

ELDON PARISH COUNCIL

31st January 2017

Budget and Precept

REPORT OF CLERK

INTRODUCTION

1. The Parish Council needs to determine its budget and precept for 2017-18. The budget and precept in 2016-17 was £12,386. Taking into account the Local Council Tax Reduction Scheme (LCTRS) grant of £2,248, passported to the Parish Council by Durham County Council, this resulted in a precept for the current financial year of £10,138 and a Band D Council Tax rate of £115.47, a reduction of 0.08% from the 2015-16 rate.

POSITION IN 2017-18

2. The Parish Council has been advised that tax base (on which the precept is calculated) will fall from 87.8 Band D properties in 2016-17 to 84.2 Band D properties in 2017-18 - a reduction of 3.6 properties. Members should note that the number of Band D properties in the current financial year rose from 80.6 in 2015-16 to 87.8 in the current year. Because of this the Parish Council was able to marginally reduce the precept and Band D tax rate in the current year.
3. Although the LCTRS grant provided by the County Council to Eldon Parish Council has fallen year on year, the grant for 2017-18 has increased to £2,468 from £2,248 to take into account some of the reduction in the council tax base. However, the net result is that the Parish Council will still be £195.69 worse off.
4. If members wished to maintain a standstill budget (i.e. £12,386, as in 2016-17) an increase in the precept for 2017-18 of £195.69 would be required before taking into account inflation, pay increases, or new commitments. However, members are reminded that the LCTRS passported to the Parish Council will generally still continue to fall year on year over the coming years and in a worst case scenario could be withdrawn altogether.
5. Members should note that, in setting the budget and precept, following a consultation paper last autumn the Government has indicated that it does not intend to introduce capping of Parish Council budgets/precepts in the immediate future, so there are no caps for the 2017-18 budget and precept setting process, but it may look at this in future years.
6. In submitting its precept request to the County Council, the Parish Council will need to request **only** that sum required, once the LCTRS grant has been subtracted from the overall budget figure.

BUDGET AND PRECEPT 2017-18

7. A schedule showing the current year's budget and estimated expenditure will be circulated at the meeting, together with options for a standstill budget and budget increases. A decision is sought on the budget and precept.

Tom Bolton
Clerk to Eldon Parish Council