

**To: Policy, Resources & Personnel Committee**

**From: Sue Markides, Deputy Clerk**

**Date: 17 November 2021**

**Subject: Budget setting for 2022/23**

### **1. Purpose of report**

1.1 To inform members of the proposed precept required by Fawley Parish Council for financial year 2022/23 subject to notification of Tax Band D figures from New Forest District Council.

### **2. Recommendations**

2.1 That the budget setting figures for the operating costs of Fawley Parish Council (FPC) and the proposed precept request of £643,326.23, a 1.72% rise is recommended to Full Council for approval.

### **3. Background and information**

3.1 The Senior Management Team has worked together to produce the budget figures as presented (see attached Appendix A including Hired Services breakdowns). These were reviewed by the Chairman and Vice Chairman of the Council plus Chairs and Vice Chairs of the Council's Committees in mid-October.

3.2 This year the presentation is slightly different in that the operating costs are shown separately and the requests for Ear Marked Reserves for specific projects are listed alone. The joint figures are the proposed precept request.

3.3 At the time of writing the staff pay rise has yet to be agreed for 2021-22 – the budget for this financial year includes a rise of 1.5% for all staff, the latest offer from the government is 1.75%.

3.4 For 2022-23 the salary increase included in the budget is also 1.5% however following the recent government budget and the increase in the National Living Wage from April 2022, this may need to be revised. On her arrival the new Parish Clerk should be allowed to review the precept request in the light of the national budget and the increase in National Living Wage and any effects on salary budgets. If a change is considered to be necessary, then an Extraordinary Parish Council meeting could be held in January to consider the matter. (The precept request does not have to be submitted to NFDC until end of January 2022).

3.5 If the Council wishes to keep the precept increase to the figure presented (1.72%) then there is the option to use EMR 315, "unidentified" - the balance of £10,000 could be used for any extra salary rises in the operating costs of the council's budget.

3.6 A list of the Council's current Ear Marked Reserves for specific projects is also attached (see Appendix B).

3.7 I am advised that the Council should maintain general reserves of a minimum of 3 months operating costs. Based on the precept for 2021-22 this would amount to £158,104 (£632, 419 divided by 12 x 3). For a Council this size 3.5 months operating costs could be considered to be advisable; this would equate to £184,455. General Reserves at the end of financial year 2020-21 stood at £154,987.

#### **4. Reasons for recommendations**

4.1 The Parish Council meeting due to be held on 15 December 2021 can consider the budget figures presented.