

CHARLTON HORETHORNE PARISH COUNCIL
Budget Setting and Precept Request 2019/20

The Parish Council budget seeks to ensure 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 in-year. While some payments, eg salary, are known in advance, it is impossible to make a completely accurate prediction of exactly how much will be spent or received. If necessary, 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 addition to the budget, the Parish Council carries earmarked reserves in a separate, Business Reserve bank account. We are advised by the Somerset Association of Local Councils to retain between six 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. For example the Parish Council is aware that some maintenance work will be required to the Village Green in the short to medium term. Earmarked reserves are reviewed by the Council in April each year. Appendix A gives a projection of earmarked reserves expected at the beginning of April 2019.

The following pages show the proposed 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 2019/20	Budget 2018/19	Variance	Percentage increase
	Proposed		Proposed	Proposed
Administration				
Clerk's salary	£ 2,304.00	£ 2,020.00	£ 284.00	14%
Clerk's expenses	£ 350.00	£ 350.00	£ -	0%
Insurance	£ 300.00	£ 300.00	£ -	0%
Audit fees	£ -	£ -	£ -	0%
Village Hall hire	£ 180.00	£ 160.00	£ 20.00	13%
Website	£ 110.00	£ 80.00	£ 30.00	38%
SALC annual subscription	£ 180.00	£ 180.00	£ -	0%
Training	£ 200.00	£ 150.00	£ 50.00	33%
SLCC membership	£ 31.00	£ 25.00	£ 6.00	24%
Services and projects				
Village Green maintenance contract exVAT	£ 530.00	£ 524.00	£ 6.00	1%
Local Government Award Scheme	£ -	£ 100.00	-£ 100.00	-100%
Materials for footpath maintenance	£ 150.00	£ -	£ 150.00	100%
Community Plan implementation	£ 400.00		£ 400.00	100%
Road side grit	£ 20.00	£ -	£ 20.00	100%
Grants, based on applications received				
CH Millennium Green Trustees running costs	£ 1,000.00	£ 1,000.00	£ -	0%
CH Parish Church grounds maintenance	£ 400.00	£ 350.00	£ 50.00	14%
CH Village Hall running costs	£ 750.00	£ 440.00	£ 310.00	70%
South Somerset Citizens' Advice	£ -	£ -	£ -	0%
Stowell Parish Church grass cutting	£ 325.00	£ 300.00	£ 25.00	8%
Grant towards Parish Magazine publication	£ 50.00	£ 50.00	£ -	0%
Contributions to earmarked reserves				
Contribution to reserves	£ 400.00	£ 400.00	£ -	0%
Local elections (May 2019)	£ 150.00	£ -	£ 150.00	100%
IT equipment replacement fund	£ 50.00	£ -	£ 50.00	100%

Internet security (3 year renewal)	£ 38.00	£ -	£ 38.00	100%
Total expenditure	£ 7,918.00	£ 6,429.00	£ 1,489.00	23%

RECEIPTS	Budget 2019/20	Budget 2018/19	Variance	Percentage increase
	Proposed		Proposed	Proposed
<i>Income</i>				
Precept	£ 7,918.00	£ 6,409.00	£ 1,509.00	24%
South Somerset District Council Grant	£ -	£ 20.00	-£ 20.00	-100%
Total income	£ 7,918.00	£ 6,429.00	£ 1,489.00	23%

SUMMARY	Budget 2019/20	Budget 2018/19	Variance	Percentage increase
	Proposed		Proposed	Proposed
Administration	£3,655.00	£3,265.00	£390.00	12%
Services and Projects	£1,100.00	£624.00	£476.00	76%
Grants	£2,525.00	£2,140.00	£385.00	18%
Contingency	£638.00	£400.00	£238.00	60%
PAYMENTS total	£7,918.00	£6,429.00	£1,489.00	23%
less				
Receipts	£7,918.00	£6,429.00	£1,489.00	23%

Explanation of significant variances

PAYMENTS	Budget 2019/20	Budget 2018/19	Variance	Percentage increase
Clerk's salary	£ 2,304.00	£ 2,020.00	£ 284.00	14%

The actual hours worked by the Clerk have been reviewed and increased from 10 to 12 per month to more accurately reflect the workload involved.

PAYMENTS	Budget 2019/20	Budget 2018/19	Variance	Percentage increase
Village Hall hire	£ 180.00	£ 160.00	£ 20.00	13%

The Parish Council has been informed that the cost of hiring the Village Hall may increase due to an increase in energy bills at the Hall.

PAYMENTS	Budget 2019/20	Budget 2018/19	Variance	Percentage increase
Website maintenance and domain name fees	£ 110.00	£ 80.00	£ 30.00	38%

Parish Councils with a turnover of less than £25,000 are now required to publish financial information, agendas and minutes on a website. The cost of starting and running our new website was covered by a government grant but from 2019/20, the Parish Council will have to fund the website itself.

PAYMENTS	Budget 2019/20	Budget 2018/19	Variance	Percentage increase
Training	£ 200.00	£ 150.00	£ 50.00	33%

With Parish Council elections due to take place in May 2019, it is likely that there will be new members on the Parish Council. Some additional funding has been added to this budget line to cover initial Councillor training that may be required.

PAYMENTS	Budget 2019/20	Budget 2018/19	Variance	Percentage increase
SLCC membership	£ 31.00	£ 25.00	£ 6.00	24%

The Clerk is now a Principal member of the Society of Local Council Clerks, which attracts a slightly higher membership fee. This budget line has been increased accordingly.

PAYMENTS	Budget 2019/20	Budget 2018/19	Variance	Percentage increase
Local Government Award Scheme	£ -	£ 100.00	-£ 100.00	-100%

The Parish Council has been awarded Quality status by the national Local Council Award Scheme. There are 23,000 town and parish councils in the country. Quality status has been awarded to only 90 town and parish councils, 196 have Foundation status (the entry level) and only 40 have Quality Gold (the highest level). In Somerset, only Crewkerne and Somerton have the same status as Charlton Horethorne; none have Quality Gold.

PAYMENTS	Budget 2019/20	Budget 2018/19	Variance	Percentage increase
Materials for footpath maintenance	£ 150.00	£ -	£ 150.00	100%

This is a new budget line to provide basic maintenance materials for the Parish Paths Liaison Officer due to cuts to Somerset County Council (SCC) budgets.

PAYMENTS	Budget 2019/20	Budget 2018/19	Variance	Percentage increase
Community Plan implementation - continued	£ 400.00		£ 400.00	100%

This is a new budget line, added after the extensive public consultation exercise demonstrated a wish for SIDs and play equipment in the parish. This new fund will enable the continuation of the Community Plan implementation.

PAYMENTS	Budget 2019/20	Budget 2018/19	Variance	Percentage increase
Road side grit	£ 20.00	£ -	£ 20.00	100%

The Parish Council have been informed that SCC will no longer be refilling grit bins from 2019 and will no longer be providing additional bags of grit for use in areas other than the highways. As a result, the Parish Council will need to purchase its own grit in future.

PAYMENTS	Budget 2019/20	Budget 2018/19	Variance	Percentage increase
Charlton Horethorne Parish Church grounds maintenance	£ 400.00	£ 350.00	£ 50.00	14%

The grant application from Charlton Horethorne Parish Church is slightly more this year but the Parish Council does not feel that this rise is excessive.

PAYMENTS	Budget 2019/20	Budget 2018/19	Variance	Percentage increase
Charlton Horethorne Village Hall running costs	£ 750.00	£ 440.00	£ 310.00	70%

The Village Hall is asking for a one-off large increase to its grant for a specific project and has already secured significant grant funding from other sources.

PAYMENTS	Budget 2019/20	Budget 2018/19	Variance	Percentage increase
Local elections (May 2019)	£ 150.00	£ -	£ 150.00	100%

The Parish Council must make provision for the cost of elections. In May 2019, Parish Council elections will take place if more than five people are nominated.

PAYMENTS	Budget 2019/20	Budget 2018/19	Variance	Percentage increase
IT equipment replacement fund	£ 50.00	£ -	£ 50.00	100%

The Parish Council laptop and printer were purchased with a government grant. Both of these items will need to be replaced sometime in the future so it is prudent to start to put some funding aside so that, when a replacement is required, the full amount will not need to be raised via the precept in one year.

PAYMENTS	Budget 2019/20	Budget 2018/19	Variance	Percentage increase
Internet security (3 year renewal)	£ 38.00	£ -	£ 38.00	100%

The Parish Council took advantage of a reduced price for the renewal of its Internet security software by signing up to a three-year agreement. In order to pay for a further three-year agreement, some funding needs to be put aside.

RECEIPTS	Budget 2019/20	Budget 2018/19	Variance	Percentage increase
Precept	£ 7,918.00	£ 6,409.00	£ 1,509.00	24%
South Somerset District Council Grant	£ -	£ 20.00	-£ 20.00	-100%

As shown above, in order to cover all of the Parish Council's projected costs, a precept rise of 23% is required. It should be noted that the grant received from South Somerset District Council will be completely removed in 2019/20. 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 for the less well-off. In the first year, the Government reduced the amount it paid to precepting authorities by 10%. The shortfall produced by reductions to this grant has been replaced by increasing the amount of precept requested by the Parish Council.

Section 6 of this report shows how the precept request impacts on the council tax bill payers. The amount of council tax to be paid by householders is calculated according to the value of the property at a particular time. There are nine bands (from A- to H). Band D is used to set the precept; people in properties in Bands A to C will pay less, those in Bands E to H will pay more.

It is important to point out at this stage that the 23% rise in the 2019/20 precept equates to only £4.91 per Band D property for the whole year. This is the same as 41p per month or just under 10p per week. It also reflects the views expressed in the public consultation throughout the year that the precept should be increased by up to £5 to cover specific additional required expenditure.

Possible capping

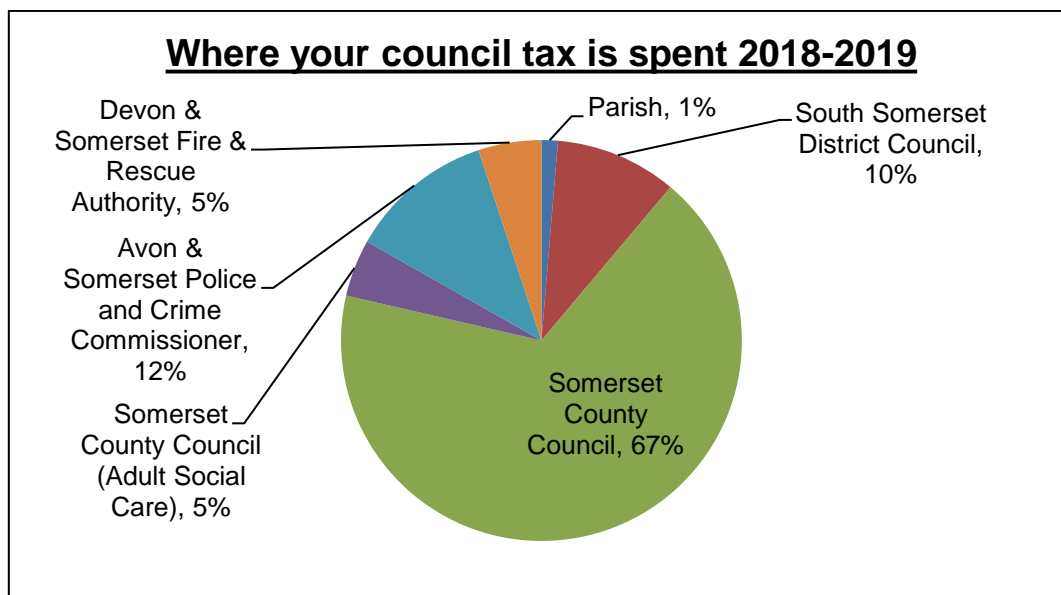
The Parish Council has this year been consulted on proposals to cap the amount by which town and parish councils can raise their precept. County and District Councils are prevented from raising their precepts by more than either 2% or £5, whichever is the greater. If a rise of more than either 2% or £5 is put forward, a referendum can be called. The consultation asked for comments on the idea of extending this cap and referendum principles to town and parish councils.

We have been informed that no cap will be imposed in the 2019/20 financial year, but the Ministry for Housing, Communities and Local Government has said that it will be "keeping the level of precepts set by town and parish councils under close review." This means that a cap may well be imposed in future years.

Council Tax – Your Bill

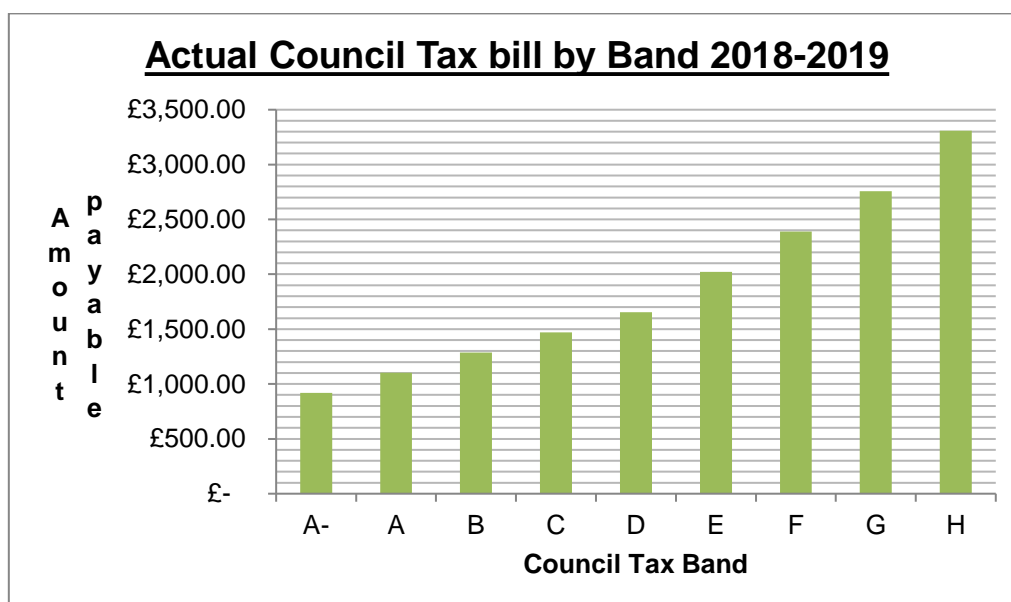
It is interesting to note where your council tax is spent. As shown below, the majority goes to Somerset County Council for the provision of adult social care; children’s services; highway maintenance; libraries and heritage; births, marriages & deaths; waste and recycling and environment and planning.

Only 1% of your council tax bill is received by Charlton Horethorne Parish Council. However, unlike other council tax expenditure, this amount of your bill is spent entirely within the parish.



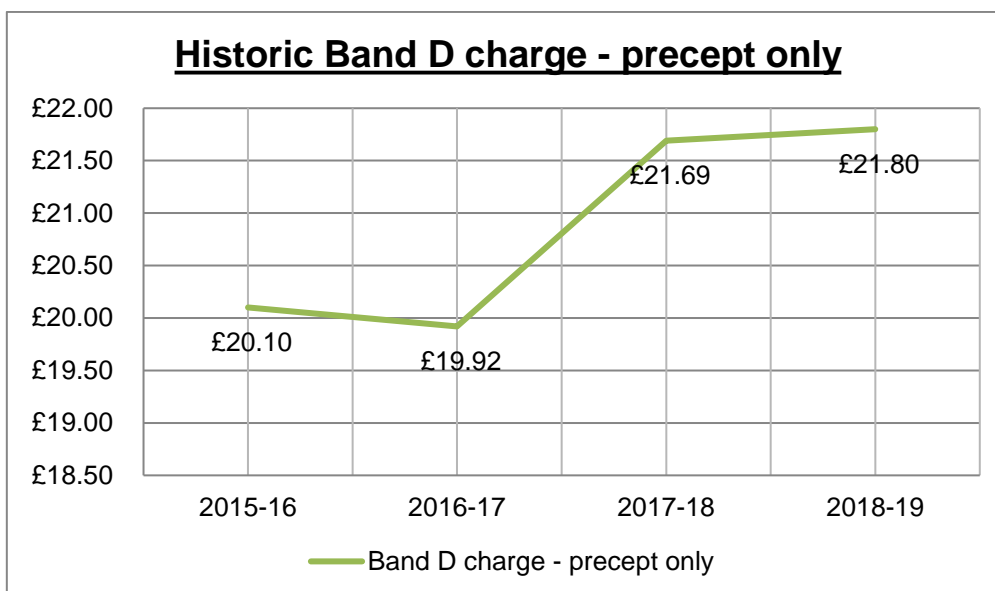
Banding in Charlton Horethorne

Properties are divided into nine bands according to their relative value. The following graph shows how the cost of council tax across the public sector in Somerset, not only the parish, compares between the different bands this year.



Trend in precept charge for Charlton Horethorne

The Parish Council precept has only increased by £1.70 since 2015-16. There was a reduction in the precept in 2016-17. Although the percentage increase is higher this year to reflect additional expenditure, the actual payment is comparatively low.



Charlton Horethorne's precept compared with other similarly sized Parishes

The table below shows how the precept portion of your council tax bill compares with other Parishes of a similar size. Of course, each parish has different levels of responsibility, but this table gives an indication of just how low your precept is.

Parish Name	Total number of properties	Adjusted Band D equivalents	Precept 18/19	Band D charge
Charlton Horethorne	287	293.99	£ 6,409.00	£ 21.80
Sparkford	296	257.96	£ 5,850.00	£ 22.68
Horsington	274	293.78	£ 10,460.00	£ 35.60
West Camel	266	187.82	£ 8,281.00	£ 44.09
Hardington Mandeville	254	274.28	£ 14,970.00	£ 54.58
Fivehead	279	257.91	£ 14,355.00	£ 55.66
Compton Dundon	313	304.46	£ 23,432.00	£ 76.96

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>

Precept calculations

The information in the box below shows how the 2019/20 proposed precept figure compares to the 2018/19 precept request. This proposal represents an additional 41 pence per month or 10 pence per week for a Band D property.

Charlton Horethorne	
Budget Requirement 2018/19	£6,429
Allocation of Grant from Central Government	£20
Precept 2018/19	£6,409
Tax Base 2018/19*	293.99
Equivalent Band D Charge 2018/19	£21.80
Budget Requirement 2019/20	£7,918
Allocation of Grant from Central Government	£0
Precept 2019/20	£7,918
Estimated Tax Base 2019/20*	296.49
Equivalent Band D Charge 2019/20	£26.71
Increase/decrease in Charge	£4.91
Increase/decrease in % to Tax Payer	22.50%

*Tax base is the number of properties from which councils are able to levy a Council Tax charge

Earmarked reserves (held in the Business Reserve account)

Source of funds

Narrative	Amount
Opening balance 2018/19	£ 3,082.38
Interest earned 2018/19	£ 1.95
Contribution from 2018/19 budget	£ 400.00
TOTAL	£ 3,484.33

Reason for earmarking reserves

Narrative	Amount
Running costs in reserve	£ 2,633.45
Community Plan - residual grant	£ 421.46
Finger Posts - residual grant	£ 29.42
Village Green maintenance	£ 400.00
TOTAL	£ 3,484.33

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

	Proposed budget	10% increase	£5 increase	2% increase	No change to Band D charge
Charlton Horethorne					
Budget Requirement 18/19	£6,429				
Allocation of Grant from Central Government	£20				
Precept 18/19	£6,409				
Tax Base 18/19	293.99				
Equivalent Band D Charge 18/19	£21.80				
Precept 19/20	£7,918	£7,110	£7,945	£6,593	£6,409
Estimated Tax Base 19/20	296.49	296.49	296.49	296.49	296.49
Equivalent Band D Charge 19/20	£26.05	£23.98	£26.80	£22.24	£21.62
Increase/decrease in Charge	£4.25	£2.18	£5.00	£0.44	-£0.18
Increase/decrease in % to Tax Payer	19.50%	10.00%	23%	2.00%	-0.84%
Impact on budget	£0	-£808	£27	-£1,325	-£1,509