



Report FC/001/22

Agenda Item No: F/22/003 & F/22/004
Committee(s): Finance Committee & Full Council
Date: 6th January 2022
Title: Draft budget & Precept
By: Catherine Nutting, Clerk & RFO
Purpose of Report: To review the proposed draft budget and agree a Precept recommendation for full Council to consider.

Recommendations

The Finance Committee is recommended:

- a. To read this report in conjunction with the **draft budget precept 2022/23** spreadsheet.
- b. To review and approve the proposed draft budget.
- c. To consider the Council's Precept requirement for 2022/23.
- d. To approve a Precept increase.
- e. Appended documents to this report:
 - i. 2020/21 National Salary Award pay scale document
 - ii. End of Quarter 3 budget review spreadsheet

1. Background Information

1.1 The main areas of focus for the meeting are highlighted in blue on the spreadsheet.

1.2 The following should be always borne in mind throughout the meeting:

- 1.2.1 The Finance Committee is not responsible for making decisions on items such as the Clerk's Salary / Neighbourhood Plan etc. This is for the respective Steering Groups and/or Committees to make recommendations to the full Council and for the full Council to decide. The responsibility of the Finance Committee, when looking at the draft budget / precept requirement, is to ensure that the Council has a realistic budget 'band width' to make decisions over the course of 2022/23.
- 1.2.2 The draft budget reflects projects which are either:
 - (a) in progress
 - (b) have already been agreed by the Council, although are yet to be formally started

(c) projects which have been guided by public consultation.

1.2.3 Public consultation is the key tool used to provide a mandate to spend public money. The Council has undertaken recent and comprehensive public consultation and therefore has good authority to undertake all desired projects.

1.2.4 The following was sent to Town and Parish Councils by WSALC in December 2021:

The secretary of state for Levelling Up, Housing and Communities, Michael Gove MP, has made a written statement on the Provisional Local Government Finance Settlement 2022/23 which proposes no extension of council tax referendum principles to local (parish and town) councils.

The relevant paragraph in the section on council tax is below:

No other council tax referendum principles for Mayoral Combined Authorities (MCAs) and no council tax referendum principles for town and parish councils.

Further updates will be circulated when available.

Whilst this is great news, it serves as a stark reminder that this matter is considered by central government regularly. It has been anticipated for some time that town and parish councils will need to go to referendum if they wish to increase their precept (likely by a certain %, but ultimately details completely unknown). Therefore, P&IPC need to always keep in mind that this could be implemented 'next year' (2023/24) and not take for granted the fact that it is able to increase the precept in 2022/23 without the need for referendum.

1.2.5 Best practice is for the Council's reserves to be 50% of its precept.

1.2.6 The current precept is £92,000 (2021/22).

1.2.7 The Finance Committee has previously agreed that a working reserve of between £30,000 - £40,000 is realistic and appropriate for the Council's needs.

1.2.8 By the end of the loan re-payment term of 5 years (2026) the Council will need to have built up its own reserves to sufficient levels (see points 1.2.5 & 1.2.7 above).

1.2.9 At the end of the current financial year (2021/22) our projected 'own' reserves are set to be £24,442.72. Including the loan, this increases to £69,182.47.

1.2.10 At the end of 2022/23, if the precept remains unchanged at £92,000, our projected 'own' reserves are set to be £4,163.93 (without the inclusion of the loan). **Please reflect on points 1.2.4 / 1.2.7 and 1.2.8 above.**

1.2.11 In 2020/21 the precept was £93,000.

1.2.12 It was reduced by £1,000 (to £92,000) in 2021/22 so that there was no increase movement whatsoever on the council tax demand. Natural population changes over the course of a year (deaths / people moving into/out of the parish area) cause the precept calculation to fluctuate. Therefore, in fact, keeping the precept unchanged at £93,000 in 2021/22 would have seen a very minimal increase (0.33%). The Council decided, given the pandemic, that any increase whatsoever would be unpopular and so reduced it to £92,000 to show a marginal decrease (-0.75%).

1.2.13 The cost of living has increased. The general costs to the Council e.g., electricity for the pavilion, grass cutting etc will increase in 2022/23.

1.3 It is the recommendation of the RFO that maintaining the precept at either £92,000 or £93,000 is unsustainable and unwise.

2. Staff | spreadsheet lines 9 - 11

2.1 The Clerk's current pay scale is:

9.1 Your salary is *[redacted]* per annum (pro rata) being the current salary point within the SCP35 range in scale LC2 as set out in the 2018 NALC Employment Briefing E02-18 | 2019-2020 National Salary Award.

(extract from Clerk's contract of employment)

This equates to *[redacted]* per hour. The Clerk works **30 hours per week**.

2.2 Upon successful completion of CiLCA, the Council is contractually obligated to increase the Clerk's salary by one salary point, up to a maximum of four points:

9.3 One salary point will be added to your salary, up to a maximum of four points, for success in obtaining or already holding any of the following relevant qualifications:

- The Certificate in Local Council Administration ("CiLCA")
- Certificate of Higher Education in Community Engagement

(extract from Clerk's contract of employment)

2.3 The NALC pay scales have been updated since the "2018 NALC Employment Briefing E02-18 | 2019-2020 National Salary Award" and the new scale should have been implemented

from 1st April 2020. The current 2020/21 National Salary Award pay scale document is appended to this report for reference.

2.4 At the Clerk's next appraisal, the HR Committee will have to consider and make recommendations to the full Council:

- 2.4.1 ensuring the Clerk is on the current /correct 2020/21 pay scale equivalent
- 2.4.2 How many pay points to increase the Clerk's salary for completion of CiLCA.
- 2.4.3 Ensure the Clerk's hours are correct to reflect the Council's decision regarding the Neighbourhood Plan (see 7.6 below).

2.5 Please refer to 1.2.1, page 1 above. The Clerk's salary will increase in 2022/23; however, by how much is currently unknown and subject to the HR Committee's recommendations and the full Council's decision making in due course. The Finance Committee must ensure that the draft budget has the 'band width' to accommodate the anticipated movement.

2.6 Clerk's expenses – small increase to reflect the general increases in costs.

2.7 Clerk's training – in 2021/22 the Clerk was undertaking CiLCA and so did not attend any other training. The 2021/22 agreed budget was £750; however, the projected final expenditure for the current financial year is £150 (associated with CiLCA). In 2022/23 the Clerk will resume other training and conferences, in accordance with the contract of employment. The £1,000 reflects a slight uplift on the annual amount of £750 given the general increase in costs.

3. General administration | spreadsheet lines 13 - 31

3.1 Each item has been considered on its own merits and increased / decreased accordingly subject to the projected end of year forecast for 2021/22.

4. Grants and donations & s.137 payments | spreadsheet lines 33 - 48

4.1 These figures are either based on the maximum amount organisations have already applied for – to be considered by the Finance Committee in March – or on the 2021/22 amount awarded.

5. Other payments | spreadsheet lines 50 - 52

5.1 Please refer to the end of quarter 3 spreadsheet to see that, to date, there has been £786 expenditure against the budgeted £2,500 for Events including the annual assembly (spreadsheet line 52). The forecast expenditure in the current financial year against this cost has therefore been reduced to £1,000. (Although it is unlikely that there will be any further expenditure this financial year, there is the possibility of some preparatory expenditure for the Queen's Platinum Jubilee, including Cllr. Brown's Tree Through Time).

5.2 In 2022/23 there will be the Annual Assembly (mandatory event) / Queen's Platinum Jubilee (already agreed by the Council) and Neighbourhood Plan events – subject to the

Council's final decision making in this matter in due course; however, the Plan continues, Reg 14 & 16 events associated with the public consultations will be a mandatory requirement. The budget must take into consideration all eventualities to enable the Council to adhere to both its statutory duties in 2022/23 and/or its previous decision making.

6. Village maintenance | spreadsheet lines 61 - 73

6.1 Please see point 3.1 above for 'General administration'.

6.2 The draft RoSPA budget (line 66) takes into consideration the fact that there may be two playparks to complete safety inspections for in 2022/23, plus a post installation inspection for the new play area at Kesley Hall.

6.3 Winterton Hall, Legal, Repairs and Maintenance (line 67) – there has been no expenditure against this budget in 2021/22 (Clerk workload plus delays in getting the deeds from the Youth Club to the solicitor). The Council has resolved to investigate this matter and therefore must do so. However, the ultimate cost is unknown and will depend on the advice received from the solicitor in due course and the Council agrees a 'direction of travel'. In 2021/22 the original budget was £4,000. This has been reduced to £0. A new budget of £3,000 has been added to the 2022/23 budget.

7. Projects | spreadsheet lines 75 - 87

7.1 Ifold playpark (line 77) - this is a matter which has been agreed by the Council and will be progressed / completed in 2022/23. Some expenditure will be undertaken in the current financial year e.g., the lease preparation. Therefore £1,500 of the proposed £20,000 budget for the project, has been put against this item in the current financial year. The remainder £18,500 is allocated to 2022/23. The Council can use its CIL money - £4,591.00 – against this project. Therefore the £20,000 includes this CIL amount. The Council agreed to take the full £50,000 loan against the Plaistow Playpark so that the budgeted expenditure from the precept in 2021/22 (£15,000) was reduced to £5,000. The £10,000 'saving' was put towards the Ifold playpark area. There was also a £3,000 unnamed project budget in 2021/22 which has also been allocated to the Kelsey Hall playpark. Therefore, the actual 'additional' hitherto unbudgeted expenditure for this project is £2,409. A realistic budget will become apparent as the project progresses and the site is visited by contractors (Feb). Ifold Estates may yet pay for the fencing and culvert work required on their land (the verge) when a new access way is created.

7.2 Traffic calming (line 78) – the 2021/22 opening budget for this item was £1,895.00. Current expenditure is £0.00. Further to the public consultation regarding the community's needs within Plaistow, the budget for this financial year has been increased to £2,800. This is due to the need to undertake a traffic survey in Plaistow (Loxwood Road) regarding reducing the speed limit to 20mph. The Council has previously sought the expertise of Simon Watts in Ifold when reducing the speed to 30mph. Given the number of (complex) TROs sought (see below) it is advisable that the Council again seeks Simon's

support. The current uplift in this year's budget and the proposed draft budget for this matter in 2022/23 has been informed by an estimate received from Simon for the purposes of preparing this report.

7.2.1 Changing the speed limit to 20mph along Loxwood Road, Plaistow (past the shop, village hall, school, and church) – consultation results: 65% very supportive | 13% supportive (78%)

7.2.2 Better signage that Loxwood Road is unsuitable for HGVs – consultation results: 64% very supportive | 8% supportive (72%)

7.2.3 Additional school safety signage within the village - consultation results: 56% very supportive | 5% supportive (61%)

7.2.4 Additional speed signage within the village – consultation results: 43% very supportive | 13% supportive (56%)

7.2.5 Safety crossing at the three-way junction by the church/Sun Inn pub - consultation results: 42% very supportive | 8% supportive (50%)*

7.2.6 *When the safety crossing result (level of support) was further 'interrogated', whereas 50% overall were supportive, this rose to 72% of those aged over 71 and 56% amongst the under 55s' who may be more likely to have younger families. Certainly, of those who have children under 18, 62% of respondents were supportive. It must also be noted that the *type* of safety crossing was not specified in the consultation, which may have influenced how people answered. However, the type of crossing being considered is a lolly-pop person at the three-way junction at key times during the day when families are arriving/collecting on the 'school run'.

7.2.7 The Council needs to further investigate the logistics /cost of instigating a lolly-pop person/crossing. This is ultimately WSCC's responsibility. However, the Council can lawfully financially contribute towards the associated costs – including towards the salary of the lolly-pop person – which may help WSCC to agree (given their own budget cuts). Therefore, the budget for traffic calming should keep this possibility 'in mind'.

7.3 Bus stop refurb/maintenance (line 79) – The Council has 2x New Homes Bonus grant funding to spend against this project (£6,083). The project will begin this financial year with the build of a new shelter in Ifold (The Drive) in March and the other in Plaistow in 2022/23 (after April). The cost of materials will have increased from the quote provided in 2019/20 (pre-pandemic & Brexit) and therefore there will need to be some expenditure against this item from the Council reserves. The Council ends 2021/22 with reserves of £69,182.47.

7.4 Safer bus stops is an ongoing project of the Council. However, the RFO recommends that once the two shelters have been built in 2021/22 (The Drive, Ifold in March 2022) and 2022/23 (Plaistow, after April 2022) then there should be no further expenditure on this project until 2023/24 and the Council has identified the next bus stop in need of attention.

This can be in consultation with the school – as part of the traffic calming measures being undertaken in Plaistow, following public consultation (see 7.2 above), part of the solution to manage the traffic issues within Plaistow is increasing the use of the school bus. Therefore, sound partnership working with the school to identify the most advantageous bus stops to improve moving forward would be sensible. The Council can plan / budget for the next phase of this ongoing project in 2023/24 and beyond.

7.5 Queen’s Platinum Jubilee (line 83) – everyone is now familiar with Cllr. Brown’s ‘Tree Through Time’ idea which needs finalising and fully costing. There is also the other, currently unknown, costs for the community celebrations yet to be decided by the Steering Group.

7.6 Neighbourhood Plan (line 87) - In February, the Council will either have a full meeting, or extraordinary meeting to consider the recommendations of the Neighbourhood Plan Steering Group. It is too complex to go into detail in this report, save to say that the water neutrality issue means that if the Council decides to continue with the Plan, it must return to Reg 14 stage. This will have budgetary implications (please see 5.2 above) – hence the budgeted £5,000. There is likely to be substantial grant funding from central government (Locality) to cover the myriad of costs; however, the amount is currently unknown at this stage. There will also be implications for the Clerk’s salary (see 2.4 above) due to the number of additional hours of work required. Therefore, at this stage, the budget must reflect a sensible amount to allow the Council the ‘band width’ to make its decisions regarding the Plan in the due course.

8. Income | spreadsheet lines 94 - 104

8.1 The Council’s only income source, which it can rely upon, is the precept.

8.2 Both New Homes Bonus (NHB) and CIL payments are reflective of new development within the Parish.

8.3 2022/23 is likely to be the last year the NHB is offered by CDC.

8.4 Receipt of CIL income is always ad hoc and unknown (some years the Council receives £0.00); so, it is not accounted for in the 2022/23 budget.

8.5 Both funding amounts reflect the volume of new development in the area. Given the current water neutrality issues and the Local Planning Authorities stay on approving development at the current time – a situation with no anticipated end date – this will have a direct impact on the amount of NHB / CIL money available to the Council in 2022/23 and beyond.

8.6 2022/23 may be the last year of the New Homes Bonus! The amount the Council may be able to apply for and to what/which project it is allocated to is an unknown. All

outstanding NHB money (2020/21 and 2021/22) will have been spent on the two shelters (see 7.3 above).

8.7 Please reflect upon paragraphs 1.2.4 – 1.3 above considering the information in paragraph 8.

9. Reserves position | spreadsheet lines 114 - 146

9.1 The Council always has substantial and detailed ring-fenced reserves (lines 121 – 138) to off-set the significant general reserve deficit (line 120).

9.2 The draft budget carries £1,000 into 2023/24 for the Neighbourhood Plan (line 125).

9.3 The draft budget carries £15,000 into 2023/24 for Crouchlands. This amount has been agreed by the Council. However, it is highly unlikely that this will come to fruition within 2022/23, due to the water neutrality matter which has stalled all planning applications for an undefined period.

10. Precept | spreadsheet line 97

10.1 The amount of Council tax paid is based on the banding of the property you live in (bands A – H).

10.2 Council Tax valuations (A – H) are based on the value of properties that are not used for business purposes. The value is based on the price the property would have sold for on the open market on 1 April 1991 in England (and 1 April 2003 in Wales).

10.3

Band	Value at 1st April 1991
A	Up to £40,000
B	£40,001 to £52,000
C	£52,001 to £68,000
D	£68,001 to £88,000
E	£88,001 to £120,000
F	£120,001 to £160,000
G	£160,001 to £320,000
H	More than £320,000

10.4 WSCC / CDC / Sussex Police / Fire Service / Parish Council sets their rates (precept) and CDC collects the Council tax accordingly.

10.5 Nationally, band D properties are seen as the benchmark in terms of council tax.

10.6 Based on a band D property

Precept amount	What a band D property paid this financial year (2021/22)	What a band D property will pay next financial year (2022/23)
£92,000	£81.98 per year £1.58 per week	£82.29 per year 0.38%
£93,000		£83.18 1.47% £0.02 weekly increase
£94,000		£84.08 2.56% £0.04 weekly increase (£1.62 per week)
£96,000		£85.87 4.74% £0.07 weekly increase (£1.65 per week)
£98,000		£87.66 6.92% £0.11 weekly increase (£1.69 per week)
£100,000		£89.45 9.10% £0.14 weekly increase (£1.72 per week)

10.7 Recommended by the RFO / Chair of the Committee – begins to build our ‘own’ reserves at the end of the financial Year by £10,163 ***if*** all the expenditure within the draft budget comes to fruition.