

**Sturminster Newton Town Council**  
**7<sup>th</sup> January 2021**  
**Budget and Precept for Financial Year 2021-2022**

**1. Introduction**

The Council is required to set a budget and make a precept demand each year.

**2. Budget Process**

The Finance and Personnel Committee reviewed the draft budgets at the meeting held on 29<sup>th</sup> October 2020. Two options were considered: i) a basic budget with no additional projects and ii) a budget with all of the remaining Town Council Business Plan projects. The Committee recognised the financial consequences of the Covid-19 pandemic and observed that further consideration would need to be given to the range of projects to be pursued in the next financial year. Simply, it was not possible to complete all proposed projects within the next financial year 2021-2022.

The attached final budget (annex a) has been prepared taking into account the current, difficult financial climate for residents. This budget covers all the necessary operational costs required for the next year, including the replacement of the John Deer mower and the repair/replacement of the path at Ricketts Lane Recreation Ground.

**3. Project Budget**

A project budget of £15,000 has been included within the overall budget. This project budget will be funded by the creation of an Earmarked Reserve from the proceeds of the sale of land at Butts Pond.

The Council can decide at a later date exactly how this project budget should be spent, suggestions include: £6000 towards the creation of a seating area at Market Cross; £1000 towards the enhancement of the community Garden; and the remaining sums to be split between other projects such as the Trailway project and the installation of electrical points in the Railway Gardens.

**4. Budget and Precept**

The budget attached assumes a total expenditure of £365,822, funded by a precept of £342,112, with other income of £23,710, and projects funded by earmarked reserves of £15,000 (which sit outside the total expenditure of £365,822). The proposed budget will increase the total precept by just £700. The tax base for the town has increased by 1.4% therefore the combination of a prudent proposed budget and a small increase in the tax base delivers a band D Council Tax figure of £213.17 for 2021-2022 compared with £ 215.86 for 2020-2021, a minor decrease.

**5. Recommendation**

- i. That the Council approves the creation of a “Projects Earmarked Reserve” of £15,000, funded by the proceeds from the land sale at Butts Pond.**
- ii. That the Council resolves to adopt the proposed budget and precept for 2021-2022**

Town Clerk