

9 January 2018

Budget Report 2018/19

Introduction

1. Appendix A to this report sets out the Budget proposals for 2018/19, including the proposed council tax precept of £18,319.60. This represents a 4.3% increase in the precept, but a 3.3% increase in Band D Council tax. This takes into account known changes in expenditure (particularly on street lighting) and income (the transition grant from Breckland District Council has been reduced further, and will disappear altogether in 2019/20).
2. For clarity, I have (as with the budget monitoring report in November) divided the expenditure into four categories: Administration, Maintenance, Projects and Grants. Details of the movement in reserves over the last two years are included in Appendix B.
3. The following table contains notes to the budget documents, which provide explanation of figures that have changed from year to year.

Notes to the Budget

Note	Explanation
Administration	
1	Audit Fees. As noted previously, this budget was reduced in error from £200 to £50 in 2017/18, possibly because of a mistaken assumption that an external audit would not be necessary under the transparency code. The Council will at least require an external audit for the financial year, 2017/18, as the annual expenditure exceeds the £25,000 limit for exemption.
2	Councillors' and Clerk's expenses. This budget is likely to be fully expended in this financial year, but it has been used to fund one off items for the clerk (bookcase and printer) which are unlikely to be repeated next year. A budget at the same level seems appropriate in the circumstances. (See separate section of this report on Clerk's Salary and Expenses)
3.	Insurance. As previously mentioned this budget was reduced in error for the current financial year. The budget now reflects the known cost of the insurance, for which the council has previously agreed a three year contract
4.	Salaries. This issue is dealt with in paragraphs 4 -11 below.
5.	Training fees. I have doubled this provision to £400 to give scope for further training, both for the clerk and councillors.
Maintenance	
6	Allotments/cemetery/cricket field/grounds maintenance/play area. The current year's budgets for the Allotments, cemetery, play area and cricket field did not include grounds maintenance, which is the bulk of the cost of maintaining those facilities. For budgeting purposes I have reallocated the grounds maintenance charges and divided them between the four headings in proportion to the schedule of works set out in the original contract with Broadland Tree Services. This has been added to the separate budgets for the four areas, to which a 3% increase has been added (in line with the current inflation rate).

	The calculations are set out below:				
		Original Budget 2017/18	Reallocated Grounds Maintenance Charges	Revised budget 2017/18	Budget 2018/19 (+ 3%)
	Allotments	350	90	440	453
	Cemetery	445	1390	1835	1890
	Cricket Pitch/ Common	100	1572	1672	1772
	Play Area	700	348	1048	1079
	Grounds Maintenance	3,400	-3400	0	0
	Totals	£4995	0	£4995	£5,144
7	<p>Street Lighting.</p> <p>The figures now received from UK Power networks show that the electricity costs for 2018/19 should amount to about £295 for the year, compared with just under £900 for a full year with the old lamps. Combined with the reduction in the maintenance charge from TT Jones from £325 to £76 per year, this brings down the cost of running the street lights by around £1,000 per year. I have rounded the estimate up to £400, which would allow for a 10% increase in the electricity charges. We have an unmetered supply, so our bill will only go up if the unit cost of the electricity rises.</p> <p>The installation of the new lamps has, however, cleared out the earmarked reserves for the streetlights, and I am also proposing a gradual replenishment of that reserve (see note 12 below). I am expecting a substantial refund from EON backdated to August, but this is not reflected in the estimated final spend for 2017/18</p>				
8.	<p>St Martin's Closed Churchyard. The £1620 spent on tree works behind the churchyard earlier in the year has been given its own line under "projects". This was funded from earmarked reserves. The budget, which has been increased by an inflation factor of 3% will allow for some flexibility as new ways of managing the churchyard are explored. It is also suggested that an annual payment of £200 into earmarked reserves would be appropriate to bring it up to the £2,000 mark over the next few years.</p>				
	<p>Projects</p>				
9.	<p>Defibrillator. In the event the Council decided against installing a defibrillator. The effect of this decision is reflected in the projected underspend against budget for the current financial year.</p>				
10.	<p>Neighbourhood Plan. Most of the costs of the Neighbourhood Plan so far</p>				

	have been covered by the grant from Locality. The working party will be making a fresh application for funding for the next phase of the Neighbourhood Plan process. However, it seems prudent to put £250 in the Council's budget for 2018/19, which can be added to the just under £300 remaining from the 2017/18 allocation from council funds to provide an earmarked reserve of about £550.
11.	Play Area Improvements. The earmarked reserves for the play area have been severely depleted. An annual payment into earmarked reserves of £250 is suggested, so that the reserves can be built up again against the cost of replacing equipment in a few years time.
12.	Street Lights Replacement. The actual cost of the scheme was £1,212.40 more than the £3,500 of earmarked reserve. This shortfall has been transferred from General reserves, but should in any event be compensated for by the reduction in maintenance and electricity costs for the second half of this year and next.

Clerk's Salary and Expenses (see notes 2 and 4)

4. As Councillors will be aware, the expenditure on the clerk's salary in the current year has been significantly more than budgeted for. Had I restricted my hours to 7 per week (as set out in my contract) the budget would have been sufficient, including the cost of the employer's pension contributions. In the event, I have been assiduous in keeping a check on the hours I have spent on Parish Council work by the use of a mobile phone App, partly to ensure that I did claim for any extra hours I worked (as the Chair and other Councillors encouraged me to do), but also out of curiosity to see how much time it would take me to do the job to the best of my ability. Since April, I have spent on average 9.4 hours a week on Parish Council business.
5. The 7 hours in the contract does seem to equate to the hours the previous clerk was paid for over the last year or so of her employment with NBPC. Some of the additional hours may have been down to my doing things for the first time, and taking longer at it than I might do in the future. Some was certainly related to burials administration as we have had a very busy year with the cemetery, as the accounts demonstrate. Each burial, or request for a memorial takes time to process.
6. The work of a parish clerk can be unpredictable, and it is very difficult to compare one clerk's workload with another. The question for the Council is whether to regard the 7 contracted hours as "what it should take to do the job", or to ask the question "how many hours a week do we want (or can afford) to pay the Clerk to do?" The council has several options of how to deal with this issue:
 - a. Insist that the clerk only works his contractual hours.
 - b. Continue as at present, with any extra hours being claimed on an monthly basis, and the Chair receiving a report on actual hours worked once a quarter
 - c. Amend the Clerk's contractual hours to either 9 or 10 hours a week (9.4 hours rounded up, or down) and budget accordingly.
7. Option A would reduce the budget and provide certainty from month to month on both sides.
8. Option B would require the budget to be set at more or less the level that is proposed in the budget document. It does, however, in a perverse way make me less effective because I have to calculate payments not only for myself but also to the pension fund on a monthly basis, draw the cheque and take it to the bank.
9. Option C would give both sides certainty. A standing order could be set up for the pension fund. If this were chosen, I would be happy to review my hours quarterly and make any adjustments on a quarterly basis. The only payments that would have to be

made at the monthly meetings would be expenses. However, as these are predominantly mileage, which is quite predictable, this element could also be paid by standing order (perhaps with an allowance for one trip to the village a month, in addition to the monthly parish council meetings).

10. The following table sets out how I have arrived at the figure in the Budget. This incorporates the likely 2% pay increase for local authority staff. It is based on my current point on the local government salary scale. The Council has to consider whether to grant me an increment on the anniversary of my appointment, but I would be happy to forgo that at this point, given the other changes suggested.

						21.5%		2%
	weekly	yearly	monthly	Current hourly rate	Annual Salary	Pension	Annual Cost	Pay rise 18/19
Contractual hours	7	364	30.33333	10.739	3,909.00	840.43	4,749.43	4,844.42
Average hours (rounded down)	9	468	39	10.739	5,025.85	1,080.56	6,106.41	6,228.54
Average hours Rounded up	10	520	43.33333	10.739	5,584.28	1,200.62	6,784.90	6,920.60

11. One item of expenditure that I have not yet requested is the provision of a sum to reflect the use of my office at home, and the cost of telephone and broadband. I note that the previous clerk was paid £25 a month for this, but this only referred to the use of a room in her home for an office. I would like to ask that the Council agree to a £35 per month payment to include a notional contribution towards mobile, and home phone and broadband. I would not suggest backdating this, but would be grateful if that could be implemented with effect from 1st January this year.

Grounds Maintenance Contract (see note 6)

12. The Grounds Maintenance figures are based on the assumption that we will continue to use Broadland Tree Services for our grounds maintenance. However, it has been brought to my notice via an email conversation with the Andersons at BTS before Christmas that a decision was made in 2016 to invite tenders during 2017 for this contract. The oversight is clearly mine but it does leave us in a difficult situation. Phil Anderson appears to have made the assumption that because he had not heard anything, the Parish Council does not require his services after this year. I could invite quotations from other companies before the growing season starts, but that would be rather rushed, and I do not detect any dissatisfaction amongst councillors with the service provided by BTS. It is right and proper to seek quotations from time to time, but the last exercise was only carried out in 2014. Extending the current contract (with perhaps some re-negotiation on the details) perhaps into 2019, would give the contract a five year period, allowing us to do a considered re-tendering exercise next year.
13. Two other firms quoted the last time and BTS were by a long way the cheapest, helped no doubt by the lack of significant travel costs, as they are based in the village.

Recommendations:

- a) That the Council consider which of the options in paragraph 6 above to adopt with regard to the Clerk' salary;

- b) That a monthly payment of £35 to the clerk be made with effect from 1 January 2018 to reflect the cost of the use of his home office, home phone, mobile phone and broadband on Council business;
- c) To agree the other items of expenditure in the budget, including the precept (adjusted as necessary in the light of recommendation (a) above) for transmission to Breckland District Council; and
- d) To consider whether to proceed with the previously agreed re-tendering exercise for grounds maintenance, or to extend the existing contract with Broadland Tree Services

Trevor Wenman
Parish Clerk