



BRIXWORTH
Parish Council



Brixworth Parish Council 2017/18 Finance Budget Report



20 January 2017 v1.4

Finance Working Group – 2017/18 Budget Report

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Summary

As the Finance Working Group we are charged with the responsibility of producing a budget for the forthcoming fiscal year 2017/18 for full Council approval.

As with last year this has been a challenge, to provide facilities and amenities that the village require whilst being aware of residents' income.

In the following pages you will see the result of our deliberations, and we trust that you will find these proposals fair.

As with last year we propose to keep the Community Grant, and an amount of £2,500 has been included within this year's budget. The allocation of grants to be as last year. Likewise the Village Project remains and an amount of £2,500 has been allocated.

We would also recommend continuing with the Living Wage. It has become apparent during this year that these rates are reviewed each November and we have taken this into account whilst preparing our figures. These increases will be incremental over the next three years to bring the Living Wage and Minimum Wage in line.

The Working Group has continued with its appraisal of the various headings used for Budget Allocation and has made further adjustments to these headings for the coming year, which will lead to greater understanding of where monies are spent in the future.

The 'accrual' column introduced last year has proved its worth and the Working Group would recommend that this be continued.

Our proposal will increase the Band D rate (other band rates will vary) by £2.23 per year, just over 4p per week.

Finally as with this year the Group believe that the Finance Working Group should continue to monitor expenditure throughout the year and work towards the production of the 2017/18 budget.

Scope

In October 2014 Brixworth Parish Council set up a Finance Working Group to complete a set of tasks to prepare a budget for the following year. They were again asked to prepare a budget for the fiscal year 2017/18 to put before the council for their approval in January 2017.

Task

- Review the current status of restricted and earmarked reserves
- Project 2016/17 year end budget result
- Prepare proposal for 2017/18 budget
- Propose 2017/18 precept

How the Budget is formatted

The budget is broken down into two criteria:

- Income
- Expenditure

Within the Expenditure section there are now 11 subsections:

- Staff Costs
- Subscriptions and Fees
- Expenses and Allowances
- Administration
- Projects and Grants
- Legal Costs
- Earmarked Reserves
- Highways and Environment
- Maintenance
- Recreation
- Aspirations

Reserve Terminology

Earmarked Reserves

Earmarked reserves are reserve funds that have been put aside by Brixworth Parish Council for use on a specific project or task, e.g. money put aside to build up sufficient funds to replace a vehicle when it reaches end-of-life. This however can be reallocated should the need arise.

Restricted Reserves

Restricted reserves are funds that have been provided to Brixworth Parish council for a specific purpose and must not be used for any other purpose. A typical example of this would be a S106 restricted fund that is provided from a developer contractor for an agreed purpose such as playing field maintenance.

General Reserves

General reserves are the money held by the Parish Council to pay for the operational needs of the village and to protect the village when an urgent or emergency event occurs. Brixworth Parish Council strives to maintain a general reserve of at least three months' operating costs.

Finance Working Group Members

Councillors Stephen James, Kevin Parker, Peter Saxton, and Parish Council Clerk Peter Rowbotham

The Finance Group would also like to thank the previous Clerk, Emma Baker for her help throughout the year.

The group had meetings on the following dates:

15th August 2016
20th September 2016
13th October 2016
8th November 2016
13th December 2016
10th January 2017

The Living Wage

Following the introduction of the Living Wage during 2015/16, it is the Finance Group's recommendation that we continue with this scheme.



Over the last year we have become aware that the adjustment of the Living Wage takes place in November of each year and the proposed budget takes this into account.

The cost of the accreditation is £50 per year.

It is Government's intention to increase the Living Wage by yearly increments until the rate of £9.20/hour is met in 2020, at which time the Living Wage will replace the current Minimum Wage.

It is also a condition of our accreditation that all contractors we employ pay the Living Wage. This is something we should include within our tendering process and ensure that this will be met prior to entering into any contracts.

The Budget Plan

Staff Costs

As this section of the report relates to employee remuneration rates, it is considered confidential and will not be reported in detail.

The overall salaries, wages and associated employee cost (NI, pensions etc.) represent the largest budget area in financial terms, 48.75% of the total budget.

As part of Government initiatives we began to offer pensions to our qualifying employees from November 2016. This was duly carried out and the necessary payment made into their pension account. We have since found out that no refund will be made should any employee withdraw from the scheme. We also have to make provision should any other member of staff wish to join the scheme.

During the year the Clerk looked into the possibility of offering alternative schemes, but following advice it was decided to continue with the Local Authority scheme.

Subscriptions and Fees

The Finance Working Group wishes to continue with this section.

This section represents 1.80% of the Councils expenditure.

Expenses and Allowances

This section covers the following areas of expense:

- Clerks Allowance
- Community Allowance (formerly Chairs Allowance)
- Clerks telephone expenses
- Chairs telephone allowance
- Parish Councillors expenses

During this financial year no expenses have been claimed by the Chairman for any telephone expenses and minimal expenses by Councillors, but it is felt prudent to keep these allowances as last year following the co-option of new councillors and the employment of a new Clerk.

This section represents 2.61% of the Council's expenditure.

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Administration

This section like others has been overhauled for transparency and will include the following headings:

- Audit Costs
- Print Annual Report/Parish Newsletter
- Insurance – Parish and Vehicles
- Stationery & Postage
- Office Equipment/website
- Training Budget
- Legal Expenses
- Hall Hire

The Administration costs equate to 8.31% of the Council's budget.

The training budget has been increased following the co-option of new councillors and the employment of a new Clerk.

Projects and Grants

The budgets for the Community Grant and Village Project are recommended to stay at last year's levels.

The budget for the Neighbourhood Plan has been increased following representation from the Steering Group. It is also noted that following the success of the Referendum no further Grants will be available for the Steering Group.

Legal Costs

No allowance has been made for any further costs in connection with the Employment Tribunal case.

Earmarked Reserves

As with the Projects and Grants these have been maintained or increased slightly, items covered in this section are:

- Election Costs – following this year's election, future reserves will be based on four year cycle.
- Street Lighting.
- Kubota Replacement.
- Van Replacement.
- Small Mower Replacement
- Strimmer Replacement

This section represents 5.15% of the Council's expenditure

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Highways and Environment

Budgeted at previous year's level as we now have a requirement to provide a tree survey for all trees under Brixworth Parish Council's control together with costs for carrying out any works recommended in the survey. An allowance of £1,500 has been made for works during the coming year.

This section represents 4.87% of the Council's expenditure.

Maintenance

The Maintenance section relates to maintenance, repair costs etc to the following facilities:

- Village Enhancement /Maintenance
- Ground Maintenance
- Plant Maintenance & Replacement
- Tennis Court Maintenance
- Mower, Van Running Costs
- Play Equipment & Safety Surfaces Maintenance/Renewal
- Millennium Garden Maintenance

Ground maintenance costs will be split between St Davids and The Ashway playing fields this year.

It is also proposed to allow £1,500.00 for maintenance to each of the car parks to these playing fields.

This section represents 13.98% of the Council's expenditure.

Recreation

The Recreation section relates to ground maintenance, running costs etc to the following areas:

- Grass Cutting – split between the St Davids and The Ashway Playing Fields
- Hedge/Fencing New/Repair – split between the St Davids and The Ashway Playing Fields
- Plant Hire & other equipment
- Fuel - Van and Mowers
- Changing Rooms Running Costs
- Litter Bins
- Library Shrub Bed

We have also allocated funds within this section for repairs following any vandalism.

An increase of 7.86% to this section has been proposed

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Aspirations

These have been generated from The Business Plan.

Whilst the Business Plan generated a substantial list it was felt at this time only the following aspirations should be taken forward.

- Speed signs
- Christmas lights

It is also felt that the following items should proceed with money allocated from the stationery budget.

- Councillor start up pack.
- Update of emergency plan
- Skills and Training matrix

High profile and cost aspirations such as stone entrance signs and contribution to PCSO are to be left for the foreseeable future.

Costs for a Village Festival could be sought from elsewhere i.e. sponsorship.

Income

Brixworth Parish Council's income comes from four sources:

- The Precept.
- S106 draw down to meet maintenance costs on the Ashway (it should be noted that S106 funds for this are likely to be spent within the next 3 years)
- Contribution from Northamptonshire County Council towards the cost of grass cutting.
- Contribution from the Community Centre towards the cost of cleaning.
- Rent for use of Recreation grounds from the sports clubs.

Conclusion

The Finance Working Group would like to make the following proposals:

- **Accept Brixworth Parish Council 2017/18 Budget proposal.**
- **Accept the precept proposed by the Finance Working Group.**

The Finance Working Group believes the proposals within the report provide a good balance between fiscal responsibility and a progressive agenda for 2017/18. Our objective is to continue to provide the village with value for money and security for the future.

Appendix

2017/18 Brixworth Parish Council Budget Proposal – Expenditure

	Budget 2016-2017 £	Projected 2016-2017 Costs/Income £	Proposed 2017 -2018 Budget £	Increase on 2016-17 Budget £	% increase on 2016-17 Budget	% of total spend
1.00 Staff Costs	62,380	60,330	70,084	7,704	12.35%	48.75%
2.00 Subscriptions and Fees	2,375	2,390	2,590	215	9.05%	1.80%
3.00 Expenses & Allowances	3,300	2,680	3,750	450	13.64%	2.61%
4.00 Administration	10,150	9,170	11,950	1,800	17.73%	8.31%
5.00 Projects & Grants	6,000	6,000	6,500	500	8.33%	4.52%
6.00 Legal Costs	11,000	45,900	-	(11,000)	-100.00%	0.00%
7.00 Ear Marked Reserves	8,570	7,670	7,400	(1,170)	-13.65%	5.15%
8.00 Highways & Environment	5,000	4,170	7,000	2,000	40.00%	4.87%
9.00 Maintenance	17,400	14,550	20,100	2,700	15.52%	13.98%
10.00 Recreation	9,620	9,750	11,300	1,680	17.46%	7.86%
11.00 Aspirations	-	-	3,100	3,100		2.16%
Total Expenditure	135,795	162,610	143,774	7,979	5.88%	100.00%

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2017/18 Brixworth Parish Council Budget Proposal – Income

	Budget 2016-2017 £	Projected 2016-2017 Costs/Income £	Proposed 2017 -2018 Budget £	Increase on 2016-17 Budget £	% increase on 2016-17 Budget
12.01 Precept	123,835	123,835	130,870	7,035	5.68%
12.02 Bank Interest	20	45	20	-	0.00%
12.03 Sports Club	3,890	3,890	4,085	195	5.00%
12.04 Community Hall (Cleaners money)	3,500	3,500	3,500	-	0.00%
12.05 Pocket Park Grass Cutting	250	250	250	-	0.00%
12.06 106 Income (The Ashway)	3,000	3,000	3,750	750	25.00%
12.07 Miscellaneous	-	-	-	-	-
12.08 NCC Grasscutting - verges	1,300	1,300	1,300	-	0.00%
	-	-	-	-	-
Total Income	135,795	135,820	143,774	7,979	5.88%

Brixworth Parish Council Earmarked and Restricted Reserves

Restricted Reserves

	Balance as at 01.04.16	Projected balance at 31.03.17	Proposed addition/spend	New Balance
Pocket Park Maintenance (S106)	3,291	3,041	-	3,041
Crime Prevention Security (S106)	2,299	2,299	-	2,299
Ashway POS (S106)	9,380	7,880	-	7,880
Ashway/Ridings POS (S106)	27,212	25,712	- 3,750	21,962
Neighbourhood Plan	6,509	145	1,500	1,645
Total Restricted Funds				36,827

Earmarked Reserves

	Balance as at 01.04.16	Projected balance at 31.03.17	Proposed addition/spend	New Balance
Legal Costs	5,340	-	-	-
Kubota	7,757	10,157	2,400	12,557
Van Replacement Fund	75	2,500	2,500	5,000
Small Mower Replacement Fund	200	700	500	1,200
Strimmer Replacement Fund	200	500	100	600
Projects	1,730	320	2,500	2,820
Community Grants	3,700	200	2,500	2,700
Election Costs	1,500	145	400	545
Street Lighting	-	120	1,500	1,620
Heritage Trail	1,515	721	-	721
Total Earmarked Funds				27,763