

ELDON PARISH COUNCIL

14th January 2020

Budget and Precept 2020-2021

REPORT OF CLERK

INTRODUCTION

1. The Parish Council needs to determine its budget and precept for 2020-21. The budget in 2019-20 was £12,640. Taking into account the LCTRS grant of £1,757 for 2019-20, this resulted in a precept of £10,883 and a Band D Council Tax rate of £117.65.

POSITION IN 2020-2021

2. The Parish Council has been advised that the tax base (on which the precept is calculated) will rise from 92.5 Band D properties in 2019-20 to 92.8 Band D properties in 2020-21 - a rise of 0.3 properties.

3. The LCTRS grant provided by the County Council to Eldon Parish Council has generally fallen year on year in the past, but the grant for 2020-21 will increase to £1,985 (compared to £1,757 in 2019-20). The net result is that together with the increased tax base, the Parish Council will be £263.30 better off at a standstill position in 2020-21.

4. If members wished to maintain a standstill budget (i.e. £12,640, as in 2019-20) there would be no need for an increase in the precept for 2020-21. 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 and the Council is reminded that the LCTRS grant passported to the Parish Council by the County Council could be withdrawn altogether in a worst case scenario. Other factors to take into account in determining the 2020-21 budget include the cost of inflation, although this has fallen in recent months. In essence, the Council could increase its budget by £263.30 without increasing the precept.

5. Members should note that, in setting the budget and precept for 2020-21, 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 2020-21

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.*