

ELDON PARISH COUNCIL

15th January 2019

Budget and Precept 2019-20

REPORT OF CLERK

INTRODUCTION

1. The Parish Council needs to determine its budget and precept for 2019-20. The budget and precept in 2018-19 was £12,640. Taking into account the LCTRS grant of £1,910 for 2018-19, this resulted in a precept of £10,730 and a Band D Council Tax rate of £117.65, a small decrease of 1p from the previous year's rate.

POSITION IN 2019-20

2. The Parish Council has been advised that the tax base (on which the precept is calculated) will rise from 91.2 Band D properties in 2018-19 to 92.5 Band D properties in 2019-20 - a rise of 1.3 properties.

3. The LCTRS grant provided by the County Council to Eldon Parish Council has generally fallen year on year and the grant for 2019-20 will reduce to £1,757 (compared to £1,910 in 2018-19) partly offsetting the increase arising from the council tax base. The net result is that the Parish Council will be £0.05 better off at a standstill position in 2019-20.

4. If members wished to maintain a standstill budget (i.e. £12,640, as in 2018-19) there would be no need for an increase in the precept for 2019-20. However, it would be prudent to note that there are a number of factors which are likely to increase demands upon the Council's forthcoming budget, including pay increases. Members are reminded that the LCTRS grant 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Council will generally still continue to fall year on year over the coming years and in a worst case scenario could be withdrawn altogether. Other factors to take into account in determining the 2019-20 budget include the cost of inflation (approximately 2.5% in recent months) and potential higher rises in other precepting authorities.

5. Members should note that, in setting the budget and precept for 2019-20, it is not believed that any capping will be introduced, but this may not be the case in future years. The Government has indicated that it only wishes to see increases in Parish Council precepts linked to additional provision of services.

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 2019-20

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 different budget increases. A decision is sought on the budget and precept.

Tom Bolton
Clerk to Eldon Parish Council

***Note.** Members are reminded that in England and Wales, Section 106 of the Local Government Finance Act 1992 prohibits a local councillor in council tax arrears for at least two months from voting on the setting of a precept or any recommendation, resolution or other decisions which might affect the calculation of the precept.*