

WEST SWINDON PARISH COUNCIL

Setting the Precept 2023-24

- 1.1 The Finance & Staffing Committee has considered expenditure for 2023-24 and has reduced expenditure across budget lines where there is reasonable scope to do so.
- 1.2 The Committee is proposing two options for setting the precept for the next financial year based on the following assumptions:
- Reserves are set aside in the budget proposal as follows
Election Expenses £7,500
Mowing fleet £20,000
Vehicles £30,000
 - No reserves are allocated for allotment development or backlands however development projects may take place using earmarked reserves
 - Grant funding to the West Swindon Library is reduced by 50% to £14,000
 - Youth funding is reduced by 50% to £5,000
 - Grants to local organisations is reduced by 33% to £10,000
 - There is very limited scope in the existing budget to fund new projects outside of grants budgets

Option 1

A precept total of **£945,405** representing an increase of **2%** on the previous year's Precept budget and an increase of 2.2% on the precept amount for **Band D**

Option 2

A precept total of **£954,674** representing an increase of 3% on the previous year's Precept budget and an increase of 3% on the precept amount for **Band D**

Precept Requested 2022/23	£926,868.00	
Tax Base	8,852.70	
Precept for Band D Property	£104.70	
Options	Option 1 (2%)	Option 2 (3%)
Precept Requested 2023/24	£945,405	£954,674
Tax Base	8862	8862
Precept for Band D Property	£107	£108
Increase on Band D	£2.30 (2.2% increase)	£3.30 (3% increase)

1.3 A summary of budget allocations for expenditure planned for 2023-24 is set out below:

Expenditure Headings	Budget 2022-23	Budget Proposed 2023-24
ADMINISTRATION	£27,575	£27,973
DELIVERY COSTS	£255,200	£244,400
ELECTION EXPENSES	£7,500	£7,500
ALLOTMENTS	£10,000	£1,000
GRANTS & COMMUNITY	£54,707	£29,000
PARISH IMPROVEMENTS	£11,250	£11,655
LEGAL & INSURANCE FEES	£21,500	£32,500
OPEN SPACES	£15,000	£5,000
PLAY AREAS	£98,500	£93,800
STAFFING	£485,179	£534,400
VOLUNTEER RELATED	£9,015	£7,800
TOTAL	£995,426	£995,028

In planning for 2023-24, the Finance & Staffing Committee is mindful that the national pay award for the public sector has not been finalised for the next financial year and therefore staffing costs have been based on a 4% increase in total costs to the employer. From the pay award for 2022-23, total staffing costs increased by 11.6% on the existing payroll c. £50,000.

1.4 Income: The income of the Parish Council for 2023-24 is set as follows:

	2022-23	2023-24 (1)	2023-24 (2)
Precept	£926,868.00	£945,405.00	£954,674.00
Bank Interest Received	£962.00	£1000.00	£1000.00
C/Tax Support Grant	£22,053.00	£22,053.00	£22,053.00
Community Infrastructure Levy	£10,208.00	tbc	Tbc
Blagrove-Frankland Road	£560.00	£800.00	£800.00
Grounds maintenance Income	£18,174.00	£16,000.00	£16,000.00
External grants	£22,000.00		
	£1001,038	£985,758.00	£995,027.00

1.5 The budget for 2022-23 was a deficit budget proposing £40,325 more expenditure than expected budget income for the year. In reality, increased contributions from grounds maintenance income assisted with the shortfall. It is likely that expenditure at March 2023 will be close to matching income or may result in a small overspend. The Finance & Staffing Committee acknowledges that there is reasonable financial uncertainty across costs relating to staffing, materials, fuel and energy bills. As a result it is proposing Options 1 and 2 for consideration. Option 1 is a deficit budget that will rely on an underspend or otherwise accept an overspend. Option 2 proposes expenditure in line with income.

1.6 Reserves:

In context of the overall financial picture, West Swindon Parish Council had overall reserves at £762,250 at the end of the last financial year. Of these there are earmarked reserves for future projects which total £187,500. Detail of reserves are set out in **Appendix A**.

The Parish Council has no significant or guaranteed income source. Reserves have been derived from set up grants from Swindon Borough Council and underspend in the first three years. This source of funding is unlikely to be repeated. Therefore Reserves need to be considered across long term needs of the Parish Council.

The Parish Council should retain 4-6 months operating costs at all times. These are costs which are estimated at £500,000 as a minimum reserve. Future reserve expenditure may relate to future premises.

2. Other Financial Considerations

2.1 The Finance & Staffing Committee is aware that households are facing financial pressures and has been careful to reduce budget allocations where possible. In comparison to other Parish Councils, West Swindon operates with a small workforce. Despite this, the greatest pressure on the Parish budget is staffing which in 2022-23 represents 52% of the total precept. As a result, if the Parish Precept increases by 3% on an annual basis and all other costs remain the same, the overall income will not be sufficient. For example, if the Parish Council expects total costs to the employer to grow by 4% annually, this is shown below:

	23-24	24-25	25-26
Total			
Costs:	£524,200	£570,168	£617,975
<i>Total</i>			
<i>increase</i>		<i>£45,968</i>	<i>£47,807</i>

A 4% increase in total staffing costs is the same amount as that generated in income by a 5% increase in the Precept, rising on annual basis. The Parish Council will need to consider the impact of budget setting in the short and immediate term, and, the implications of this on potential significant shortfalls for future years. Neither Option 1 or Option 2 are budgets that are preparing to offset the impact of future increases in total staffing costs by creating earmarked reserves for staffing.

3. Recommendation:

- 3.1 That Council considers the information and Options proposed by the Finance & Staffing Committee.
- 3.2 That Council sets a Precept increase at this meeting and authorises the Parish Manager and the Chair of the Parish Council to submit a Precept Demand to Swindon Borough Council for 2023-24 with the amount detailed in the Minutes.

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