



# Andover Town Council

To **consider** and **approve** the Precept for 2024/25.

Item  
No.  
**13**

**Produced for:** Full Council

**By:** Town Clerk & Cllr S Hardstaff

**Date of Report:** 10 Jan 2024

## Background:

The P & R Committee have reviewed the Budget and have made amendments to the Budget figures for next year taking into account estimated spending. This has been recommended to Council and will have been considered in agenda item **12**.

## Proposal:

To note the recommendation from the P & R Committee that the Precept be set as per option B of the report at the end of this paper. The recommendation was to set the precept to balance the books.

## Considerations:

The Precept value will affect Council Tax Band D households depending on the amount of houses in the tax base. The tax base is estimated by TVBC to change for this year, and how this will affect residents is shown below.

- Last year the precept was set at a level which allowed a shortfall to remain. This was expected to be covered by the General Reserve. This is still the expectation for this year.
- If the precept is set at the shortfall amount to balance the books, then even if the Budget figures are not changed, the precept will increase by £17,408.05 (The amount of shortfall for this year.)
- If the Budget is set with a shortfall of £411,030 then the Precept will have increased by the Budget change (approx £31,800 PLUS the shortfall for this year of £17,408.05 giving an overall increase of approx. £49,208.
- A discussion was held around the need to replace all the allotment fencing this year. Suggestions were mooted to use General Reserves, or the Earmarked Reserves for Allotments and or other Earmarked Reserves if Council felt that would be appropriate. No decision was taken as this would be considered when full costings were available.
- Councillors discussed how the Precept amount should be arrived at once the Budget had been agreed by Full Council and agreed by majority that Council should be advised to set the Precept at an amount to balance the books and preserve the Earmarked and General Reserves at current levels.

This would mean that the Precept would be set by considering the formula below.

Total income – Total Expenditure = Shortfall.

**Recommendation: Precept to be set at Shortfall amount to balance books.**

**Report considered by P&R Committee with figures adjusted after their recommendations:**

	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
	<b>Precept the same</b>	<b>Protect Reserves</b>	<b>Protect Reserve &amp; Raise extra 165k</b>	<b>Protect Reserve &amp; Raise extra 200k</b>
Precept increase	£ 0	28,728.30	193,728.30	228,728.30
<b>Predicted income (from allotments)</b>	£ 25,000.00	£ 25,000.00	£ 25,000.00	£ 25,000.00
<b>Precept Option</b>	£ 361,801.70	£ 390,530.00	£ 555,530.00	£ 590,530.00
<b>Predicted Expenditure</b>	£ 415,530.00	£ 415,530.00	£ 415,530.00	£ 415,530.00
<b>Overall gain/loss</b>	-£ 28,728.30	£ -	£ 165,000.00	£ 200,000.00
<b>Notes:</b>	Shortfall to be made up from General Reserves	Precept increased to match expenditure	Raises 165k to pay for fences	Raises 200k for fences and 35k for water resupply works at allotments
<b>Current</b>				
Precept	£ 361,801.70			
Tax Base	17,444			
Cost per household per year	£ 20.74			
Cost per household per month	£ 1.73			
<b>Option</b>				
Precept	£ 361,801.70	£ 390,530.00	£ 555,530.00	£ 590,530.00
Precept increase	£ -	£ 28,728.30	£ 193,728.30	£ 228,728.30
Tax Base	17,310	17,310	17,310	17,310
Cost per household per year	£ 20.90	£ 22.56	£ 32.09	£ 34.11
Cost per household per month	£ 1.74	£ 1.88	£ 2.67	£ 2.84
<b>INCREASE TO HOUSEHOLDS</b>				
<b>PER YEAR</b>	£ 0.16	£ 1.82	£ 11.35	£ 13.37
<b>PER MONTH</b>	£ 0.01	£ 0.15	£ 0.95	£ 1.11
<b>% increase</b>	0%	7.94%	53.55%	63.22%