

**BURLAND PARISH COUNCIL  
DRAFT BUDGET PROPOSALS 2019-2020**

**MEETING: 12<sup>th</sup> NOVEMBER 2018**

**1 INTRODUCTION**

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

Cheshire East Council will require precept requests by 11<sup>th</sup> January 2019.

The Parish Council can consider the budget again at its 10<sup>th</sup> December 2018 meeting, but will – if necessary - need an additional meeting to formally agree the budget as the Council does not meet until 14<sup>th</sup> January 2019.

It is proposed, therefore, that the Parish Council holds an extraordinary meeting on Tuesday 8<sup>th</sup> January 2019 to agree the budget unless it can be agreed formally at the meeting on 10<sup>th</sup> December 2018.

Documents enclosed comprise –

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

**2 DECISIONS REQUIRED**

At its January 2019 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:

- So that the Parish Council can set the precept for the year (i.e. the amount requested from the Cheshire East to fund the shortfall between available funds on 1<sup>st</sup> April 2019 and the amount required to fund the budget proposals for 2019-20);
- Subject to the Financial Regulations, to give the Clerk overall authority to make spending commitments in accordance with the plans approved by Members; and
- To provide a basis for monitoring progress during the 2019-20 year by comparing actual spending against planned spending

The budget is essential and Members should 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, with the amount of income expected, with the excess of planned spending over income being made up by the precept.

Review of the current year budget and spending

The budget process starts 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 which feature in the current year but will not feature next year and there is, therefore, have no need for a budget; and

- 3) To identify items, such as new schemes, which are not an activity in the current year but should be added to 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 to incremental budgeting 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**

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

For 2019-20, the taxbase for Burland will be 288.66, compared to 295.51 in 2018-19.

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

		<u>Impact on Band D properties</u>
2014-2015	£3,800	£13.75 additional Council Tax
2015-2016	£4,000	£14.47 additional Council Tax
2016-2017	£7,000	£29.93 additional Council Tax
2017-2018	£2,283	£9.63 additional Council Tax
2018-2019	£4,840	£16.38 additional Council Tax

**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 [to be decided])

- (c) **LESS** Balance available on 1 April 2019

**Precept required =**

Mark Bailey  
Clerk  
6 November 2018