**Horning Parish Council Finance Committee Precept Recommendation for 2017-2018**

**Summary**

The Finance Committee met on Monday 21st November in order to generate a precept recommendation for the full Parish Council to consider. More detail is provided below but in summary the recommendation is to hold the current level of the precept by absorbing the reduction in NNDEC grant and not making any further budgeted allocation to the Strategic Reserves.

**Process**

The basic process was to take the actual 2016/17 figures for expenditure and income (excluding precept) at the end of October (7 months). These figures were then used to generate a forecast for the end of year figures. The forecast figures were then used to form the basis for the budget for 2017/18 taking into account known or expected factors which could vary the amounts in question. The precept amount was then used to balance income and expenditure. The table below contains the results of this process.



**Strategic Reserve**

Whilst the budget for 2016/17 had identified an additional £2,000 increase to the Strategic Reserve, unfortunately the in-year expenditure had been more than expected which meant that this was not possible. Therefore the Strategic Reserve at the start of 2017/18 will be £14,000.

The Parish Council have already authorised the funding or repair work to the Ludham Moorings location but it is possible that this will not be expended in the current financial year. Additionally, the safety inspection of the playground equipment has identified the need to fit safety matting around some of the pieces of equipment. Both of these items of expenditure are estimated to be around £4,800 in total.

This would put the forecast of the Strategic Reserve falling to £9,200 during the 2017/18 financial year. It is recommended that a Parish Council should hold unallocated reserves of between 3 and 6 months of expenditure which equates to approximately £5,000 - £10,000. The Finance Committee is content that the reserves should be near the upper extent of this range in order to have adequate cover for repair and maintenance of the c. £50,000 of assets for which the Parish Council has responsibility. The recommendation is that no further increase to the Strategic Reserve is required at this time.

**Precept**

The resultant budget allows the precept to be held at £15,866 due to the fact that the Strategic Reserve is now at an acceptable level to cover the perceived financial risk and so no additional contribution is suggested for the 2017/18 financial year.