

Full Council

Date:	22 January 2014
Title:	Budget and Precept for 2014-2015
Purpose of the Report:	i) To agree the budget for 2014-15 ii) To agree the precept for 2014-2015
Contact Officer:	Helen Stewart, Town Clerk

Background

91. The purpose of this report is to seek approval from the Council for the setting of the 2014-15 Precept thereby allowing the submission of the Precept Request Form to South Oxfordshire District Council.
92. A letter was received from South Oxfordshire District Council on 2 December 2013 formally requesting notification of the Council's Precept for the 2014-15 financial year. The letter enclosed a Precept Request Form for completion and return by 24th January 2014
93. The letter provided formal notification of the Tax Base. There are 4,979 properties in Thame but the Tax Base shows a reduction in the number of properties used to calculate the precept following the localisation of support for council tax with came into effect from 1st April 2013, The number of chargeable properties in Thame which will be used to calculate the Council Tax for 2014 -15 has increased by 29.9 properties from 4,195.8 properties to 4,225.7.
94. As in previous years, the budget setting process has incorporated a review of the Revenue Budgets by the Budget Working Group in conjunction with the responsible budget managers.
95. All budgets have been prudently set taking into account the financial impact of the localisation of support for council tax as well as other likely spending pressures such as pay awards, inflation, unavoidable budget growth, and falls in income levels and the need for the budget to include a contingency sum and top up to capital reserves.

Risk Assessment

96. The 2014-15 Budget has been robustly prepared using the principles of prudence and transparency and that the levels of balances, reserves and contingencies included within the Budget are adequate. Clearly, following the changes to the Council's funding arrangements following the localisation of support for council tax, there is a risk in future years that the LCTSS Grant may be reduced or cut altogether (Appendix 1).
97. The Government is due to announce the Council Tax Referendum Threshold Principles and a DCLG representative provided an indication at a recent NALC conference that the referendum threshold could be set at 2% for town and parish councils with a Band D of 370 and above.

8. Members should also be aware that there is a risk that if the Precept is not set at this meeting that the Council will not meet the deadline for receipt of the Precept Request Form and therefore not receive a Precept payment next year.

Resource Appraisal

9. The detail of the budget for 2014-15 is available as Appendix 2. The summary pages accompanying this report show:
- a) Budget Summary showing full grant received = 1.84% increase per Band D equivalent.
 - b) Budget Summary showing no grant = 6.63% increase per Band D equivalent.
 - c) Budget Summary showing 60% of the grant = 3.75% increase per Band D equivalent.
(This calculation reflects the approach taken last year of putting 40% of the grant into General Reserves).

Resolution that:

- i) The budget for 2014-15 as summarised in Appendix 2, be approved.***
- ii) The level of Precept to be raised be determined between the options as above:***
 - a) £515,958**
 - b) £540,199**
 - d) £525,654**