23 Precept Calculation

4.1. Each parish forecasts how much money it is going to need the following year. This is then divided by the number of properties in the parish that fall into Band D Council Tax bands. This figure is adjusted to take account of such things as exempt properties and planned new houses to get the precept each Council Tax payer in the parish will contribute.

4.2. It is estimated that there are approximately 252.06 Band D equivalent properties in Bagby and Balk and the current 2021/22 Precept is £7,000.

4.3. Table giving options for % increase in Parish Precept.

Options for Parish Precept % Increase for Bagby and Balk 2022/2023						
Precept 2019/20	**Options for % Increase**	**Options for Precept Increase**	**Potential New Precept**	**No of Band D equivalent properties In Bagby and Balk**	**Precept per household**	**Increase /Decrease Precept per household**
£	%	£	£	£	£	£
7,000	0%	0	7,000	252.0	27.8	-0.24
7,000	1%	70	7,070	252.0	28.0	-0.04
7,000	2%	140	7,140	252.0	28.3	0.26
7,000	3%	210	7,210	252.0	28.6	0.56
7,000	4%	280	7,280	252.0	28.9	0.86
7,000	5%	350	7,350	252.0	29.2	1.16

4.4 Table giving a comparison of Parish Precepts with similar Council Tax

Comparison between similar Parish Councils			
	Precept	**Council Tax Base**	**Precept per Band D Property**
	£	**£**	**£**
Bagby and Balk	7,000.00	252.06	27.80
Crakehall with Langthorne	10,000.00	284.06	35.21
Kirkby Fleetham with Fencotes	7,000.00	236.61	29.58
Morton on Swale	9,000.00	266.79	33.73

5. Balance & Reserves

5.1. Sections 32 and 43 of the Local Government Finance Act 1992 require local authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement. However, there is no specified minimum level of reserves that an authority should hold and it is the responsibility of the RFO to advise the Council about the level of reserves and to ensure that there are procedures for their establishment and use.

5.2. It is recommended that the current level of financial reserves is agreed as follows:

5.2.1. Ringfence a reserve of £3,000 for the set up of allotments

5.2.2 Ringfence a reserve of £4,180 for the provision of an additional VAS

6. Risk Assessment

6.1. The budget has been prepared in accordance with key principles of prudence and transparency, and the levels of balances, reserves and contingencies within the budget are adequate.

7. Recommendation

7.1. The Parish Council is asked to consider the issues raised above and to agree (or otherwise) its budget

7.2 The Parish Council is asked to agree a % increase for the Parish Precept for 2022/23 as proposed.

7.2. If the Parish Council is unwilling to approve the suggested budget, then it will need to agree both a revised figure for total expenditure and the corresponding changes required to individual budget headings.

Prepared by:

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