

GLAPTHORN PARISH COUNCIL

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Budget Report for 2015-16

31/12/2014 12:10

The text below refers to the two spreadsheets entitled 'Budget for Precept – 01 April 2015 – 31 March 2015' and '5 Year Plan' – pages 4 and 5. There are some amendments to the First Draft submitted to the council in November 2014. It is recommended the Precept for 2015-16 remains at £7,800.

1. S137 payments - Section 137 of the Local Government Act 1972 enables Parish Councils to spend a sum, per elector, on activities or projects not specifically authorised by other powers. The S137 rate for 2014-15 is £7.20 per elector. As at December 2014 there were 230 electors, therefore the limit for Glapthorn Parish Council for the period 2015-16 is £1,656.00. However, the allocation of this fund is not mandatory and should only be given if the money is available. There is no precedent for S137 payments in Glapthorn; consequently there is no provision in this budget for either.
2. Clerk's Salary - The Clerk's hours of work are to be increased from 13 to 17 hours a month, rather than having the extra hours recompensed by 'overtime' payments as at present. The new arrangement will take effect from 1st April 2015, at an hourly rate of £9.09 per hour (following a national pay rates increase) plus a holiday entitlement of 8.33%.
3. Expenses – The estimate for the Clerk's expense has been reduced for 2015-16.
4. Admin/Stationery – This is primarily for the trading account at Colemans. No change.
5. Village Hall rent – Same as 2014-15.
6. Insurance – The policy with Aon was re-negotiated in 2014-15 therefore the 2015-16 sum is lower than last year's budget. The figure allows for a small increase due to extra assets such as the grit bins and possibly a notice board.
7. NCALC membership fee – Membership of the Northamptonshire County Association of Local Councils provides significant benefits to Glapthorn. Examples of the benefits include, model policy docs, a member enquiry service (which has been used by the Clerk on at least three occasions), legal service, HR advice, financial advice and training. NCALC provide information and interpretation on new legislation in a timely manner, send out regular briefings and manage a panel of internal auditors. There will be a pre-announced increase in the NCALC membership fee for 2015-16 rising significantly from £111.71 to £215.06. (This is due to external grant funding being reduced after NCALC has been running at a deficit for past three years). Nonetheless, the benefits merit continued membership.

8. Lighting – For both power and maintenance, no change.
9. Audit – The External Audit fee, with BDO, will remain at zero. No change to the Internal Audit figure.
10. Website - Keith Alvey continues to host the website with Names.co.uk and the posting of information is managed by the Clerk. This also provides our email domain. The budget for 2015-16 shows a small increase; this is due to a change in email hosting, to allow the Clerk to have access to the email account on multiple devices.
11. Election – There will be an election in May 2015. If uncontested the fee for administration by ENC is likely to be c. £150 – the budget. If there is a contested election, this may increase to around £750 to cover the cost of ballot papers, postage, printing and tellers. I do not propose a sum to cover this, however if there is a contested election the 10% contingency sum (see below) plus some from reserves will cover the costs without any undue effect on the council’s financial position.
12. NVN delivery – This initiative, introduced during 2014-15 will continue at the same cost. No change.
13. Grit/salt for bins – The Parish Council has a responsibility for the two red bins on Main Street and therefore a provision has been made in the budget for the purchase of road salt/grit. A minimum of 200kg is required for the fill of one grit bin.
14. Training – This nominal sum remains unchanged and allows for Clerk and/or Councillor training. This may well be required in 2015-16 given there is to be an election of new councillors.
15. Contingency Sum – Set at 10% of the total budget, excluding the drainage loan (see below).
16. Drainage Loan - In March 2007 the Glapthorn Parish Council was advanced a loan by East Northamptonshire Council for a Drainage Improvement Scheme. The loan value was £31,486.00 and is to be repaid, interest free, over a ten year period. The final payment will be 31st March 2017.
17. Allocated reserve –
 - a. Excess of drainage grant – In addition to the loan mentioned above, the Drainage Improvement Scheme (DIS) was also funded by a grant. In 2014-15, following a review of the final accounts for the DIS, it was noted that the

project came in under-budget. It therefore seemed possible that the Parish Council may have to repay part of the grant and a sum of £1,172.78 was earmarked for repayment. The matter has since been raised with East Northamptonshire Council (ENC), who has confirmed that the grant was based on the 'estimate' and not the 'final sum'. Therefore, no monies are due other than the loan repayments.

- b. Lighting replacements – In Glapthorn mercury street lamps, a common lamp in use since the 1950's, remain in use. Under an EU directive the sale of this type of lamp will be banned in 2015. The replacement of the lamps will be the responsibility of the parish and this will be a substantial expense. I am therefore recommending that once the drainage loan has been repaid in 2017, the Parish Council do not reduce the precept but continue at the same level (subject to other budget constraints) in order to provide the new street lights. (It should be noted that modern street lighting, of the LED type for example, will lead to decreased energy costs (>50%) and zero maintenance bills). With a target project cost of £9,750 I have proposed an increase of the reserve for lighting, up to £3,750.
- c. Temporary Employee – In 2012 the Parish Council was placed in a situation of requiring an Acting Clerk (twice). Fortunately a Parish Councillor was willing and able to take on the role but if this ever happened again the Parish may not be so fortunate. With this in mind a sum has been allocated to the reserve to cover the cost of employing a 'temporary clerk', to cover whilst the members set about recruiting a full-time replacement.
- d. Drainage Maintenance – A provisional sum in case of need.

18. Unallocated Reserve – In the opinion of BDO Stoy Hayward LLP, the External Auditor appointed by Central Government, Parish Council reserves should not be more than twice the precept, unless the Council is saving for something in particular. However, a Parish Council should hold sufficient reserves to cover unforeseen expenditure. To this end I recommend approximately 66% of the average annual budget (£4,750) remains unallocated which today would be approximately £3,135.

19. 5 Year Plan – The 5 year plans takes the council to the next election year in 2019-20 and under the headings above most sums are marginally increased, to cater for inflation. There are some reductions. It is envisaged the Clerk's expenses will level out at £250 p.a. and there will be no requirement for more than an annual spend of £70 at Colemans. I have also reduced the 'contingency' sum to 5% of annual costs. The replacement lighting target should be reached by the spring of 2018. Thereafter the council may review the precept in line with any further likely projects. Consequently, there is every possibility that the precept could be reduced in 2019-20 from its present £7,800 to £5,000, saving a 'Band D' council tax payer approximately £21 per year.

Alan Tresadern
Clerk to the Parish Council

BUDGET FOR PRECEPT - 01 APRIL 2015 - 31 MARCH 2016			
17/12/2014 11:44			
	Payments 2014/15	Budget 2015/16	
	Estimate	Estimate	Notes
S137 payments	0.00	0.00	2014-15 rate is £7.20 per elector. Electorate is 231. Equals £1,663.20
Clerk's salary (gross)	2,006.16	2,009.00	New rate 17hrs, inc holiday allowance of 8.33% (£2,008.83 gross)
Expenses	350.00	300.00	
Colemans Admin/stationery	100.00	100.00	£10/month less some
Village Hall Rent	115.00	100.00	
Insurance	550.00	375.00	Additional assets - grit bins and notice board
NCALC membership fee	115.00	215.00	Notified increase
Lighting (power)	450.00	450.00	
Lighting (Maintenance)	190.00	190.00	
Audit	150.00	150.00	External audit is zero fee
Website	70.00	90.00	
ENC Election	0.00	150.00	Assumes an uncontested election
NVN delivery	166.88	288.00	£23.84/month
Grit/salt for bins	80.00	150.00	NEW responsibility devolved from NCC.
Training	45.00	150.00	Nominal sum for Councillor's and Clerk's training
Other	40.32	0.00	
Sub Total	4,428.36	4,717.00	
Contingency 10%	442.84	471.70	
Drainage Loan payment	3,149.00	3,149.00	
Total	8,020.20	8,337.70	
	2014/15	2015/16	
Opening balance	9,853.39	9,104.90	
Income - VAT refund	66.71	200.00	Estimated includes VAT on grit bins and reserve salt
Other income (MEF grant for grit bins)	485.00	0.00	
Precept	7,800.00	7,800.00	No change.
Total funds	18,205.10	17,104.90	
Budgeted Expenditure	8,020.20	8,337.70	
Other expenditure (grit bins +VAT)	580.00		
Notice board project provisional sum	500.00		
Estimated year end balance (Reserve)	9,104.90	8,767.20	
Reserve allocations			
Reserve for excess on drainage grant receive	1,172.78	0.00	See Budget report.
Reserve Lighting replacement	1,500.00	3,750.00	Contingency for full lamp replacements if required. £750 added this year.
Contingency sum for temporary clerk	750.00	750.00	
Reserve Drainage Maintenance	700.00	800.00	£100 per year since drainage installed. Increased by £100
Total allocated to reserve	4,122.78	5,300.00	
Unallocated reserve	4,982.12	3,467.20	
Percentage of average annual costs (£4,750)	105%	73%	

