

Seaton Valley Council

A Community Council

Report to: Full Council 20 January 2016

Report by: Clerk and Responsible Financial Officer

Subject: 2016/17 Budget

Purpose of Report

To agree the Council's revenue budget and precept for 2016/17.

Recommendations

Council is recommended to:

- a) Approve the Allotment Rent levels identified in the table at paragraph 6 below,**
- b) Agree to continue to subscribe to the North East Regional Employers Association and the Society of Local Council Clerks,**
- c) Agree to maintain current rent levels for the two flats it owns,**
- d) Approve the build-up of the 2016/17 Budgets as shown at Appendix 14A.**
- e) Agree to set a Council Tax Precept of £509,080**
- f) Agree to increase the Seaton Valley Council element of the Council Tax by 1.50% from £110.77 per annum to £112.43 per annum (Band D Equivalentents),**
- g) Note that Seaton Valley Council's Band 'D' Equivalent Council Tax base has increased from 4,380.17 to 4,528.01, and**
- h) Further note that in setting a Council Tax precept of £509,080 the amounts of annual Council Tax payable in respect of Seaton valley Council will be approximately:**

- | | |
|------------------|----------------|
| • Band A £74.95 | Band E £137.42 |
| • Band B £87.45 | Band F £162.40 |
| • Band C £99.94 | Band G £187.39 |
| • Band D £112.43 | Band H £224.86 |

Background

1. The Council established a Budget Working Group in October 2015 to carry out some of the preliminary investigation work associated with developing the Council's 2016/17 Budget. This report relies heavily on the workings and findings of that group.

Projected Outturn 2015/16

2. Prior to considering the 2016/17 Budget it is worth considering the estimated under/over spend on this years' budget. A separate report on tonight's agenda provides more background on this matter, but in summary I would anticipate a general underspend of circa £15,000. This is after taking into account items that are likely to be carried forward or transferred to an earmarked reserve.

Reserves Position

3. The Council's estimated general reserves as at 31 March 2016 is shown in the table below:

Estimated Non Earmarked Reserves as at 31 March 2016

Item	£
Opening balance 1 st April 2015	178,906
Less	
Agreed 2015/16 Budget contribution	(7,270)
Supplementary estimates agreed during the year	(84,850)
Add	
Estimated general underspend 2015/16	15,000
Estimated Non Earmarked Reserves as at 31 March 2016	101,786

4. The Council's current recommended minimum level of Non-Earmarked Reserves is £75,000.

Allotment Rents

5. The rate of inflation is just above 0% and bearing in mind the increases applied to allotment rents last year it is recommended that rent levels remain unchanged in 2016/17, save for the phased reduction in the level of concession agreed last year.
6. If Council agrees with my recommendation Allotment Rents for 2016/17 will be as shown in the table overleaf:

Recommended Allotment Rents 2016/17

Size (m2)	Gross	Net*
0 – 50	40.00	34.00
51 - 100	48.60	41.31
101 - 200	51.60	43.86
201 - 300	54.00	45.90
301 - 400	60.00	51.00
401 - 450	66.00	56.10
451 - 999	72.00	61.20

*After concession of 15%. Concession applicable to tenants in receipt of state pension

Flat Rents

- I have held discussions with the Council's Managing Agent and he advises that the current rents charged on each of the Council's two flats are equivalent to the market rate and, as a consequence, he would advise against any increase at this time.

Subscriptions

- The Council currently pays subscriptions to the North East Regional Employers Organisation and to the Society of Local Council Clerks. It used to contribute to the Northumberland Association of Local Councils, but withdrew its support in 2014/15 as it felt that it didn't receive any significant value from its contribution.
- The Council's 2016/17 Budget continues with the Council's policy of not subscribing to the Northumberland Association of Local Councils.

Build-up of 2016/17 Budget

- The build-up of the Council's 2016/17 proposed budget is shown in detail at Appendix 14A and includes a number of items which I would like to highlight for members information:
 - The Council's Tax Base has increased from 4,380 to 4,528 resulting in additional income of £16,390 being generated in 2016/17.
 - Two larger items of growth are included in the proposed budgets. An additional £20,000 for Playgrounds to begin to build up a Renewals and Replacement Fund for these assets; and an additional £10,000 to establish a Community Fund that will help the Council to support community initiatives as and when they arise.
 - A number of the Council's overhead budgets have been realigned to present a more accurate picture of how the Council operates.
 - The budgets provide for grant income and expenditure on the development of the Council's Neighbourhood Plan, and

- Following discussions with the Council's Labour Group, a Council Tax increase of 1.50% has been included in order to balance the Council's 2016/17 Budget.

Conclusion

11. The Council has completed a thorough review of its budgets during the build up to agreeing the 2016/17 Revenue Budget and can be justifiably proud that it has managed to realign its budgets to the greatest areas of need, continued to grow the Council's services, and limited its Council Tax increase to an acceptable level.

SEATON VALLEY COMMUNITY COUNCIL								
Build up 2016/17 Budget								
	2015/16 Latest Budget	Less One Off Allocations from Reserves	Less one off Growth from 2015/16 Budget	Add FGP&Staffing 28 Oct	Growth items to Consider	Review of Expenditure Patterns	Inflation	2016/17 Latest Position
Income								
Precept	485,170				16,390		7,520	509,080
Bank interest	0					-1,500		1,500
Flat rentals	10,800					-500		11,300
Allotment rents	11,280							11,280
Advertising Income	0				3,000			3,000
Christmas Tree Contribution	0				1,000			1,000
Other income	0					-500		500
Planning Grant	0				8,500			8,500
Premises recharge	7,000					2,000		5,000
Hallington Drive	39,900	39,900						0
Memorial Garden	3,000	3,000						0
Hartley Square	7,600	7,600						0
Total income	564,750	50,500	0	0	28,890	-500	7,520	551,160
Expenditure								
Staff salaries, NI	98,300	3,500		-6,400		-1,200	900	90,500
Employers Pension Cont's	10,000			-1,900		-310	90	8,500
Staff expenses	1,500					700		800
Staff Training & Conferences	1,500					500		1,000
Staff recruitment	500							500
OFFICE COSTS								
Telephone and broadband	1,500							1,500
Business Rates	3,590					600		2,990
Utilities (office)	3,500					500		3,000
Repairs & Maintenance	1,000							1,000
Office Cleaning	3,000							3,000
Office supplies	750					-860		1,610
Office Equipment/Furniture	500					-200		700
IT Software and Equipment	500							500
IT Support	1,000							1,000
Office Maintenance Contracts	2,000					1,000		1,000
Venue Hire	500					200		300

SEATON VALLEY COMMUNITY COUNCIL								
Build up 2016/17 Budget								
	2015/16 Latest Budget	Less One Off Allocations from Reserves	Less one off Growth from 2015/16 Budget	Add FGP&Staffing 28 Oct	Growth items to Consider	Review of Expenditure Patterns	Inflation	2016/17 Latest Position
Photocopying & Printing	500					200		300
Postage (inc. Freepost licence)	600					-300		900
Stationery & Materials	1,000					300		700
Reference books	100					100		0
Website Maintenance	4,500		4,000			-500		1,000
FEES AND CHARGES								
Insurances	3,500					500		3,000
PWLB repayments	21,500							21,500
Audits - Internal & External	2,000					500		1,500
Professional & Legal Fees	4,000				8,500	1,000		11,500
Election expenses	0							0
Public Notices	150							150
Subscriptions	1,000							1,000
Bank & credit card charges	80							80
Flats Admin	1,130							1,130
Maintenance of Flats	2,000					500		1,500
MEMBERS EXPENSES								0
Councillors Expenses	500							500
Councillor Training	1,000							1,000
Parish Meeting	150							150
Youth Council	1,000							1,000
Community Forum	50					50		0
SERVICES								
Allotments	16,280	5,000						11,280
Christmas Events	22,500					510		21,990
Seaton Valley In Bloom	2,000							2,000
Floral Planting	23,000							23,000
Litter Bins	5,000							5,000
Bus Shelters	52,000	10,000						42,000
Playgrounds	35,000	20,000			20,000			35,000
NCC Partnership	167,740					-120		167,860
Seaton Delaval Clock	300							300
Remembrance Day Wreaths	130							130

