

March will be in the region of £3500.00. The PC Heritage Hut and Scroll account at HSBC was reconciled on 31st January 2018 at £256.25, prior to the £300 transfer noted in (a) above.

b) It was noted that there were 3 errors, related to decisions taken at the 8 January 2018 meeting, in the proposed budget circulated to the meeting. These were the budget line for legal advice which should have shown as £2500.00; the SALC payroll figure which should have shown as £54.00; and the amount for the External Audit should have shown as £800.00. The Council resolved to add an additional budget line of £250 for a DPO service from SALC. The Council also noted that the Clerk had confirmed the grass-cutting cost, but had added under Income contributions would be made from the Village Hall and WCLC and the estimate of the income from Allotments. It was resolved that this updated information should be included in the 2018/19 budget. **It was resolved that following these corrections and addition of the DPO service charge, the budget for the year 2018/19 should be set at £20,022.84 with the line items as agreed.** The Council requested that the Clerk attach this final budget to the Minute of Meeting which would then be the basis on which all expenditures for 2018/19 would be compared.

c) With a projected budget agreed, the Council then considered the setting of the Precept for 2018/19. In doing so, the Council highlighted the following issues:

- For the past 3-4 years, the Precept had not been set to cover the Council's expenses and the precept had actually been significantly reduced from the level in 2013. It was agreed by the Council that, at a minimum, the Precept must cover the expected budget particularly as the budget agreed was considered to be extremely tight.
- The Councillors agreed that it was good practice to include a modest contingency of 10% of the projected budget to help deal with any unexpected items and possible under-budgeting particularly going into a year of increasing inflation. If the Contingency was not needed, any excess could go into reserves.
- The Council's reserves were well below the nine months of expenditure that the Council understood was considered good practice. While this lack of adequate reserves could not be addressed immediately, the Council agreed that over a period of five years, the Council should work to build its reserves to an appropriate amount to ensure that there would not be a threat to the continuity of village facilities and services.
- Councillors acknowledged that addressing these three issues would mean that there would need to be a relatively large increase in the precept, but that the problem would not go away and that it was sensible and justifiable to set things right. In this regard, it was noted that the BDO Issues Arising Report specifically addressed short-comings in the past with regard to the setting of the budget and the precept and that the Council needed to be resolute in fixing such problems going forward. It was also noted that the current annual precept was £31 for Band D so that even with an increase in the precept, the individual impact per household would still be a relatively modest amount.

In the light of these considerations, it was resolved that the Precept should cover a projected budget of £20,022.84, a 10% contingency figure of £2,000.00 and an amount of £1000.00 to begin the process of replenishing the Village's reserve. Therefore Councillors resolved to request a Precept for 2018/19 from SCDC of £23,000.00.