

# RAUNDS TOWN COUNCIL



Report to: Finance and Policy Committee  
November 2020 Item 366.20 (b)

## Summary:

A report providing information Members may wish to consider when setting the Precept for 2021/2022

## Attachments:

None

### 1.0 Introduction

1.1 Each year the Council must pass a resolution to set its Precept for the following financial year.

1.2 The Precept is the main source of income for the Council and is calculated by taking the net estimated expenditure after deducting income streams and the use of reserves (if appropriate). East Northamptonshire Council is responsible for raising the revenue to meet the precept through the Council Tax levied on taxpayers within Raunds.

1.3 Each year, East Northamptonshire Council is responsible for calculating a tax base for each town and village within East Northamptonshire Council. The provisional figure for 2021/2022 will hopefully be available in time for this committee meeting.

1.4 The tax base is calculated by reference to the number of domestic properties in the town or parish to which is added anticipated completions (new properties) less an allowance for exemptions, discounts, the cost of the local council tax support scheme (LCTSS) and an allowance for losses on collection.

### 2.0 Capping/Referendum

2.1 It is not anticipated that Town Councils will be subject to capping in 2021/2022.

### 3.0 Risk Management

3.1 Before setting a precept for the next financial year, the Council needs to consider a number of factors from which risks emanate:

- **The need to set a precept which adequately meets the financial needs of the Council.**
- **The possibility (however remote) of having any increase in precept capped.**
- **The on-going impact of Covid, in particular on Saxon Hall and Weddings income.**
- **The need to ensure the Council has adequate reserves.**

<p><b>4.0</b></p> <p>4.1</p> <p>5.0</p>	<p><b>Financial implications - changes to tax base</b></p> <p>The table below illustrate changes to the Council Tax Base and precept.</p> <table border="1" data-bbox="331 226 866 472"> <thead> <tr> <th>Financial Year</th> <th>Tax base</th> <th>Precept</th> <th>Band D</th> </tr> </thead> <tbody> <tr> <td>2017/18</td> <td>2,785</td> <td>£325,845</td> <td>£117</td> </tr> <tr> <td>2018/19</td> <td>2,916</td> <td>£442,912</td> <td>£152</td> </tr> <tr> <td>2019/20</td> <td>3,088</td> <td>£469,069</td> <td>£152</td> </tr> <tr> <td>2020/21</td> <td>3,234</td> <td>£501,070</td> <td>£155</td> </tr> </tbody> </table> <p><b>Suggested Timescales</b> The following timescales are proposed.</p> <p>All committees to consider and prepare their draft budgets by 18<sup>th</sup> December 2020</p> <p>5<sup>th</sup> January 2020 the Finance and Policy Committee will review draft budgets and create overall budget, and make recommendations to the full council on the level of precept needed to fund the budget.</p> <p>12<sup>th</sup> January 2021 the Full Council will be asked to approve a draft budget</p>	Financial Year	Tax base	Precept	Band D	2017/18	2,785	£325,845	£117	2018/19	2,916	£442,912	£152	2019/20	3,088	£469,069	£152	2020/21	3,234	£501,070	£155
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Council objectives:	Good governance and robust financial management	X																			
Equalities & Human Rights	There are no equalities and human rights issues	X																			
Financial	There are no financial implications at this stage																				
	There will be financial implications – see paragraph	X																			
	There is financial provision within the budget																				
	Decisions may give rise to additional expenditure																				
	Decisions may have potential for income generation																				
Legal	Power: Local Government Finance Act 1972 and subsequent legislation	X																			
	Other considerations: None																				
Risk Management	Material risks exist and these are detailed in report at 3.0	X																			
	<ul style="list-style-type: none"> <li>- Inherent risk score: N/A</li> <li>- Residual risk score: N/A</li> </ul>																				
<b>Person originating this report Kate Houlihan Clerk to the Council</b>																					
<b>Date: 29 October 2020</b>																					