



BRIXWORTH
Parish Council



Brixworth Parish Council 2019/20 Finance Budget Report



29 January 2019 v1.06

Finance Working Group – 2019/20 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 2019/20 for full Council approval.

Each year presents its own challenge and this year has been no exception, the aim being to provide facilities and amenities that the village requires as it continues to grow whilst being aware of residents' income.

During 2018 the Parish Council carried out a consultation exercise with its residents using social media, web site and printed forms.

The two identified priorities were identified as working with the Police and improving the sustainability of the Library & Community Centre.

The Parish Council is working with the County Council to improve both the sustainability of the library and Community Centre. It is hoped that developer contributions may be able to be used for improving the flexibility of the building. The Parish Council is also keen to support the building at every opportunity to ensure its sustainability. The Parish Council continues to act as the Trust for the Community Centre. The County Council has also recently confirmed its commitment to provide a Library service within Brixworth.

The Parish Council works with the Police on crime and disorder within Brixworth. Despite the perception, it should be noted that reported crime has fallen for the last three years. However, the Parish Council is keen to engage with the Neighbourhood Watch Group to promote engagement in dealing with community safety matters. It is important that reported crime continues to fall, particularly Anti Social Behaviour and violent crimes. The Parish Media & Communications Committee will be promoting a series of coordinated messages on crime prevention throughout the year. The Council has a small capital budget for crime prevention.

Whilst some of the above are not within the Councils remit the following pages reflect the result of our deliberations, and we trust that you will find these proposals fair.

It is proposed 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.

Consideration has also been given to the items contained within our four year plan, however as last we feel items like a dedicated PCSO for the village are not sustainable.

We would also recommend continuing with the Living Wage. These rates are reviewed each November. These increases will be incremental over the next three years to bring the Living Wage and Minimum Wage in line.

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The Working Group continues 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.

Our proposal will increase the Band D rate (other band rates will vary) by £2.08 per year, approximately 4p per week.

With the uncertainty of the Unitary Council advice has been given by NALC to allocate funds for any costs that may possibly be incurred during the transition.

Finally, the Working Group believe that the Finance Working Group should continue to monitor expenditure throughout the year and work towards the production of the 2020/21 budget and look for Council approval.

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 2019/20 to put before the council for their approval in January 2019.

Task

- Review the current status of restricted and earmarked reserves
- Project 2018/19 year end budget result
- Prepare proposal for 2019/20 budget
- Propose 2019/20 precept

How the Budget is formatted

The budget is broken down into two criteria:

- Income
- Expenditure

Within the Expenditure section there are now 12 subsections:

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

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 between £30,000 and £80,000.

Virements

This term is used to describe an expenditure that has been authorised by Council for a non-budgeted item or for a possible over expenditure.

Finance Working Group Members

Councillors Stephen James, Kevin Parker and Alan Lovell, together with Parish Council Clerk Peter Rowbotham

The group had meetings on the following dates:

25th September 2018

15th October 2018

12th November 2018

10th December 2018

14th January 2019

29th January 2019

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.



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, representing 45.75% 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 continue to make provision should any other member of staff wish to join the scheme.

Subscriptions and Fees

The Finance Working Group wishes to continue with this section.

This section represents 2.64% of the Councils expenditure.

Expenses and Allowances

This section covers the following areas of expense:

- Clerks Allowance
- Community Allowance
- Clerks telephone expenses
- Chairs telephone allowance
- Parish Councillors expenses

During this financial year no expenses have been claimed by the Chairman or any Councillors. It is felt prudent to keep these allowances as last year.

This section represents 1.98% 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
- Telephone costs to the Information Point
- General Data Protection Regulation

The Administration costs equate to 7.53% of the Council's budget.

The training budget has been maintained at the same level as previous year.

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 to challenge Daventry District Council proposal to downgrade land around Brixworth and thereby increasing the possibility of further housing development being approved.

It has also been agreed to provide an annual grant towards the cost of producing the annual Brixworth calendar. Proceeds from the sales of the calendars will continue to go to a worthwhile cause within the village.

Legal Costs

The Council continues to move towards the formation of a Sports Council to oversee the management of the playing fields allowance has been made for any legal fees in connection with this.

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Earmarked Reserves

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

- Election Costs – reserves continue to fund future election charges from Daventry.
- Street Lighting.
- Kubota Replacement.
- Van Replacement.

Over the last year it has become evident that the Earmarked reserves list should be increased to cover the following items:

- St Davids Carpark
- Ashway Carpark

Following the introduction of the Community Infrastructure Levy (CIL) the Parish council will receive payment for new housing and retail developments that proceed within the village. These sums must be ringfenced within the Earmarked Reserves ready for expenditure in line with the CIL Guidelines

No further allowances have been made for the following as it is believed sufficient funds are now available for replacement of the following items

- Small Mower
- Strimmer

This section represents 8.56% of the Council's expenditure.

It is further recommended that during 2019 the council look to renew their van possibly by taking out a lease agreement, which will reduce their overall costs.

A fully costed proposal will be brought to Council comparing purchase and lease options.

Highways and Environment

The Council continues to have a duty to inspect and maintain trees in its ownership. Previous years allowance has been increased to £3,000 to cover work to trees within the Pocket Park.

This section represents 4.49% of the Council's expenditure.

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Maintenance

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

- Village Enhancement /Maintenance
- Vandalism
- Plant Maintenance & Replacement
- Mower, Van Running Costs
- Millennium Garden Maintenance
- Library Shrub Bed

This section represents 5.34% 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

This section represents 17.04% of the Council's expenditure.

Aspirations

These have been generated from The Business Plan published in 2016

Whilst the Business Plan generated a substantial list it was felt at this time none should be carried forward.

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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.
- Rent for use of Recreation grounds from the sports clubs.
- CIL Contributions – see note in Earmarked Reserves regarding these contributions

Conclusion

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

- **Accept Brixworth Parish Council 2019/20 Budget proposal.**
- **Accept the precept proposed by the Finance Working Group for year 2019/20**

The Finance Working Group believes the proposals within the report provide a good balance between fiscal responsibility, a progressive agenda and maintaining value for money for 2019/20.

Our objective is to continue to provide the village with value for money and security for the future.

Appendix

2019/20 Brixworth Parish Council Budget Proposal – Expenditure

	Budget 2018 -2019 £	Projected 2018- 2019 Costs £	Proposed 2019 -2020 Budget £	% increase on 2018-19 Budget	% of total spend
1.00 Staff Costs	77,960	67,360	84,040	7.80%	45.75%
2.00 Subscriptions and Fees	3,140	3,560	4,850	54.46%	2.64%
3.00 Expenses & Allowances	3,190	2,150	3,640	14.11%	1.98%
4.00 Administration	12,650	9,305	13,830	9.33%	7.53%
5.00 Projects & Grants	8,150	16,220	12,250	50.31%	6.67%
6.00 Legal Costs	1,500	2,500	-	-100.00%	0.00%
7.00 Ear Marked Reserves	14,780	12,800	15,720	6.36%	8.56%
8.00 Highways & Environment	6,210	5,600	8,250	32.85%	4.49%
9.00 Maintenance	9,040	6,480	9,800	8.41%	5.34%
10.00 Recreation	27,130	21,900	31,300	15.37%	17.04%
11.00 Aspirations	7,000	6,200	-	-100.00%	0.00%
12.00 Virements	-	14,671	-	0.00%	0.00%
Total Expenditure	170,750	168,746	183,680	7.57%	100.00%

2019/20 Brixworth Parish Council Budget Proposal – Income

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	Budget 2018 -2019 £	Projected 2018- 2019 Income £	Proposed 2019 -2020 Budget £	% increase on 2018-19 Budget	% of total income
INCOME					
12.01 Precept	159,080	159,080	163,620	102.85%	89.08%
12.02 Bank Interest	10	50	10	100.00%	0.01%
12.03 Sports Club	4,110	4,110	4,500	109.49%	2.45%
12.04 Community Hall (Cleaners money)	-	3,285	4,000	0.00%	2.18%
12.05 Pocket Park Grass Cutting	250	250	250	100.00%	0.14%
12.06 106 Income (The Ashway)	6,000	6,000	10,000	166.67%	5.44%
12.07 Miscellaneous	-	1,442	-	0.00%	0.00%
12.08 NCC Grasscutting - verges	1,300	1,300	1,300	100.00%	0.71%
12.09 CIL Contributions	-	6,000	-	0.00%	0.00%
Total Income	170,750	181,517	183,680	107.57%	100.00%

Brixworth Parish Council Reserves

Section 106 monies

In addition, the Council has responsible for overseeing expenditure of the following: -

- Indoor sports facilities
- Outdoor sports facilities
- Parks and gardens
- Toucan crossing
- Pocket park maintenance
- Crime prevention security
- The Ashway Public Open Space
- The Ashway / Ridings Public Open Space