

2021/22 BUDGET – PRECEPT SETTING

This year the budgets are running fairly close to targets and currently the projection is of a slight underspend but that could change in the next few months but any change should be marginal. Any underspend or overspend in the budgets could be reflected by an increase or decrease in the Contingency Fund in the Earmarked Reserves which currently stands at £100000 or the transfer of any underspend to one or more of the other budget headings in the Earmarked Reserves.

This year the Council is in the unfortunate position of having a reduction in its Council Tax Base. TMBC have informed the Council that this is as a result of a combination of factors, firstly anticipated growth in last year's figure didn't materialise (most likely due to work stopping this year), secondly there is an anticipation of an increase in council tax benefits resulting from pandemic related lay-offs and thirdly there is an expected reduction on collection rates due to the economic fallout of the pandemic. The Council Tax Base has reduced from 4383.69 this year to 4304.64 for next year. Therefore, the impact of this decrease means that next year if the Council retained its current Council Tax (Band D) the Council's current precept of £257800 would reduce to £253155. This is a reduction in precept of £4645.. Applying the Council's policy of increasing the Council Tax by 2% the increase in the Council Tax (Band D) would take it from £58,81 to £59.98 and give a precept of £258200.

Next year's proposed budget sees a decrease in expenditure from £291100 to £289100 achieved by the deletion of the Environmental and General Maintenance Operative post and the taking up of his work by contractors together with a number of minor adjustments in various budget heads and a £500 reduction in the sum set aside for Special Projects reducing that to £32000. With income projected at £30900 a precept figure of £258200 has been achieved.

A copy of the proposed budget for 2021/22 and the current level of Earmarked Reserves are attached.

RECOMMEND to COUNCIL:

- (1) That consideration is given to the level of precept for 2020/21.
- (2) That the budgets as submitted to the committee be approved.