

**MELBOURN PARISH COUNCIL**  
**PRECEPT FOR FINANCIAL YEAR 2017/18**

Money from the Precept is spent within the Parish. The general Council Tax paid to South Cambridgeshire District Council may be spent on projects in other parts of the District and might be of no benefit to Melbourn.

**What is the Precept and how does it affect me?**

Parish councils are funded by levying a "precept" which supports their operations and enables them to carry out local projects. It is collected through the council tax paid by the residents of the parish, and represents a small proportion of the breakdown shown on the Council Tax bill which households receive each year.

In 2015/16, the precept levied by Melbourn was £190,211, and in 2016/17, it was £195,917. It is a decision of the Parish Council whether to increase the precept each year.

**Has the Precept gone up this year?**

Yes. The precept this year is £205,032.82. This is a rise of 5% from last year. The impact on your total Council tax bill this year is estimated to be an additional **47p per month** for Band D property.

The important point is that money from the Precept is spent within the Parish or to the direct benefit of the Parish. The general Council Tax paid to South Cambridgeshire District Council may be spent on projects in other parts of the District and be of no benefit to Melbourn.

**Why has the Council put up the Precept?**

The Council agreed to a 5% rise in Precept because this is the amount that balances the books for the coming year, including putting £9000 into reserves.

During the Financial Year 2015/2016, the then Council discovered that it did not have the reserve funds it thought were available and which it is expected to hold. There is no suggestion of misappropriation of Council Funds but financial management was poor and the Council had failed to notice an erosion of reserves over time. The situation was made worse by the over-run of costs for the refurbishment of the car park, resulting in an extra £57,000 borrowing.

**Wouldn't a smaller % rise do?**

The Council considered a range of options (0, 5 and 7.5% increase; see the minutes of the Council meeting held on 30 January 2017 to understand the process through which the decision was made). It must build up its reserves. The reserves are held

so that the Council has money to pay the basic day to day running costs if the Precept is late being transferred from the District Council, for example. It is also there in case something unforeseen happens. It has agreed to keep a general reserve of 6 months of annual expenditure ie about £130,000. Even with a rise of 5% the reserves will stand at only £34,000. The Council's strategy is to build up the reserves over a number of years.

### **Can't the Council stop spending as much money?**

This year's Precept is based on a reduction in all discretionary spend. Spending in all areas will be carefully scrutinised before giving the go-ahead for work to be carried out. The 5% rise is already based on reduced spending.

### **Is the Precept the only income the Parish Council receives?**

No. The Parish Council receives rent from a few sources such as rental of property, allotment rents, burial fees and bank interest. The Parish Council also seeks contributions from other Parish Councils for whom they provide services (for example, the Youth Club).

It also receives money as a result of new developments in the village. However, there are constraints on what the latter can be spent on and this money is generally used for maintaining open spaces within the village. However, this income stream will greatly reduce due to changes in planning law.

From 2015 for the next 20 years, the Parish Council will also be receiving £37,500 income from the 2 recently completed solar farms. This income must be used for community benefit and a Community Fund has been set up to achieve this aim. This money cannot be used to support routine parish expenses.

### **How will the Council get a better grip on its finances?**

A number of actions have already been agreed:

- Looking at ways to increase its income and how to benefit from available grants.
- Developing a plan for all the miscellaneous bits of parish maintenance which have previously been paid for on an *ad hoc* basis.
- Reviewing value for money of any services the Council buys in.
- Purchase of a new accounting system to enable Councillors to monitor spend against the budget headings in the Precept.

The Car Park Working Party will report on lessons to be learned about proper scrutiny and financial control of projects, and these recommendations will be implemented. In addition, the Council has already reviewed the way it handles routine contracts (for example, for grass cutting around the parish) to ensure that the best value for money is obtained.

## **How is the Precept spent?**

The Precept supports 2 main areas of expenditure: ongoing costs associated with the smooth running of the Parish Council and parish facilities and one-off projects to improve the parish environment.

The one-off projects have been suspended until the Council has a clearer idea of the financial situation

Details of the general areas of expenditure are given in the Annex.

The Parish employs a Clerk and an Assistant Clerk, each for 3 days a week. Their salaries are set by an appraisal of the work of the council according to guidelines set by CAPALC to establish a band and then at hourly rates set by the National Association of Local Councils. CAPALC also advised that according to the appraisal of the workload of the Council, 1 part-time Clerk is not sufficient to run the Council; hence the decision to engage a part-time Assistant Clerk.

The Parish employs a part-time Warden and Assistant Warden and a contracted litter-picker.

## **How can I access the Community Fund?**

Calls for applications will be published twice a year through posters around the village, the Parish Notice board and the website. The Community Grant Policy and Application form can be downloaded from the Parish Council website or a hard copy obtained from the Parish Office at The Hub.

## **How can I find out about the discussions for setting the Precept for the coming year?**

Discussions about setting the Precept were held in open session at Parish Council meetings through December 2016 and January 2017, and the detail of what the money will be spent on is published in the minutes as it is discussed and agreed.

Melbourn Parish Council now has a Facebook page which will be used to alert the public to discussions coming up at the Parish Council and to let you know about decisions made.

## ANNEX

## MELBOURN PARISH COUNCIL FORECAST OF EXPENDITURE FOR FY 2017/18

AREA OF EXPENDITURE	COST (£)	% budget
Staff costs (including NI, pensions, etc)	58,369	26
Office costs (License, photocopier rental, consumables, accounting software)	16,495	7
Council governance (audit fees, community engagement, election costs, membership of societies, training)	5,980	3
Warden, Assistant warden and litter picker running costs (Parish van, materials)	1,800	1
Loans (Hub and car park)	49,899	22
Hub support grant	14,500	6
Insurance and rates	20,886	9
Contracts (3 for maintenance; some street lighting, bin emptying)	29,460	13
Maintenance (green) (allotments, cemeteries; general work around the village)	12,000	5
Maintenance (hard) (Parish clock, play equipment, Pavilion, highways and footpaths)	3,620	2
Earmarked reserves (for maintenance of Parish Assets and planning advice for the 199 detailed application)	4,500	2
General Reserves	9,000	4
<b>TOTAL</b>	<b>226,509<sup>1</sup></b>	<b>100</b>

Income from sources other than the Precept: £ 21,860

<sup>1</sup> NB This figure is not exactly the same as the figures signed off by Council on 30 January 2017 (£226,892.94) because of rounding and slight adjustments.