

BARTHOMLEY PARISH COUNCIL DRAFT BUDGET PROPOSALS 2019-2020

MEETING: 20 NOVEMBER 2018

1 INTRODUCTION

The Parish Council is invited to give initial consideration to budget proposals for 2019-2020.

Cheshire East Council will require precept requests in January 2019.

The Parish Council can consider the budget again in January, but the deadline for the precept request will have passed.

Documents enclosed comprise –

- Receipts and Payments Statement for the period 1 April – 30 September 2018 (to follow)
- Schedule showing
 - Budget monitoring for the current financial year to 30 September 2018 (to follow)
 - Variation between budget for 2018-2019 and expected spend (to follow);
 - Draft budget proposals for 2019-2020 (to follow)

2 DECISIONS REQUIRED

At its January 2018 meeting, the Parish Council will be asked to RESOLVE –

- (a) That a budget of (to be agreed at the meeting) be approved; and
- (b) That the Clerk be authorised to request a precept of (to be agreed at the meeting) from Cheshire East Council;

3 BUDGETING APPROACH

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:

- It results in the Council setting the precept for the year (i.e. the amount which it requests from the Borough Council to fund the shortfall between its available funds on the 1 April 2018 and the amount required to fund the budget proposals for the forward year).
- Subject to the Financial Regulations, it gives the Clerk overall authority to make spending commitments in accordance with the plans approved by Members; and
- 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 by the precept.

Review of the current year budget and spending

Most councils start their process by examining the current year figures with the three main purposes:

- 1) To identify activities which are being carried out this year and will also be carried out in the next year and therefore, need to be budgeted for again.
- 2) To identify items such as projects or schemes which are occurring in the current year but will not occur in the forward year and there is, therefore, no need for a budget

- 3) To identify items, such as new schemes, which are not an activity in the current year but should be added for next year's budget

All of the above is "incremental budgeting" as it builds on the decisions which the Parish Council has taken in the past. An alternative approach is zero-based budgeting which is a "clean sheet" approach and is not constrained by what has happened in previous years. This approach to budgeting encourages Members to question more closely each item of expenditure. It starts from the premise that no costs or activities should be factored into the plans for the coming budget period simply because they were in the costs or activities for the current or previous period. Every item of expenditure must be considered and justified, and there must be a reasonable prospect of each item of expenditure coming to fruition during the financial year, to avoid criticism by the auditor. However, there are certain items which must be included in each budget and the proposals include current activities and projects which have not yet come to fruition. Members may wish to add other projects.

4 BUDGET PROPOSALS – 2019-2020

4.1 The budget proposals amount to [to be decided] and will require a precept of [to be decided].

The tax base will be 95.48.

Listed below are the precept requests for the last five years.

Precepts requested in previous years are:

2014-2015	£2,000
2015-2016	£2,000
2016-2017	£2,000
2017-2018	£3,000
2018-2019	£3,000

5 CALCULATION OF PRECEPT

The precept is calculated as follows and has been included on the detailed schedule attached to this report

- | | | | |
|-----|--------------------------------------------------------------------------|---|---|
| | - | £ | £ |
| (a) | Forward year budget proposals
(includes unallocated reserves of £500) | | |
| (c) | LESS Balance available on 1 April 2019 | | |

Precept required = xxxxxx

Mark Bailey
Clerk
November 2018