**Sandringham Parish Council**

**RAISING A PRECEPT: 2019-20**

1. This Paper is to aid Councillors reach their decision, and has been written by me in my capacity as Chairman of the Parish Council but not as a formal Paper issued by the Parish Council.
2. We are required at each January meeting to formally vote on whether or not to set a Precept – a means of raising funds – for the financial year starting April 2019, and if we decide to do so, by a second vote, the amount at which to set it. We shall need a Proposer and Seconder for each motion that we intend to vote on. This is one of the few legal voting requirements placed on the Parish Council, and its decision binds the Council for the forthcoming year, irrespective of whether any, all or none of us remain as Councillors following the four yearly election in May 2019.
3. Sandringham Parish Council is one of four parishes in Norfolk not to set a Precept. The reasons for not doing so are largely historic in that the Estate has provided most or all of the services that we need in the interests of residents of the parish.
4. More recent requirements of central and Borough government tend to be focused not on providing what is in the interests of residents, but in the theoretical or actual interests of themselves. Hence, for example, there is no evidence of the need for a parish website but we must have one regardless, and it may be argued that the new requirement for parishes to pay for their own elections (even if there is no actual election) is simply a fund-raising opportunity for the Borough Council.
5. There are advantages and disadvantages of raising a Precept. The advantages include the theoretical position of greater independence from the Estate, but with it owning 93% of properties in the parish (figures supplied by the Borough in 2014) it is doubtful that this is really the case. The disadvantages include the Parish having to have a book keeper, and submit its accounts for annual Audit and the writing of an annual Governance Statement, all of which come at a cost to itself.
6. Thus for every £1 we raise, some 93p will come from or via the Estate, and some 5p to 10p will not be available for us to spend (the exact amount depends on audit fees). Further, in the four yearly election cycle we would have to have one year almost without expenditure to keep the funds available for paying our election expenses to the Borough in the event that the election is contested.
7. If we do not raise a Precept we nonetheless need to be able to fund the website pay for election expenses, and some other miscellaneous expenses even if nothing else is done at all. My best estimate is that this could cost some £2700 to £3000 in an election year and £500 in other years.
8. I have therefore explored alternative funding streams. One was to seek to raise this sum from businesses based in the Parish, but this fell short, with two of the three Social Clubs being the first to reject it. That led to me exploring whether an arrangement could be reached with the Estate to fund our minimum legal requirements.
9. The Agent has agreed that our website can be subsumed into their (new) site to be operational by about Easter time, thereby meeting that legal requirement. It is also willing to fund the cost of elections.
10. As we vote, therefore, whether or not to raise a Precept, we should do so in the knowledge that an alternative path to maintaining our minimum legal requirements can be taken. That path also has the advantage of us being legally able to opt out of Audit and Governance Statement requirements, itself saving about £500 per annum, which would otherwise have to be added to the calculation of the Precept requirement.
11. In the event that the vote on whether or not to raise a Precept is affirmative, so that we do raise one, then we have to consider and vote on the amount to be raised. This is stated as a figure of pence in the pound of rateable value. The total amount I would recommend that we need to seek to raise is £ being made up of: Election expenses £2,500 (maximum) (71%)

Website expenses £360 (10.2%)

Registration expenses £80 (GDPR and similar registrations) (2.3%)

Contingency £100 (my recommendation) (2.8%)

Audit and Governance oversight £500 (estimate) (13.7%)

 £3520

1. This equates to an approximate payment of some £21 per average household. If we require it, as a first time Precept raiser, the Borough will help us work this out into an amount per property band.
2. If we decide to raise a Precept in the first of the two votes then we must make a decision as to how much to raise, and move to a second vote on that issue. We cannot vote for a Precept but not vote for the amount at which to set it.
3. The Parish Council has to make a declaration to the Borough Council by the end of January as to whether it intends to set a Precept and if so, at what level, so we have to reach our decisions and take formal votes at our meeting on 9th January.

BC 5/1/19