

## **REVENUE BUDGET AND PRECEPT FOR 2018/19**

### **1. Background**

1.1 The Parish Council is required to set a budget and precept for 2018/19.

1.1.1 Details of the process to be followed and of the various Central Government and other changes to the process since last year's exercise were set out in a letter of 13 December, 2017 from NKDC to all Parish Clerks. The following budget has been prepared in the light of the guidance, etc contained in that letter.

1.1.2 Against this background, a suggested Parish Council budget for the coming financial year is attached (Appendix 1). The budget also provides comparative figures for the current financial year (2017/18) and an estimate of expenditure to the year-end ("Projected Outturn").

### **2. Matters for Consideration**

2. The key issues/changes proposed for the current year's budget are as follows:

2.1 A reduction in the Parish Clerk's salary budget to reflect a reduction of four in her monthly contractual hours. The Clerk has carried out a review of actual hours worked since her appointment and it has been ascertained that such a reduction is a reasonable one to make and will not adversely affect the service provided to the Parish Council.

2.2 A reduction in the Village Keeper/Dog Warden's salary budget to reflect the actual contractual hours worked and removal of the provision for "additional hours" working. In the event that additional hours are required in response to a particular issue/incident within the village, the costs involved can be met from the General Reserve (see Section 4 below).

2.3 A reduction in the provision for insurance. The Parish Council's insurers have confirmed that the proportion of the total premium applicable to the Village Hall is approximately £600. It is proposed, therefore, that subject to discussion with the VHMC, this part of the cost be met from lettings' fees. This would replicate the arrangement originally in place and is common practice with other village halls. In the event that agreement is not possible, the costs would be met from the Parish Council's General Reserve.

2.4 Deletion of the budget for the emptying of Dog Waste Bins as this service is now carried out by NKDC.

- 2.5 NKDC has suggested that given the increasing costs of running contested Parish Council elections, consideration be given to begin establishing a budget for these elections due in May 2019. Given past history, however, it is considered that the need for a contested election in Nocton is extremely unlikely and as such it is not felt necessary to begin setting aside specific monies for this purpose in the coming financial year. The position will, however, be reviewed for 2019/20.
- 2.6 Deletion of the Village Hall Broadband contribution as it is considered that this is now a cost which is more appropriately met by users of the Hall from fees raised from lettings charges rather than by residents who do not use the Hall or its facilities.. Again, this will be subject to discussion with the VHMC.
- 2.7 An increase in the budget for the repayment of the Loan to rebuild the Village Hall to £9,000. This would enable the Parish Council to draw down from a maximum Public Works Loan of £500,000 in 2018/19 (at current interest rates) given a building start in September. Since the total cost in a full year to repay a £500,000 loan is £18,000 a sum of £4,250 has also been included in the proposed budget with the remainder required being dealt with in the budget for 2019/20. This will spread the additional cost over two years thus reducing the impact on Council Tax payers. In addition, the grant of £3,000 from the VHMC made to the Parish Council last year but not used has been carried forward to reduce the effect on this year's precept.
- 2.8 At the time of writing, the Parish Council is in discussion with Simons (the appointed Contractor) regarding final costings for the project. An update on the position will be given at the meeting, including any implications for the budget (see Agenda Item No. 7).
- 2.9 A deletion of the budget for "Grants and Donations".
- 2.10 A reduction in the budget for the production of Nocton News to reflect a changed method of production, etc and potentially, a reduction in the number of issues produced. In the event that the sum included is insufficient, any additional costs would be met from the General Reserve..
- 2.11 Deletion of the budget for Councillors' Expenses to reflect the fact that no such claims have been made in the previous two years.
- 2.12 Deletion of the budget for the Christmas Tree since alternative sources of funding will be investigated. In addition, if the Hall is rebuilt as planned, then there will be no suitable site available to erect the Tree in 2018.

2.13 A modest increase in the budget for general maintenance around the village which will also include provision for the Village Keeper's equipment and other consumables e.g. bin liners, fuel for mower, etc.

2.14 A small reduction in the budget for the subscription to LALC – the cost of the training fee element will be shared with the other parish council serviced by our Clerk as both will benefit from any training undertaken.

### 3. Conclusion

3.1 The effect of the proposals in 2.1 to 2.14 above will be to give a total gross Parish Council expenditure in 2018/19 of £24,645, an increase of £1,665 over the current financial year.

3.2 Assuming total income of £3,010, this would result in the following funding requirement from NKDC:

	<b>£</b>
Redistributed Grant:	41.23
Parish Council Income	3,010.00
Precept:	<u>21,593.77</u>
	<b>24,645.00</b>

3.3 The effect of this budget on a Nocton Council Tax payer (Band D equivalent) would be an increase of £2.56 in the annual sum paid to fund the Parish Council (the "precept") from £66.35 in 2017/18 to £68.91 in 2018/19 – an increase of 3.86%.

3.4 Despite this proposed increase, Nocton would continue to compare favourably with the lowest precepts/expenditure of any similar-sized Parish Council in the area. Examples of Band D "Equivalents" for neighbouring parishes of a similar or smaller size are as follows:

Nocton	£68.91 (proposed)
Digby	£78.97 (current)
Potterhanworth	£67.82 (current)
Dunston	£69.11 (current)
Welbourne	£79.24 (current)

3.5 Details of the proposed budget were circulated to members of the Council and the comments received have been included in this final report.

3.6 As part of the Localism Act, the Government now requires all local authorities to seek approval from their electorate through a referendum if their council tax increase exceeds a certain level. For 2018/19 this level is to be determined at 2%. However, the

Government has again decided to exclude all town and parish councils from this requirement.

#### **4. Parish Council General Reserve**

Assuming that there are no unforeseen calls on the Parish Council's budget for the remainder of the financial year, it will prove possible to carry forward to 2018/19 a sum of approximately £11,500 (which includes a pending VAT refund) as an unallocated Contingency/Reserve. This is a considerable improvement in the position over previous years (largely as a result of the delay in proceeding with the rebuilding of the Village Hall). However, it should be noted that good budgetary practice would require a General Reserve to be set at around 75% of annual expenditure which, for Nocton Parish Council, would mean a Reserve of approximately £18,000.

#### **5. Recommendation**

5.1 The Parish Council is asked to consider the issues raised above and to agree a Revenue Budget and the corresponding precept for 2018/19 as set out in Appendix A attached to this report.

**Report prepared by Councillor Ian Goldsworthy  
(Budget Portfolio Holder)**