

MONKTON COMBE PARISH COUNCIL

Parish Precept 2020/2021

The Parish Council is required to set a Precept for the coming financial year April 2020-2021.

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.

You no longer receive the Local Council Tax Support Scheme Grant from B&NES Council, so this is £0.

Of much greater significance is the ending of the funding for the Parish Sweeper, and the transitional funding arrangements being made by B&NES Council. This gave you funding of £2,132 last year, and £1,066 this year, and nothing next year. The intention of this arrangement being to allow you to continue employing a sweeper and giving you time to make incremental increases to your precept to counter the loss of funding from the sweeper scheme. This avoids a huge hike in the precept had the Parish Sweeper scheme ended immediately without any transitional funding. You agreed last year, and gave notice to the electors, that you would increase the precept by £700 for each of last year, this year and next year.

As in previous years, 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 2021 Projection attached.

From this you will see that to maintain total funding at the same level as last year a 2.83% decrease is made in the Average Household Contribution. This is because the number of households (the Tax Base) has increased from 171.16 to 176.15, a 2.9% increase.

However, the budget and precept last year were done with the aim of raising funding for significant works within the Parish, and to-date most of these have not been implemented. You have only made repairs to the See-saw at a cost of £890 (plus VAT). I have assumed a further £1,100 will be spent before the year end, but this is just a guess. You have therefore not reduced your reserves significantly and are carrying forward some £2,500 unspent reserves for the various village works.

Without the £2,500 works carry forward, and without the precept increase for the sweeper, the budget would show a surplus of just £88. So, without the Transitional Funding there would be a deficit of £978.

I have therefore proposed that you increase the precept by the £700, for this year 2020/21, and then again for 2021/22, as was your stated intention last year. So then by 2021/22 the precept has increased by £2,100 in total, compensating for the loss of the sweeper funding going forward.

Please see the Proposed Budget attached.

For comparison, this also includes :-

Actual Figures for the year 2018/19

Budget Figures for the year 2019/20 – the current year

Projected Final Figures for 2019/20 – i.e. the figures we expect on March 31st 2020

Proposed Budget Figures for 2020/21 – 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 £8,668 to increase the precept by the second instalment of £700 to compensate for the reducing Parish Sweeper funding. It will need to increase by this amount next year also.
2. The Village cleaning budget receipt of £1,066 is the transitional payment, and reflects a reduction of £1,066 from this year. It will reduce to zero next year.
3. The VAT refund figure for 2018/19 includes £3163.86 of VAT re-claimed for the village hall floor, so there is a return to a more normal level this year, but this still reflects the VAT incurred on intended Parish Works.
4. I have not received any guidance on Public Sector Pay from NALC, possibly because of the timing of the General Election. I have budgeted a 3% increase for both the sweeper and the clerk, but this may not happen if there is no change agreed nationally. Both are paid above the Living Wage increases.
5. There will be no requirement for an External Audit next year as Income/Expenditure is below £25,000. Audit fees return to just those for the internal audit.
6. A further £1,100 of the reserves for items such as resurfacing the Village Car Park, and the replacement Play Park equipment is projected to be spent this year, giving a total of £2,000, with £2,500 being carried forward to the 2020/21 budget together with £600 for general small items each year.
7. 2019/20 is expected to return only a small deficit rather than the budgeted deficit of £3,699. This balance of this deficit has therefore effectively been carried forward to 2020/21.

SUMMARY

The precept needs to be increased during these current three years to compensate for the reducing funding for the Parish Sweeper.

The decision this year is therefore one of continuing with this sequence of increases, given that you have the necessary reserves for all your anticipated Parish Works.

It is worth noting that each extra £1,000 raised from the precept requires an average contribution per household of £5.68 (£1,000 divided by 176.15 the Tax Base).