



**North Weald Bassett
PARISH COUNCIL**

The Jim Davis Room • Parish Office • North Weald Library • 138 High Road
North Weald • Essex • CM16 6BZ

Tel: 01992 523825

Fax: 01992 524756

Email: clerk@northweald-pc.gov.uk

Web Site: www.northweald-pc.gov.uk

Clerk to the Council.

Susan De Luca

11th January 2016

TO: MEMBERS OF THE NORTH WEALD BASSETT PARISH COUNCIL

You are hereby invited to attend a **Meeting** of the **Finance & General Purposes Committee** which will be held on **Monday 16th January 2017**, in the **Library, 138 High road, North Weald** at **7.00pm** to transact the business shown in the Agenda below.

Susan De Luca
Clerk to the Council

AGENDA

1. APOLOGIES FOR ABSENCE

To **RECEIVE** any apologies for absence.

2. OTHER ABSENCES

To **NOTE** any absences for which no apology has been received.

3. DECLARATIONS OF INTEREST

To **RECEIVE** any Declarations of Interest by Members.

A Member with a personal interest in a matter must consider whether it is a Disclosable Pecuniary, Non Pecuniary or Other Pecuniary Interest, and declare it accordingly. A Member who is unsure as to how to declare their interest should seek independent advice.

4. BUDGET AND PRECEPT 2017/2018 

A precept is a peremptory order to a billing authority (EFDC) to pay a parish council a named sum which the billing authority draws up by 31st January for the following financial year.

The parish council, in calculating its precept, must as far as possible secure that it will suffice for four classes of items, namely:

- Next year's expenditure, including an allowance for contingencies
- Outstanding expenditure incurred in previous years
- Expenditure likely to be incurred before the precepted sum becomes available
- Payments to capital fund, or renewal and repairs fund

Last year, following the move to the new financial software, the Principal Financial Officer tried as far as possible to stick to the original budgeting format used, however this year the format has changed slightly to reflect the new software to ensure more relevant budgeting (in terms of account codes) for 2017/2018.

The budget paperwork attached to the agenda consists of the following:

WHITE PAPER	Income and Expenditure. This gives a picture of Income and Expenditure for the previous financial year (2015/2016), actual and expected income for the current year (2016/2017), and suggested budget figure for both for 2017/2018. There are also some supporting notes.
CREAM	Additional Items and Earmarked Reserves - current year Provides a breakdown of the additional items for the current year (2016/2017), as well as the current Earmarked Reserves.
GREEN	Additional Items for Budget Summary of Additional items for consideration for next year (2017/2018) together with any associated paperwork available at the time of printing the agenda
BLUE	Final Summary sheet Summarises the expected income and expenditure, and provides figures regarding percentage increase/decrease options for the precept for the next year (2017/2018). Gives details of how this would increase / decrease the precept together with the effect on households and the electorate.

In order to ensure enough time is available to discuss all areas of the budget, **Members are kindly asked to spend some time prior to the meeting perusing these figures, identifying any areas they wish to discuss in further detail or which require clarification.** Members are advised to contact the Principal Finance Officer (PFO) **prior to the meeting** if they require clarification, or if they identify any errors or omissions. Councillors should also note that attached as part of the WHITE papers is a document entitled 'Reference and Supporting Statements'. These statements can be referenced to the relevant letters / numbers on the income and expenditure sheets as shown in the figure below, and may offer an explanation to councillors queries:

		2015/2016		2016/2017			2017/2018 BUDGET	Notes
		Budget	Actual	BUDGET	Actual to 31/12	Due		
GENERAL ADMINISTRATION								
Income								
1080	Miscellaneous Income	-	796	-	221	£ -	221	\$
1081	Repayments and Refunds	-	91	-	-	10,500	10,500	a
Total Income		-	887	-	221	10,500	10,721	
Expenditure								
4004	Staff Costs	54,000	54,476	54,000	44,942	44,442	55,250	

It is emphasised that expected figures are 'estimate' final income and expenditure figures and should be used as a guide when deciding the budget/precept figures for 2017/2018.

Some additional information for Members is as follows:

- The expected total expenditure for 2016/2017 shows a probable overspend of approximately £95,775, the main reasons for this are explained below:
 - £63,416 was paid out of the Section 106 funds held for Hastingwood Village Hall for extension and renovation works to the hall.
 - Approximate £11,000 overspend on Staff Costs, due to both the Clerk and the Administrative Officers hours being increased to cover the PFO

- working on the Neighbourhood Plan / Local Plan, together with under budgeting of PAYE costs.
- Approximate £16,000 overspend on Open Spaces. This is due to the installation of a replacement Bus Shelter opposite Upland Road, Thornwood (£9,750), the cost of which will be reimbursed by the Parish Councils insurance company. £6,040 to create the garden outside the shops, however funding was also received for this project.
 - Approximate £2,500 overspend in Street Lighting. These works were budgeted for under additional items, however their inclusion within the this code subsequently shows an overspend.
- The expected total income for 2016/2017 shows a possible increase in receipts of approximately £14,000, the main reasons are explained below:
 - £10,500 reimbursement from the Parish Councils insurance company for the Bus Stop in Thornwood referred to earlier.
 - £2,000 income in various cemetery fees
 - £1,000 Parish Hall income - increase in regular bookings
 - The Council no longer holds any Section 106 or grant funding for Hastingwood Village Hall. A further £50,000 payment is still expected, however there are no further details as to when this will be received.
 - Earmarked reserves, which are set aside for specific purposes and for savings for future projects, should be realistic and approved by the council. However, the amount of general reserves should be risk assessed annually and also approved by the council. It is recognised general good practice that the minimum level of General Reserves a Parish Council should hold between 25%-100% of the precept. Larger councils would be nearer the 25% end. The current predicted figures for 31st March 2017 show that the level of General Reserves is expected to be 31%. The Internal Auditor has advised that the level of general reserves will be reviewed again during the final 16/17 Internal Audit.
 - Throughout the year there have been a number of changes to how the new accounts system is used, with many account codes no longer being used due to duplication. This can be clearly seen on the documents and notes attached. This year has effectively been a transitional year to ensure that all costs are now coded to the correct account codes, as the PFO is unable at this stage to delete any account codes that are no longer used. This has caused some differences in how the budget figures agreed for this year are shown, and the PFO apologises if this causes any confusion. The Internal Auditor is fully aware of this.

Parish Support Grant from EFDC

Councillors may recall that due to the recent welfare reforms, the way in which council tax benefit is calculated changed, with the responsibility for the benefit scheme being passed to, and agreed by, the local authority (EFDC). For the past few years, EFDC has continued to provide such a grant to the Parish Council (albeit decreasing each year), however the Clerk has been advised by EFDC that for the next two years, the Parish Support Grant will be reduced, culminating with no support grant being given in 2019/2020:

Local Council	LCTS Grant	LCTS Grant	LCTS Grant
	2016/17 £	2017/18 £	2018/19 £
North Weald Bassett	10,541	7,027	3,514

This means a reduction in income for next year of 3,514, and a total reduction of £10,541 over the next three years. Councillors are asked to take this into consideration when agreeing the Precept for the coming years.

Capping Consultation

Councillors should **NOTE** that following the recent consultation by the DCLG regarding the possible capping of precepts for Parish Councils, the Chairman of NALC (National Association of Local Councils) has released the following statement:

*'I very much welcome the government's decision **not** to extend council tax referendum principles to any size of parish or town council in 2017/18. Parishes play an important role in communities and local democracy and I am pleased the secretary of state acknowledged this in his statement and he has listened to the sector's concerns. I would urge councils to continue to be fiscally responsible and I am keen work with the government on ways to increase transparency and engagement with residents'*

The specific inclusion of **2017/2018** within the statement could be read that this is something being considered for the following financial year, and Councillors are asked to bear this in mind.

The District Council has asked to be notified of the Precept request by **31st January 2017** and Members are, therefore, asked to **CONSIDER** the proposed 2017/2018 precept figures, and agree a recommended precept figure to be put forward to full council in January for ratification. This precept figure will include any agreed additional items.

As per last year, the Principal Finance Officer will update the budget / precept spreadsheet during the meeting so that figures can be amended and viewed on a 'live' basis to enable members to have a clear idea of all the options.