

13.e. DRAFT Budget 2018/19 including requests for Precepts and Grants

The Clerk circulated a report in advance of the meeting. The report used the projected cash balance as at 31st March 2018, reported in the previous agenda item, as its starting point.

The Draft Budget 2018/19 and Three Year Medium Term Financial Strategy 2018/19 to 2020/2021 (see Appendix A to the Agenda Report) is constructed based on:-

- i. the Precept remaining at the same cash level as in 2017/18,
- ii. two of the BDBC Grants reducing as announced in their letter to Parishes dated 3 November 2016, to the point where they have reduced to zero by 2019/2020
- iii. routine 'fixed' operating costs remaining generally at the same level as in the current year,
- iv. no allowance for inflation, however the Council should be aware of the current 'pressures' on 'government services' salary pay scales that could affect the parish clerk from 2018/19,
- v. maintain the financial provision for maintaining the village green,
- vi. VAT payments and recovery based on the above.
- vii. the Council decision in Sept 2016 to apply an initial £1,000, and then to further contribute by £700 each year, towards the "Provision for repairs and maintenance to the Unadopted Roads" (see paragraph 6 above), and
- viii. the references in para graph 6 to the three further Earmarked Funds where Appendix A models the effect of increases from 31st March 2018 through to 31st March 2021 as follows:-
 - a. Locum Clerk to increase from £400 to £700,
 - b. Legal Costs to increase from £500 to £900, and
 - c. IT replacement to increase from £500 to £1,500 by 31st March 2019, and to remain at that level in the subsequent year.

The following financial model was presented. It showed, in summary, the effect of the above strategies on the Budget 2018/19 and for the following two years through to 31st March 2021

Financial model of Three Year Medium Term Financial Strategy 2018/19 to 2020/21

	2017/18	2018/19	2019/20	2020/21
Precept	6703	6703	6703	6703
<i>BDBC Grants</i>	<i>1031</i>	<i>630</i>	<i>229</i>	<i>229</i>
VAT refund	822	364	550	550
Total Receipts	8556	7697	7482	7482
Routine running costs				
Clerk's salary	3062	3062	3120	3180
Other 'fixed' operating costs	1095	1130	1160	1185
Village Green mowing	650	650	650	650
VAT on 'admin'/capital costs	364	550	550	550
Total 'admin' costs	5171	5392	5480	5565
One-off and/or capital costs				
Website construction (see funding above)	386	0	0	0

Allowance for Wellhead R&M	400	0	0	300
Allowance for other spend in year	700	700	700	700
	1486	700	700	1000
TOTAL Payments in year	6980	6092	6180	6565
Cash Balance b/fwd 1 April	6206	6611	7330	7403
Surplus in year	1899	1605	1302	917
Cash Balance c/fwd 31 March	8105	9710	11012	11929
Allocated to Earmarked Provisions Reserves	3100	4700	6000	6900
Balance held in General Fund at year end	5005	5010	5012	5029

BDBC Notification Letter 8th November 2017: Parish Funding Grants (£632 in 2018/19)

BDBC wrote to all parish councils informing them of their proposed grants for the coming years. The statement included the removal over three years of the 'Local Government Grant (£366 in 2018/19) and the 'Council Support Tax Grant', (£35 in 2018/19) leaving the Parish Funding Grant (£231 in 2018/19)) as the sole remaining grant with effect from 2019/20. This Parish Funding Grant is for the provision and maintenance of various activities in your area (e.g. grass cutting, closed churchyards and cricket square maintenance).

Excessive Precept Increases

No referendum principles have been applied to parish and town councils in previous years. However, the Government is continuing to monitor the position and has said that any revised proposals will be set out at the time of the provisional local government finance settlement which is due to be announced later this year (possibly in December). BDBC have currently applied an inflationary increase of 1% to their grants. The latest Consumer Prices Index is showing an annual year-on-year increase of 2.9%.

Key Dates and Process

By 9 January 2018 - Parishes to be provided with the council tax base figures for 2018/19.

31 January 2018 - deadline for parishes to return precept request forms to Borough Council.

DECISIONS: The Parish Council

- 1. AGREED the Draft Budget 2018/19 (as summarised in paragraphs 7- 10 and detailed in Appendix A of the Agenda report) and reproduced in tabular form above, and,**
- 2. being mindful of the decision taken last year "to agree in principle to apply a similar financial strategy over the medium term to 31st March 2020 ie to increase the precept year-on-year to compensate for loss of grant and for inflationary pressures", AGREED to increase its Precept by 2% (an increase from £6,703 in 2017/18 to £6,837 in 2018/19), although the Consumer Prices Index showed an annual rate of inflation of 2.9%.**

ACTION: CLERK to complete the necessary Precept and Grant Claim Forms for authorization by Chairman and two Councilors, and submit to BDBC by the deadline date.