

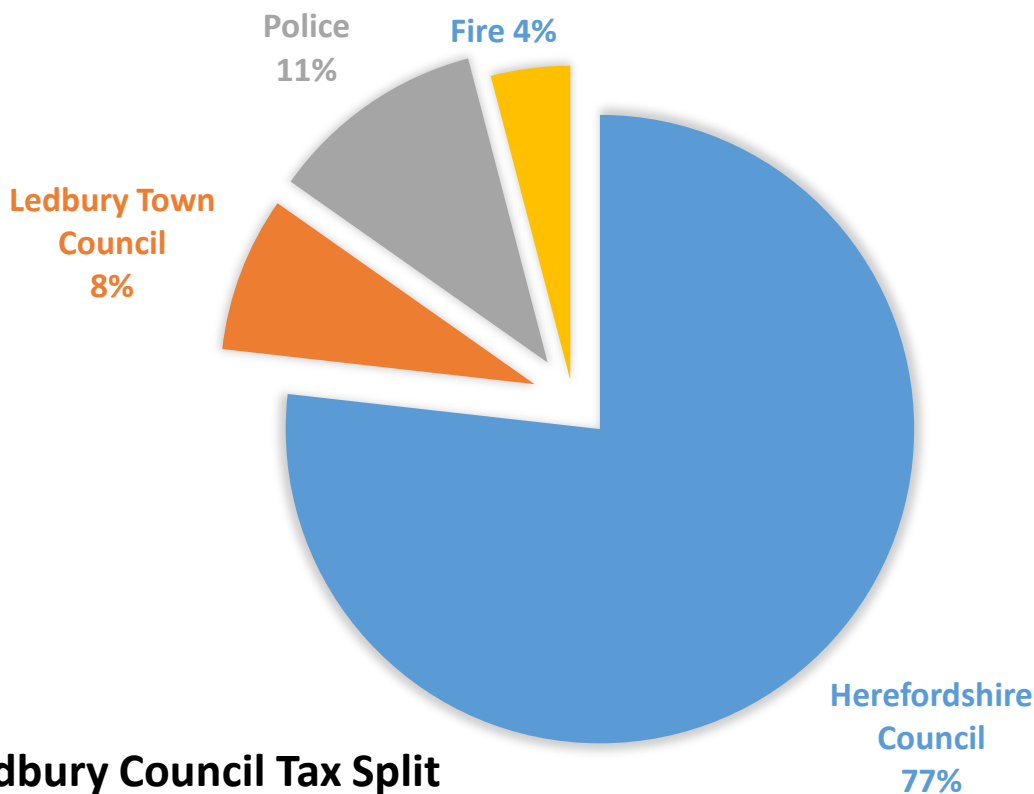


Ledbury Town Council

Overview of Council Tax and Precepting

2021

Council Tax and Parish Precept



Ledbury Council Tax Split by Precepting Organisation

This pie chart shows how your monthly council tax payment is split amongst the 4 precepting authorities whose services it funds.

The majority of the money goes to fund services at county level. Further detail about the breakdown of the County Council budget is available on the Herefordshire Council website

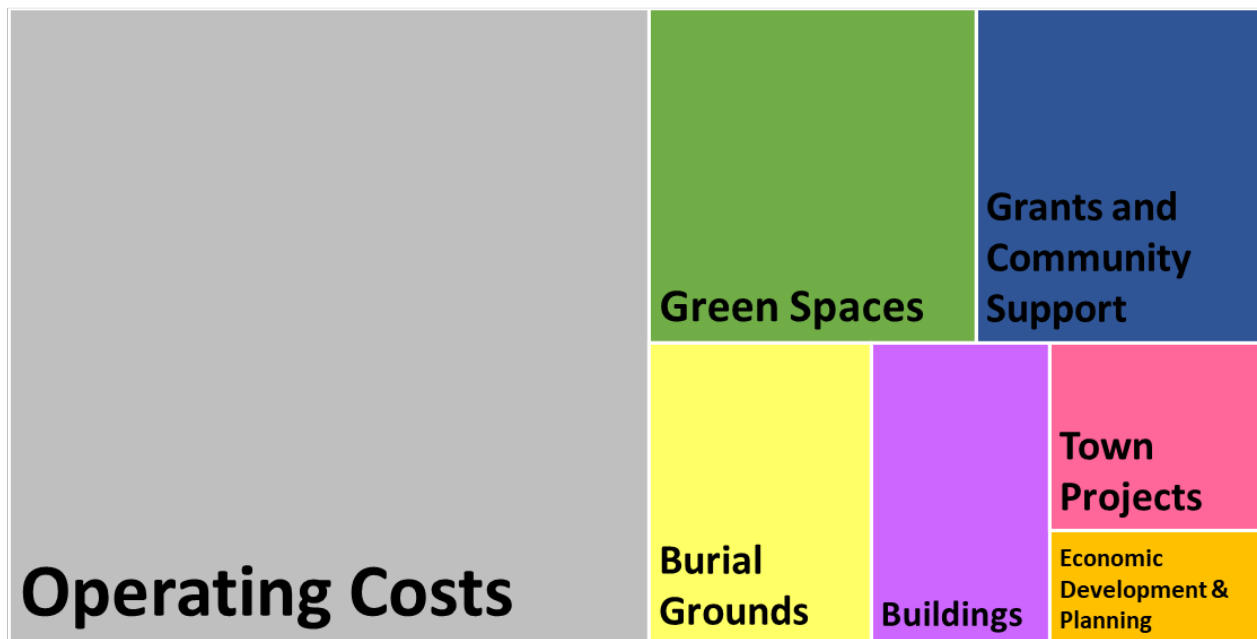
(<https://www.herefordshire.gov.uk/downloads/file/21942/your-council-tax-explained-2021-22>)

West Mercia Police, Ledbury Town Council and Hereford & Worcester Fire Authority receive much smaller amounts.

The funds provided to the Town Council stay local to Ledbury. Funds provided to the other 3 authorities could be spent anywhere in their authority areas.

Ledbury Town Council Precept

Precept Spend by Activity (area represents proportion of total budget)



For 2021 the Town Council’s precept is £571,081. This pays for the services and activities carried out by the Town Council throughout the year.

The area plot above gives a feel for how the total precept is spent on different activities. Roughly half the precept pays for the running of the council and the other half for the things that it does. The table below gives a numerical breakdown of the same information. It adds up to more than the precept figure because £24,500 towards the cost of Town Projects will be funded from reserves this year.

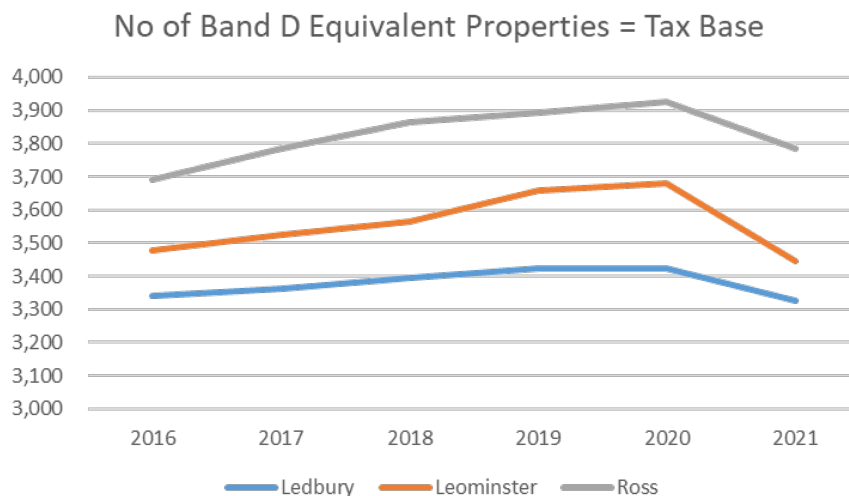
Cost Groupings	Budget
	2021/22
Operating Costs	303,169
Economic Development & Planning	18,510
Green Spaces	81,085
Burial Grounds	49,913
Buildings	40,203
Town Projects	30,437
Grants and Community Support	72,264
Total	595,581

How the Precept is Calculated and Paid

Each year each precepting authority works out what funds they need to deliver their services during the following year. They look at what savings and efficiencies they can make in their own operations to get a net cost figure for their operations. They then identify any income they expect to get and also government and grant funding they expect to receive and subtract this figure from their expected costs. The resulting figure is the funding gap they need to cover with their precept for the following year.

The precept amount is then divided by the number of Band D equivalent properties in their authority area which sit in the government's Band D property valuation band. This is called 'The Tax Base'. Households with valuations higher/lower than Band D are charged more/less according to a formula based on the Band D figure.

The graph below shows how the tax bases of Ledbury, Leominster and Ross have varied over the last few years. The bigger the tax base the more households there are to share the cost of the precept. Ledbury has the smallest tax base and it has also grown the least since 2016.

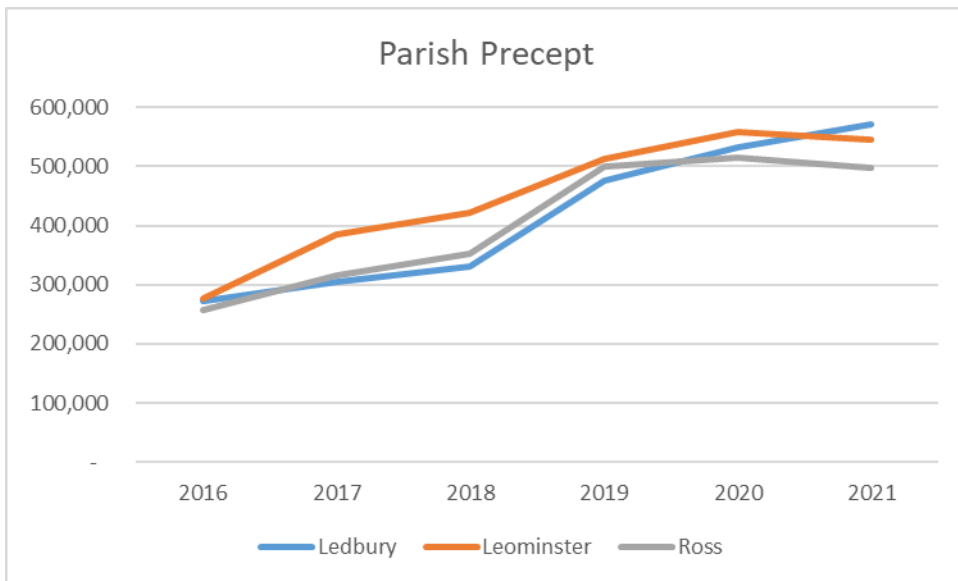


For 2021 the tax base for all parishes has gone down because allowance has had to be made for an increase in the number of households which will not pay any council tax in the coming year due to financial hardship. That means paying households pay a little more so that the least well off can receive a discount on their council tax payments. For 2021 the council tax discount in Herefordshire has been set at 100% for qualifying households.

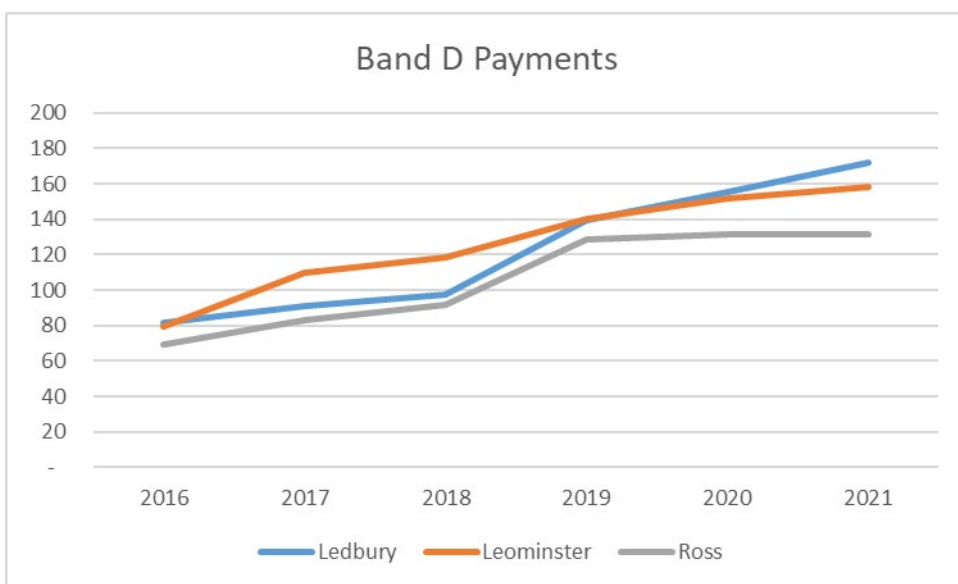
For most domestic households, council tax is collected in a single monthly payment by Herefordshire Council. The funds collected on behalf of the other precepting authorities are paid to them up front in two lump payments—usually in April and October.

How Does Ledbury's Precept Compare - 1

The graphs below show how the total parish precept in Ledbury, Leominster and Ross have changed in recent years. Ledbury's has been lower than the other two market towns for most of the period, but is presently slightly higher.

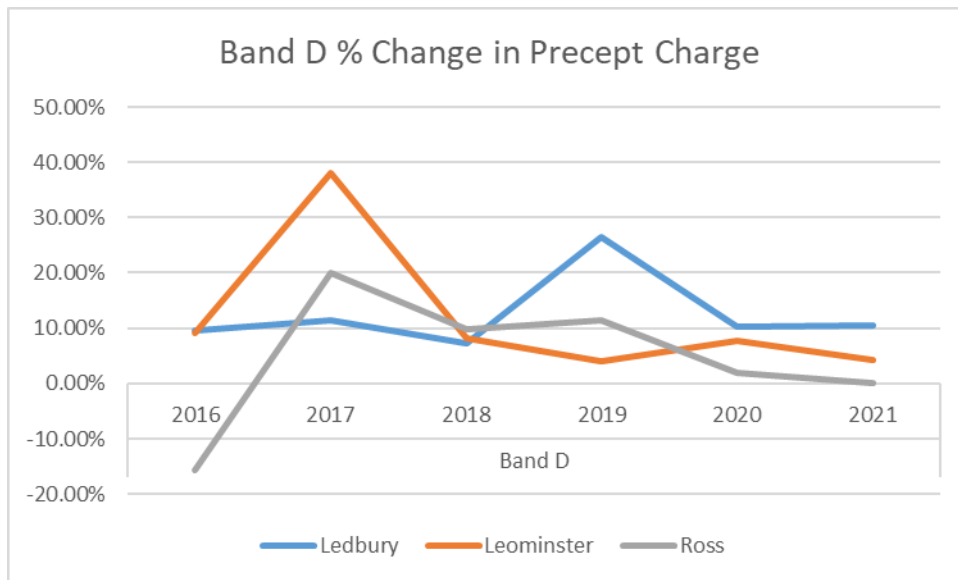


The graph below shows how the Band D payments have changed across the market towns over the same time period. This payment figure will be influenced by how many households there are in the parish Tax Base, how many extra homes have been built in each town during the period and also how many households in each area are receiving council tax discount.



How Does Ledbury's Precept Compare - 2

The graph below shows the percentage changes in the total parish precept in Ledbury, Leominster and Ross in recent years. Each market town has had a year where their precept has had a sharp increase. Ross and Leominster in 2017 when both councils took on additional services and in 2019 in Ledbury when legal costs, temporary council staff costs and replenishment of reserves all combined to increase operating costs.



For 2021 the budgeted costs for Ledbury Town Council increased by £5.9k (0.99%). Based on 2020 Covid behaviour changes the income to the council from the Charter Market, sale of Dog Poo Bags, rental of the Market House, visitor donations at the Painted Room, contributions towards the Christmas Lights and from the October Fair is budgeted to reduce by £33.2k (55.8%).

This net increase of £39.1k in the council's overall costs equates to a 7% precept rise over 2020 figures. However the town's calculated Tax Base for 2021 has dropped by 97 households to reflect an increase in the number of families receiving 100% discount on their council tax.

The effect of this change is that the calculated increase in the Band D Council Tax Charge is actually 10.5% rather than the 7% net increase in the total precept (2020 Precept = £531,978; 2021 Precept = £571,081)

Precept		
2020 Precept	£531,978	
2021 change in costs	£ 5,882	0.99% Increase
2021 change in income	(£33,221)	55.8% Decrease
2021 Precept	£571,081	7.3% Increase
Tax Base		
2020/21	3,423	
2021/22	3,326	
Change in Tax Base	(97)	Decrease!
2021 Band D Charge		
2021 Precept	£571,081	
2021 Tax Base	3,326	
Band D Charge	£ 171.71	
Band D Change		
2021/22	£ 171.71	
2020/21	£ 155.42	
Change	£ 16.29	10.49% Increase

The Budget Cycle and How You Can Get Involved

Budget Cycle

The four committees of the Town Council start to consider their budgets for the following year in September.

The draft budget for each committee is developed taking into consideration the spend in-year and the progress made in delivering the projects and actions agreed in the council's Corporate Plan. The emerging budgets are discussed publicly in committee meetings during the autumn.

Consideration of the combined view across all committees is led by the Finance and General Purposes Committee and usually involves holding a dedicated Full Council Meeting in public to review the draft budget. This meeting is held just before Christmas or early in the New Year, depending upon the timetable for setting the precept as agreed with the County Council.

Public Participation

Members of the public can view the emerging budget plans online in the committee agenda papers that are published on the council's website a week ahead of each meeting (www.ledburytowncouncil.gov.uk).

Members of the public can attend Committee and Council meetings to ask questions in person, which may or may not be able to be answered in the room on the day – depending on the information available.

Alternatively, members of the public can send written questions to The Clerk (clerk@ledburytowncouncil.gov.uk) ahead of any meeting when answers can often then be provided in the meeting.

Budget Setting

The council's budget is set at a Full Council meeting in either January or February (depending on the precepting timetable for that year). The Precept for all precepting authorities operating in Herefordshire is set at a Full Council meeting by Herefordshire Council in March each year.

Budget Monitoring and Public Examination of Accounts

Throughout the council year each Committee of the Town Council reviews its in-year spend against its budget at least quarterly. The Finance and General Purposes Committee of the Town Council reviews in-year spend across all committees at least quarterly. Throughout the year the council's finances are reviewed by an internal auditor who provides an annual report on their findings and recommendations for improved practice.

At the end of each financial year (April) the end of year accounts are prepared and movements to and from the council's general and earmarked reserves are finalised. These are sent to the appointed external auditor and published for public examination in early July.



Information on Ledbury Town Council's budget and finances is available on the council's website.

www.ledburytowncouncil.gov.uk

Questions regarding finance should be sent to The Clerk.

clerk@ledburytowncouncil.gov.uk