



19 New Buildings
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19th November 2017

Budget & Precept Report 2018-19

Purpose of report: The Council is accountable to its public and must be able to justify how it has set the parish tax. The budget report is the document which sets out reasoning behind each budget allocation.

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Introduction

Broadclyst Parish is home to some 4,000¹ residents, with c.2,200 dwellings. The parish is largely rural, comprising Broadclyst village and scattered hamlets such of Beare, Budlake, Killerton, Blackhorse, Westwood, and Westclyst. The Killerton estate, the largest National Trust property contained entirely within one parish, has 250 cottages, 25 farms, and guardianship of around 42% of the parish's land, the yellow ochre colour of its properties giving Broadclyst a distinctive and historic character.

Its demographic is somewhat different to that of rest of East Devon and the UK, depicting a parish with higher working-age occupancy than the regional and national average.

Over 31% of Broadclyst residents are educated to Level 4 or higher, compared with 28% nationally; employers such as Exeter International Airport, the Met Office and Exeter University are within easy commute of the village and although specific statistics are not available it is reasonable to conclude this goes some way to explaining the differences in the demographic of Broadclyst Parish to the rest of East Devon.

Age	Broadclyst %	East Devon %	England %
0-14	17.1	14.29	17.64
15-24	9.58	9.69	13.1
25-44	22.61	19.44	27.38
45-64	30.77	28.38	25.44
65+	19.93	29.89	16.45

Table 1: Age breakdown of population in Broadclyst parish

This is reinforced by employment statistics:

Employment Status	Broadclyst %	East Devon %	England %
In employment	87.0	84.2	73.7
Full time	61.2	57.1	54.4
Part-time	28.6	29.8	22.3
Job-seekers	0.7	1.1	3.3
Long-term unemployed	0	21.8	30

Table 2: Percentage of people of working age in employment

Governance

Broadclyst Parish Council (BPC) was established in 1894, formed after the disestablishmentarianism movement which resulted in the Liberal party passing The Local Government Act 1894, published by Henry Fowler - President of the Local Government Board - on 26 March 1893. A town/parish council has statutory Duties (things it must do) and has Powers which enable it to act in accordance with the wishes of its electorate. Members are elected by those eligible to vote; they are Holders of Public Office.

¹ Estimated from increase to electoral role since 2011 census

Nationally, the work of the Local Council is expanding rapidly, with 10,000 parishes in England and 80,000 Councillors, collecting £500 million in precepts (a figure which has doubled in 10 years) and making over £2 billion in community investments. Parishes are driving neighbourhood planning, with 90% of 2,000 Plans being parish-led, and the devolution agenda provides the opportunity to accelerate this, building the profile and reputation of local councils.

Council finances

A Local Council is a precepting authority² and it has a statutory Power³ to raise a precept which it must do before 1st March in the year preceding that for which it is issued. The precept is the sum of money required by the Council to discharge its functions; this figure is arrived at through budget preparation and in its most simple form is:

Anticipated expenditure minus anticipated income = precept.

BPC operates within a statutory legislative Framework including Local Government Act 1972, Local Government Finance Act 1988, and the Localism Act 2011, as well as its own adopted 'rule-books' of Standing Orders and Financial Regulations. Council is subject to a two-tier audit process set out in the Accounts and Audit Regulations 2015; proper practices described within ensure:

- The council's **responsibility** for public money
- Its **accountability** to the public
- Its **efficient, effective and lawful** management of public money
- Its compliance with '**proper practices**'
- That **risks** to public money are correctly managed

² Local Government Finance Act 1992 s39 (2)(c)

³ Local Government Finance Act 1992 s41

Setting the Budget:

Income:

The Council's Responsible Finance Officer (RFO) calculates expected income which contributes toward the general cost of running the Council e.g. allotment rents, hall hire, including grants. BPC receives annual grant from principal authority towards delegated⁴ services

Expenditure:

The RFO examines all elements of its budget for expenditure. Contractor liaison, contracts review, and staff appraisals are core elements to successfully calculate expenditure.

Factors which may impact on future parish finances must be considered⁵. Loan repayments or other regular commitments must be provided for. As Broadclyst expands, its operational costs will increase exponentially; financial forecasting will be informed in part by strategic site delivery over the next 12 years as well as any projects Council considers.

Budget Forecasting

The budget forecasts an estimation of income, costs, and resources over a specified period. It reflects future financial requirements of the Council⁶. Growth, devolved services, and transfer of community infrastructure to BPC will impact on and increase the Council's operating costs. However, this is offset by an increase to the number of houses in the parish. The net effect of this is an eventual decrease to the Band D equivalent year-on-year, as shown by the orange line in the graph below, despite the steadily rising precept (shown in blue).

Accurate and informed budget forecasting ensures Council sets the right budget for its needs in the future.

Strategic development

Broadclyst Parish is one of the larger parishes in East Devon. With the Local Plan intending to deliver over 2800 new homes at Westclyst and Tithebarn, the population of the parish will increase from 3,238 (2011 census) to about 10,400 (subject to occupancy predictions). The parish's dynamic and therefore demographic is changing from a predominantly rural parish of 1,467 dwelling (2011 census) to a mixture of rural and city edge, with the rural area and the 'old' parish eventually being out-numbered by the new developments.

⁴ Section 101 of the Local Government Act 1972 allows a council to delegate the discharge of its functions to another authority, committee, sub-committee, or an Officer of the authority.

⁵ i.e. when community infrastructure in our strategic development is transferred to Council

⁶ For example: forthcoming projects, transfer to/from council of assets, change in staff structure.

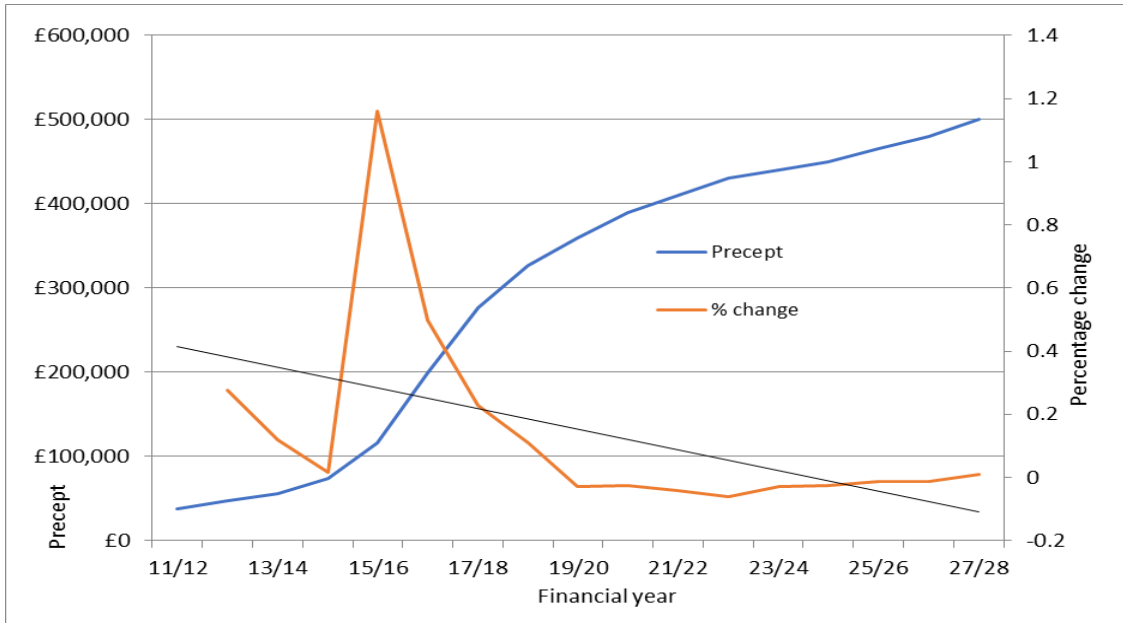


Figure 1: Increases to the tax base offsets the Band D

Effect of development

The number of properties that pay full rate Band D Council Tax (the tax base) will increase at a different rate to that of the population, as the tax base is factored to take a variety of circumstances into consideration, including occupants in receipt of benefits. The latest calculations show an increase of c.127% to the tax base, but this is more of an indication than a statistic as so many of the variables which affect the factoring cannot be predicted.

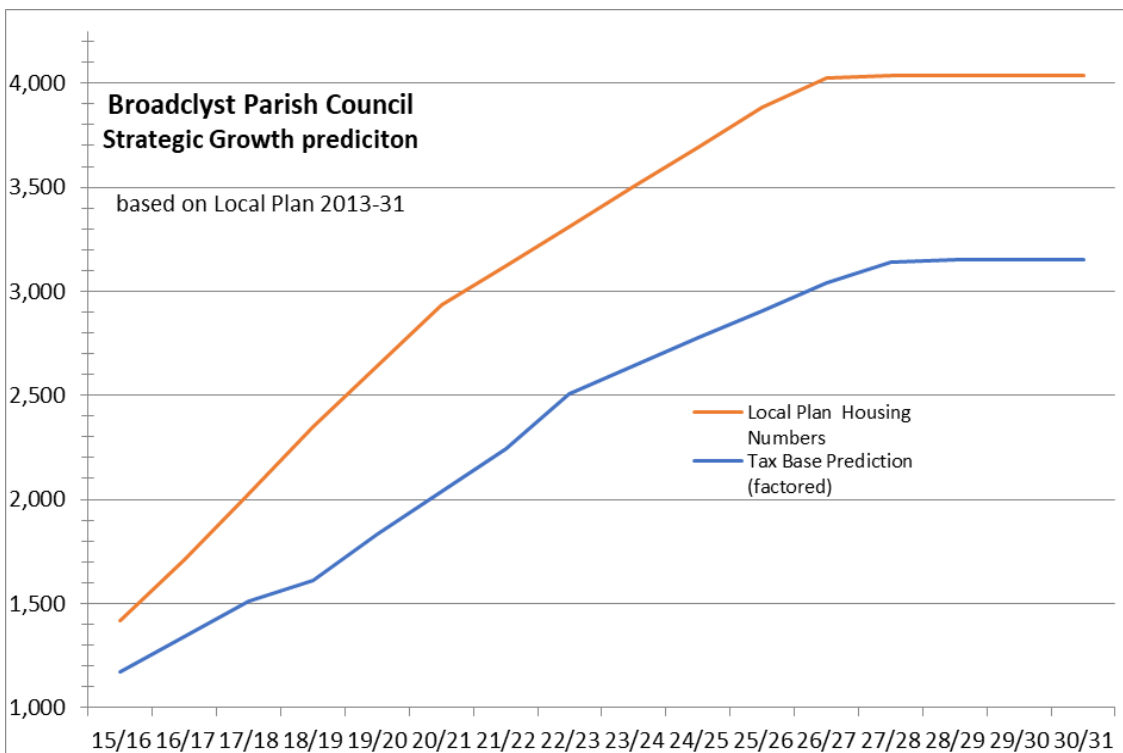


Figure 2: Dwellings are factored to calculate the Tax Base (number of Band D equivalent properties)

Devolved and additional services

Broadclyst Parish Council lawfully discharges its statutory duties, and further serves its community by providing sports, leisure and recreation facilities, allotments, public toilets, events. In addition, BPC works with partner agencies to continue to deliver services in the community including community safety, highways self-help, emergency community resilience, and youth provision.

Council strives to maintain a high standard of 'housekeeping' and support its community in a proactive manner. It is estimated that the Council will end the financial year on budget.

As previously reported, the pattern of increased services being devolved to parish councils with minimal or no financial support looks set to continue, however this has the positive effect of the Council being given the responsibility and power to ensure that the parish affairs are dealt with at local level, enabling an improved response to parishioners' concerns. Local taxes paying for local services. However, this comes at a cost, which continues to grow as more services fall under the principal authorities' axe. Some people perceive this as double taxation but in essence it is relocating the contribution to a more local level as former providers have mandated to withdraw the service from their budget allocation. This has resulted in, and will continue to cause, an inevitable increase in the precept as the Parish Council delivers services and facilities that are vital and beneficial across the parish.

Wherever possible the Council will continue to seek external funding to supplement its provision and is looking at increasing the income stream from its main asset, the Pavilions.

Neighbourhood Planning

The work on the Neighbourhood Plan is making good progress, with Mrs Janvrin Edbrooke appointed as Neighbourhood Plan Lead in April 2017. Some steering groups are beginning to draft planning policies; Plan preparation work is supported by an operational budget. Whilst there is a limited amount of funding available from Locality, this is best reserved to engage a Planning Consultant to write the draft policies as the Plan takes shape. Steering Groups are an integral part of the Plan preparation; low steering group numbers creates more work for Council Officers, delaying not just the Plan process but delivery of their own projects/work.

In proposing the budget for 2018/19 I have considered:

- The ongoing and forthcoming strategic development sites at Westclyst and Tithebarn
- A confirmed 24% reduction to the Council Tax Support Grant from EDDC,
- Factoring of the Council's Tax Base
- The role of the Council in supporting a range of community groups that provide valuable support networks and social opportunities, including the Twinning Charter
- The necessity to address Council's low level of general reserves

Budget analysis

INCOME

- Council Tax Support Grant from EDDC reduces by 24% for 2018/19; this is the last year of the grant.
- Advertising in the Broadsheet remains popular, including sponsorship of space per issue by 3 local businesses/stakeholders.
- It is presumed to continue to receive RPI-linked contribution for public toilet costs from EDDC & NT.
- An application for a P3 grant will be submitted; it is hoped this will be successful and for budget purposes a figure of £1,000 has been included.
- The Allotment Association's lease has been increased to £350/year to reflect the increase in the lease by the National Trust.
- Bookings at Pavilions are steady, with a full-house for football for the 2018/19 season confirmed. A 10% rate increase has been agreed with the football
- Neighbourhood Plan – Locality funding to be sought for Planning Consultant
- Interest rates remain low and are forecast to remain low for foreseeable future
- It has been agreed that the Bowls hire rate has been increased by 12.5% to off-set some of the cost of the increase to the change in the maintenance contract.
- Grant funding will come from the County Council towards the cost of visibility splay grass cutting; this was £828 for 17/18 but the amount and security of continued funding from this source in the future is unknown at the time of writing this report.

EXPENDITURE

Administration

- Staffing costs for 18/19 remain largely unchanged from 17/18, with the only major change being within the Neighbourhood Plan allocation.
- Living wage increases are included in the allocation
- Employers HMRC on-costs and pension contributions are now shown separate to gross salaries
- Working from home allowances are only payable to the Administrator; there are ongoing costs associated with the Parish Office and these are budgeted for based on actual expenditure in the previous year.
- Telephone, banking, payroll, stationery, audit, subscriptions, training and insurance have been held or marginally adjusted to reflect current costs and requirements.
- A separate budget allocation for IT assets and running costs was created in 16/17. A contingency fund for IT will be created in the 18/19 budget so business interruption is minimalised.
- Youth provision. There have been changes to the Local Youth Network (LYN) grant fund for 18/19, focusing provision on hubs. Grant income from the fund cannot be depended upon.

The application to the fund in 2017/18 was largely unsuccessful with a contribution towards room hire and equipment but nothing towards the SLA costs. The budget includes a 'worst case scenario' assuming no LYN funding is received. The Youth Club's Management Committee will continue to submit applications to LYN for funding towards the SLA cost and associated running costs. The SLA has been re-negotiated to reflect the club now delivers 2 sessions/week with 2 youth workers

Accommodation

Annual rent £5,000; service charge has been adjusted to include car parking charges. Provision has been adjusted by £2,900 for office running costs (upgrade to superfast broadband, electric, landline, furniture, maintenance etc.)

Training

Increase of £1,000 to allow for statutory staff training under H&SE (Emergency First Aid at work, Fire Marshall training, Manual handling).

Insurance

A slight increase has been allocated in order to allow cover for asset transfer of new community infrastructure in the strategic sites.

Public Relations

- Broadsheet allocation remains the same thanks to a long-term agreement with a local printer.
- Public consultation has been reduced; social media is proving one of Council's more cost-effective ways of reaching the community
- Crime/traffic budget to remain to support the work of the Traffic committee.
- Twinning has a regular annual allocation to support relations between Broadclyst and Plobannalec-Lesconil, especially important in this Brexit period of uncertainty. The allocation subsidises the sterling work of the Twinning Association and will build to a maximum fund of £6,000 in reserves at any one time.
- Fun Day budget set lower due to the gazebo purchases made in 2017/18.
- Youth football – continued allocation of an annual subsidy to support the development of youth football in the parish. Budget remains unchanged. The strengthening and development of youth football in the parish is noted and appreciated.
- Community Defibrillator – following the grant funding for the Helipad project and a further donation from the New Inn fundraisers, there is some money left over from the community projects allocation in 2017/18. It is recommended that Council considers using this, together with a further amount of £2,000 in the 2018/19 budget, to install community defibrillators. Officers are currently researching best buys and the most suitable types of machine.
- Council continues to support the work of VIP's in a practical and advisory manner.

Maintenance

- **Grass cutting and grounds maintenance** – an Invitation to Tender has been published. This will ensure best value for money is achieved. For budgeting purposes, a 2.5% increase to 17/18 prices is recommended.

- **Handyman**
 - staffing budget remains unchanged.
 - operational budget for tools and ancillary items/PPE as required and pothole patch material remains unchanged.
 - works van. Lease hire £4,380/year. Running costs £4,000 to include fuel, tax, insurance. Budget remains unchanged.
- **Lengthsman.** Remains unchanged - includes amount for gulley sucker autumn visit and drainage work
- **Dog waste.** Increased by £2,200 to standardise all bins to three-times a week collection. Includes new bin at Science Park which was purchased and installed by the Science Park in 2016/17 mid-year but transferred to the parish for ongoing servicing.
- Equipment service/repair, parish clock, allotments, P3, refuse disposal all remain unchanged or have been adjusted marginally to reflect current prices

Public Toilets

Budget largely unchanged; note that rates are now payable at £2,100 per year.

Clyst Room

Creation of a works compound is still ongoing; an allocation of £3,000 is recommended to complete this project.

Broadclyst Parish Council Grants

Has been increased to support existing parish community groups and associations and setting up of new clubs within the emerging communities (split £3,000 existing, £3,000 emerging).

Broadclyst Sports Pavilion

Utilities, cleaning and service costs remain much the same as 17/18.

Pavilions staffing increase allows for additional hours and Living Wage increases.

New allocation of £600 for broadband.

Recreation / Sports

- Play equipment inspection and service costs remain unchanged
- End-of-life replacement fund remains unchanged
- Football pitch works have been raised slightly in line with the current contractor's annual rate increase
- The Westclyst community football pitch will be transferred to the parish council during the next financial year. It is included in the Invitation to Tender; for budget purposes, the same figure as Broadclyst pitch is suggested.

Bowls Green

As per the bowls report which was accepted by Council on 6th November 2017 (Minute ref: 17/196) the contract has been revised to include a second cut per week during the playing season. Increase on the previous allocation of £2,050 of which the bowls club will pay an additional £200.

New Assets

A general fund, this allocation was previously used for the purchase of assets throughout the year as the need arises. As Council's work continues to expand, new purchases identified will be made from and allocated within each cost centre rather than from a general fund. This budget line is therefore withdrawn from the 18/19 budget.

Contingency

An additional allocation has been added for IT provision to minimise business interruption. £5,000 for the Andrews water heater has been set aside, with recommendation to earmark a further £5,000 in 2019/20. Otherwise contingency budget remains unchanged.

Neighbourhood Planning

The legal costs of preparing the NP have been considered and a small amount has been set aside for support in the Plan preparation process. It is likely that legal work will become more significant in Council's operation in the future; the Council's legal provider will be established through a procurement process as set out within good practice and Council's financial regulations.

Reserves

- Reserves will be allocated at year end depending on surplus.
- The Internal Auditor's report on 2016/17 highlighted Council's level of reserves was dangerously low. On receipt of the report, it was resolved (Minute ref: F17/14iii) and ratified (Minute ref: 17/100) that £20,000 be allocated to general reserves in the 2018/19 budget.

SUMMARY OF SIGNIFICANT CHANGES:

New allocations:

- General reserves £20,000
- Rates: £3,700
- Legal support and fees £3,500
- Finance support £1,000

Increases:

- Audit fees £1,700
- Staff training £1,000
- Dog waste bins £2,200
- Bowls green maintenance £2,050

Short-term / one-off costs

- Sprinkler head replacement £1,200
- Works compound £2,000
- Neighbourhood Plan £23,000

Cost in real terms

The Council Tax bill comprises the levy of 5 authorities: Devon County Council, East Devon District Council, the local town/parish Council, Devon and Cornwall Police, and Devon and Somerset Fire Authority; the parish council precept comprises one element of the overall council tax bill.

Indications at this current period in time show the parish council's element of the 2018/19 Council Tax bill to the average Band D property in Broadclyst parish (subject to further factoring and confirmation of number of electors) will be in the region of £210 per property per year or approximately £4.00 per property per week over the whole year.

Increase

The 17/18 to 18/19 change to the parish council's part of the 2018/19 council tax bill will be close to the previous year's increase of just under £3, approximately £18 per Band D property per month. The increase between 16/17 and 17/18 was £2.84 per property per month.

The approximate increase will be c.70p per property per week (as opposed to the £1 per property per week increase in 16/17 and 80p increase in 17/18).

Conclusion

The 2018/19 budget has been prepared both to reflect the ever-changing and expanding financial responsibilities of this parish. Its role continues to evolve as it adopts a proactive approach to its work within the community.

All areas of expenditure have been closely scrutinised, with tighter measures being put in place and reallocation made where possible. It should be noted that if further cuts are required, the quality and level of service which Council provides will begin to be adversely affected.

Recommendation

Therefore it is my recommendation that Council approves this budget for the year 2018/19, with a precept of £351,541.

This concludes my report

Angie Hurren

Broadclyst Parish Clerk and Responsible Finance Officer

24th November 2017