

Great Hanwood Parish Council Meeting – 24th January 2017

Item 7 – Budget & precept requirement for 2017/18

Prepared by Rebecca Turner, Clerk / RFO

1.0 Background

- 1.1** This report is to be read alongside the budget spreadsheet. It highlights key points from the proposed budget for 2017/18 and the longer term budget forecast to 2019/20; the budget forecast is for information, the only budget which needs setting at this meeting is the 2017/18 budget & precept. The report makes recommendations for a proposed budget and precept. The report comprises this written report and a spreadsheet with annotated notes.
- 1.2** The Council's budget is comprised of its anticipated expenditure for the year and provision to pay into ringfenced reserves, principally to enable it to manage its assets. The Council receives some income in the form of grants (for youth, environmental maintenance and Transparency Code compliance), cherry tree "royalties". The council's principal income is derived from its precept. It is possible that beyond 2017/18, grant income may not be available.
- 1.3** The precept per Band D household is calculated by taking the precept requirement divided by the Tax Base (set by Shropshire Council).

2.0 Review of 2016/17 budget

- 2.1** Councillors are provided with budget reports during the financial year. In summary for 2016/17, it is anticipated that there will be a total of £23961.29 income, payments of £22599.85 and contributions to reserves of £1500. Full details are in the appended budget sheet.

3.0 2017/18 budget

- 3.1** As shown on the budget sheet, the 2017/18 budget is for expenditure of £21292.77. The final budget will be higher than this because the Council also needs to consider budget required for the following:
- Grass cutting with reference to the quotes sought for Caradoc View and the Village Hall; as part of this the Council needs to decide how the costs will be shared with the Village Hall

- Village Hall request for additional grant of £1990 which included £350 towards grass cutting
- Is funding required as a result of decision to register an interest in being a potential bidder for the Assets of Community Value of The Cock Inn and Bowling Green?

3.2 Council are asked to note that the Environmental Maintenance Grant fund is open to applications but this does not necessarily mean that £2700 will be received, as was the case last year

4.0 Reserves

4.1 Council has two types of reserves –firstly, ring-fenced which are normally for specific items. Secondly a general or non ring-fenced reserve. Money can be transferred between reserves at any time, with Council’s agreement.

4.2 Audit commission guidance is that the Council’s on ring-fenced reserves should be a minimum of 3 months of anticipated expenditure and not exceed 12 months of anticipated spend. These figures are not set in stone and the risks associated with the level of reserves should be assessed. Council needs to consider if reserves are adequate and if it considers the contributions to reserves suggested by the RFO are appropriate.

4.3 Precept requirement

The precept requirement is the amount required to meet the budget requirement (spend add reserves), less other sources of income. The total precept is divided by the Council Tax Base of 367.38 to give a precept per band D household. A balanced budget is recommended.

5.0 Risk Assessment

5.1 The Council should risk assess its budget and level of reserves. With decreasing local government funding and lack of certainty over availability of grants, it is vital that the Council ensures that it budgets adequately through its precept and maintains reserves at an appropriate level

5.2 Potentially costly assets such as the play area need to be adequately budgeted for. Council also needs to consider if it has adequate funds to carry out projects it wishes to pursue.

6.0 Long term budget

6.1 The 2018/19 and 2019/20 are indicative only and will need reviewing before being set. They are based on a balanced budget approach.

7.0 Recommendations

- 7.1 Council needs to consider this report and the proposed budget and precept requirement and assess whether they think it is adequate. Council also needs to consider what is are appropriate budgets for the items cited at Para 3.1 Council should also consider level of payment into reserves.