

Budget & Precept Report 2016-17

A realistic budget was set for 2015/16 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 which has been confirmed in the external operational assessment carried out this autumn. Broadclyst Parish Council has been assessed as a Level 3 Council.

The pattern of increased services being devolved to parish councils with minimal or no financial support continues, having 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 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 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 2016/17, the Finance Committee has taken into account:

- The level of involvement in relation to 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 (27% for 16/17)
- Changes to the way in which factoring 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, including the Twinning Charter.

Budget analysis

Income

- Council Tax Support Grant from EDDC reduced this year by 27%. 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 has been done following publication of the Christmas 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 has been renewed at the rate of £300/year.
- Bookings at Pavilions assumed to be around the same 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. RPI for 16/17 will be confirmed mid-December.
- Bowls income likely to remain the same until standard of the green has improved to attract outside clubs.
- Potential income from rental of car parking spaces in front of the Clyst Room &/or sale of the site.
- No projects in pipeline at moment re Parish Together but work is being done to submit a bid for IT equipment to enable the viewing of paperless planning applications in the February round of funding. It is hoped, but not yet confirmed, that the funding will continue to run.
- It is uncertain if DCC will run the Local Youth Network grant funding again in 16/17, therefore income from the fund cannot be depended upon.
- Grant funding will come from the County Council towards the cost of visibility splay grass cutting; this is set for £828 for 16/17. The security of continued funding from this source in the future is unclear at this stage.

Expenditure

- Staffing costs have been reviewed in line with annual appraisals (Minute ref: F15/13i), the Living Wage, Council level assessment (Minute ref: F15/13ii) and statutory requirement for pension provision (Minute ref: F15/15v). These combined factors have resulted in a substantial overall increase (+20%) in staff costs
- Stationery has been subject to better monitoring as reported last year, therefore no need to increase for 16/17 as Council continues to move towards paperless operation where suitable.
- A separate budget allocation for IT assets and running costs has been created for 16/17. In this ever-increasing digital age and to ensure member privacy when FOI requests are submitted, it is recommended allocation be made for appropriate provision. Withdrawal of provision of paper copies of Plans by the Local Planning Authority add a requirement to enable Councillors to be able to view applications. This allocation includes an annual subscription to Office 365.
- Planning consultation is moving to paperless; there will need to be an annual budget to allow the viewing of planning application documents which are soon to be sent out on disc although it is hoped the initial purchase of equipment can be funded via a Parish Together project.
- Officers' expenses remain consistent with spend in 15/16, however a slight increase in nationally set mileage and working from home allowances have been noted and incorporated. (Minute ref: F15/13i)
- Audit costs reflect the increase in turnover of Council.
- Insurance costs are set to rise for 16/17 following the announcement in the summer 2015 budget of an increase in insurance premium tax from 6% to 9.5%

- **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.

The actual cost of the SLA for 1617 is still under negotiation with the YMCA.

- **Lengthsman**

15/16 saw the introduction of a new budget allocation to respond to cuts in the DCC Lengthsman programme and it is proposed to continue to deliver this work.

An agreement is in place with local contractors to undertake 'heavy' mechanical works whilst our own Parish handyman undertakes lighter duties. Job evaluation has triggered an increase in handyman hours (Minute ref: F15/13i) and this has been split away from the Lengthsman allocation to enable closer financial monitoring

- **Safety / visibility splay grass cutting**

This previously-DCC funded service has now been reduced to a single cut per year over a much-reduced area; the County Council have offered a small subsidy towards parishes taking on this work themselves. Quotes have been requested for this work; it is recommended to budget for 7 cuts per annum to enable maximum visibility where possible at junctions and on blind corners. It is recommended a schedule be set to carry out the first cut prior to Easter, with 4 weekly cuts until the end of June, then dropping to 6 week intervals until a final cut in October.

- Broadsheet contract prices remain constant with a minimal rise in line with inflation.
- An additional budget of £1,000 has been allocated for a community consultation budget, as well as £2000 to support the Twinning Charter, £1,000 for Fun Day and £500 for provision of arts, cultural and entertainment events (Minute ref 15/133ii)
- Comms new budget allocation to support APM printing and other associated public communication costs.
- Crime/traffic budget to remain to support the work of the Traffic Committee.
- Additional dog and general waste bins have been requested by members of the public; one dog waste bin is already installed on Mosshayne lane with additional bins at Sunnyfield and refuse at Westclyst bus stop to follow in December 2015 (subject to EDDC contractors availability)
- General Maintenance has been split down into site specific sub headings to give better understanding of this large area of expenditure.
- Training budget retained at the current rate of £750 to allow for training of councillors and in-house staff training, with an additional £3,300 for CPD recommendations as defined in the report from the staffing committee (Minute ref: F15/13iii)
- Parish clock – it was agreed to enter a 5 year fixed price service contract , giving an overall saving of 20% (Minute ref 15/28i)
- It was proposed by the staffing committee and is recommended to Council by the Finance Committee that staff should be supported in CPD opportunities as well as receiving in-house training, therefore a budget has been set which includes a figure for staff CPD (Minute ref: F15/13iii)
- Utilities bill in public toilets remain constant
- Slightly higher budget for insurance costs which may be associated with volunteer costs e.g. Road Warden Scheme.
- Emerging communities grants retained in budget to support West End developments
- Cranbrook Community Fund administrated by Broadclyst in 15/16. Balance at year end and ownership of Younghayes kitchen to be transferred to the Town Council in April 2016.
- Pavilions and toilets staffing increased to allow for agreed increase to Living Wage. (Minute ref: F15/13i)
- £1,000 new assets contingency for new equipment required during the year.

Contingency

The suggested contingency allocation for 16/17 is:

Item	Amount	Reason
Car park	2,000.00	To build reserves to £10000 over the term of this Council
Buildings maintenance	5,000.00	To use as capital fund for major maintenance costs
Office	1,000.00	To build reserves for future office costs (to £10,000)
Election costs	2,000.00	To build reserved fund of £5,000 against possible election costs
Rates	6,000.00	To give allocation to pay the rates due on Council's assets should business / sports rates relief change (funds to be transferred to reserves and ear-marked for future rates bills should changes not come in for 1617)
Allotment land	2,000.00	To build fund to purchase land for community allotments
Staffing	8,000.00	To create a contingency allocation for staffing costs in the event of long-term sickness, maternity, adoption, paternity leave etc. (balance of funds to be transferred to reserves at 31.03.17 and ear-marked as staffing contingency)

Reserves

- Reserves will be allocated at year end depending on surplus.

New Recommended allocations

Office

Currently the Parish Council operates from the Clerks home, however as the Council and its operation has grown it is no longer practical and working space limitations prove challenging for Officers.

There is a need to create or rent office space; the possibility of a loft conversion at the Pavilions has been explored and discounted following a structural engineers report, however it may be possible to create ground floor office space by relocating storage to an external shed and reordering the layout of the internal storage space.

The structural engineer has been asked to carry out a site visit, after which, should it prove suitable, an architect will be engaged to produce and set of drawings which can be use to obtain permissions from Building Regulations and costing from builders

It is anticipated the cost of creating and equipping office space will be funded via a Public Works Loan, which has previously been agreed in principle by Full Council (Minute ref 15/133v) ; the Finance Committee feel it is preferable to invest in improvements to the Council's own asset if at all possible rather than paying rent, and so it is recommended all avenues of doing this are fully explored.

Part-time Officer

Active Membership of the Neighbourhood Plan (NP) Steering Group has dwindled to a couple of resolute volunteers who have been making dogged progress with the lengthy compilation of the evidence base, which is proving to be a complex and thankless task. The District Council's Local Plan will include the introduction of the Community Infrastructure Levy (CIL); one benefit to the community of having an adopted NP is that it will receive 25% of CIL rather than the 15% which will be received by communities without an adopted plan. It is widely anticipated the Local Plan will be approved next year (2016); draft Neighbourhood Plans are given some credence in planning terms by the Development Management Control Committee.

In light of the need to progress the writing of the Broadclyst NP, and in the light of the lack of active volunteers despite regular articles in the Broadsheet it has become necessary to suggest the creation of a part-time post to support the Steering Group in its work. Recent staff reviews have identified that the current Officers are currently working beyond capacity and therefore it is suggested this post be an administrative position which incorporates Neighbourhood Planning, planning consultations and community engagement as well as more general Council administration.

Recommendation:

In order to attract the appropriate calibre applicant, a pay grade of circa SCP29 would be appropriate, requiring a budget allocation of c£15,000 for a 16hr/wk pro rata contract plus on costs, travel, etc. An additional allocation of £5,000 is suggested to support the production of the NP (consultation, survey costs, room hire and hospitality for engagement events etc.)

Reason:

- To support the NP steering Group in its work in preparing the Plan for eventual submission to the Inspector
- To undertake administrative duties for Council as required, complementing the existing Council staff structure.

Tax Base changes

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.

The Cranbrook governance review was completed on 31 March 2015 which caused a predicted slump in the Broadclyst Tax Base for 15/16. However as the new development of Hillside Gardens builds out and other strategic sites come online we are seeing a rise to the Parish tax base.

Devolution

At a meeting earlier this month of the All-Party Parliamentary Group (APPG) on Local Democracy, which is chaired by Andrea Jenkyns MP, the Government's Minister for the 'northern powerhouse' and the Department of Communities and Local Government (DCLG), James Wharton MP, said: "Local (parish and town) councils must be proactive, be engaged, and seize the opportunity of devolution. They should find the opportunities that exist and drive them forward to the interest of the communities that they represent. That is what devolution is about – it's a bottom up process. Devolution won't be done to anyone. The worst that will happen is that it will be done without you."

"The best possible guidance on devolution is to get one example that worked well and encourage others to do the same. It is organisations such as the National Association of Local Councils (NALC) that can provide good examples and promote opportunities."

"Devolution is not something that ought to be dictated by government. Devolution is an organic process, something that comes from the bottom up. I would look at organisations such as NALC for spreading best practice or showing best practice and the difference that it can make so that others can adopt it and perhaps improve it.

Jonathan Owen, chief executive of NALC, said: "We need to put the local into devolution. Parishes can become local powerhouses, complementing the work of the principal (county, district, unitary and borough) councils and ensuring

that individuals can see the benefit of devolution in their communities and not just at the strategic level. I think there is a risk sometimes that devolution is only at the strategic level.”

As a positive result of devolved powers, Broadclyst Parish Council should feel confident in taking opportunities to engage with principal authorities, undertaking additional services, and meeting public service level perceptions.

Conclusion

This year's budget has carefully been prepared both to reflect the ever-changing financial responsibilities of the 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. Principal authorities and the Police have been facing well-publicised challenges to their budgets, needing to become more frugal with level of services and cover.

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.

Increase:

The proposed 16/17 Precept equates to an approximate increase of £50 per household per annum, only an extra pound a week when compared to the 15/16 precept. The parish tax in Broadclyst parish (subject to further factoring and confirmation of number of electors) will be in the region of £140 per property per year, which works out to be just less than £3 per property per week over the whole year.

The Parish Council's element of the 2016/17 Council Tax bill comprises approximately 2% of the overall Council Tax bill.

Recommendation

Therefore it is the recommendation of the Finance Committee that Council approves this budget for the year 2016/17 and resolves to set the precept for 2016/17 at £199,698

This concludes the 2016/17 Budget report, prepared on behalf of the Finance Committee to be presented to The Council at its meeting on 7th December 2015 with the draft budget for ratification.

Angie Hurren
Broadclyst Parish Clerk
25th November 2015