**What is a Precept?**

The Precept is a tax that Parish Councils charge their local electors to meet their budget requirements. Parish Councils do not receive any direct funding from central government and rely on their Precept plus any other income they generate from services or facilities they provide.

Parish councils raise a ‘precept’ on the council tax bills produced by their local billing authority (North Yorkshire Council). This is essentially a demand for a sum to be collected through the council tax system. Council taxpayers cannot refuse to pay it, and the billing authority cannot refuse to levy it. It is the only source of tax revenue available to parish councils.

The Parish Council submits their demand to NYC each December in readiness for the following financial year commencing 1st April.

For Knayton cum Brawith PC, NYC has a statutory obligation to pay the precept in two instalments, the first by 30th April and the second by 30th September each year.

Once the precept has been notified there is no provision for it to be increased for that year.

In addition to having a power to levy a precept each year, the Parish Council has the power to incur expenditure.

Legislation permits parish councils to exercise a wide range of discretionary statutory powers to provide additional services and/or amenities in their area. These powers include a wide variety of things such as providing litter bins, lighting, transport, public toilets, and recreation facilities.

However, the council must have the legal power to act and use a specific statutory power to undertake an activity and incur expenditure on specific activities or items. If there is no legal power to act then that decision and expenditure could be legally challenged as being ‘unlawful’.

The specific power for Knayton cum Brawith Parish Council is the power under s.137 of the Local Government Act 1972, usually known simply as “Section 137”, which enables a local council to incur expenditure which is “in the interests of and will directly benefit its area or any part of it and some or all of its inhabitants”.

Section 137 is used when there is no other specific power available and confers powers to make grants to voluntary bodies, fund raising events, organisations providing not for profit public services, and to contribute to charities and disaster appeals. The benefit accruing must be commensurate with the expenditure incurred, which is a decision for the council. Examples of s.137 expenditure include village histories, plaques, prizes, flood relief, landscaping and flower shows.

Section 137 expenditure is limited to a specified amount each year, which is then multiplied by the number of electors in the parish. The set amount is updated and advised by Ministry for Housing, Communities and Local Government (MHCLG) annually.