19 New Buildings
Broadclyst
Exeter
EX5 3EX
07532 286713
clerk@broadclyst.org
25th January 2020

Budget & Precept Report 2020-21

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.

Contents

Introduction

Broadclyst Parish is home to some 5,000[1] residents, with c.2,600 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 around the time of 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. In East Devon there are twelve 'made' Plans, with a further 28 designated Neighbourhood Plan areas. The policies contained within these plans represent local community aspirations and help to decide the planning applications in the neighbourhood areas as part of the development plan for East Devon.

Council finances

A Local Council is a precepting authority[2] and it has a statutory Power[3] 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 the principal authority towards delegated[4] 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 considered[5]. 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 Council[6]. 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 blocks in the graph below, despite the steadily rising precept (blue line).

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.

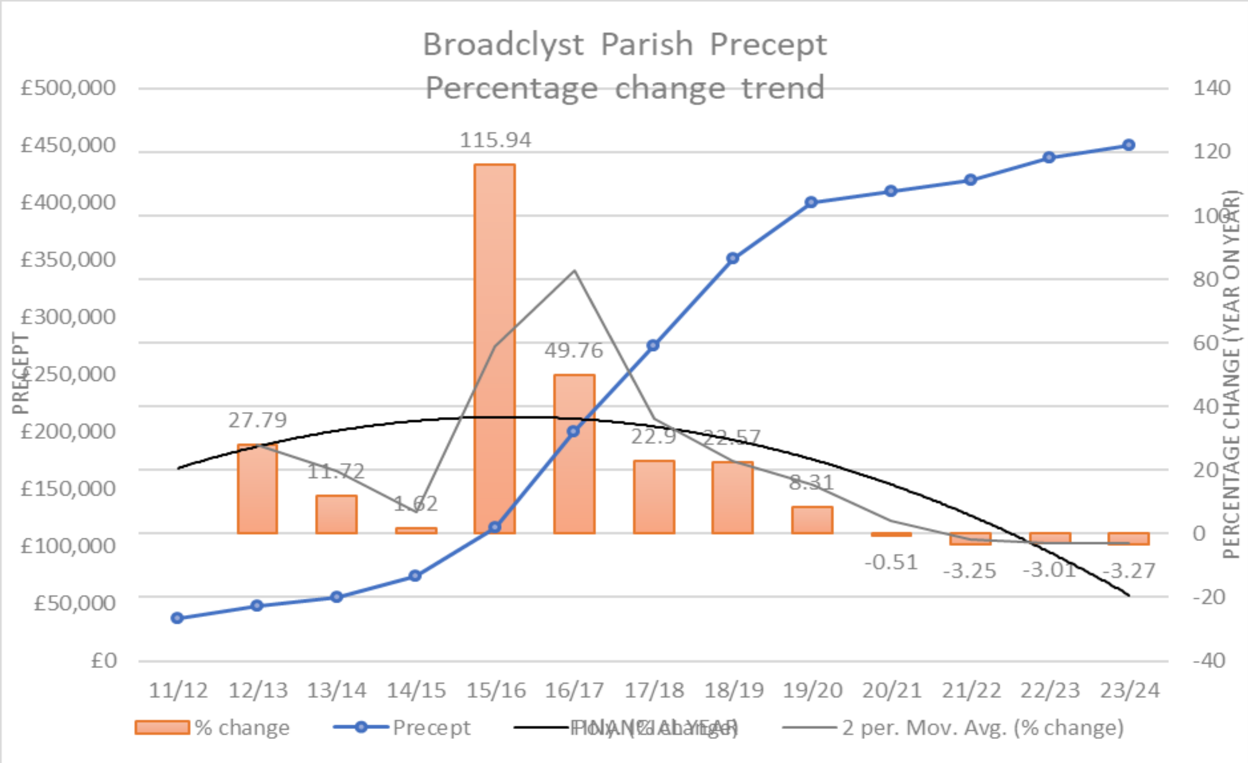

Figure 1: Increases to the tax base offsets the Band D

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 a five percent increase 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.

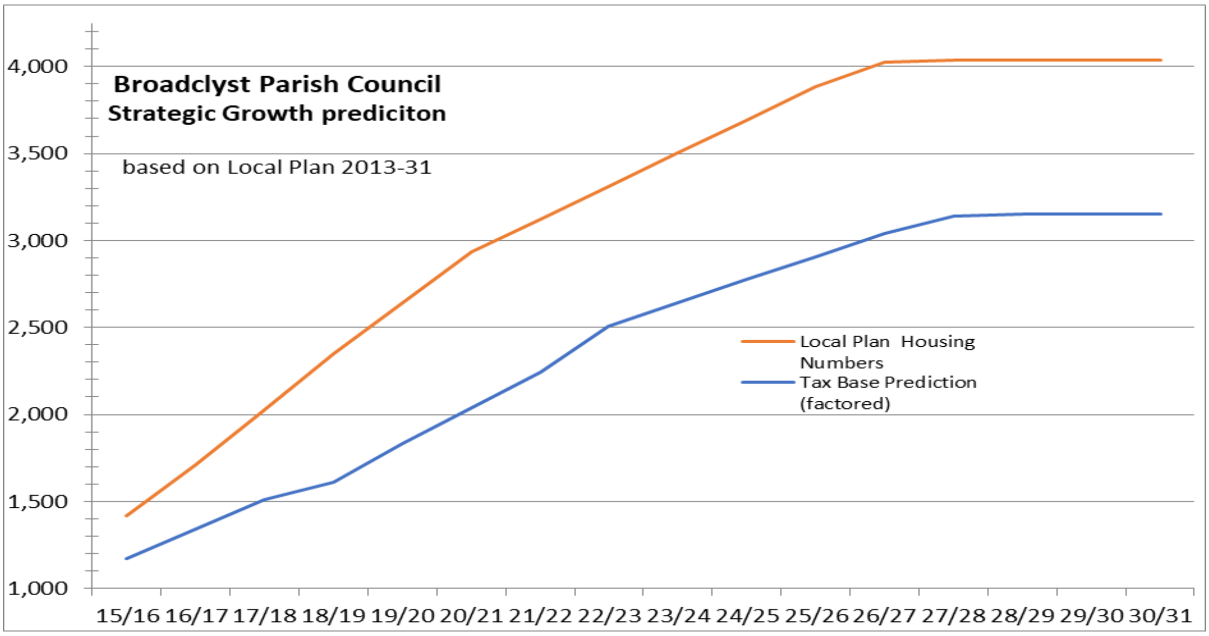

Figure 2: Dwellings are factored to calculate the Tax Base (number of Band D equivalent properties)

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 more local level, as former providers 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. Steering groups are submitting their draft policies to the Overview Committee and early policies for self-builds and relating to the environment have been drafted at the time of writing. Plan preparation work is supported by an operational budget; Locality funding has been sought to engage consultants to carry out site assessments and prepare technical reports. A Marketability report for mixed use sites has been commissioned to inform land use on 6 sites across the parish. 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. Casual help has been engaged to undertake the compilation of the evidence base, with a resolution to create a post for a p/t NP admin assistant.

In proposing the budget for 2020/21 I have considered:

- The ongoing and forthcoming strategic development sites at Westclyst and Tithebarn
- Cessation of the Council Tax Support Grant from EDDC from 2019/20
- 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 has ceased
- 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 remains at £350/year
- Bookings at Pavilions are steady, with a full-house for football for the 2019/20season confirmed. A pay-per-play arrangement is in place for the new Sunday teams as it is a small league this season
- Neighbourhood Plan – Locality funding was secured for technical support in 2018/19.
- Interest rates remain low and are forecast to remain low for foreseeable future; the income from interest has been increased by not holding any more than needed in the current account
- Council invested £25,000 of its general reserves in the Local Authorities Property Fund 2018/19; it is hoped this will give a better return than that received from the bank.
- Grant funding from the County Council towards the cost of visibility splay grass cutting was £1,413 in 19/20 but the amount, and security of continued funding from this source in the future, are unknown at the time of writing this report.

EXPENDITURE

Administration and accommodation

- Staffing costs for 20/21 remain largely unchanged from 19/20; an increase enables the creation of the NP admin support role which is vital to the timely progression of the Plan and has become necessary due to minimal voluntary support.
- Living wage increases are included in the allocation
- Employers HMRC on-costs and pension contributions are now shown separate to gross salaries and have been adjusted in line with employers obligations.
- Working from home allowance is payable to the Administrator in line with HMRC guidance[7]
- Telephone, banking, payroll, stationery, audit, subscriptions, training and insurance have been held or marginally adjusted to reflect current costs and requirements.
- Insurance: This allocation allow cover for asset transfer of new community infrastructure, council insurance, and the parish vehicle policy.

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[7] https://www.gov.uk/tax-relief-for-employees/working-at-home

- The training budget allows for statutory staff training under H&SE (Emergency First Aid at work, Fire Marshall training, Manual handling), staff CPD, and Members refresher/update training.
- Accommodation costs associated with the Parish Office have been adjusted to reflect the larger office and according to actual expenditure in the previous year. Costs comprise: annual rent, service charge, non-domestic rates, car park rates, buildings insurance (all tenants pay a proportion).
- Youth provision. Changes to grant funding for youth work continue; the budget presumes a 'worst case scenario' assuming no additional external grant funding is received. The Youth Club's Management Committee will continue to submit applications for funding towards the SLA cost and associated running costs. Service delivery and the SLA was re-negotiated for 2018/19 to reflect the club 's new structure of 2 sessions/week with 2 youth workers; its operational structure remains unchanged.

Public Relations, grants, and projects

- Broadsheet costings remain the same thanks to a long-term agreement with a local printer; allocation has been increased as more properties in the west end are built and occupied.
- Public consultation remains unchanged; social media is proving one of Council's more cost-effective ways of reaching the community
- Crime/traffic budget remains 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 unchanged.
- 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.
- The Community Defibrillator and Helipad projects are complete; a small budget is proposed for annual service costs
- Council continues to support the work of VIP's in a practical and advisory manner.
- Broadclyst Parish Council Community Grants allocation remains unchanged.

Maintenance

- **Grass cutting and grounds maintenance** – tenders were invited, and contracts reviewed / renewed in 17/18, starting 01.04.2018 for a three-year period.
- **Handyman**
    - staffing budget remains unchanged.
    - operational budget for tools and ancillary items/PPE as required and pothole patch material has reduced due to assets purchased in previous years
    - works van. Lease hire £4,380/year. Running costs £4,000 to include fuel, tax, insurance. Operational budget reduced to reflect actual operational costs.
- **Lengthsman.** Retained to continue to carry out gulley clearing / drainage work and rural verge/pavement vegetation clearance.

- **Dog waste.** 2019/20: 17 bins@£250/bin. Recommend increase to £5,600 to allow for 3 new bins to be purchased, installed, and added to service round in the west end residential sites
- Equipment service/repair, parish clock, allotments, P3, refuse disposal all remain unchanged or have been adjusted marginally to reflect current prices
- **Bus Shelters.** A new allocation of £10,000 was made in 19/20 included to provide additional shelters required by new strategic housing developments.

Public Toilets

Budget largely unchanged; it is recommended to set up a refurbishment fund as the current systems are reaching the age where they are beginning to fail. As this is a refurb project rather than a new build, it seems to fall outside funding criteria; external/additional funding will continue to be sought.

The Chancellor of the Exchequer has announced that public toilets will receive new mandatory business rates relief, following an extensive and prolonged campaign to end the toilet tax by the National Association of Local Councils (NALC) and Members of Parliament. The effective from date is unconfirmed at the point of writing this report, therefore it is recommended that the allocation be retained in the draft budget for 2020/21 and vired to the public toilets refurbishment allocation should the rate relief be introduced from 01.04.2020.

Broadclyst Sports Pavilion

Utilities, cleaning and service costs remain much the same as 19/20, with an additional £3,000 for internal decoration.
Pavilions staffing increase allows for additional hours and Living Wage increases.
Service costs have been adjusted to include building a fund for three-yearly electric inspection and shower system service/descale.
Broadband allocation removed as combined with office package as better value.

Bowls Green

Anticipated expenditure in 2020/21 remains largely unchanged

Recreation / Sports

- Play equipment inspection and service costs remain largely 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
- Invitations to Tender for maintenance of the Westclyst community football pitch were advertised at the end of 17/18, with the winning tender of £14,000 (according to spec). Snagging on the pitch was completed mid-2018; the pitch is still yet to be transferred to the parish council, although this should have happened in 2018/19. This area was underbudgeted in 2018/19; this has been corrected in the 2019/20 and 2020/21 budget.

Clyst Room

Creation of a works compound was undertaken in 2019; an allocation of £500 is recommended to complete this project to cover any increases to the original quotes which were obtained in 17/18.

Neighbourhood Planning

The staffing budget has been increased to allow the NP Lead Officer additional hours. Completion of the Plan is becoming a pressing matter; therefore, creation of a support role was resolved by the Staffing Committee (Minute ref S18/07; ratified by Council on 16th August 2018 (Minute ref 18/142). The budget allocation for 2019/20 reflects the hours needed and appropriate pay grade for the work.

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.

Contingency

The election contingency maximum has been reached so no further allocation will be made until such time as it has been drawn from or Council has been notified of an increase to the cost of an election. £5,000 for the Andrews water heater was set aside in 18/19, with recommendation to earmark a further £5,000 in 2019/20. Otherwise the Council's contingency budget remains unchanged.

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. It is recommended that this continues as the Council and its duties continue to expand.

SUMMARY OF SIGNIFICANT CHANGES (over £2,000):

New allocations:

- Climate Emergency officer £8,320 + on costs

Increases:

- Pension/HMRC £5,000
- Handymen £3,450
- Pavilions decoration £2,000

Reductions:

- Rates contingency £4,000
- Staffing contingency £3,000
- NP Operating budget £5,000

Increase – the 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 2019/20 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 £250 per property per year or approximately £4.50 per property per week over the whole year.

Increase slowing: the last few years have seen unpopular increases year on year as shown in the table below; this has been driven by the governance boundary review to form Cranbrook, devolution of services from principal authorities, and changes to Council's staffing structure in response to additional workload generated by strategic growth in the West End of East Devon.

Financial Year	**Tax base change**	**Percept % change**
1415-1516	-22%	95%
1516-1617	6.4%	60%
1617-1718	12.3%	23%
1718-1819	3.9%	22.6%
1819-1920	6.3%	16%%
1920-2021	c.15%	c.-2.5%

The change to the parish council's part of the 2020/21 council tax bill should see a decrease from the previous year by c.£40; this will be the first time we have seen a negative increase since 2012 and is a trend we should see continuing as the Tax Base increase and operational service delivery settles.

Financial year	**Increase per annum**
1516-1617	£59.13
1617-1718	£34.03
1718-1819	£41.22
1819-1920	£20.68
1920-2021	-£14,474

The approximate[8] decrease to the parish council's element of the Council Tax bill for 2020/21 will be c.80p per property per week (reducing from an increase of 40p per property per week 19/20, 79p in 18/19, 65p increase in 17/18, and £1.14 increase in 16/17).

[8] It is not possible to give exact increases until the 2020/21 tax base and precept are confirmed

Conclusion

The 2020/21 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.

The changes have arisen as the council has responded to complaints and requests from the public. Alternative funding streams have been explored and secured where possible, for example Locality grant funding for technical support for the Neighbourhood Plan, but grant funding is not available where costs arise through maintenance and statutory obligation.

This is a prudent budget, set at a time where principal authorities are still cutting services in order to stay within their allowed percentage increases and focus on their prioritised statutory obligations. Parish councils are uncapped; however, Broadclyst Parish Council is aware it must exercise fiscal caution and responsibility when setting its budget, continuing and increasing service provision for the benefit of our community and responding to its changing need is a challenging balance.

Recommendation

Therefore it is my recommendation that Council approves this budget for the year 2020/21 at £410,270, with a balancing precept of £392,882.60

This concludes my report
Angie Hurren
Broadclyst Parish Clerk and Responsible Finance Officer
27th November 2019