



METHERINGHAM, SOTS HOLE & TANVATS PARISH COUNCIL **BUDGET PROPOSAL 2018-2019**

Parish Councils are a civil local authority, and are the third tier of local government in Lincolnshire.

The Parish Council Finance Committee is appointed by full council and usually meet in November/December. The acting RFO produces a proposed budget and supporting information for the ensuing year. These documents assist the committee to decide how much money is needed to be raised from our parishioners (via the Precept, Council Tax process), based on our budgetary needs for the coming year.

As is a known fact, other than the Clerk and essential employees, everyone involved in running a Parish Council (Parish Councillors) is unpaid and voluntarily carrying out the duties of a councillor, because they obviously care about their community and the people who live there.

Not wishing to reiterate the point, Metheringham Parish Council is finding it more and more difficult coming to a realistic/workable budget each year and this year is no exception.

Once again the reason for this is very much due to the austerity measures introduced by the Government, which in turn has had an impact on the principal authorities; Lincolnshire County Council (LCC) and North Kesteven District Council (NKDC). These have obviously had a serious knock on effect to 'life' in our village and the responsibilities put upon Metheringham Parish Council (MPC). The principal authorities then 'recommend' that town/parish councils keep their Precepts down to a minimum level, despite devolving more responsibilities to the Parish Council. Also of concern at parish council level is the possibility (in the not too distant future) that parish/town councils will be capped at a certain percentage increase. This, without doubt will have serious implications for growing communities like ours.

Higher up the 'tiers' of local government, such care and consideration for our village-folk is being totally forgotten by these authorities and this can be clearly seen in the duties they have ceased to provide or now expect to be taken on by Parish Councils. Furthermore, these additional responsibilities, do not come with any financial assistance which have been reduced or ceased annually. To be able to achieve what these authorities used to provide does not come freely and because of this it is obviously going to be more costly for MPC to achieve this, to maintain the quality of life our parishioners pay for, expect, and are entitled to, through their council taxes.

For those not fully aware, monies received as our Precept, through the Council Tax process, comes from NKDC, the local billing authority. In recent years the monies received also included an element of funding, classed as Council Tax Support (CTS). This 'Grant' has gradually reduced year on year; and in 2017/2018 it reduced by 48% to £2,402.00. For 2018-2019 it is to again be reduced, possibly by as much as 53%,

thus making the 'Grant' payment an estimated £1,129.00. At this rate in 2019/20 there is every chance this 'grant' will be no more.

Also in the past, monies have been received from NKDC, towards Litter Picking and Dog Warden and last year the latter element ceased and no doubt the litter picking element will also vanish (possibly this year). These elements were more than helpful towards MPC dealing with these issues which are prevalent in every community, (i.e. litter and dog fouling etc.). Ending such support subsequently falls back onto the responsibility of the Parish Council and becomes an added element to be included in our budgeting.

Other services which have been dropped or reduced by LCC are amenity grass cutting, weed spraying (mainly along kerbsides), street cleaning and street lighting but as a Parish Council we have addressed these issues by the purchase of a second hand Mower and Street Sweeper. This then brings into the equation additional cost implications to be met by the Parish Council regarding such things as taxation, insurance, servicing, maintenance, etc. Regarding street light, the village is very much split in services provided, as the Parish Council has some 200 street lights which come under their control and this sees some areas lit whilst others, run by LCC, unlit. Regarding those which are lit, the Parish Council pay towards their energy supply and maintenance, which is yet another costing we would seriously wish to lose, but are not permitted to.

AND SO IT GOES ON! As you can then add to this the recent decision of LCC to cease the Library as a facility in our Village but we as a Council agreed to keep it running, BUT at a COST, again adding to the Budgetary needs. And last but certainly not least District Council, dropped the presences of a Council Office in the village but again as a Parish Council we agreed to continue to provide this service, as we strive to be a proactive Parish Council. Once again there is a financial element which falls upon us as a Parish Council.

Again, not wishing to reiterate the fact, if we did not take on these financial responsibilities (with our feelings that these should be provided by the Government, which then creates a knock on effect at District and County level), we would be allowing our village to be turned into a Wasteland and we as a Council WILL NOT allow this to happen. BUT to achieve this there has to be an obvious financial implication which has unfortunately to be met by our residents.

A campaign has been launched by Lincolnshire councils to lobby for a fairer funding deal. If councils here received the average funding for council areas in England, the region would benefit from £116million extra funding for services, every year. The principal authorities and Parish Council have been in contact with the MP and she has met with the secretary of state to lobby him for future funds.

Having systematically gone through the Parish Council's needs and outgoings, and despite the attempt to make cut backs, this has again proved more than difficult. It is therefore estimated that the total outgoings for MPC for 2018-2019 will be £165,175.00, an increase of £10,507.00 (compared to the figure of £154,668.00 in 2017-2018).

For the financial year, 2018-2019 it is anticipated income which Metheringham Parish Council will raise is £28,046.00. This is an increase of £6,138.00 on the previous year, due mainly to the potential recovery of additional V.A.T. of approximately £18,000 (compared to only £9,000.00 last year). Having said this, the fact that income is anticipated to increase by more than £6,000.00, in reality, it only sees an increase in expenditure of £4,369.00 on 2017-2018.

At this moment in time there is a shortfall of **£136,000.00** excluding the CTS Grant and this is the Precept we would suggest. This is assuming that NKDC still provide the CTS grant (estimated at £1,129.00) **Total Precept £137,129.00.**

As stated the total sum required to run YOUR community in 2018/2019 is £165,175.00.

This document and the appendices are produced to highlight the budgetary requirement of MPC, and it includes a comparison on last year and the projected totals to the end of this financial year in March 2018.

When setting the Precept NKDC always show the figures as a percentage increase/decrease however, this does not show a true reflection because 0% of nothing is nothing % but then 5% of the larger amount of precept required by larger villages always comes over as excessive. In the July-September 2017 edition of News NK the article 'Your local Councils and their responsibilities' It was quoted the council tax charge varies greatly; for this year at Band D it ranges from £7.77 in Boothby Graffoe to £119.10 in Metheringham'. On researching Booth Graffoe, it would appear they have a parish meeting, therefore do not have a parish council. We appreciate what NKDC were trying to highlight, but clearly Boothby Graffoe do not offer any services/facilities to the parish other than one 'parish meeting' annually and on the other hand Metheringham has staff, facilities and provide many services.

Required to utilise the NKDC Model Calculator the amount payable for Band D equivalent properties has risen from 1,094.48 to 1,099.60 as our Tax Base. Using these means Metheringham Band 'D' equivalent also rises from £119.10 to £123.68 (an increase of 3.84% on last year).

A. Income

For the forthcoming year (2018-2019), we can calculate that known revenue will include the following:

- a) VAT refund of approximately £18,000.00
 - b) LCC revenue grant towards the Library - £5,166.00
 - c) LCC hire of Star and Garter field for the School - £2,400.00,
 - d) NKDC towards running the LAP – estimated reduction - £2,000.00,
 - e) Bank interest - approximately £50.00
 - f) Allotment rent - £80.00
 - g) Hiring the pavilion by local organisations - approximately £350.00.
- Adding these together sees anticipated income of approximately **£28,046.00.**
In 2017-2018 this was £21,908.00 making a potential increase on the previous year of £6,138.00 (28.02% increase).

B. Expenditure

B1. Employees Wages / Pensions / Tax & National Insurance

For 2018/2019 Parish Council employees had their hours slightly increased. Also the Dog Warden's costs increased. Additional to this, a cost of living rise, has also been included, which sees an increase of £6,787.00 from £54,013.00 to £60,800.00 (an increase of 12.56%). **36.8% of our total expenditure.**

B2. General Administration – on-going

In 2017-2018 the **General Administration** budget was set at £13,085.00. This covered all requirements such as Insurance, communication needs, audit fees, SLCC / LALC membership, training, publications, stationery and website requirements. Having sort advice the insurance cover had been re-adjusted but now this will have to be amended having added responsibility for the taxation, etc, of recent equipment purchased (i.e. Road Sweeper / Sit-on Mower). Also grouped in this heading is Contingency Funds (unforeseen expenses) an item it is recommended all Parish Councils should build into their budget. This sees the anticipated expenditure for the year 2018-2019 increase by £1,590.00 to £14,675.00 (an increase of 12.15%). **This is 8.88% of our total expenditure.**

B3. Amenities

The figure set for 2017/2018 was one of £29,370.00 and for 2018/2019 this will be £27,200.00, a decrease of £2,170.00 (a percentage decrease of -7.39% on last year). **This is 16.47% of our total expenditure.**

Variances on last years' figure are an increase in Street Lighting costs (supply, repair and maintenance agreements). This is offset by the cease in payment for the emptying of dog bins. The additional finances set aside are for equipment maintenance and replacements (which proved costly last year).

B4. Events undertaken by the Parish Council

This heading includes such events as the Fayre and Feast, Remembrance Day, Switching on Christmas Lights, the Annual Village Meeting, etc. The figure set for last year was £7,500.00 but this has been decreased by £1,500.00 to £6,000.00 for 2018/2019 (a decrease of 30%). **This is 3.63% of our total expenditure.**

B5. Community Library

In 2017/18 this figure was set at £5,000.00 but has been increased by £1,500.00 to £6,500.00, taking in to account it will be their 50th Birthday in 2018. This is an increase of 30%. **This is 3.93% of our total expenditure.**

B6. LAP – Council Office

In 2017/18 monies set aside for LAP was only £2,000.00, neglecting to include the rent due to NKDC, of £5,000.00. With additional expenditure the total spent on this facility for 2017/18 is estimated at £15,000.00 (due mainly to the rent for the previous

year (£5,000.00) also included in this financial year. Therefore for 2018/19 it is proposed to set a figure of £7,500.00 for this facility, an increase on 2017/18 of 275%. **This is 4.54% of our total anticipated expenditure for 2018/2019.**

B7. Emergency Fund for Parish Assets

This is an Emergency Fund which the Parish Council set aside to deal with emergency issues met by Village assets. These include the Swimming Pool (run by a management committee, under the auspices of the Parish Council). Also the Village Hall comes under this heading, albeit, they are a registered charity operated by a Management Committee, independent of the Parish Council who are merely the Custodian Trustees. Last year and for a considerable number of previous years the Parish Council had taken responsibly for a Public Works Loan, taken out on behalf of the Village Hall, (when extension work was carried out to the Entrance / Disabled Toilets etc). During 2017/2018 it was agreed to pay this loan off, the balance amounting to £7,796.00.

Last year a figure of £12,225.00 was set aside, which then included the PWLB. For 2018/19 it is proposed to set aside £10,000.00. This is a reduction of 18.20% Therefore the figure of **£10,000.00 is 6.05% of our total expenditure for 2018/2019**

B8. The General Power of Competence

As an eligible council we use the General Power of Competence. This is a power of first resort. In 2017-2018 this figure was fixed at £2,000.00. We as a Parish Council strive to maintain our policy of supporting local groups and organisations wherever possible and this was achieved on behalf of the local scouts, football club to name just two in 2017/2018. Other 'grants' were also made which saw us go over budget last year and it is proposed to increase this 'heading' from £2,000.00 to £4,000.00 in 2018/2019 (an increase of 100%) **The figure of £4,000.00 is 2.42% of our total budgeted expenditure for 2018/2019.**

B9. V.A.T. Refund

In the financial year (2017/2018) the figure of £7,000.00 was estimated as the sum to be paid in Value Added Tax in our budgetary figures. For 2018/19 the figure of £5,000.00 has been set, a decrease of £2000.00. **(3.06% of our budgeted expenditure for 2018/19).**

B10. Work in Progress

'**Work in Progress**' again continues to be a necessity of this Council on the grounds of health and safety. We are therefore duty bound to include funding towards the continual, annual, replacing of ageing street lighting columns, brought to our attention by E-on. Monies are also required to be included (i.e. £2,000.00) should there be any sort of election, which has cost implications. Also an on-going (work in progress) issue is 'Land Registration' and Professional / Legal Advice. Taking all these into account the figure set aside for 'Work in Progress' for 2018/19 has been slightly decreased from £13,750.00 to £13,500.00 (a decrease of 1.82% on 2017/2018) **8.17% of our total expenditure.**

B11. – Projects

In recent years the Parish Council has identified a number of suggestions, which were open for consideration, to give a better quality of service. Without doubt, for the forthcoming year this will include Toilet Facilities in close proximity of the Sports field / Play Park on Prince's Street. Last year this figure was set at £8,725.00 and for 2018/19 the sum set aside for 'projects' has been set at £10,000.00 which is £1,275.00 up on last year, an increase of 14.61% on last year (**6.05% of total expenditure**).

CONCLUSION

The anticipated shortfall (i.e. proposed Precept Request) **of £137,129.00 is an increase of £4,369.00 or 3.29% on that of last years.** The CTS grant is based on draft figures provided by NKDC. Taking into account our added responsibilities it is hoped this will be viewed as acceptable. The Tax Base for Band D properties has provisionally been set for 2018/2019 as £123.68, compared to £119.10 in 2017/2018. This is an increase of 3.84%. By doing this it is then estimated the increase of cost to Band D properties in 2018/2019 will rise by £4.56 per year OR 8.77p per week OR 1.25p per day!

C. TOTAL EXPENDITURE

Below is a quick view table showing the estimated income and expenditure for this Council over the year 2018/2019.

Hopefully this document outlines the projected responsibilities this Parish Council will have in the financial year 2018-2019 and Members will agree that the proposal is acceptable to them.

	2017/18	2018/19	+/- ¹
Precept excluding CTS	130358	136000	5642
Council Tax support (CTS)	2402	1129	-1273
General income	21908	28046	6138
	154668	165175	10507

	2017/18	2018/19	+/- ¹	percentage of total expenditure
B1 - Salaries	54013	60800	6787	36.8
B2 - Admin	13085	14675	1590	8.88
B3 - Amenities	29370	27200	-2170	16.47
B4 - Council Events	7500	6000	-1500	3.63
B5 - Community Library	5000	6500	1500	3.93
B6 - LAP - Council Office	2000	7500	5500	4.54
B7 - Emergency fund - Assets	12225	10000	-2225	6.05
B8 - General Power of Comp	2000	4000	2000	2.42

B9 - VAT Recoverable	7000	5000	-2000	3.06
B10 - Work in Progress	13750	13500	-250	8.17
B11 - Projects	8725	10000	1275	6.05
	154668	165175	10507	100

Estimated Income and Expenditure for 2018-2019 compared to 2017/18

income	2018/19	2017/18	Expenditure	2018/19	2017/18
Precept	138000	130358	Wages / Pension etc	60800	54013
Council Tax Support	1129	2402	Administration	14675	13085
VAT Refund	18000	9000	Amenities	27200	29370
LCC Library funding	5166	5125	Events held by PC	6000	7500
LCC hire of School field	2400	2400	Library	6500	5000
NKDC towards LAP	2000	4873	LAP	7500	2000
			Emergency fund -		
Hire of Pavilion	350	350	Assets	10000	12225
			General Power of		
Allotment Rent	80	80	Comp.	4000	2000
NKDC towards Litter	0	0	VAT	5000	7000
Bank interest	50	80	Work in Progress	13500	13750
			Projects	12000	8725
	167175	154668		167175	154668

Peter Ford (Responsible Financial Officer) –