

West Rainton Parish Council - 17 January 2019

Agenda Item 7: Precept for 2019/20

Report of the Parish Clerk

To comply with the deadline of 26 January 2019 set by Durham County Council (the Council Tax administering Authority), the Parish Council is required to agree, set and request the precept for the financial year 2019-2020.

Tax Base 2019/20

The County Council has updated its tax base modelling taking into account the updated position in terms of new build and incidence of other discounts and exemptions impacting on the tax base calculation.

The table below shows the position for West Rainton Parish Council

Current Tax Base (2018/19) (A)	682.9
Tax Base for 2019/20 (B)	688.2
Tax Base Increase from 2018//19 (C) = (B-A)	5.3
Current Band D Council Tax (2018/19) (D)	£49.30
Increase in Council Tax Yield (E) (C X (D))	£261.29
Removal of the 2018/19 LRTRS Grant (F)	(£2836)
LCTRS Grant Applicable in 2019//20 (G)	£2575
*Net Position (E) – (F) + (G)	£0.29

*This is the amount the Parish Council could decrease its precept by to give a standstill position in terms of resource availability.

To assist Parish Council consider the setting of the 2019/20 precept please refer to the attached Appendix.

This summarises:

- Actual expenditure and income in 2017/18
- Forecast expenditure and income for 2018/19
- Draft budget for 2019/20 **based on a standstill position** i.e. no change to precept.

Draft Budget 2019/20

In drawing up the proposed budget for 2019/20, careful consideration has been given to anticipated spending based upon experience gained over the last 2 years. Your attention is drawn to key provisions in the draft budget:

- Forecast brought forward general reserves balance of £7,966
- Maintenance of the earmarked reserve for cemetery improvements of £12,000
- Continuation of service support to Durham Area Youth for 2019/20 agreed by the Parish Council at its December 18 meeting (£6000)
- The current level of staff resource (20 hours per week)
- Provision of £3,000 to fund agreed actions in the Parish Plan assumes no external funding – but there is the potential that AAP funding may be allocated for road safety improvements

- The *potential* to fund all grant applications from community groups
- An increase of 3% RPI where considered necessary

Conclusion

The draft budget forecasts a budget surplus of £3,352 which when added to the forecast general reserve balance brought forward from 2018/19 of £7,966. results in an estimated general reserve balance as at 31 March 2020 of £11,318.

During 2018/19 £801 was spent on cemetery improvements, over and above the £6,000 grant award. This could be funded from the £12,000 earmarked reserve, increasing the general reserve forecast at the end of year to £12,119.

However, there are potential additional budget pressures that may arise during 2019/20 that have not been included in the draft budget. These include:

Potential purchase of defibrillator - estimated £600-£1000
 Potential provision and annual maintenance of village tubs - estimated £2000
 Potential Bi Election (estimated cost £4000 – per election) – considered low probability
 Consideration of the future of jubilee hall
 Proposed memorial wall costs, exceed funding within the earmarked Cemetery Reserve

The next parish council 4 yearly election is due in May 2021, (estimated cost £4,000), and it may therefore be prudent to create an earmarked election reserve account, with a £2,000 contribution being made in 2019/20 and in 2020/21 to fund this.

It is therefore proposed that:

1. £801 be transferred from the Cemetery Development Earmarked Reserve at 31 March 2019 to the general reserve
2. An earmarked Election Reserve be created with £2,000 being transferred from the General Reserve at 31 March 2019.

This would reduce the forecast general reserve balance at 31 March 2019 to carry forward into 2019/20 to £6,767 resulting in a revised estimated general reserve forecast balance at 31 March 2020 of £10,119 to meet potential additional budget pressures and maintain a general reserve balance for unknown expenditure.

3. No increase in precept is made during 2019/20

Parish Council is asked to consider this report and Appendix in order to agree the precept requirement for 2019/20 and agree a draft provisional budget for 2019/20.

17th January 2019