

**TO: MEETING OF SHAVINGTON-CUM-GRESTY PARISH COUNCIL
FINANCE COMMITTEE**
(Councillors B Gibbs, K Gibbs, R Hancock and W McIntyre)

DATE: 7 NOVEMBER 2018 - 9.00 PM

SUBJECT: BUDGET PROPOSALS 2019-2020

1 INTRODUCTION

Members are invited to give initial consideration to the Council's budget proposals for 2019-2020.

The recommendations from this Committee can be presented to the December meeting of the Parish Council for observations, following which the final budget will be submitted to the meeting in January 2019 for approval.

The deadline for precept requests to be submitted to Cheshire East Council is likely to be 11 January 2019.

2 PRECEPTS

Members are reminded that a precept is described in law as a *peremptory order to a billing authority* (i.e. Cheshire East Council) *to pay a local council a named sum*. This is payable in instalments – 1 April and 1 September each year. Cheshire East Council has no power to approve or not approve the amount and cannot vary it. The cost of the requested precept is then passed on to the electorate in the form of additional Council Tax which is recovered by Cheshire East Council.

Tax base: In 2018-2019, a budget of £182,120 was approved and this required a precept of £92,000. The tax base in 2018-2019 was 1,903.20 and the effect on Band D properties was an additional £48.33 in Council Tax.

In 2017-2018 the budget was £120,300 and a precept of £90,000 was approved. The Council Tax base was 1,757.25 and the effect of this on Band D properties was an additional £51.21.

The tax base for 2019-2020 will not be notified until early December.

3 FORMAT OF REPORT

This report is in similar format to that for 2018-2019 and comprises the following information.

Paragraph 4	Recommendations to the Parish Council.
Paragraph 5	A reminder of the budgeting approach.
Paragraph 6	Narrative to accompany the detailed proposals.
Paragraph 7	Calculation of likely balance available on 1 April 2019.
Separate document	Receipts and Payments Statement to 30 September 2018 for both accounts.
Separate document	Budget monitoring schedule to 30 September 2018 showing: <ul style="list-style-type: none">• Spend to 30 September 2018• Revised estimates for the period 1 October 2018 to 31 March 2019• Draft budget for 2019-2020.

4 DECISIONS REQUIRED

At its meeting in January 2019, the Parish Council will be asked to **RESOLVE:**

- i. That a budget of (to be agreed at the Parish Council meeting) be approved;
- ii. That the Clerk be authorised to request a precept of (to be agreed at the Parish Council meeting) from Cheshire East Council; and
- iii. That the Clerk's salary be increased to £14,788.00 with effect from 1 April 2019 in line with the National Association of Local Councils agreed rates for 2018-2019 and the contractual obligations in the Clerk's contract of employment.

In the meantime, the Committee is asked to make recommendations to the December meeting of the Parish Council.

5 BUDGETING APPROACH

Good governance, accountability and transparency are essential to local councils and a cornerstone of the government's approach to improving public services. Those who are responsible for spending public money are accountable for ensuring that it is conducted in accordance with the law and proper practices. The style of Annual Return changed in 2015-2016 to emphasise to local councils their duty in confirming that the accountability framework is satisfactory.

The preparation of an annual budget is one of the key statutory tasks to be undertaken by a Parish Council, irrespective of its size. The budget has three main purposes:

- a. It results in the Council setting the precept for the year (i.e. the money which it requests from the Borough Council to fund the shortfall between its own funds held and the budget proposals for the forward year).
- b.
- c. Subject to the Financial Regulations, it gives the Clerk overall authority to make spending commitments in accordance with the plans approved by Members.
- d. It provides a basis for monitoring progress during the year by comparing actual spending against planned spending.

The importance of the budget should not be under-estimated. It is essential that Members understand how it is put together and how it should be used in the operation of the Council. At its simplest, the budget compares what the Council would like to spend in the forthcoming year on local services and projects, with the amount of income which it expects to generate, with the excess of planned spending over income being made up, mainly by the precept; however, the Village Hall generates income which, in broad terms, results in a break-even position. This will not be the case for 2018-2019 as the hall has been closed from April – September during the major up-grading works.

All of the above is 'incremental budgeting' as it builds on the decisions which the Parish Council has taken in the past. Although zero-based budgeting is a 'clean sheet' approach and is not constrained by what has happened in previous years, the incremental approach is more practical. Members are, nevertheless, encouraged to question more closely each item of expenditure which **must be considered and justified, and there must be a reasonable prospect of each item coming to fruition during the financial year, to avoid criticism by the auditor and to demonstrate to the electorate that the Parish Council is a prudent manager of public money.** Members should also consider carefully what additional items ought to be included to avoid spending on un-budgeted items during the year. This is not good governance and should be avoided.

6 BUDGET PROPOSALS – 2019-2020

The budget proposals form part of the budget monitoring report.

Line 3 Overtime costs for Clerk

There is a separate report on the agenda which indicates that the Clerk's workload has increased since she took up post. For the time being, it may be prudent to add into the budget overtime costs, but Members may take the view that additional support is required.

Report to follow

Lines 13-19 Communications

The Communications budget for 2018-2019 is already overspent, but this could be in part to some items of expenditure being absorbed into the 'Communications' heading, rather than being allocated to the appropriate budget-head.

Line -14 New Phone Line

The day-to-day management of the Village Hall has now changed and Councillor Emma Clayton is taking on the responsibility for new bookings. To avoid her personal phone number being used, Members might wish to consider adding an additional phone, using the same 01270 262636 phone number, but giving callers the option to speak to the Clerk, or speak to the Bookings Clerk/leave a message.

Line 19 Support/hosting general

This is currently carried out by one individual; the Communications Committee might wish to review this arrangement as part of its review of the website as a whole.

Line 34 Neighbourhood Planning

The cost of £2,710 in the revised estimates to 31 March 2019 is the cost quoted by CCA to prepare much of the Neighbourhood Plan itself. The amount included in the draft budget is to cover the cost of design and printing a high quality Neighbourhood Plan document for Regulation 14 consultation.

Line 43 Defibrillator/Kiosk

The Parish Council now has sole responsibility for the telephone kiosk at the junction of Main Road/Barons Road. This would be a suitable location for a second defibrillator, although Members might take the view that it is in close proximity to the Village Hall which is intended to host the defibrillator which has already been purchased.

PROJECT FOR 2019-2020

Line 44 Purchase of land

This arose as a suggestion in a Committee meeting.

Audlem Parish Council has recently acquired 11.5 acres of land adjacent to Green Lane, the Shropshire Union Canal and Shropshire Street (Turnpike Field). The purpose of the acquisition was to prevent further development.

- The land cost £250,00 and was funded through a loan from the Public Works Loans Board.
- The value of the land was estimated to be £100,00-130,00 but the Parish Council sought professional advice and offered £250,000 which was accepted. This was based on an assessment of the overage. 'Overage' is where a piece of land is sold at value X and the purchaser develops it so that its eventual value is Y. The person who sold the land is entitled to a percentage of this increase in value. In Audlem, as the proposal is only to prevent development this would not be the case, but the offer needed to be tempting enough to persuade the vendor to sell to the Parish Council.
- The fixed interest rate of the loan is 2.82% over 40 years.
- The effect on Band D properties will be £12 per year for this, reducing to £10 per year owing to the number of houses currently being built in Audlem.
- The process started in May 2018 and approval was granted in August.

The budget proposal for Shavington is a 'guesstimate' and is £20 per Band D property, at this stage. This is likely to reduce when the tax base is notified and will continue to be reduced as there is so much planned development.

Line 45 Purchase/Lease of a Police Car for use by the dedicated PCSO.

This was suggested by a Member under 'shared items'. Cheshire Police has been asked for its views. In the meantime, the Parish Council will need to consider the following, which will also require input from Cheshire Police.

- ☐ Monthly leasing charge.
- ☐ Would the car need to have a radio link to Cheshire Police?
- ☐ When insurance cover is taken out, this would be Parish Council's responsibility, but Cheshire Police may have a view.
- ☐ Where would the vehicle be parked when not in use?
- ☐ What make/size of car would the Parish Council wish to purchase/lease?
- ☐ Would there be a requirement for it to be marked with the usual blue/yellow markings? If this is the case, then would Cheshire Police be willing to offer a lease arrangement for one of its existing cars, or be willing to purchase/lease another for the dedicated use of the Parish Council? In these circumstances, it would be likely to impinge on insurance arrangements.

An assessment of the cost has been included as £500 per month leasing charge, but there is no real basis for this assessment. The Clerk has contacted a leasing company which has indicated that it could do this, even to the extent of providing Police marking. Further details are awaited.

Line 46 Purchase of Tru-Cam equipment

A sum of £1,000 has been included and this is based on an Internet search.

Shavington-cum-Gresty Parish Council

Budget Report to Finance Committee: 7 November 2018

7 CALCULATION OF LIKELY BALANCE AVAILABLE ON 1 APRIL 2019

Parish Council Account balance on 30 September 2018	124,769.00
Village Hall Account balance on 30 September 2018	<u>2,887.00</u>
TOTAL for both accounts	<u>127,656.00</u>
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LESS: Spend between 1 Oct 2018-31 March 2019	(60,048.00)
ADD: VAT Re-claim	3,340.00
ADD: Allotment plot rents	360.00
Likely balance available on 1 April 2019	<u>71,308.00</u>
 Precept requirement for 2019-2020	 <u>119,210.00</u>
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Carol Jones
Clerk
2 November 2018