

TO: SHAVINGTON-CUM-GRESTY PARISH COUNCIL
DATE: 2 JANUARY 2019
SUBJECT: BUDGET PROPOSALS 2019-2020

1 INTRODUCTION

The Parish Council is asked to finalise its budget for 2019-2020.

The deadline for precept requests to be submitted to Cheshire East Council is Friday, 11 January 2019.

2 PRECEPTS

Members are reminded that a precept is described in law as a *peremptory order to a billing authority* (i.e. Cheshire East Council) *to pay a local council a named sum*. This is payable in instalments – 1 April and 1 September each year. Cheshire East Council has no power to approve or not approve the amount and cannot vary it. The cost of the requested precept is then passed on to the electorate in the form of additional Council Tax which is recovered by Cheshire East Council.

Tax base: In 2018-2019, a budget of £182,120 was approved and this required a precept of £92,000. The tax base in 2018-2019 was 1,903.20 and the effect on Band D properties was an additional £48.33 in Council Tax.

The tax base for 2019-2020 has been confirmed as 2,087.67. The budget, as shown on the enclosed schedule, subject to any amendments to be made, is £206,995 and requires a precept of £141,800. The effect on a Band D property is an additional £67.92 in Council Tax. This is calculated by dividing the precept requirement by the tax base.

3 FORMAT OF REPORT

This report is in similar format to that for 2018-2019 and comprises the following information.

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| Paragraph 4 | Decisions required. |
| Paragraph 5 | A reminder of the budgeting approach. |
| Paragraph 6 | Narrative to accompany the detailed proposals. |
| Separate document | Budget monitoring schedule to 30 September 2018 showing: <ul style="list-style-type: none">• Spend to 30 September 2018• Revised estimates for the period 1 October 2018 to 31 March 2019 and Draft budget for 2019-2020. |

4 DECISIONS REQUIRED

The Parish Council is asked to **RESOLVE:**

- i. That a budget of (to be agreed at the Parish Council meeting) be approved;
- ii. That the Clerk be authorised to request a precept of (to be agreed at the Parish Council meeting) from Cheshire East Council; and
- iii. That the Clerk's salary be increased to £15,084.00 with effect from 1 April 2019 in line with the National Association of Local Councils agreed rates for 2019-2020 and the contractual obligations in the Clerk's contract of employment.

5 BUDGETING APPROACH

Good governance, accountability and transparency are essential to local councils and a cornerstone of the government's approach to improving public services. Those who are responsible for spending public money are accountable for ensuring that it is conducted in accordance with the law and proper practices. The style of Annual Return changed in 2015-2016 to emphasise to local councils their duty in confirming that the accountability framework is satisfactory.

The preparation of an annual budget is one of the key statutory tasks to be undertaken by a Parish Council, irrespective of its size. The budget has three main purposes:

- a. It results in the Council setting the precept for the year (i.e. the money which it requests from the Borough Council to fund the shortfall between its own funds held and the budget proposals for the forward year).
- b. Subject to the Financial Regulations, it gives the Clerk overall authority to make spending commitments in accordance with the plans approved by Members.
- c. It provides a basis for monitoring progress during the year by comparing actual spending against planned spending.

The importance of the budget should not be under-estimated. It is essential that Members understand how it is put together and how it should be used in the operation of the Council. At its simplest, the budget compares what the Council would like to spend in the forthcoming year on local services and projects, with the amount of income which it expects to generate, with the excess of planned spending over income being made up, mainly by the precept; however, the Village Hall generates income which, in broad terms, results in a break-even position. This has not been the case for 2018-2019 as the hall has been closed from April – September during the major up-grading works. It is hoped that the promotional pricing will increase the footfall and there will be a generation of income in the next financial year.

All of the above is 'incremental budgeting' as it builds on the decisions which the Parish Council has taken in the past. Although zero-based budgeting is a 'clean sheet' approach and is not constrained by what has happened in previous years, the incremental approach is more practical. Members are, nevertheless, encouraged to question more closely each item of expenditure which **must be considered and justified, and there must be a reasonable prospect of each item coming to fruition during the financial year, to avoid criticism by the auditor and to demonstrate to the electorate that the Parish Council is a prudent manager of public money.** Members should also consider carefully what additional items ought to be included to avoid spending on un-budgeted items during the year. This is not good governance and should be avoided.

6 BUDGET PROPOSALS – 2019-2020

The following items were referenced at the Parish Council meeting on 5 December 2018 and amendments have been made, where appropriate.

Line 16	Newsletter: Members of the Communications Committee met with a representative from Brave Little Tank on 13 December 2018. The revised figures are based on the proposal submitted to that meeting. Three quotations will be required before a contract can be awarded.
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Shavington-cum-Gresty Parish Council

Budget Report to Parish Council: 2 January 2019 Public version

Line 19	<p>Collation of newsletter articles. The Chairman currently collates all articles for the newsletter but from the new year, would no longer have the capacity.</p> <p>Discussions are currently being held with an individual who is a marketing/press specialist. The aim of this item is to ensure continuity of the process. The Clerk is currently reviewing the regulations to establish if a quotation for the work is required before a contract can be awarded.</p>	
Line 21	On-line (Facebook and website)	This had been scaled back from the budget of £1,800 in 2018-2019 to £500 in 2019-2020.
Line 44	<p>PCSO Contributions.</p> <p>The Clerk has asked for confirmation that the figure of £33,280 will be the same in 2019-2020.</p>	
Line 50	Shavington School Car Park (S.137 Contribution)	Increase from £3,200 to £3,500.
Line 56	Purchase of parcel of land in the parish, for recreational purposes for all ages.	Amend from £38,000 to £20,000
#	<p>Cost of by-election</p> <p>Members considered including a sum to fund the cost of a by-election but agreed that, on balance, there was sufficient flexibility in the budget to fund such an election, if necessary.</p>	
#	Add new budget line: Refurbishment of the upstairs Meeting Room and the downstairs Lounge in the Village Hall	£15,000

Carol Jones
Clerk
29 December 2018