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Report To: F&S & Full Council

Date: 22 January 2024

Contact Officer: Paula Harrison

Subject: Precept Setting Report

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## 1. Background

- 1.1 Since 2017, West Swindon Parish Council has delivered play, grounds and cleansing services across the Parish. Councillors have set their annual budget based on previous expenditure, planned projects and building reserves for future expenditure. West Swindon Parish Council has limited income generation and as a result relies primarily on the Precept for funding. The Precept is an amount that resident households within the Parish pay for their Parish Council services as part of their Council Tax bill.
- 1.2 The tax base for West Swindon Parish reduced by 0.5% this year which reflects the impact of changes in growth assumptions, the number of households receiving single persons discount and/or other discounts and exemptions. It means that there are slightly fewer households to distribute the precept across.
- 1.3 Many Parishes benefit from increases to their income from contributions from housing developments. As an established and built up area, West Swindon has infrequent and low level income from developer contributions. The Parish Council has added income from scrap metal recycling, grounds maintenance services and roundabout advertising. This is around £18,000 per annum.
- 1.4 The Parish includes 21 play sites comprising around 25 play areas and over 240 pieces of equipment. These require regular inspection, maintenance and replacement. We maintain 69 km of hedges, 67 m<sup>2</sup> of shrub bed and 991,000 m<sup>2</sup> of grass. It requires a team of staff, a range of vehicles, machinery and tools to manage the mix of verges, parkland and residential open spaces.
- 1.5 As the fourth largest Parish, West Swindon Parish ranked as the eleventh lowest Precept out of sixteen Parishes in terms of the Band D average as at 2023-24 – see **Appendix A**.
- 1.6 The Parish Council maintains financial reserves to ensure there is stability within the business and to enable planned expenditure in future years. With limited income, the Parish Council will add to its reserves through planned budget allocations and any budget underspends. The reserves expected at the end of March 2024 are as follows

<i>Election Expenses</i>	£23,916
<i>Backland Projects</i>	£51,500
<i>Youth Development</i>	£26,000
<i>Allotment Development</i>	£20,600
<i>Building Fund</i>	£35,000
<i>Mowing Fleet</i>	£48,028
<i>Vehicles</i>	£30,000
<b>Earmarked reserves</b>	<b>£235,044</b>
<b>General reserves</b>	<b>£560,599</b>

1.7 It is recommended that the Parish Council holds six months running costs as a minimum reserve. The Parish Council holds its reserves in a number of savings accounts and the Acorn Community Bank.

## **2. Financial Pressures**

2.1 Over the last two years, similar to all small businesses, the Parish Council has experienced significant increases in day to day running costs across the business particularly fuel (doubly impacted by Government changes to red diesel subsidy), machinery, consumables and play parts. The budget planning for running costs needs to increase in line with national picture.

2.2 Looking ahead the Parish Council has a number of financial agreements that are set to expire and the future costs of these are not finalised. As a result, it would be sensible to set funding aside in the next two to three years with a view to factoring in potential increased costs. This includes an extension to its leased premises, new vehicle lease agreements and/or purchase of vehicles and ongoing replacement of mowing machinery. The combined costings alongside overall increases to wider running costs amount to a budget increase of 20%.

2.3 Staffing costs which represent over 50% of the overall budget, increased in line with national pay awards by 11.6% in 2022-23 and a further 7% in 2023-24. In previous financial years, the Parish Council has underbudgeted staff costs, however, it has held staff vacancies or had unforeseen reductions in expenditure that have mitigated against an overall budget overspend. In order to have a budget set for full cost recovery, the budget for staffing is increasing by 15.4% in 2024-25.

## **3. Budget Proposal**

3.1 West Swindon Parish Council must set its precept by the end of January 2024 in order for Swindon Borough Council to include the information in the annual Council tax bills. The proposed precept is detailed as follows:

Precept Requested 2023/24	<b>£954,674.00</b>	Precept Requested 2024/25	<b>£1,145,463</b>
Tax Base	8862	Tax Base	<b>8820</b>
Precept for Band D Property	£107.73	Precept for Band D Property	<b>£129.87</b>

- 3.2 The precept of £1,145,463 gives a Band D charge of £129.87. This represents an increase of £22.14 for a Band D property in 2024-25, the equivalent of £1.84 extra per month and an annual percentage increase of 20%.

BUDGET	2023-24	2024-25	% Difference
ADMINISTRATION	£37,173.00	£30,775.00	-17.21%
DELIVERY COSTS	£262,400.00	£330,262.78	25.9%
ELECTION EXPENSES	£7,500.00	£7,000.00	-6.7%
GRANTS & COMMUNITY	£29,300.00	£31,100.00	6.1%
LEGAL & INSURANCE FEES	£32,000.00	£34,200.00	6.9%
PARISH IMPROVEMENTS	£14,655.00	£17,800.00	21.5%
PLAY AREAS	£82,800.00	£82,700.00	-0.12%
STAFFING	£534,200.00	£631,475.10	18.21%
	<b>£1,000,028.00</b>	<b>£1,165,312.88</b>	

- 3.3 As the table above illustrates, the Parish Council has endeavoured to reduce budgets where it is practical to do so. In order to maintain its services, it cannot escape the impact of externally determined price/cost increases.
- 3.4 It is likely that the majority of Parish Council's will be increasing the Parish precept this year. If the Band D equivalent for 2024/25 of £129.87 were ranked in the table for the previous year shown in **Appendix A**, it would rank the midway as the 8<sup>th</sup> highest in Swindon. This is a reasonable indication that the Parish Council is operating an efficient and effective budget.

## Recommendation

- 4.1 It is recommended that the Parish Council submits a precept demand for 2024/25 to Swindon Borough Council for a total of **£1,145,463**.

## Appendix A

### Parish Council Precepts 2023-24

	Parish	Band D equivalent Charge
1	Highworth Town Council	£203.40
2	Stratton St Margaret	£187.11
3	Wroughton	£179.23
4	Central Swindon North	£165.11
5	Castle Eaton	£156.81
6	Central Swindon South	£147.49
7	Chiseldon	£147.15
8	South Marston	£132.83
9	Wanborough	£113.97
10	Haydon Wick	£108.68
11	<b>West Swindon</b>	<b>£107.73</b>
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12	Stanton Fitzwarren	£100.29
13	Covingham	£88.31
14	Hannington	£65.72 15
15	St Andrews	£63.72
16	Bishopstone	£39.08