

PRECEPT 2015/16

SUPPORTING NOTES

Parish and Town Councils raise the money to meet these expenses by Precept (a mandatory demand) on the Local Authority. The Precept covers the Town Council's needs for the ensuing year.

As a result of the Local Government Finance Act 2012, changes to Council Tax Support affected the Council Tax base and to compensate councils for the resultant decrease in tax base a supplementary grant (Local Parish Council Tax Support Funding) is allocated by the Local Authority to be paid through the business rates retention system.

The Revenue/Capital Budget is a statement setting out item by item the purposes on which the Town Council intends money to be spent during the financial year. It also itemises the income likely to arise from facilities provided. In fixing a Precept a budget is prepared for each Committee.

The Committee budgets are presented to show:

- Budget for the current financial year (2014/15)
- Expected actual expenditure for the current financial year (2014/15)
- Budget expenditure for the next financial year (2015/16)

The difference between total estimated expenditure and income is the total net expenditure **but**, before demanding the amount of Precept, the amount is adjusted to take into account the outcome of the current year's accounts (carried forward figures). If the indications are that the current budget will be underspent the amount of the Precept should be reduced, if overspent the amount of the Precept should be increased.

Councils should have a "Working Balance" (the General Fund) which should be reconsidered during the budget process and may be adjusted via the Precept. Audit Commission recommendation is that this should be between 25% and 100% of projected annual expenditure.

Budget and Precept figures for the Financial Year 2014/15:

	Budget	Precept
Full Council	34,700.00	34,345.00
F&GP	264,185.00	244,350.00
Environment	46,150.00	45,480.00
Leisure	57,150.00	36,165.00
Personnel	2,500.00	2,070.00
Income	(36,200.00)	(36,200.00)
Total	368,485.00	326,300.00
Grant	Local Council Tax Support	(73,610.00)
Net		252,690.00

- The difference between Budget and Precept was intended to reduce General Fund balance within Audit guidelines that state a minimum of 3 months projected revenue income/expenditure, a maximum of 12 months projected revenue income/expenditure
- The number of Band D Equivalent properties in Madeley Parish was 3,659.3 (Council Tax base 2014)
The annual Parish rate, thereby, was £69.05p.

Budget and Precept figures for the Financial Year 2015/16

- Year end projections are based on the Financial Summary and Financial Comparison Report to December 2014 and includes committed expenditure
- Committee budgets have been reviewed by current budget headings and adjusted to take into account carry forward balances
- The provisions for forecast expenditure proposals are based on the Town Strategy and Action Plan Reviews
- The provision for inflation on Revenue Expenditure 2015/16 is based on National Statistics Office reports

Salary	2.2%
General (Inflation)	1.475% (average)
Utilities	0.0%
Income	0.0%
NNDRates	4.67%

Inflation

CPI for November 2014 is 1.0%

**PRECEPT
2015/16**

BUDGET SUMMARY

The provisional estimates presented indicate a budget requirement to meet approved spending plans and capacity to respond to demands, a realistic assumption of income generated, and a Precept that gives a 1.40% increase over the previous year.

- The revised Budget and Precept figures for the Financial Year 2015/16 are:

	Budget	Precept
Council	38,890.00	26,715.00
Environment	48,690.00	46,305.00
F&GP	276,390.00	250,225.00
Leisure & Community	59,350.00	37,045.00
Personnel	1,750.00	(450.00)
Income	(38,690.00)	(37,405.00)
Total	386,380.00	322,435.00
Grant	Local Council Tax Support	(62,945.00)
Net		259,490.00

- The estimated number of Band D Equivalent properties in Madeley Parish is 3,705.8 (Council Tax base 2015)
The suggested Precept would give a Town Rate of £70.02p per annum for Band D equivalent properties (1.4%)

Band	A	B	C	D	E	F	G	H
	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9
2010/11	44.32	51.71	59.09	66.48	81.25	96.03	110.80	132.96
2011/12	44.24	51.62	58.99	66.37	81.11	95.86	110.61	132.73
2012/13	44.24	51.62	58.99	66.37	81.11	95.86	110.61	132.73
2013/14	45.13	52.66	60.18	67.70	82.74	97.79	112.83	134.40
2014/15	46.03	53.70	61.38	69.05	84.39	99.74	115.08	138.10
2015/16	46.68	54.46	62.24	70.02	85.58	101.14	116.70	140.04

Budget

See attached spreadsheets

In making estimates, a minor local authority will look at current year figures:

- to identify activities that are carried out this year and need to be budgeted for again
- to identify what has happened in the current year that will not happen again
- to identify items that are not in the current year and need to be added

This is described as 'incremental budgeting' as it builds on decisions the Council has taken.

The preparation of Budget/Precept has evolved during the year. The Strategy Review carried out in 2013 has informed the forward Action Plans of all Committees for 2015/16 - a plan of how the Town Council intends to use its financial resources - and provides the basis for the revenue and capital financial assessment.

Revenue costs have been examined to identify savings, Committees have reviewed discretionary budgets, and, following recommendation, use of Reserves has been allocated.

JMM

07.01.2015