

Briefing Note

Budget & Precept 2019/2020

1.0 BACKGROUND TO BUDGET & PRECEPT

1.1 The Parish Council is required to agree a budget for the coming year and make application to Cornwall Council to collect a precept before 31 December 2018. This briefing note sets out the options open to Councillors for agreeing a budget, a level of Reserves and the level of Precept to be charged.

2.0 THE BUDGET

2.1 The Finance Committee have reviewed the projected costs for 2019/20. Estimated expenditure has been calculated as £20,000 which is broadly as existing. The following amounts have been maintained, and alterations are listed.

1. The cost of grass cutting is unaltered within the existing Contract conditions.
2. Provision to meet an accumulated expenses claim made by the previous Parish Clerk is reflected in this item. Current Clerk's salary remains unaltered on NJC rate.
3. The Grants & Donations fund is maintained at £250 and £275 respectively.
4. A Budget for projects arising from consultations with Councillors is calculated as £4,750 and the Assets value increased to £8,500.

3.0 RESERVES

3.1 Councils have no legal powers to hold Revenue Reserves other than those for reasonable working Capital needs or for specifically Earmarked purposes. The General fund balance will be maintained at a level based upon a financial Risk Assessment carried out annually by the Responsible Finance Officer (RFO) when setting the Budget for the forthcoming year.

Parish Councils maintain best practice by holding the equivalent of six months Precept income as a contingency against uneven cash flow or delayed payment.

Any surplus on the Reserve above the required balance may be used to fund Capital expenditure, or possibly can be appropriated to Earmarked Reserves or used to limit any increase in the precept.

3.2 The Finance Committee has made proposals to fund Projects valued at £4,750. This is in addition to ring fenced Earmarked Reserves currently to the value of £4,585.

4.0 THE PRECEPT

4.1 Parish Councils may raise a ' Precept ' amount on the Council Tax bills produced by their local billing Authority (Cornwall Council). This is the only source of Tax Revenue available to this and many other Parish Councils.

4.2 By setting aside £4,585 of Earmarked Reserves, the Finance Committee propose not to increase the Precept (currently standing at £14,600 for 2018/2019) and to maintain the Precept amount of £14,600 for the next Financial year 2019/2020.

5.0 THE OPTIONS

5.1 At the public meeting on 12th December 2018, Councillors will be asked to vote on three separate resolutions: to accept the Budget as presented at the meeting; to agree the proposal for Contingency and Earmarked Reserves for the balance; to agree the Precept for 2019/20.

5.1 The budget for 2019/20 (including Project costs) reflects the cost of providing Council services and is calculated at £20,000

5.2 The level of Contingency Reserve will vary according to the Precept that has been agreed. The proposal is for 6 months equivalent Precept income, which is £7,300. Earmarked reserves will form the balance of funds available for Council Projects.

5.3 The Precept based on these proposals is £14,600.

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