BRAMPTON BIERLOW PARISH COUNCIL

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Report To: The Chair and Members of the Council **8th January 2020, Item 7**

Draft Budget 2020/21

Introduction / Background:

Following discussions in December 2019, this report provides a draft budget (2020/21) for further consideration and approval. The draft attached to this report takes into accounts comments made by Members at the December 2019 meeting.

Draft Budget 2020/21:

Attached is a draft budget for 2020/21. A high-level summary of the main budget heads and comments on key issues are provided below.

	Budget 2019/20 £	Budget 2020/21 £	Comments
Payments:			
Parish Hall	48,350	46,500	Budget reduction mainly due to lower energy costs
Allotments	2,600	3,300	
Parks	8,500	8,300	Budget variations due to the semi-retirement of volunteers, Westville FC's maintenance of the football pitch and some additional provision made
General Costs	43,540	46,500	£2,000 higher loan repayments and increase in Environment Schemes budget
Section 137 Grants	600	1,400	Additional budget – requested by Members
Elections May 2020	n/a	3,000	Four-yearly elections held in 2020/21
Total Payments	**103,590**	**109,000**	
Income:			
Parish Hall	19,500	20,400	Strong demand for use of the Parish Hall
Allotments	3,000	3,300	
Recreation Grounds	1,540	240	Low football pitch rent, reflecting its maintenance by the football club
General	2,600	5,110	Change in VAT status
Total Income	**26,640**	**29,050**	
Net Expenditure	**76,950**	**79,950**	
Funding:			
Use of Reserves to cover elections costs	n/a	3,000	
Parish Precept	76,950	76,950	No increase in parish precept required
Total Funding	**76,950**	**79,950**	

Reserves Balance

As it stands at the moment in 2019/20, the parish council expects to have a reserves balance of £30,824 at 31st March 2020. This is towards the lower end of the clerk's view of a reasonable range for the reserves balance, of £25,000 to £45,000. The reserves balance is important if the parish council wishes to consider meeting any costs out of the balance during the year, rather than relying entirely on the precept to cover all net costs.

The draft budget presented assumes the cost of any election required for the parish council in May 2020 will be funded from reserves, due to this being a commitment that normally arises only every four years.

Impact on Council Tax

It should be noted that a 1% increase in Council Tax would generate around £1,000 in additional funds for the parish council. It stands, therefore, that for every £1,000 in additional net spending requirement, the parish council would need to increase Council Tax by 1% (based on there being no change to the council-tax base – see technical paragraph below).

The draft budget attached and summarised above would require no increase in Council Tax for 2020/21, as the net spending requirement for 2020/21 would remain the same as for 2019/20.

On a technical matter, it should be noted that when the parish council-tax base changes (for example following the construction of new properties or any revised council-tax banding of any properties within the parish council), then a standstill Council Tax charge would vary the level of precept to be paid to the parish council. Rotherham Council typically advises parish councils of their council tax bases in the second half of January each year, often after parish councils have debated and determined their budget requirements. It is proposed to vary the draft budget attached to take account of any changes in council-tax base, to ensure a standstill Council Tax level is set. Any variation resulting from any changes in the council-tax base is expected to be marginal.

Risks

The draft budget takes into account the cost of dealing with any known risks. If anything unforeseen occurs, then the funding of addressing any issues will need to be considered at the time, and could include any combination of (a) use of reserves, (b) insurance claims where relevant and (c) borrowing.

Parish Council Priorities

Previous reports presented to Members have highlighted the parish council's current priorities. The draft budget attached to this report assumes no major changes in parish council priorities, except for an increase in the grants budget as requested by Members.

Proposals / Recommendations:

Members are asked to consider and, if appropriate, approve:

a) The funding of the costs of any election out of parish council reserves

b) The setting of a net precept requirement that would result in a standstill Council Tax level.

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