

## Budget Setting Process for 2024-25

1. **Identifying Costs:** To prepare a draft budget for the next financial year, the Clerk/RFO identifies the costs for services and projects in the upcoming fiscal year. This will include regular annual costs and **any new projects agreed by Council\***.
2. **Draft Budget Presentation (November 2023):** The council will receive a draft budget outlining financial needs for the upcoming year (2024-25). Any amendments are discussed and the draft budget is re-presented at the January 2024 meeting for approval.

Before the Precept can be set (also at the January 2024 meeting) the Council must consider if all the income needed for the next financial year needs to come from a Precept demand.

This is done by:

3. **Considering Income Sources:** Besides the Precept, the Council looks at grants, rents, fees, and other income sources.
4. **Earmarked Reserves:** Any funds saved for specific future expenses are taken into account before setting the Precept.
5. **Calculating the Precept:** The Precept is determined as follows:
  - $\text{Precept} = \text{Budget for the next year} - \text{Other income sources} - \text{Earmarked reserves (for projects in the budget)}$
6. **Setting the Precept (January 2024):** The Council decides the Precept amount, which is collected through taxation to fund services and projects for 2024-25. The Borough requires the Council to advise of their Precept demand by the end of January 2024.

\*new projects for the 2023/24 should be identified by Council now and included in the budget setting process.