

Clerks Report

Budget & Precept 2015-16

General

A realistic budget was set for 2014/15 to enable Council to carry out its duties and support its community in a proactive manner. It is estimated that the Council will end the financial year on budget despite a number of changes together with the challenges it has faced due to ongoing government and local government restructuring and cuts.

During this year the Council has built a good working relationship with DCC, EDDC, the Growth Point and other Agencies, e.g. EDVSA. This has resulted in a better understanding between all parties of the challenges facing delivery of services at parish level and has brought many benefits to Broadclyst.

Council has changed beyond all recognition from what it was 5 years ago. Back in 2009/10, Broadclyst parish council employed one part-time member of staff and the majority of its services were delivered by principle authorities. Today the parish is home to one of the biggest growth areas outside London, employs 5 staff, has won over £80,000 in grants for play & sports equipment which is all up & running, has 3 major community projects running worth £28K, is writing its Neighbourhood Plan, it reviewing and updating its Emergency Plan and is looking to take on 3 different County-devolved services for its parishioners.

2015/16 will see increased level of services being devolved to parish councils with minimal or no financial support. 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. However this comes at a cost, which will continue to grow. 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 an inevitable increase in the precept in order to retain and improve 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 has over the past few years been particularly successful in this. However many streams of funding are being reduced and Broadclyst has to compete with a larger number

of other councils and organisations also seeking additional funding to keep their precept at a reasonable level.

In proposing the budget for 2015/16 I have taken into account:

- The changes to the parish resulting from the conclusion of the Cranbrook governance review which will see its own Town Council being established from May 2015
- The ongoing and forthcoming strategic development sites in the West end of Old Park Farm, Pinn Court, Tithebarn Green, Mosshayne and smaller developments within Blackhorse village.
- Changes to DCC service provision for the parish
- Continuing reduction in the Council Tax Support Grant from EDDC
- Changes to the factoring which calculates Council's Tax Base
- The role of the Council in supporting a range of community groups that provide valuable support networks and social opportunities

Budget analysis

Income

- Council Tax Support Grant from EDDC reduced this year by 15%. As this is a grant it must not be taken to be an ongoing source of funding.
- Advertising interest in the Broadsheet is good, including sponsorship of some space per issue by 2 local businesses. Invoicing is to be done following publication of the autumn issue
- Presumed to continue to receive contribution for public toilet costs from EDDC & NT
- P3 grant presumed to continue at current level from DCC (not confirmed)
- The Allotment Association's lease expires in 2015 and it has been confirmed they wish to renew this agreement.
- Bookings at Pavilions assumed to be at current rate unless investment made to make more attractive, e.g. WI-FI
- Neighbourhood Plan – at the moment no more funding to be accessed but this may change. £2,000 of EDDC grant still available in reserves
- Interest rates remain low and are forecast to remain low for foreseeable future
- Bowls club now shown as separate income and expenditure due to changes in club structure requiring new budget allocation of contractor. Income from club will not cover full costs and work required to bring green up to standard.
- Potential agreement with local contractor to rent Clyst Room at cost (reflected in both income and expenditure figures).
- No projects in pipeline at moment re Parish Together but there may be and it is hoped the funding will continue to run.

Expenditure

- Staffing costs slightly increased due to increase in Assistant Clerk's hours and Clerk's qualification. It is anticipated there will be a 2.2% pay increase to NJC staff in December 2014
- Stationery has been subject to better monitoring as reported last year, therefore no need to increase for 15/16
- Officers' expenses increased due to Council's decision to pay mileage to Assistant Clerk.
- Audit costs reflect possible increase in turnover of Council.
- **Youth Club**
Local Youth Network (LYN) Funding, which has previously supported the SLA has been subjected to heavy DCC cuts, with the latest round being over-subscribed 4-fold. Therefore it is anticipated that SLA costs should not be relied upon to be covered via this source. The budget includes a 'worst case scenario' assuming no LYN funding is received. Broadclyst VIP's will continue to submit applications to LYN for funding towards the SLA cost and associated running costs.
- **Lengthsman.**
New budget allocation for 15/16 to respond to cuts in the DCC Lengthsman programme. There are approx. 45-50 miles of unclassified roads in the parish.
I initially looked at employing a Lengthsman for an average 20 hours /week @£8/hr. This post would include all parish handyman duties currently undertaken, football pitch and additional groundsman duties which have arisen by retiring of volunteers at the pavilions, and also carry out Lengthsman work around the parish as required.
The cost to create this post (including employment on costs) would be in the region of £12,000 p.a. and would require the parish to own/hire necessary machinery in addition to this salary.
An alternative is to engage a local contractor to carry out ditching/drain clearance/hedge cutting etc. at an approximate cost of £6,160 based on 7 days per quarter (1.5 weeks per quarter) @£220/day, whilst continuing to contract in the current handyman to carry out his existing duties.
- Broadsheet contract agreed at £1K per quarter for 2,500 copies of 24 page issue. Additional budget of £500 allocated for community consultation.
- Comms new budget allocation to support APM printing and other associated costs of communicating with the public.
- Crime/traffic budget new allocation to support the subcommittee in undertaking extra duties associated with Growth Point.
- Maintenance has been split to give better understanding of this large area of expenditure.
- Training budget retained to allow for training of councillors and staff for forthcoming election year.
- Reduction in utilities bill in public toilets due to reduction of standing charge in newly negotiated contract
- Slightly higher budget for insurance costs which may be associated with volunteer costs e.g. Road Warden Scheme.
- Emerging communities grants left in budget to support West end developments

- Parishes Together funds received re projects in Cranbrook. Surplus to be transferred to reserves; anticipated transfer to Town Council once elected.
- Pavilions staffing increased to allow for agreed increase to Living Wage.
- £1,000 new assets contingency for new equipment required during the year, including Officers' IT equipment.

Reserves

- Reserves will be allocated at year end depending on surplus.
- Council during the year has agreed to take £3023.90 from earmarked buildings reserves to pay for maintenance works at Pavilions.

Conclusion

This year's budget has been prepared both to reflect the ever-changing financial responsibilities of this parish as it continues to evolve and to address areas which have been devolved to the parish council through the Locality Act and from Devon County Council.

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.

Tax Base changes

As well as the creation of Cranbrook's Town Council in May 2015, which will see the Tax Base reduce by 438 band D equivalent, the build pattern of the new developments brings its own implications for forthcoming development at the West end of the growth point, with the largest percentage of new housing being Band C, seconded by Band B, with the 'average' Band D coming in 3rd. It is realistic to presume that many of the affordable and social housing residents will be in receipt of some form of Council Tax benefit, which will further affect our tax base. However, from 16/17 onwards as these developments begin to build out, the tax base will increase accordingly, leaving 15/16 as a one-off slump.

Changes to a parish's Tax Base cause a subsequent rise to the precept; this proposed budget will put Council where it needs to be in order to continue to operate legally and efficiently, reflecting both electorate size and how charging structure changes made further up the governance ladder will have an increasing direct effect on parishioners pockets.

Indications at this current period in time show the parish council's element of the precept to the average Band D property in Broadclyst parish (subject to further factoring and confirmation of number of electors) will be no more than £100 per band D property per year, which works out at a rate of less than £2.00 per property per week over the whole year.

Recommendation

Therefore it is my recommendation that Council approves this budget for the year 2015/16. It may be necessary to review at such time confirmation becomes available regarding capping.

This concludes my report

Angie Hurren

Broadclyst Parish Clerk

14th November 2014