

West Rainton Parish Council - 12 January 2018

Agenda Item 9: Precept for 2018/19

Report of the Parish Clerk

To comply with the deadline of 26 January 2018 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 2018-2019.

Tax Base 2018-/19

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 (2017/18) (A)	675.2
Tax Base for 2018/19 (B)	682.9
Tax Base Increase from 2017/18 (C) = (B-A)	7.7
Current Band D Council Tax (2017/18) (D)	£37.92
Increase in Council Tax Yield (E) (C X (D))	£291.98
Removal of the 2017/18 LRTRS Grant (F)	(£2734)
LCTRS Grant Applicable in 2018/19 (G)	£2836
*Net Position (E) – (F) + (G)	£393.98

*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 2018/19 precept please refer to the attached Appendix.

This summarises:

- Actual expenditure and income in 2016/17
- Forecast expenditure and income for 2017/18
- Draft budget for 2018/19 **based on a standstill position** i.e. no change to precept.

Draft Budget 2018/19

In drawing up the proposed budget for 2018/19, 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 £8,441
- Maintenance of the earmarked reserve for cemetery improvements of £12,000
- Donation to support the current level of Youth Service Provision for 2018/19 (£6000)
- The current level of staff resource (20 hours per week)
- Provision of £3,000 to fund agreed actions in the Parish Plan
- An increase in Data Controller fees for shared cost of a Data Controller as a result of new Data Protection legislation
- Estimated recoverable VAT paid in 2017/18 of £1,000
- Provision for legal advice associated with consideration of Jubilee Hall proposals
- The potential to fund all grant applications from community groups
- An increase of 3% RPI where considered necessary

Conclusion

As a result of these additional budget pressures, a budget deficit of £7148 is forecast. This could be funded from the anticipated general reserve balance to be carried forward into 2018/19 of £8441. However, no provision for contingencies has been included and this would only leave a balance of £1293 to cover any unexpected expenditure. In addition, further budget pressures are anticipated in future years, particularly in relation to the Youth Service. Consequently it would be prudent to plan to maintain a more robust general reserve balance going forward by increasing the precept in 2018/19.

Examples of the impact of potential precept increases are given in the Appendix. For example a 20% increase in precept would generate additional income of £5179 and provide a reserve forecast at the end of the year of £6,472. This would equate to a £7.58 annual increase in Council Tax for a Band D Property (63p per month).

Parish Council is asked to consider this report and Appendix in order to agree the precept requirement for 2018/19.

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