



## Budget and Precept Report – January 2024

### Background

Town/Parish Councils have a statutory duty to prepare an annual budget.

The budget process:

- Results in the council setting the precept for the following financial year
- Enables progress monitoring during the year by comparing actual spending against planned spending.

The precept requirement must be advised to Leeds City Council Council no later than 2<sup>nd</sup> February 2024.

A draft budget was considered by the Finance and General Purposes Committee on 11<sup>th</sup> January 2024 and the Committee's recommendation is provided on the separate worksheet.

The draft budget has the following:

1. Budget heading
2. Budget set for 2022/2023
3. Actual expenditure for 2022/2023
4. Budget set for 2023/2024
5. Current expenditure for 2023/2024
6. Expected year end expenditure for 2023/2024
7. Proposed budget to consider for 2024/2025
8. Notes for proposed budget

### Reserves

The council must review its level of reserves (Designated Funds) as, whilst there are no statutory levels only guidance, significant levels may give rise to comment by the auditor.

The purpose of the reserve funds:

- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary borrowing
- A contingency to cushion the impact of unexpected events and emergencies

The guidelines are as follows:

**General Reserves** – These are funds which do not have any restrictions as to their use. These reserves can be used to smooth the impact of uneven cash flows, offset the budget requirement if necessary or can be held in case of unexpected events or emergencies

**Designated Funds** – Money is allocated for a specific purpose but may not be spent in that financial year.

**Restricted Funds** – Monies or grants allocated for a specific project only that must not be used for any other purpose.

## What the council needs to do

- Consider what services it wishes to provide and how these will be funded through the budget.
- Review/resolve to approve the councils reserves and how these are allocated.
- Approve the final budget for the next financial year 2024/2025 at the full council meeting.
- Set the precept at the January meeting. Please find precept information from previous years below to give you an idea ahead of discussing the draft budget.

## Precept information for previous years and calculations for 2024/2025

1. The precept is calculated by multiplying the Indicative Tax Base (which varies from year to year) by the proposed Band D household charge.
2. Leeds City Council also passes on a lump sum of money from Central Government (the Local Council Tax Support scheme).
3. These 2 sums are added together and the precept element is collected from local households by LCC on the Town Council's behalf.
4. Please see the details below for previous years:

Year	Budget	Precept	Taxbase	Band D charge	Increase in Band D from previous year		CTSG	Total Precept & CTSG	Difference between budget & total precept & CTSG
					Amount £	% increase			
2016-17	139,230	109,550	7,015.5	15.62	0.00	0.0%	5,937	<b>115,487</b>	<b>23,743</b>
2017-18	129,872	109,950	7,077.6	15.53	-0.09	-0.6%	5,308	<b>115,258</b>	<b>14,614</b>
2018-19	116,550	114,710	7,239.2	15.85	0.32	2.1%	4,958	<b>119,668</b>	<b>-3,118</b>
2019-20	134,661	119,800	7,203.3	16.63	0.78	4.9%	4,576	<b>124,376</b>	<b>10,285</b>
2020-21	163,021	125,300	7,388.6	16.96	0.33	2.0%	4,649	<b>129,949</b>	<b>33,072</b>
2021-22	152,652	124,201	7,323.8	16.96	0.00	0.0%	4,882	<b>129,083</b>	<b>23,569</b>
2022-23	178,272	126,019	7,431.0	16.96	0.00	0.0%	4,676	<b>130,695</b>	<b>47,577</b>
2023-24	175,674	126,035	7,431.3	16.96	0.00	0.0%	4,927	<b>130,962</b>	<b>44,712</b>

5. In 2024/2025 the Indicative Tax Base is 7494.9 and the LCTS grant is £5174.