

MONKTON COMBE PARISH COUNCIL

Parish Precept 2018/2019

The Parish Council is required to set a Precept for the coming financial year April 2018-2019.

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 £50 to £30. Next year it will be £0.

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 2019 Projection attached.

From this you will see that in order to maintain total funding at the same level as last year a 0.54% decrease is required in the Average Household Contribution. This is because the number of households (the Tax Base) has increased from 169.88 to 171.34, a 0.86% increase. Also the Local Council Tax Support Grant has decreased further from £50 to £30.

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 well above twice the precept, which is regarded as 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 over £14,000 in the absence of any major works. It should however be noted that there is planned expenditure on the Phone Box of £600, and you will have received a £280 grant towards this cost.

Also shown is a proposal to reduce the precept to give a balanced budget and therefore no increase in reserves. This yields a drop in the average household contribution of 21%.

The projected end of year Reserves for this year are £13,000, again higher than anticipated as no significant expenditure has been incurred on Parish Works.

The reserve figures leave aside the Miss Davies reserve balance of £12,613 which is allocated solely for the maintenance of the garden. £215 of this will be transferred to the main MCPC account to cover the work done on the garden during the year. This will increase the MCPC reserves by this amount, although has no effect on the total assets you hold.

Setting a balanced budget and reducing the precept accordingly is a reasonable option to consider in the light of the reserves you now hold.

Please see the Proposed Budget attached.

For comparison, this also includes :-

Actual Figures for the year 2016/17

Budget Figures for the year 2017/18 – the current year

Projected Final Figures for 2017/18 – i.e. the figures we expect on March 31st 2018

Proposed Budget Figures for 2018/19 – 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 £6,268 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 VAT refund figure reflects a return to normal levels of recovery for the 2017/18 and 2018/19 years.
3. The final projected figure for 2017/18 other grants figure represent the Grant in respect of compliance with the Smaller Local Councils Transparency Requirements Code £214 (received) and the Community Empowerment Fund Grant for refurbishing the phone box (not yet received).
4. The Actual 2017/18 Village Cleaning figure is about £200 higher because it includes the April 2018 payment to Ian Croker which will appear on the end of year bank statement.
5. The Actual 2016/17 figure includes £335 for the purchase of the computer.
6. There is no requirement for an External Audit next year as Income/Expenditure is less than £25,000. The £100 figure represents an increase for the internal audit fee to cover the additional responsibility now attached to this task.
7. No Parish Works are identified for next year so a small budget of £500 has been set.
8. The Village Phone Box will be refurbished in the Spring. The £600 is the estimated cost and £280 towards this is expected to have been received from the Community Empowerment Fund.
9. 2017/18 is expected to return an excess income over expenditure of £2646, £1,100 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 above £14,000, which is now in excess of the accepted norm of 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 £1,250 in anticipation of further exceptional expenditure in the future, yielding an end of year reserve balance of about £14,250 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 £1,300 in anticipation of further exceptional expenditure in the future, yielding an end of year reserve balance of about £14,300 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 £1,330 in anticipation of further exceptional expenditure in the future, yielding an end of year reserve balance of about £14,330 in the absence of any such exceptional items.
4. Set a near Balanced Budget and return funding to the 2014/15 level, which will maintain the reserve balance at about £13,000 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 £5.84 (£1,000 divided by 171.34 the Tax Base).