



**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

13th December 2017

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 18th December 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. DATA PROTECTION TRAINING

Included within the budget for 2018/2019 is the cost of data protection training for councillors. A provisional date has been set for 10th March 2018. Councillors are asked to **AGREE** they are happy for the training to take place on this date.

5. BUDGET AND PRECEPT 2018/2019 

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

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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 (2016/2017), actual and expected income for the current year (2017/2018), and a suggested budget figure for 2018/2019. There are also some supporting notes as referred to below.
CREAM	Earmarked Reserves - current year Provides a breakdown current Earmarked Reserves as at 30th November 2017, and estimated final Earmarked Reserve figures as at 31st March 2018.
GREEN	Additional Items for Budget Summary of Additional items for consideration for 2018/2019 budget, 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 (2018/2019). 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 example below, and may offer an explanation to councillors queries:

2018/2019 budget paperwork											
Previous year -v- Current Year -v- next year		2016/2017					2017/2018			2018/2019	NOTES
		Budget	Actual	BUDGET	Actual to 30 Nov	Due	Exp Final	BUDGET			
Total Income		182,975	182,824	182,802	182,557	60	182,617	3,664			
CIVIC AND DEMOCRATIC											
Income											
1082	Donations Received	-	-	-	20	£ -	20	0		aa	
1178	Grants Received - Other	-	-	-	9,952	£ -	9,952	0		bb	
Total Income		-	-	-	9,972	-	9,972	0			
Expenditure											
4019	Hospitality / Chairmans allownce	-	50	-	144	£ -	£ 144	150			

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 2018/2019.

Some additional information for Members is as follows:

- The expected total income for 2017/2018 shows a possible increase in receipts of approximately £22,950, the main reasons are explained below:
 - 9,000 Neighbourhood Plan Support Grant.
 - £952 Milestone Grant from ECC Community Initiatives Fund

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- £7,088 increased income from Parish Hall at Thornwood for both Regular Hall Hire, Occasional Hall Hire and donations versus budget.
- £3,629 expected additional income from the Cemetery
- £1,974 expected additional income from the Allotments (including provisional amount of £1,350 following application for Grant Funding for a community Orchard at the North Weald allotments).
- The expected total expenditure for 2017/2018 shows a probable overspend of approximately £18,135, the main reasons for this are explained below:
 - £5,334 additional expenditure for Cemetery (**NOTE:** This includes a provisional sum of £1,800 for hedging works to the new 'Meadow-Brook' section of the Cemetery. It should also be noted that the Cemetery is expected to make a profit, even with the new hedging works.
 - Under budget of Superannuation
 - £14,589 costs for open spaces including Wetpour works at Weald Common Play area.
- A further £50,000 payment is still expected following a Section 106 agreement for Hastingwood Village Hall, however there are no further details as to when this will be received.

Earmarked Reserves

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 is between 25%-100% of the precept. Larger councils would be nearer the 25% end. The current predicted figures for 31st March 2018 show that the level of General Reserves is expected to be 38% of the precept. Whilst this is at the lower end of the scale, this is deemed acceptable.

Parish Support Grant from EFDC

Councillors may recall that due to the recent welfare reforms, the way in which council tax benefit is calculated has 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 by 2019/2020, no grant will be received. This means a reduction in income for 2018/2019 of 3,514. Councillors are asked to **CONSIDER** this when setting the precept.

Capping Consultation

A DCLG consultation was recently concluded on the Local government Finance Settlement for 2018/19, section 4 of which was on Council tax referendum principles. Point 4.2 states:

4.2 Council tax referendum principles for town and parish councils.

4.2.1 Last year, the Government issued a challenge to town and parish councils to demonstrate restraint when setting precept increases that are not a direct result of taking on additional responsibilities, and to make precept decisions more transparent to local tax-payers. The continuation of this position in 2018-19 is contingent upon the Government receiving clear evidence of how the sector is responding to this challenge. The Government expects parishes, in setting their precepts, to consider all available options to mitigate the need for council tax increases, including the use of reserves where they are not already earmarked for particular purposes or for “invest to save” projects

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which will lower on-going revenue costs. Any revised proposals will be set out at the time of the provisional local government finance settlement later in the year.

Councillors are asked to **CONSIDER** this when setting the precept.

The District Council has asked to be notified of the Precept request by **31st January 2018** and Members are, therefore, asked to **CONSIDER** the proposed 2018/2019 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 previous years, 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.

To assist members, if all the proposed budget figures agreed, including the proposed additional items, a 4% increase in the precept will be needed to ensure all costs are covered. A nil % increase would mean a deficit of £6,447, which would need to be taken from the General Reserves (which are expected to stand at £66.732 as at 31st March 2018).