



## Budget and Precept Report – January 2025

### 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 31<sup>st</sup> January 2025.

A draft budget was considered by the Finance and General Purposes Committee on 16<sup>th</sup> January 2025 and the Committee's recommendation is provided on the separate worksheet.

The draft budget has the following:

1. Budget heading
2. Budget set for 2023/2024
3. Actual expenditure for 2023/2024
4. Budget set for 2024/2025
5. Current expenditure for 2024/2025
6. Expected year end expenditure for 2024/2025
7. Proposed budget to consider for 2025/2026
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 2025/2026

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:

### Budget & Precept/CTSG History

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			
2011-12	138,850	102,000						102,000	36,850
2012-13	129,210	104,000						104,000	25,210
2013-14	134,410	114,000					8,698	122,698	11,712
2014-15	131,270	104,000					7,748	111,748	19,522
2015-16	122,340	104,000	6,658.0	15.62			6,524	110,524	11,816
2016-17	139,230	109,550	7,015.5	15.62	0.00	0.0%	5,937	115,487	23,743
2017-18	129,872	109,950	7,077.6	15.53	-0.09	-0.6%	5,308	115,258	14,614
2018-19	116,550	114,710	7,239.2	15.85	0.32	2.1%	4,958	119,668	-3,118
2019-20	134,661	119,800	7,203.3	16.63	0.78	4.9%	4,576	124,376	10,285
2020-21	163,021	125,300	7,388.6	16.96	0.33	2.0%	4,649	129,949	33,072
2021-22	152,652	124,201	7,323.8	16.96	0.00	0.0%	4,882	129,083	23,569
2022-23	178,272	126,019	7,431.0	16.96	0.00	0.0%	4,676	130,695	47,577
2023-24	175,674	126,035	7,431.3	16.96	0.00	0.0%	4,927	130,962	44,712
2024-25	201,639	144,900	7,494.9	19.33	2.37	14.0%	5,174	150,074	51,565

5. In 2024/2025 the Indicative Tax Base is 7543.0 and the LCTS grant is £5249.