

**BRIEFING NOTE** - for consideration by Finance + General Purposes Committee 12 January 2017.  
**Proposed Budget and Precept 2017/18**

**1. Purpose:** This Briefing Note sets out the DRAFT Budget 2017/18 for consideration by Finance + General Purposes Committee at its meeting 12 January 2017, and to make a RECOMMENDATION to COUNCIL at its meeting 19 January 2017 to approve the Budget and set the Precept.

**It is proposed that there is a 2% increase in Band D Council Tax (to £66.98) which, with a 3.1% increase in the Tax Base, provides for a 5.1% increase in Precept to £193,736.**

**2. Background:** In reaching this stage Council Members have considered the following:

- 4 October 2016 Strategic Policy Working Group - Initial guidelines, following which the initial working draft Budget 2017/18 was prepared
- 13 October 2016 Finance + General Purposes Committee - Review of Working Draft Budget and prepare committee budget bid
- 1 December 2016 Planning Committee - considered committee budget bid
- 17 November 2016 Community Affairs Committee - considered committee budget bid
- 8 December 2016 Finance + General Purposes Committee - adjusted budget proposals

**3. Principles and assumptions of revenue expenditure and income:** The following principles have been carried forward from previous years:

- **Balanced budget:** revenue income and expenditure should be in balance. Reserves should only be used for one-off expenditure or capital items.
- **Basic operations:** no change to service levels
- **Income:** prescribed increases on rental and other income
- **Inflation:** items affected will have +2% allowance; salaries +1%
- **Once again, there has been some recent public debate on HMG's possible capping of Parish Council precepts, limiting increases to 2% on Council Tax bands unless a local referendum authorises a higher increase. However a recent formal consultation on the matter concluded that there would be no constraint for 2017/18.**

In addition:

- **WSCC Building Partnership (library):** From early discussions with WSCC (reported to Council 29 October 2015) there has for some time been a possibility that the Parish Council could work more closely with the library operation in Hurstpierpoint. However, there was no movement on the subject in 2016 but a contingency sum of £10,000 is included in Finance + General Purposes Committee.
- **Parkland:** the development of the new parkland areas has not progressed as fast as expected in 2016, but the land is shortly to be acquired by the Council and expenditure on preparatory works will be incurred in 2016/17 and again in 2017/18.
- **The WSCC/Burgess Hill TC highways reactive maintenance scheme will change funding in 2017/18, with reduced funding from WSCC. The 'Burgess Hill team' undertake weedspraying, sign cleaning, some litter collection and minor repairs, on behalf of WSCC. To maintain the service BHTC have requested a contribution from affected parishes (HP&SCPC, Cuckfield and Hassocks). Accordingly a sum of £1850 has been included in Finance + General Purposes Committee.**
- **Finance + General Purposes Committee requested that additional provision be made for possible increase in staff resources, and a sum of £5,000 has been included.**
- **Planning committee requested that a contingency of £20,000 be included for possible consultancy costs in defending the Neighbourhood Plan, and this has been included as a CAPEX item, as it is a likely 'one-off' expenditure.**

**4. Precept:** The Precept is the sum collected by MSDC on our behalf, which is raised through Parish Council Tax. The figures for the last eight years are shown, and the proposed 2017/18 figures:

Year	Tax Base	Precept	Band 'D' Council Tax (pa)
2009/10	2849.0	170,171	59.73
2010/11	2849.0	171,425	60.17
2011/12	2897.9	174,425	60.19
2012/13	2870.4	174,425	60.77
2013/14	2710.6 MSDC recalculated	168,000	61.98 (1.9% increase)
2014/15	2713.5	171,360	63.15 (1.8% increase)
2015/16	2760.7	179,000	64.84 (2.7% increase)
2016/17	2804.9	184,191	65.67 (1.3% increase)
<b>PROPOSED 2017/18</b>	<b>2892.3 (3.1% increase)</b>	<b>193,736 (5.1% increase)</b>	<b>66.98 (2.0% increase)</b>

**5. Principles and assumptions of one-off and capital expenditure (CAPEX):** Reference is made to the current Infrastructure Programme and the following:

- Only projects on the Council's Infrastructure Programme are included
- Grants to external organisations are in Community Affairs Committee grants budget.
- Only projects which are 'owned' by the PC to be included; MSDC projects (such as improvements to Fairfield Rec Pavilion or Court Bushes/Willow Hub) are not included as the expenditure is not controlled by the Parish Council.

**6. Policy on reserves:**

- (1) The Council's policy is to normally hold a minimum of 6 months of revenue expenditure (50%) in General Reserves. The balance is held as Earmarked Reserves. General guidance on the topic allows the General Reserves to be as low as 4 months (33%) of revenue expenditure.
- (2) Highfield Drive Parkland s106 funds: 75% of the total received funds (equal to £74,000) are presumed to be a commuted sum for the ongoing maintenance, held as earmarked reserves and depreciated over 20 years. A simple calculation equates to £4,500 pa. which can be treated as revenue income.
- (3) Little Park Parkland s106 funds: 75% of the received funds (equal to £225,000) are presumed to be a commuted sum for the ongoing maintenance, held as earmarked reserves and depreciated over 20 years. A simple calculation equates to £14,500 pa. which can be treated as revenue income.

Of particular importance is the position of General Reserves in the next 5 years. The council is expected to hold large funds, due to the receipts from the s106 Agreement for Highfield Drive and Little Park Parkland schemes. But these sums are earmarked for the ongoing maintenance for the next 20 years (as described above).

**7. Budget 2017/18 and Precept:** The Committee is asked to approve the Budget and Precept for 2017/18 and make a RECOMMENDATION to COUNCIL at its meeting 19 January 2017 to approve the Budget and set the Precept.

It is noted that the Revenue Budget indicates a deficit of £2,673 on expenditure of £235,484. The CAPEX Budget shows a surplus of £176,000 on expenditure of £86,400. It is predicted that the total funds will increase from £238,046 to £399,973 at 31 March 2018.

**It is proposed that there is a 2% increase in Band D Council Tax (to £66.98) which, with a 3.1% increase in the Tax Base, provides for a 5.1% increase in Precept to £193,736. (Ref Budget 2017/18 13 December 2016 V4 ATTACHED)**

**RECOMMENDATION to COUNCIL:**

**(1) Budget 2017/18 (V4) is approved.**

**(2) The Precept 2017/18 is set at £193,736 equating to an increase on the Band D Council Tax of 2% to £66.98.**

Stephen Hoyles  
CLERK TO THE COUNCIL  
22 December 2016

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