
Report To:	Full Council	Date:	27 January 2025
Contact Officer:	Paula Harrison		
Subject:	West Swindon Precept 2025/26		

1. Introduction

- 1.1 Parish Council funding is raised through the Precept. Each year, the Parish Council's precept is approved and agreed through a process of setting a budget which forecasts the expected expenditure and income for the next financial year. The Precept is collected by Swindon Borough Council on behalf of the Parish Council through Council Tax and passed to the Parish Council in two deposits at six monthly intervals.

2. Background Information

- 2.1 The Local Government Act 2003, Part 2, Sections 25 and 26 requires the Council to set a balanced budget and to comply with all statutory requirements contained therein.
- 2.2 Under clause 25 (1), it holds that the Responsible Finance Officer must report on the robustness of the estimates made for the purposes of the calculations and on the adequacy of the proposed financial reserves. The Parish Council is subject to an External Audit each year which will review and query changes in expenditure between financial years.
- 2.3 Councillors must consider the information in this report when making decisions on the budget and then setting of the 2025/26 precept. The Precept amount must be reasonable and must enable the achievement of the Council's objectives and service level responsibilities, maintaining an appropriate level of reserves to secure and provide for the future.
- 2.4 West Swindon Parish Council's expenditure is funded primarily through the annual Parish Precept and its associated reserves. Minor income is sourced from grants and grounds maintenance services.
- 2.6 West Swindon Parish Council does not currently have any loans however it is a likely consideration for the future. Parish Council borrowing is mostly undertaken through applications to the Government's Public Works Loan Board.
- 2.7 In regard to setting a budget, the following extract from the Local Government Act 1972 Section 151 applies "every local authority shall make arrangements for the proper administration of their financial affairs"
- 2.8 The Parish Council, in setting its precept, must as far as possible take into

account the following expenditure;

- Next year's expenditure, including an allowance for contingencies and any changes to service provision;
- Outstanding or committed expenditure incurred in the previous financial year;
- Payments to or from financial reserves (*Local Government Act 1992 Section 49A*)
- Repayments on an existing or future loan
- Impact of expected changes to service provision on the budget

2.9 The Precept formula is based on a figure from Swindon Borough Council confirming the Council Tax Base. West Swindon Parish Council has now been formally notified of the Council Tax Base for 2025/26, this is the equivalent number of Band D properties within the Parish and is a standard calculation provided by the Borough Council. A copy of the communication appears as **Appendix A**.

2.10 For 2025/26 the Council Tax Base figure will be **8,799.9** compared with 8,820.6 for 2024/25, a decrease of -0.2%. The change reflects the impact of changes in growth assumptions, the number of households receiving single person's discount and/or other discounts and exemptions.

3. Current Financial Position

3.1 West Swindon Parish Council prepared a budget for 2024/25 that would cover known costs and build reserves to fund replacement vehicles and machinery over the next five years. At the end of Quarter 3, the budget was on track with 70% expenditure to date. The forecast outturn for this year is that the budget will end the financial year with the majority of cost centres spending as planned but with an underspend on staff costs c. £50,000 due to extended vacancies within the team.

3.2 The Parish Council has earmarked reserves to build funds for the future. A statement on reserves is attached as **Appendix B**.

4. Financial Pressures

4.1 Most businesses are facing challenging times to increased costs across many aspects of the business in order to standstill. West Swindon Parish Council is determined to maintain and improve on the range and standard of services that it delivers across the Parish. In order to this, a precept increase of **13.44%** is proposed.

4.1 The primary pressure on the Parish Council relates to premises. In 2026/27, the lease for the Parish Council's office and depot will end and a new arrangement begin. It is likely that due to changes in the market, any ongoing rental of suitable premises will be at a 30-40% higher rate than the existing lease. Over the coming months, the Parish Council will finalise its arrangement and budgets will need to accommodate the change.

4.2 The Parish Council is undergoing a dialogue with Swindon Borough Council on the potential transfer of community assets. Any additional assets

transferring to the Parish Council will be expected to incur financial liabilities including legal fees, rates, insurance, utilities, repair contingency and staffing. The Parish Council is proposing to earmark **£50,000** to *Building Reserves* for this purpose.

4.3 The highest percentage of the Parish Council's budget is on *Staffing*. Annual pay awards are set nationally. The Parish Council is budgeting for a 3% pay increase across all staff, however it is not yet confirmed what the pay award for 2025/26 will be. In line with most businesses, changes to the National Insurance contributions will increase overall staffing costs. The Parish Council has also undertaken an independent staffing review and will be implementing recommendations from that review which have been included within the 2025/26 staffing budget. To deliver the above, the overall percentage of the budget on staffing remains the same as previous year but is proposed to increase by **£80,000** (13.78%)

4.4 In 2025/26, the Parish Council will be introducing a new service to address the long standing problem of weeds rooted in the gullies and roadside kerb lines. Whilst this is the responsibility of Swindon Borough Council, West Swindon Parish Council is budgeting for the option to take action. The proposal is to work with a contractor to remove weeds using an HGV road sweeper on all residential routes in West Swindon. The Parish Council will also seek to improve the issue of weeds in pavement kerb lines. A new budget of **£24,000** has been created within *Parish Improvements* for this purpose.

5. Precept Proposal 2025/26

5.1 West Swindon Parish Council must set its precept by 30th January 2025 in order for Swindon Borough Council to include the information in the annual Council tax bills. The proposed precept is detailed as a **13.44%** increase as follows:

Precept 2024/25	£1,145,463	Precept Requested 2025/26	£1,299,395
Tax Base	8820	Tax Base	8,799.9
Precept for Band D Property	£129.86	Precept for Band D Property	£147.66

The change in precept for a **Band D property** is an annual increase of **£17.80** or the equivalent of 13.7% on that band.

Detail of the expenditure is set out in **Table 1** with the percentage difference between the two years.

Table 1. EXPENDITURE	2024/25		2025/26	% Difference
ADMINISTRATION	£29,325.00		£29,377.00	0.18
BUILDING RESERVES	£0.00		£50,000.00	
DELIVERY COSTS	£316,763.00		£263,425.00	-16.84
ELECTION EXPENSES	£7,000.00		£7,000.00	0.00
GRANTS & COMMUNITY	£32,550.00		£35,750.00	9.83
LEGAL & INSURANCE FEES	£34,200.00		£34,200.00	0.00
PARISH IMPROVEMENTS	£19,300.00		£52,500.00	172.02
PLAY AREAS	£94,700.00		£126,700.00	33.79
STAFFING	£631,475.00		£718,468.00	13.78
	£1,165,313.00		£1,317,420.00	13.05
Precept	£1,145,463.00		£1,299,395.00	13.44

5.2 As detailed in Table 1. the Council has endeavoured to minimise increases across all budget lines. As the Parish Council's play stock ages, play repairs and refurbishment costs increase. The play budget has been extended to accommodate a planned refurbishment of Shaw Ridge play area.

5.3 Percentage increases compared to the current 2024/25 budget are detailed below in Table 2.

Table 2. EXPENDITURE	2024/25	% Budget	2025/26	% Budget
ADMINISTRATION	£29,325.00	2.5	£29,377.00	2.2
BUILDING RESERVES	£0.00	0.0	£50,000.00	3.8
DELIVERY COSTS	£316,763.00	27.2	£263,425.00	20.0
ELECTION EXPENSES	£7,000.00	0.6	£7,000.00	0.5
GRANTS & COMMUNITY	£32,550.00	2.8	£35,750.00	2.7
LEGAL & INSURANCE FEES	£34,200.00	2.9	£34,200.00	2.6
PARISH IMPROVEMENTS	£19,300.00	1.7	£52,500.00	4.0
PLAY AREAS	£94,700.00	8.1	£126,700.00	9.6
STAFFING	£631,475.00	54.2	£718,468.00	54.5
	£1,165,313.00	100.0	£1,317,420.00	100.0

6. Summary

6.1 The Parish Council has delivered a consistent standard of service across the Parish during the current financial year, including improving village centre planting and adding art pieces across the Parish. For 2025/26 it is proposing to build on its current performance and implement a new service for weed removal. The Council will continue to improve and maintain its 21 play areas, add murals to subways, service over 200 roadside bins, and continue to provide a responsive and reliable service to its residents. Most

importantly, the Parish Council will budget for the long term future taking into account premises, community buildings and planned vehicle and machinery replacement. The budget has prepared to successfully deliver these commitments.

7. Recommendations

7.1 That the draft budget for 2025/26 as detailed in this report is approved.

7.2 That the Precept Demand for 2025/26 of **£1,299,395.00** is approved and the Parish Manager instructed to submit the demand to Swindon Borough Council.

Appendix B

Statement of Reserves.

The Council has a Reserves Policy that sets out to maintain its general reserves and earmarked reserves as per the Sector Guidance below –

“The generally accepted recommendation with regard to the appropriate minimum level of a Smaller Authority’s General Reserve is that this should be maintained at between three and twelve months Net Revenue Expenditure (NRE). NRE (subject to any planned surplus or deficit) is effectively Precept less any Loan Repayment and/or amounts included in Precept for Capital Projects and transfers to Earmarked Reserves. The reason for the wide range is to cater for the large variation in sizes of individual authorities.

The smaller the authority the closer the figure should be to 12 months NRE, the larger the authority the nearer to 3 months. In practice, any authority with an NRE in excess of £200,000 should plan on 3 months equivalent General Reserve. In all of this it is important that each authority adopt, as a General Reserve policy, the level appropriate to their size and situation and plan their Budget so as to ensure that the adopted level is maintained. Changes in activity levels/range of services provided will inevitably lead to changes in the requisite minimum level of General Reserve in order to provide working capital for those activities”

The General Reserves for West Swindon Parish Council at December 2024 represent approximately six months net revenue expenditure. It is also anticipated that decision making regarding future premises for the Parish Council’s office and depot will require a significant capital outlay that will require depth within the reserves to facilitate.

West Swindon Parish Council

Account	Opening Balance	Net Transfers	Notes Est. Closing Balance March 2025
General Reserves 31.03.24	£647,016.90		
Earmarked Reserves 31.03.24	£254,571.55		£320,929.33
EMR Detail			
320 EMR - Backland Projects	£54,000.00		£54,000.00
321 EMR - Election Expenses	£9,415.90		£16,415.90 Reserves building
322 EMR - Youth Development	£16,000.00		£21,000.00 less expenditure for the year
323 EMR - Allotment Development	£23,000.00		£23,000.00
324 EMR - Building Projects Fund	£35,000.00		£35,000.00 Reserves holding
325 EMR - Mowing Fleet	£10,000.00		£52,528.00 Reserves building
326 EMR - Vehicles	£53,400.00		£53,400.00 Reserves building
327 EMR - CIL	£21,790.65		£21,790.65
328 EMR - Play Renewal/Maintenance	£31,965.00		£31,965.00 less expenditure for the year
329 EMR - Volunteer Reward Grant	<u>£0.00</u>	<u>£11,829.78</u>	<u>£11,829.78</u> less expenditure for the year
	£254,571.55	£11,829.78	£320,929.33