

Hetton Town Council

Finance & Resources Committee -21 January 2021

Item 6: Precept and budget for 2021 - 2022

Report of: G Keedy, Town Clerk

To comply with the January 2021 deadline set by Sunderland City Council (the Council Tax administering Authority), the Town Council is now required to agree, set and request the precept for the financial year 2021-2022.

Background

Monthly, detailed financial reports have been tabled at each meeting of Full Council throughout 20-21 showing income, expenditure and bank account balances to provide Members with an ongoing and up to date awareness of the Council's financial position.

The attached Appendix includes details of actual expenditure (as at 9 months into 20-21 financial year) combined with a forecast to year end, based upon projections as far as practicable. The figures indicated may change, including final bank balances.

2020-2021 position

Savings arising from efficiency measures have continued, notably around reduced costs associated with printing and postage; and savings have been made through a change in mobile phone tariff.

The VAT claim for 19-20 has recently been submitted and this is expected to deliver a credit of £3591.53.

As Council approaches year end, Q4 outstanding payments to note include:

Payment to Balfour Beatty for illumination of Christmas trees amounting to £3540.09.

Payment to Sunderland City Council for supply and installation of 3 x Christmas trees amounting to £3900.00

Additionally, subject to recommendation of this meeting:

A payment to Town Clerk for additional hours worked amounting to £983.98 (plus on-costs).

The purchase of a laptop to replace existing desk top computer circa £500.00.

2021-2022 draft budget

The draft budget (based upon an illustrative 0% increase in precept) proposes similar levels of routine expenditure eg. Day to day administration and takes into account anticipated increases from suppliers.

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Of specific note are:

Costs for known by-elections at an estimate of £9000.00 (figure from SCC) and the need for contingency funding for others which may arise.

The maintenance of the previously agreed ceiling of up to an additional 5.00 hrs / week to Town Clerk contractual hours; and provision for any national pay award for 2021-2022 of an increase of up to 10%.

Essential redevelopment of the Council's website at an estimate of £1000.00.

Members will be aware that Management & Policy Committee continues to identify community priorities and these are likely to require capital expenditure. It has not been possible to identify specific costs at this stage and allocated amounts are therefore unable to be included in the budget.

Precept options and illustrations

Current Band D	14.46
Current Budget	67,776
Council Tax Base	3,803

% Increase	Precept	Council Tax		Total Budget t	Increase in Budget from last year
		Income £	Grant £		
0%	14.46	54,991	11,845	66,836	-940
1%	14.60	55,524	11,845	67,369	-407
2%	14.75	56,094	11,845	67,939	163
3%	14.89	56,627	11,845	68,472	696
4%	15.04	57,197	11,845	69,042	1,266
5%	15.18	57,730	11,845	69,575	1,799
6%	15.33	58,300	11,845	70,145	2,369
7%	15.47	58,832	11,845	70,677	2,901
8%	15.62	59,403	11,845	71,248	3,472
9%	15.76	59,935	11,845	71,780	4,004
10%	15.91	60,506	11,845	72,351	4,575

Implication to Council Tax payers on increases for 2021/22 compared to 2020/21 levels

	1%		2%		3%		4%		5%	
	£	Increase £								
Band A	9.73	0.09	9.83	0.19	9.93	0.29	10.03	0.39	10.12	0.48
Band B	11.36	0.11	11.47	0.22	11.58	0.33	11.70	0.45	11.81	0.56
Band C	12.98	0.13	13.11	0.26	13.24	0.39	13.37	0.52	13.49	0.64
Band D	14.60	0.14	14.75	0.29	14.89	0.43	15.04	0.58	15.18	0.72
Band E	17.84	0.17	18.03	0.36	18.20	0.53	18.38	0.71	18.55	0.88
Band F	21.09	0.20	21.31	0.42	21.51	0.62	21.72	0.83	21.93	1.04
Band G	24.33	0.23	24.58	0.48	24.82	0.72	25.07	0.97	25.30	1.20
Band H	29.20	0.28	29.50	0.58	29.78	0.86	30.08	1.16	30.36	1.44

Committee is asked to:

Consider and recommend a level at which to set the precept for 21-22;

Note the 2020 -2021 budget position;

and

Approve the draft budget for 2021-2022