

# MONKTON COMBE PARISH COUNCIL

## Parish Precept 2017/2018

The Parish Council is required to set a Precept for the coming financial year April 2017-2018.

The precept is our primary source of funds and represents a council tax contribution from every household in the parish. As councillors you are therefore responsible for setting this figure and being able to justify the sum.

As with last year we also receive the Local Council Tax Support Scheme Grant from B&NES Council, but this has reduced from £90 to £50.

However to justify your **precept funding** you must first **set a budget for the year**. You are required to do this and **set the precept** at our January meeting in order to meet the requirements of B&NES. It is therefore important that these have been fully considered, discussed and agreed beforehand so that the process at the meeting is one of formal agreement rather than protracted discussion and negotiation.

### **See Parish Precept History and 2018 Projection attached.**

From this you will see that in order to maintain total funding at the same level as last year a 3.53% increase is required in the Average Household Contribution. This is because the number of households (the Tax Base) has decreased from 174.80 to 169.88, a 2.8% fall. Also the Local Council Tax Support Grant has decreased further from £90 to £50.

However, the budget and precept last year were done with the aim of restoring reserves in anticipation of significant Parish Works and Expenditure in the future. Therefore maintaining the precept at last year's level will continue to increase these reserves to just under twice the precept, which I suggest is a sensible level, and one which was present when I first became clerk in 2013. A minimum level for the reserve is one year's precept.

Two other proposals are shown which maintain either the actual precept or the average contribution per household at the same level as the current year. Both have a similar effect on the reserves as the first proposal. I.e. a projected final reserve of about £12,000 in the absence of any major works.

Also shown is a proposal to reduce the precept to give just a small increase in reserves, effectively a balanced budget. This yields a drop in the average household contribution of 20%.

The projected end of year Reserves for this year are £10,500, higher than anticipated as no significant expenditure has been incurred on Parish Works.

The reserve figures leave aside the Miss Davies reserve balance of £12,665 which is allocated solely for the maintenance of the garden. Although £175 of this will be transferred to the main MCPC account to cover the work done on the garden during the year.

### **Please see the Proposed Budget attached.**

For comparison, this also includes :-

**Actual Figures for the year 2015/16**

**Budget Figures for the year 2016/17 – the current year**

**Projected Final Figures for 2016/17 – i.e. the figures we expect on March 31<sup>st</sup> 2017**

**Proposed Budget Figures for 2017/18** – Notes follow which explain the figures where appropriate.

**Notes on Proposed Budget – See Right Hand margin of budget for numbers**

1. The precept has been set at £6,450 to maintain the precept at the same level and give a further increase in reserves. No compensation is made for the reduction in the Council Tax Support Grant.
2. The actual figure for 2015/16 reflects the late payment of the final month of 2014/15 and this has not been repeated this year.
3. The VAT refund figure reflects a return to normal levels of recovery for the 2016/17 and 2017/18 years as the VAT for the Deer Gates project was claimed in the previous year.
4. The Actual 2015/16 other income figure represent the Grant in respect of compliance with the Smaller Local Councils Transparency Requirements Code.
5. The Actual 2015/16 Village Cleaning figure is about £200 higher because it includes the April 2016 payment to Ian Croker which appears on the end of year bank statement. Ongoing there will now be 12 such payments each year.
6. The Smaller Local Councils Transparency Requirements Code grant has been claimed on the basis of purchasing a computer for Monkton Combe Parish Council's exclusive use, the Projected Actual 2016/17 figure includes £335 for this purchase.
7. We will now be paying for Playground safety checks on an annual basis of £100 and this figure is include in the 2017/18 budget.
8. No Parish Works are identified for next year so a small budget of £500 has been set. The actual figure of £2045 in 2015/16 is for the Deer Gates and all of this expenditure was covered by grants.
9. The 2016/17 is expected to return an excess income over expenditure of £2447, £600 more than the budget because of the lack of any parish Works.

## **SUMMARY**

In the absence of any identified exceptional expenditure on further repairs or other projects, maintaining the precept at the current level will further build up Parish Council reserves to about £12,000, a not unreasonable level being twice the precept.

Four alternatives are proposed for your consideration, and variations on these can also be considered. The budget shows alternative 1.

1. Maintain the precept at the same level as last year. This generates a surplus balance of about £1,750 in anticipation of further exceptional expenditure in the future, yielding an end of year reserve balance of about £12,250 in the absence of any such exceptional items.
2. Maintain Total Funding at the same level as last year. This generates a surplus balance of about £1,800 in anticipation of further exceptional expenditure in the future, yielding an end of year reserve balance of about £12,300 in the absence of any such exceptional items.
3. Maintain Average Household Contribution at the same level as last year. This generates a surplus balance of about £1,550 in anticipation of further exceptional expenditure in the future, yielding an end of year reserve balance of about £12,050 in the absence of any such exceptional items.
4. Set a near Balanced Budget and return funding to the 2014/15 level, this still gives a small increase in the reserves of £300 yielding an end of year reserve balance of about £10,800 in the absence of any exceptional items.

It is worth noting that each extra £1,000 raised from the precept requires an average contribution per household of £5.89 (£1,000 divided by 169.88 the Tax Base).