

BRIEFING NOTE - for consideration by Finance + General Purposes Committee 11 January 2018.
Proposed Budget and Precept 2018/19

1. Purpose: This Briefing Note sets out the DRAFT Budget 2018/19 for consideration by Finance + General Purposes Committee at its meeting 11 January 2018, and to make a RECOMMENDATION to COUNCIL at its meeting 18 January 2018 to approve the Budget and set the Precept.

It is proposed that there is a 2% increase in Band D Council Tax (to £68.32) which, with a 2.5% increase in the Tax Base, provides for a 4.5% increase in Precept to £202,602.

2. Background: In reaching this stage Council Members have considered the following:

- 12 October 2017: Finance + General Purposes Committee – reviewed Working Draft Budget and set framework policies.
- 2 November 2017: Planning Committee considered its budget bid.
- 16 November 2017: Community Affairs Committee considered its budget bid.
- 7 December 2017: Finance + General Purposes Committee reviewed Draft Budget following Tax Base data.

The next stage:

- 11 January 2018 - Finance + General Purposes Committee final review, following Tax Base data; propose budget and precept to Council
- 18 January 2018 Council - approves budget 2018/19 and sets precept.

3. Principles and assumptions of revenue expenditure and income: The following principles have been carried forward from previous years and agreed by Finance + General Purposes committee at its meeting 12 October 2017:

- Balanced budget: revenue income and expenditure should be in balance. Reserves should only be used for one-off expenditure or capital items (CAPEX).
- Basic operations: no change to service levels.
- Income: prescribed increases in rental and other income.
- Inflation: items affected to have +2% allowance, salaries +1%.

4. Principles and assumptions of one-off and capital expenditure (CAPEX): The following principles have been carried forward from previous years and agreed by Finance + General Purposes committee at its meeting 12 October 2017: Reference is made to the current Infrastructure Programme and the following:

- Only projects on the Council's Infrastructure Programme are included
- Grants to external organisations are in Community Affairs Committee budget
- Only projects which are 'owned' by the Parish Council to be included; MSDC and WSCC projects are not included as the expenditure is not controlled by the PC.

5. Significant budget items: The following items are noted in the Budget:

(1) Parish Action List: Council approved Action List (22 September 2016) which contains a number of initiatives and associated costs. The Community Affairs and Finance + General Purposes Committees have been asked to consider which of these the Council might action in 2018/19.

(2) Hurst Meadows: the development of the new parkland areas has progressed in 2017 and further expenditure is expected in 2018. CAPEX sums of £5,000 for Highfield Drive Meadows and £30,000 for Little Park Meadows have been planned.

(3) Court Bushes Community Hub: This project is in early discussion and no final commitments have been made. However, it is likely that the Parish Council will be given the opportunity of a long lease on the building, and working with local partner groups to deliver community services. £20,000 of CAPEX and £5,000 of revenue (in Community Affairs Committee) has been budgeted.

(4) Reeds Lane Play Area: £5,000 of CAPEX has been included.

(5) WSCC/BHTC highways reactive maintenance scheme: This continued in 2017/18 with a subsidy of £1,850 from the Parish Council. Early advice is that WSCC will withdraw their support for the work in 2018/19 and therefore the Parish Council will have the option of either withdrawing or increasing its subsidy to about £3,500 and this sum has been budgeted in Finance + General Purposes Committee, pending more details and confirmation by Council.

(6) Parish Council van: The current van dates from 2007 and was purchased second-hand in 2011. It does not have a high mileage but is used extensively and is an excellent 'advertisement' for the work of the Council. With the additional

work required in Hurst Meadows it is suggested that a replacement vehicle should be a 4X4 and a sum of £15,000 has been budgeted in CAPEX.

(7) Parish Office: The current office arrangements are severely limiting the effective work of the Council and it is expected that the work will expand over the next 3 to 5 years to take on more local services as these are surrendered by the senior authorities. It is suggested that additional space and a dedicated meeting room will be necessary for the effective work of the Parish Office from about 2019/20. It is therefore proposed that a feasibility study is undertaken, using professional advisors, and a sum of £8,000 has been budgeted in CAPEX.

(8) Rural footpaths: The responsibility of maintaining rural footpaths rests with WSCC and the landowners. However, a number of routes are not apparently owned but extensively used. A sum of £3,000 is placed in the Finance + General Purposes Budget for targeted maintenance by the Parish Council.

(9) WSCC Partnership/Library: There have been discussions in previous years with WSCC about possible joint working with the library services in Hurstpierpoint, and the Council has budgeted for possible expenditure. However, recent indications are that WSCC does not intend any significant changes and this budget provision has been removed for 2018/19.

(10) MSDC/Police Partnership (Community Warden): Tentative enquiries into the possibility of 'buying-in' Community Enforcement Officer time from MSDC have not developed. The current experience is that the Council's Maintenance Officer (now a full-time post) undertakes much of the work done by Community Wardens in other districts. The previous budget provision has therefore been withdrawn for 2018/19.

6. Precept: The Precept is the sum collected by MSDC on our behalf, which is raised through Parish Council Tax. The figures for past years are shown, with the proposed precept for 2018/19:

Year	Tax Base	Precept	Band 'D' Council Tax (pa)
2009/10	2849.0	170,171	59.73
2010/11	2849.0	171,425	60.17
2011/12	2897.9	174,425	60.19
2012/13	2870.4	174,425	60.77
2013/14	2710.6	168,000	61.98 (1.9% increase)
2014/15	2713.5	171,360	63.15 (1.8% increase)
2015/16	2760.7	179,000	64.84 (2.7% increase)
2016/17	2804.9	184,191	65.67 (1.3% increase)
2017/18	2892.3	193,736 (5.2% increase)	66.98 (2.0% increase)
2018/19	2965.5	202,602 (4.5% increase)	68.32 (2.0% increase)

It is noted that the increase from 2009/10 to 2018/19 are 14.3% increase in Band D Council Tax over the 10-year period. This compares with a CPI increase of 21.0% over the same period. This efficiency improvement is coupled with a significant increase in output by the Council in delivering and managing new projects and services.

7. Policy on reserves:

(1) The Council's policy is to normally hold a minimum of 6 months of revenue expenditure (50%) in General Reserves. The balance is held as Earmarked Reserves. General guidance on the topic allows the General Reserves to be as low as 4 months (33%) of revenue expenditure.

(2) Highfield Drive Parkland s106 funds: 75% of the total received funds (equal to £84,000) are presumed to be a commuted sum for the ongoing maintenance, held as earmarked reserves and drawn down over 20 years. A simple calculation equates to £4,500 pa. which can be treated as revenue income.

(3) Little Park Parkland s106 funds: 75% of the received funds (equal to £255,000) are presumed to be a commuted sum for the ongoing maintenance, held as earmarked reserves and drawn down over 20 years. A simple calculation equates to £14,500 pa. which can be treated as revenue income.

Of particular importance is the position of General Reserves in the next 5 years. The Council is expected to hold large funds, due to the receipts from the s106 Agreement for Highfield Drive and Little Park Parkland schemes. But these sums are earmarked for the ongoing maintenance for the next 20 years (as described above).

8. Recommendation to Council: The Committee is asked to approve the Budget and Precept for 2018/19 and make a RECOMMENDATION to COUNCIL at its meeting 18 January 2018 to approve the Budget and set the Precept. It is noted that the Revenue Budget indicates a surplus of £2,562 on expenditure of £246,795. The CAPEX Budget shows a deficit of £34,600 on expenditure of £117,600. It is predicted that the total funds will increase from £238,046 to £399,973 at 31 March 2018.

It is proposed that there is a 2% increase in Band D Council Tax (to £68.32) which, with a 2.5% increase in the Tax Base, provides for a 4.5% increase in Precept to £202,602. (Ref: Budget 2018/19 V3 5 December 2017 ATTACHED; BRIEFING NOTE 2017/18 Budget and Precept 22 December 2016 ATTACHED)

RECOMMENDATION to COUNCIL:

(1) Budget 2018/19 (V3 5 December 2017) is approved.

(2) The Precept 2018/19 is set at £202,602 equating to an increase on the Band D Council Tax of 2%.

Stephen Hoyles
CLERK TO THE COUNCIL
22 December 2017
