

# **SOUTH STOKE PARISH COUNCIL**

## **Parish Precept 2018/2019**

The Parish Council is required to set a Precept for the coming financial year April 2019-2020.

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 has reduced from £30 to £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 gives you of funding £2,933 this year, and £1,467 next year, effectively reducing the funding you received in increments of one third to nothing in the third 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.

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 2020 Projection attached.**

From this you will see that to maintain funding at the same level as last year a 1.34% decrease is required in the Average Household Contribution. This is because the number of households (the Tax Base) has increased slightly. (232.72 to 236.59).

This also takes account of the Local Council Tax Support Grant decreased to £0 from £30.

The budget and precept were set last year to cover anticipated spend on professional fees and setting a precept in anticipation of the ending of the Parish Sweeper scheme. Whilst professional fee spend was higher, CIL spend and the Midford Phone Box spend have not taken place. Also the VAT reclaim has been done to recover much of the current years VAT so next years will be much lower.

As these items make the underlying day to day finances obscure, I have attached two sets of budget figures. A Proposed Budget and a Day-to-Day Only Budget.

The Day to day figures use the current level of precept and remove the distorting items. It shows a deficit of £2,062.

I therefore propose that you increase the precept by £1,000, for next year 2019/20, and then again in 2020/21. So then by 2020/21 the precept has increased by £2,000 potentially giving a balanced budget in that and each preceding year and going forward (allowing for Pay Scale increase, and other price increases).

### **Please see the Proposed Budget and Day-to-Day Budget attached.**

For comparison, this also includes :-

**Actual Figures for the year 2017/18**

**Budget Figures for the year 2018/19 – the current year**

**Projected Final Figures for 2018/19 – i.e. the figures we expect on March 31<sup>st</sup> 2019**

**Proposed Budget Figures for 2019/20** – 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 £10,858 to increase the precept by the initial instalment of £1,000 to compensate for the reducing Parish Sweeper funding. It will need to increase by this amount for each of the following two years.
2. The Village cleaning budget receipt of £2,934 is the transitional payment, and reflects a reduction of £1,608 from this year. It will reduce to £1,467 next year, and then to zero the following year.
3. The VAT Reclaim 2018/19 is higher than normal because the VAT on the professional fees incurred this current year was deliberately included in the claim in order to give the Parish Council the best possible cash position going forward. Next year it is budgeted as correspondingly lower.
4. Parish Hall Hire 2018/19 includes payments for last year as well as the current year as it was not invoiced in the last year.
5. The 2019/20 Budget for Clerk Remuneration has been increased to reflect the NALC Pay Scale revisions and increases.
6. The 2019/20 Budget for Road Sweeping Wages has been increased to reflect the NALC Pay Scale revisions and increases.
7. A budget of £1,000 for CIL Spend was set last year and not spent. This has been carried forward to 2019/20.
8. Professional Fees were higher than budget in 2018/19. However, the budget is set at zero this year as none are foreseen.
9. The budgeted figure of £600 in 2018/19 to meet anticipated costs when the Midford Telephone Box is refurbished has not been spent and is carried forward to 2019/20.
10. An excess income of £911 over expenditure for the current year brings anticipated reserves to about £14,000. This is a better position than might be expected given the expenditure on professional fees. However, it does reflect the lack of CIL spend, and the treatment of the VAT reclaim.  
The small excess of income in the budget for 2019/20 of £272 does assume a CIL spend of £1,000.

**SUMMARY**

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

The decision this year is therefore one of how quickly this increase should take place during this period given that reserves are at a reasonable level considering the spend on Professional Fees that has taken place.

It is worth noting that each extra £1,000 raised from the precept requires an average contribution per household of £4.23 (£1,000 divided by 236.59 the Tax Base).