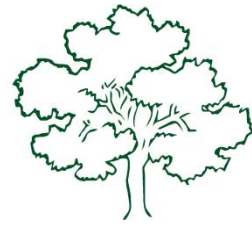


**Henstridge
Parish Council**



**Budget Setting
and
Precept Request
2019/20 v3
(FINAL)**

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1 - Introduction

This report is intended to introduce the draft budget for 2019/20 and to briefly explain residents' Council Tax bills and the Council Tax Support grant and how these relate to the Parish Council's draft precept request.

2 - Draft budget

The Parish Council budget is made up of Payments and Receipts. Within these two headings, the funds to be spent or received are broken down into "cost centres" and then "budget lines". This is to make sure that the Council knows that it has made provision for all of its responsibilities and for any unforeseen costs or income that may be incurred throughout the year.

While some payments and receipts are known in advance, for example salaries and allotment rents, it is impossible to make a completely accurate prediction of exactly how much will be spent or received. The Council's Financial Regulations allow for funds to be transferred from one budget line to another during the year, with agreement at a Full Council meeting, in case of unexpected costs.

In addition to the budget, the Parish Council also carries earmarked reserves. We are advised by the Somerset Association of Local Councils to retain between 6 and 18 months of running costs. Earmarked reserves are also used to save up for expensive items or projects over several years to mitigate the impact on the Council Tax bill of these larger items. Earmarked reserves are reviewed by the Council in April each year, but appendix A gives a snapshot of the funds to date.

The following pages show the draft budget for the 2019/20 financial year, including the percentage increase or decrease for each cost centre and budget line. Where the percentage increase or decrease is significant, these figures are highlighted in yellow and an explanation is given below.

PAYMENTS	Budget 2018/19	Budget 2019/20	2019/20 +/-	Percentage increase/decrease
		Draft		Draft
Wages				
Clerk's wages (incl HMRC)	£13,800.00	£15,390.00	£1,590.00	12%
Project Costs	£700.00	£700.00	£ -	0%
ER NICs	£800.00	£800.00	£ -	0%
Clerk's travelling expenses	£900.00	£900.00	£ -	0%
Clerk's other expenses	£185.00	£185.00	£ -	0%
Clerk's training	£200.00	£200.00	£ -	0%
Pension costs	£270.00	£462.00	£ 192.00	71%
Grounds staff wages (incl HMRC)	£1,820.00	£ 1,915.00	£ 95.00	5%
	£18,675.00	£20,552.00	£1,915.00	10%
Administration				
Phone/broadband	£700.00	£720.00	£ 20.00	3%
Stationery	£130.00	£250.00	£ 120.00	92%
Photocopier/Printer	£150.00	£150.00	£ -	0%
Postage	£200.00	£200.00	£ -	0%
Insurance	£1,700.00	£1,400.00	-£ 300.00	-18%
Internal Audit	£500.00	£515.00	£ 15.00	3%
External Audit	£400.00	£400.00	£ -	0%
Hire of premises	£300.00	£300.00	£ -	0%
Bank charges	£20.00	£20.00	£ -	0%
Office equipment	£50.00	£50.00	£ -	0%
Web site	£150.00	£150.00	£ -	0%
Software	£60.00	£60.00	£ -	0%
Subscriptions	£780.00	£780.00	£ -	0%
Legal costs	£400.00	£400.00	£ -	0%
Data protection	£55.00	£55.00	£ -	0%
Accounting Software	£650.00	£250.00	-£ 400.00	-62%
Contingency	£100.00	£100.00	£ -	0%
	£6,345.00	£5,800.00	-£ 545.00	-9%
Election/Councillor Expenses				
Councillor's expenses	£250.00	£250.00	£ -	0%
Councillor's training	£100.00	£200.00	£ 100.00	100%
Publications	£30.00	£30.00	£ -	0%
Election costs	£550.00	£550.00	£ -	0%
	£930.00	£1,030.00	£ 100.00	11%
Community Services				
Provision of roadside grit	£ -	£100.00	£ 100.00	100%
Community Projects	£1,500.00	£1,500.00	£ -	0%
Village Agent	£ -	£7,000.00	£7,000.00	100%
Grants	£2,000.00	£2,000.00	£ -	0%
Youth Specific Grants	£1,000.00	£1,000.00	£ -	0%
	£4,500.00	£11,600.00	£7,100.00	158%
Open Spaces/Burial - Maintenance				
Machinery	£750.00	£750.00	£ -	0%
Fuel	£210.00	£210.00	£ -	0%
Grass cutting - Recreation Ground	£2,400.00	£2,400.00	£ -	0%
Burial Ground spoil management	£500.00	£500.00	£ -	0%
Annual inspections - Play area, skate park & gym	£130.00	£130.00	£ -	0%
Playground maintenance	£1,035.00	£1,035.00	£ -	0%

PAYMENTS (continued)	Budget 2018/19	Budget 2019/20	2019/20 +/-	Percentage increase/decrease
		Draft		Draft
Skate Park maintenance	£1,000.00	£1,000.00	£ -	0%
Green Gym maintenance		£100.00	£ 100.00	100%
New play equipment	£0.00	£ -	£ -	0%
Recreation Ground hedging & trees	£700.00	£700.00	£ -	0%
Woodland Maintenance	£1,350.00	£1,350.00	£ -	0%
Allotments water	£300.00	£300.00	£ -	0%
Allotments maintenance	£1,000.00	£1,000.00	£ -	0%
War memorial maintenance	£400.00	£400.00	£ -	0%
Car park maintenance	£2,000.00	£2,000.00	£ -	0%
Litter pick	£100.00	£100.00	£ -	0%
Sports clubs	£200.00	£200.00	£ -	0%
Contingency	£50.00	£50.00	£ -	0%
	£12,125.00	£12,225.00	£ 100.00	1%
Open Spaces/Burial - Projects				
Open Spaces projects	£1,500.00	£1,500.00	£ -	0%
Youth facilities/activities	£ 600.00	£600.00	£ -	0%
Picnic in the Park	£ 500.00	£500.00	£ -	0%
	£2,600.00	£2,600.00	£ -	0%
Section 137				
Charitable donations	£200.00	£200.00	£ -	0%
Other local organisations	£450.00	£450.00	£ -	0%
Other	£1,000.00	£1,000.00	£ -	0%
	£1,650.00	£1,650.00	£ -	0%
TOTAL	£46,825.00	£55,457.00	£8,632.00	18%

RECEIPTS	Budget 2018/19	Budget 2019/20	2019/20 +/-	Percentage increase/decrease
		Draft		Draft
Administration				
Precept	£43,350.00	£52,255.00	£8,906.00	21%
SSDC Grant re CTB	£340.00	£ -	-£ 340.00	-100%
Land Rents	£175.00	£185.00	£ 10.00	6%
Interest on deposit and project a/c	£20.00	£ 20.00	£ -	0%
Other	£0.00	£ -	£ -	0%
TOTAL ADMIN RECEIPTS	£43,885.00	£52,461.00	£8,576.00	20%
BG-OS				
Burial Ground fees	£1,400.00	£1,400.00	£ -	0%
Allotment Rents	£562.50	£ 562.50	£ -	0%
Other	£0.00	£ -	£ -	0%
SSDC Playground maintenance grant (earmarked)	£1,035.00	£1,035.00	£ -	0%
TOTAL BG-OS RECEIPTS	£2,997.50	£2,997.50	£ -	0%
TOTAL RECEIPTS	£46,882.50	£55,457.50	£8,576.00	18%

SUMMARY	Budget 2018/19	Budget 2019/20	2019/20 +/-	Percentage increase/decrease
		Draft		Draft
Wages	£18,675.00	£20,552.00	£1,877.00	10%
Administration	£ 6,345.00	£ 5,800.00	-£ 545.00	-9%
Election/Councillor Expenses	£ 930.00	£ 1,030.00	£ 100.00	11%
Community Services	£ 4,500.00	£ 11,600.00	£7,100.00	158%
Open Spaces/Burial - Maintenance	£12,125.00	£12,225.00	£ 100.00	1%
Open Spaces/Burial - Projects	£ 2,600.00	£ 2,600.00	£ -	0%
Section 137	£ 1,650.00	£ 1,650.00	£ -	0%
PAYMENTS total	£46,825.00	£55,457.00	£8,632.00	18%
less				
Administration receipts	£43,885.00	£52,461.00	£8,576.00	20%
BG-OS receipts	£2,997.50	£ 2,997.50	£ -	0%
RECEIPTS total	£46,882.50	£55,458.50	£8,576.00	18%

3 - Explanation of significant variances

PAYMENTS	Budget 2018/19	Budget 2019/20	2019/20 +/-	Percentage increase/decrease
Clerk's wages (incl HMRC)	£13,800.00	£15,390.00	£1,590.00	12%

This increase is reflects the regrading of the Clerk role (minute reference 13. 04/06/18), possible progression from SCP 26 to 27 and the national increase to all SCPs.

PAYMENTS	Budget 2018/19	Budget 2019/20	2019/20 +/-	Percentage increase/decrease
Pension costs	£270.00	£462.00	£ 192.00	71%

From April 2019, the minimum amount that employers must contribute towards an employee's pension is rising from 2% to 3%. Therefore, the actual monthly employer contribution will rise from £24.19 to £38.48.

PAYMENTS	Budget 2018/19	Budget 2019/20	2019/20 +/-	Percentage increase/decrease
Grounds staff wages (incl HMRC)	£1,820.00	£ 1,915.00	£ 95.00	5%

It is likely that the National Living Wage will rise again from April 2019. The actual rates have not yet been announced so the 5% increase is a best guess based on the rise in April 2018.

PAYMENTS	Budget 2018/19	Budget 2019/20	2019/20 +/-	Percentage increase/decrease
Stationery	£130.00	£250.00	£ 120.00	92%

£120 has been added to this budget because there are four years' worth of minutes that need to be bound. The cost of binding the minutes in October 2012 was £180. Stationery requirements are not likely to be very high on 2019/20, so it is estimated that the addition of £120 will cover both stationery requirements and minute binding.

PAYMENTS	Budget 2018/19	Budget 2019/20	2019/20 +/-	Percentage increase/decrease
Insurance	£1,700.00	£1,400.00	-£ 300.00	-18%

In July 2018, the Parish Council agreed to sign-up to a three-year agreement with the insurance company, so it is not anticipated that the premium will rise significantly. The premium paid in 2018 was £1226.39, so a small buffer has been retained in case of any unforeseen circumstances.

PAYMENTS	Budget 2018/19	Budget 2019/20	2019/20 +/-	Percentage increase/decrease
Accounting Software	£650.00	£250.00	-£ 400.00	-62%

At the time of setting the budget for the 2018/19 financial year, the actual cost of the accounting software was not known. The reduction shown here more accurately reflects the cost.

PAYMENTS	Budget 2018/19	Budget 2019/20	2019/20 +/-	Percentage increase/decrease
Councillor's training	£100.00	£200.00	£ 100.00	100%

Parish Council elections take place in May 2019, so it is possible that there will be new councillors who will require initial training from SALC. The Essential Councillor training is currently £25 per person.

PAYMENTS	Budget 2018/19	Budget 2019/20	2019/20 +/-	Percentage increase/decrease
Provision of roadside grit	£ -	£100.00	£ 100.00	100%

From 2019, Somerset County Council will no longer refill roadside grit bins. The provision of bags of grit for use in other locations will also cease. As a result, £100 has been added to cover the cost of grit and any additional hours of grounds person time to refill the bins.

PAYMENTS	Budget 2018/19	Budget 2019/20	2019/20 +/-	Percentage increase/decrease
Village Agent		£7000.00	£ 100.00	100%

As instructed, £7000.00 has been added to a new budget line to account for the cost of the Village Agent (minute reference 12c) 01/10/18). This cost was funded from reserves in 2018/19 but is being added as a new budget line for 2019/20.

PAYMENTS	Budget 2018/19	Budget 2019/20	2019/20 +/-	Percentage increase/decrease
Green Gym maintenance		£100.00	£ 100.00	100%

This is a new budget line, added to cover any costs relating to maintenance of the Green Gym.

RECEIPTS	Budget 2018/19	Budget 2019/20	2019/20 +/-	Percentage increase/decrease
Precept	£43,350.00	£52,255.00	£8,906.00	21%

Prior to the addition of the new budget line to account for Village Agent costs, the increase to the precept was 3%. Increasing the precept by an extra £7000.00 to cover the Village Agent costs brings the increase to 21%.

RECEIPTS	Budget 2018/19	Budget 2019/20	2019/20 +/-	Percentage increase/decrease
SSDC Grant re CTB	£340.00	£ -	-£ 340.00	-100%

This SSDC grant was introduced in 2013 when the Government removed funding for Council Tax benefit and passed the fund to precepting authorities, requiring them to devise their own scheme of awarding relief from Council Tax payments to qualifying residents. In the first year, the Government reduced the amount it paid to precepting authorities by 10%. The grant is due to be phased out completely by 2019/20. The shortfall produced by reductions to this grant must be replaced by increasing the amount of precept requested by the Parish Council.

Summary of budget changes

Overall, the greatest increase in the 2019/20 budget proposal is for the new Village Agent budget line. By agreeing to this addition to the budget, the Parish Council is demonstrating its commitment to tackling loneliness and isolation as well as promoting services that are available to residents.

PAYMENTS	Budget 2018/19	Budget 2019/20	2019/20 +/-	Percentage increase/decrease
Clerk's wages	£13,800.00	£15,390.00	£1,590.00	12%
Pension costs	£270.00	£462.00	£192.00	71%
Grounds staff wages (incl HMRC)	£1,820.00	£1,915.00	£95.00	5%
Stationery	£130.00	£250.00	£120.00	92%
Councillor's training	£100.00	£200.00	£100.00	100%
Provision of roadside grit	£ -	£100.00	£100.00	100%
Village Agent	£ -	£7,000.00	£7,000.00	100%
Green Gym maintenance	£ -	£100.00	£100.00	100%
TOTAL	£16,120.00	£25,417.00	£9,297.00	58%

4 - Council Tax – Your Bill

The Parish Council precept is just one small part of a residential Council Tax bill. According to SSDC’s website, Council Tax is distributed between the following:

“...70.5 per cent of Council Tax money goes to Somerset County Council, 10.9 per cent to Avon & Somerset Police, 4.7 per cent to Devon & Somerset Fire & Rescue Service, 3.9 per cent to parish and town councils within the district and 10 per cent goes to SSDC.”

Full details of how your Council Tax bill is distributed can be found here:

https://www.southsomerset.gov.uk/media/411192/your_guide_2018.pdf

Additional details showing Council Tax charges for the different bands in your area can be found here:

<https://www.southsomerset.gov.uk/media/909308/precepts2018-19.pdf>

5 – Possible capping

The 2018-19 Local Government Financial Settlement did not impose a cap on Parish Council precepts, however, the report did say the following:

“Last year, the Government issued a challenge to town and parish councils to demonstrate restraint when setting precept increases that are not a direct result of taking on additional responsibilities, and to make precept decisions more transparent to local tax-payers. The continuation of this position in 2018-19 is contingent upon the Government receiving clear evidence of how the sector is responding to this challenge. The Government expects parishes, in setting their precepts, to consider all available options to mitigate the need for council tax increases, including the use of reserves where they are not already earmarked for particular purposes or for “invest to save” projects which will lower on-going revenue costs.”

6 – Precept request calculations

The information in the box below shows how the 2019/20 draft precept figure compares to the 2018/19 precept request.

Henstridge	
Budget Requirement 2018/19	£43,690
Allocation of Grant from Central Government	£340
Precept 2018/19	£43,350
Tax Base 2018/19	665.86
Equivalent Band D Charge 2018/19	£65.10
Precept 2019/20	£52,099
Estimated Tax Base 2019/20	661.68
Equivalent Band D Charge 2019/20	£78.74
Increase/decrease in Charge	£13.63
Increase/decrease in % to Tax Payer	20.94%

Precept request variations

The following table shows the impact on the charge per Band D property for five different scenarios and can be used to compare the budget shortfall that each would incur.

	Based on draft budget	10% increase	£5 increase	2% increase	No change to Band D charge
Henstridge					
Budget Requirement 2018/19	£43,690				
Allocation of Grant from Central Government	£340				
Precept 2018/19	£43,350				
Tax Base 2018/19	665.86				
Equivalent Band D Charge 2018/19	£65.10				
Precept 2019/20	£52,099	£47,385	£46,385	£43,940	£43,080
Estimated Tax Base 2019/20	661.68	661.68	661.68	661.68	661.68
Equivalent Band D Charge 2019/20	£78.74	£71.61	£70.10	£66.41	£65.11
Increase/decrease in Charge	£13.63	£6.51	£5.00	£1.30	£0.00
Increase/decrease in % to Tax Payer	20.94%	10.00%	7.68%	2.00%	0.00%
Budget +/-	£0	-£4,714	-£5,714	-£8,159	-£9,019

7 – Action required:

The Parish Council is asked to:

1 - Consider and agree the final draft budget as presented. Any amendments must be agreed at the meeting on 7th January 2019.

2 – Agree to the precept request as presented, taking into account any amendments agreed at the meeting on 7th January 2019.

Appendix A

Purpose and nature of reserve	2018-19 budget	2018-19 receipts	Spend to date 2018-19	Balance at 02/01/19
White Gates	£4,300.00	£2,150.00	£2,720.24	£3,729.76
Village Agent	£7,000.00	£-	£7,000.00	£-
Skate Park Maintenance	£5,000.00	£-	£4,655.62	£344.38
S106 Play area maintenance revenue grant	£2,280.00	£1,035.00	£1,575.00	£1,740.00
Playground Equipment	£1,000.00	£-	£-	£1,000.00
Long term tree maint and leilandii	£2,000.00	£-	£-	£2,000.00
Flailing rec hedgeing	£1,000.00	£-	£-	£1,000.00
Provision of future community building	£4,000.00	£-	£-	£4,000.00
Long term Machinery fund	£2,200.00	£-	£-	£2,200.00
Legal costs	£500.00	£-	£-	£500.00
Rec maintenance	£500.00	£-	£-	£500.00
Youth facilities	£1,000.00	£-	£-	£1,000.00
Memorial restoration	£1,000.00	£-	£-	£1,000.00
Election costs	£550.00	£-	£-	£550.00
Car park resurfacing & maintenance	£5,000.00	£-	£-	£5,000.00
Community Benefit Contribution (Solar Park)	£20,000.00	£-	£-	£20,000.00
Running costs contingency	£5,148.00	£-	£-	£5,148.00
2018-19 running costs	£35,000.00	£-	£33,000.00	£2,000.00
Silent Soldier	£250.00	£150.00	£250.00	£150.00
TOTAL	£97,728.00	£3,335.00	£49,200.86	£51,862.14