

## LOCKING PARISH COUNCIL

### A GUIDE to the COUNCIL TAX PRECEPT

1 April 2020 - 31 March 2021

for the Parish of Locking, North Somerset

#### **1 What is the 'PRECEPT'?**

Each year, at this time, the Parish Council needs to set the amount of money/revenue that needs to be raised to help meet outgoings/running costs for the forthcoming year across the Parish and so the council will issue a request for a contribution, which is known as the local '**Precept**'.

#### **2 How is the 'PRECEPT' arrived at?**

The Parish Council together with the Finance Officer [Parish Clerk] work out the income/funds required for the forthcoming year in the form of a Budget. The budget is based on previous year's expenditure, anticipated costs [including inflation], extra increased costs for products and services, changes in legislation, etc.

This is then converted into an amount per Council Tax Band that is added onto the general Council Tax demand. In North Somerset, this is set on the average of Band D properties within the Parish, and added to the overall Council Tax bill. It should be noted that the number of Band D equivalent properties varies each year as a result of new homes being built, old ones being demolished, properties becoming empty or second homes, boundary changes. [Note – see also below **Who Pays** section].

Please note that the Budget Forecast for April 2020 – March 2021 is available upon written request to the Parish Clerk.

#### **3 Who needs to pay the 'PRECEPT'?**

All Residential owners/households need to contribute to the overall running costs of facilities and services provided by your Council. ie all dwellings that fall within the **Parish** area.

However, the number who pays is also affected by the level of people eligible for discounts and council tax reduction.

#### 4 How is the 'PRECEPT' raised?

The 'Precept' is collected by North Somerset Council within the Council Tax levy and can be paid by a variety of methods, usually with instalment payments spread across the year to your own Council Tax Account. The local authority [NSC] then disperse – in two payments in April and September to the local Parish Council to spend as required and appropriate.

#### 5 How much 'PRECEPT' are we going to pay this year 2020-2021? Will it be more or less than the last financial year?

The Council is requesting an increase [from 2019-2020] of £25,000 for the 2020-2021 Precept. Whilst this does appear to be a large figure, it is actually very necessary for the Council to meet its fiscal obligations in the forthcoming year to remain financially viable.

*What will this mean for householders/property owners?* In reality, the increase has been kept to a minimum, to be proportionate and to be affordable.

The increase of £25,000.00 divided by the number of Band D properties [based on 2020/2021 figures provided by NSC] calculates to an increase of

**£21.50 per annum or £1.79 per month or £0.41p per week**

[If the number of Band D properties goes up then the amount due from households will do down.]

		<b>ACTUAL EXTRA TO BE PAID IN 2020/21</b>	
<b>2020/2021</b>	<b>£85.78</b>	<b>£21.50</b> — 12	<b>£1.79</b> per mth
19/20	£64.28		
Increase Per Ann	<b>£21.50</b>	→	
		<b>£21.50</b> — 52	<b>£0.41</b> per week

## 6 Reasons why there is a 'Precept' increase

- Parish councils are increasingly finding that it is necessary to be requesting funds locally as a result of a withdrawal of Central Government funding which used to be available to cover certain expenditures or support a variety of projects which are for the benefit of a particular area.
- District council has also off-loaded some of their responsibilities to the Parish Council.
- Economic uncertainty – both National and Local in the wake of over-arching public stance on expansion or political issues, eg Brexit; HS2; expansion of J21 locally and the change of the power structure of the district council [as a knock-on effect of the National election] resulting from indecision and procrastination from Parliament and its members.
- Soaking up extra costs on unexpected incidents which could not be foreseen.
- Increase to Insurance cover to protect against Traveller incursions in the village.
- Maintenance, repairs and replacements have been included to ensure Parish assets are kept in good condition and fit for purpose.
- Inflation continues to fluctuate at times throughout the year, so it is quite acceptable and realistic to build in/anticipate price increases across the vast range of services, personnel and products that the Council must access in order to maintain a decent standard of service for the benefit of the community.
- It should be noted that Parish councils do not have a cap placed on their requests for funds/Precept and this enables LPC to take this – hopefully one-off decision in order to keep our finances healthy to provide a sensible level of services to the Parishioners.
- Council is aware of the need to be open and transparent to the rate-payers of this parish in making this request for an increase to the 'Precept', in order that they will see that Council is stating quite clearly the amount of funds required to execute a budget that is realistic and fair in today's economic climate.

## 7 What does the 'PRECEPT' get used for/spent on?

The funds collected are divided out to cover a variety of costs, eg

General Costs	Estates Land out-side areas owned by the Parish	Hall & Parks Parish Assets
<ul style="list-style-type: none"> <li>➤ Administration/ Office</li> <li>➤ IT Support</li> <li>➤ Newsletter</li> <li>➤ Subscriptions</li> <li>➤ Insurance</li> <li>➤ Grants</li> <li>➤ Training</li> <li>➤ Public Lighting</li> <li>➤ Salaries &amp; associated costs – NI/Pensions</li> <li>➤ Audit fees</li> <li>➤ Repairs &amp; Maintenance</li> <li>➤ Servicing costs</li> </ul>	<ul style="list-style-type: none"> <li>➤ Playing Fields - associated Grounds-keeper costs, grass-cutting, etc,</li> <li>➤ Car Park</li> <li>➤ Changing Rooms – Rates/ Cleaning/ Maintenance/ Utilities</li> <li>➤ Footpaths</li> <li>➤ PROWs</li> <li>➤ Dog Bins</li> <li>➤ Bus Shelters</li> <li>➤ Flower Tubs</li> <li>➤ Drainage &amp; Gully Cleaning</li> <li>➤ Allotments</li> <li>➤ Insurance</li> <li>➤ Repairs &amp; Maintenance</li> </ul>	<ul style="list-style-type: none"> <li>➤ Running &amp; maintenance costs of the Parish Hall - Cleaning &amp; Cleaning Products/equipment</li> <li>➤ Furniture</li> <li>➤ Waste disposal</li> <li>➤ Play Park &amp; Equipment</li> <li>➤ H &amp; S Inspections and compliance</li> <li>➤ Service Contracts eg Boiler</li> <li>➤ Utility bills</li> <li>➤ Insurance</li> <li>➤ Groundsman &amp; Grass cutting of Park &amp; The Green areas</li> <li>➤ Parish Orderly</li> <li>➤ Maintenance/Repairs</li> </ul>
<b>Extra-ordinary/ unexpected costs/ incidents</b>	<ul style="list-style-type: none"> <li>➤ eg Traveller incursions</li> <li>➤ Flooding issues - emergency</li> </ul>	
<b>Contingency</b>	<ul style="list-style-type: none"> <li>➤ The council seeks to be economically viable in order to build reserves for the protection of council funds and the call that may be made upon them.</li> <li>➤ The Council is advised to keep at least 3 months running costs in reserve throughout the year.</li> </ul>	

**Financing of Projects** - proposals to enhance the Parish Environment for the benefit of the residents, will be through any Grant Funding which may be applied for from various sources [although this is not guaranteed] and from Reserves where possible.

It is to be hoped that this larger increase than has been experienced in the past, is to be short term. With a detailed 5-year strategy with clear setting of priorities, a committed and experienced team of councillors - Locking Parish Council can build a prudently financial, practical and purposeful way forward for this Parish which will bring widespread benefits to the community that will be economically affordable and viable for all its residents.