

Seaton Valley Council

A Community Council

Report to: Full Council 24 January 2018

Report by: Clerk and Responsible Financial Officer

Subject: 2018/19 Budget Proposals

Purpose of Report

To review the proposals submitted by the Labour Group and to agree the Council's revenue budget and precept for 2018/19.

Recommendations

Council is recommended to:

- a) **Approve the build-up of the 2018/19 Budgets as shown at Appendix 12A which include the budget proposals of the Labour Group outlined in the body of the report,**
- b) **Agree to set a Council Tax Precept of £548,260,**
- c) **Note that in agreeing to set a Council Tax Precept of £548,260, Seaton Valley Council's element of the Council Tax will increase by 2.0% from £114.12 per annum to £116.40 per annum (Band D Equivalents),**
- d) **Note that Seaton Valley Council's Band 'D' Equivalent Council Tax base has increased from 4,657.17 to 4,710.02,**
- e) **Further note that in setting a Council Tax precept of £548,260 the amounts of annual Council Tax payable in respect of Seaton Valley Council will be approximately:**

• Band A £77.59	Band E £142.27
• Band B £90.54	Band F £168.14
• Band C £103.47	Band G £194.00
• Band D £116.40	Band H £232.79
- f) **Approve the Allotment Rent levels identified in the table at paragraph 13 below,**
- g) **Agree to continue to subscribe to the North East Regional Employers Association and the Society of Local Council Clerks and to the Northumberland branch of the National Association of Local Councils (NALC) ,**

- h) Agree to maintain current rent levels for the two flats it owns, and**
- i) Agree to maintain the Council's minimum level of non-earmarked reserves at its current level of £75,000.**

Background

1. The Council used its Budget Working Group; assisted by myself, to carry out much of the preliminary work associated with developing the Council's 2018/19 Budget.
2. The majority of this work involved reviewing the adequacy and accuracy of the base budget and adjusting it to reflect any necessary inflationary increases.
3. The output from this exercise was presented to the Finance and General Purposes Committee on Tuesday 12 December 2017 and was used by the Labour Group to inform its budget proposals for 2018/19.

Projected Outturn 2017/18

4. A separate report on tonight's agenda provides more background on this matter, but in summary I would anticipate a general underspend of circa £25,000. This is net of any items that are likely to be carried forward or transferred to an earmarked reserve.

Reserves

5. The Council's estimated non earmarked general reserve as at 31 March 2017 is likely to be in the region of £43,000. A full break down of the build-up of the Council's reserves is attached at Appendix 12C.
6. The latest guidance on minimum levels of reserves for small local councils is set out in Governance and Accountability for Local Councils – A Practitioners Guide as updated in March 2014. Such guidance now states that the amount of general reserves should be annually risk assessed, whereas previous guidance had been much more prescriptive, recommending that minimum balances were maintained at 3/12 of the annual precept.
7. Taking into account the Council's excellent record of not exceeding budgeted spending, my knowledge of the Council's budget and the fact that approximately 50% of the Council's budget is expended on staffing and the NCC partnership arrangement costs it is my view that the Council's minimum level of non-earmarked reserves should remain at £75,000.

Labour Group Budget Proposals

8. The build-up of the Council's 2018/19 budget as proposed by the Labour Group is shown in detail at Appendix 12A.

9. The group has prepared a further schedule (Appendix 12B) which summarises changes to the position I reported to the Finance and General Purposes Committee on 13 December 2017. The changes are discussed below in a little more detail:

- Following a review of past spending relating to the bus shelter budget the group proposes to reduce the budget for this cost centre by £10,000 per annum. The annual budget will reduce to £22,000 which will provide adequate funding for both ongoing maintenance and the replacement of two shelters per annum. In years where replacements are not required the released funding could be used to provide up to two new shelters in any particular year.
- Similarly; past spending patterns on Play Park Maintenance have also been reviewed indicating that a budget reduction of £6,000 per annum is achievable. Whilst the annual Play Park budget would reduce to £29,000, this will still provide adequate funding for ongoing maintenance and a £20,000 contribution to the Play Park Repairs and Renewal Fund.
- The proposals include provision for a 2.00% Council Tax increase which equates to an annual increase of £2.28 at Band D and which is less than the estimated rate of inflation.
- Budgetary provision has again been provided to fund up to 200 hours of professional support to the Council's Neighbourhood Planning process,
- The group is aware that Northumberland County Council is unable to provide any further support towards maintaining evening services on the 57A bus route and that Arriva is unable to provide this service without a significant subsidy from public funds. Consequently, and regrettably the group feels that the Council has done all that it can to protect this service and must now also withdraw its support. Members may recall that the initial basis for supporting the service was on a 'use it or lose it' policy – unfortunately user numbers have remained low and it would now seem almost certain that Arriva will withdraw evening services on the 57A bus route from March 2018 as it would argue that the route isn't commercially viable.
- The group is proposing to provide funding from within its existing Community Fund to purchase a number of Cycle Stands to be located at appropriate sites in the Valley.
- The group would also like to trial the provision of large recycling bins at one specific location within the Valley to see if residents can be encouraged to dispose of their waste more sensibly. A town centre

location will be sought to site large bins based on the existing domestic waste recycling model. The success of the project will be monitored closely to see if it can be rolled out across the Valley.

- A number of residents have commented upon the enhanced visual appearance of the Avenue Head since railing planters were installed. Consequently, the Group is proposing to install railing planters throughout the Valley at available sites to further enhance its appearance. One off funding of £7,000 will be provided from the Community Fund to purchase the new planters and the ongoing costs of providing flowers for the planters will be financed via the existing Floral Planting budget.
- In recent years the Council has begun to invest in Dog Fouling Prevention Measures. The Group would like to see such investment continue and indeed, to be enhanced and proposes a partnership with the County Council that would see one of NCC's Enforcement Officers working in Seaton Valley exclusively for one day per week. This officer would work with the Council's Services and Engagement and Development Officers to provide a more comprehensive and reactive Dog Fouling Prevention Service for the Valley. The costs of this additional service will be £8,000 per annum.
- Another successful initiative provided by the Council in 2017 has been the introduction of Vehicle Activated Speed Signs (VAS's) throughout the Valley. The initiative has been praised by residents and Councillors alike and the Group feels that the number of devices should be increased to provide cover for a greater area of the Valley. The Group's proposals provide for a further 5 VAS's to be acquired; such funding to come from unallocated reserves, and
- Finally, the Group proposes that the Council takes an initial step towards helping people in genuine financial difficulties in the Valley by setting up an outreach branch of a Local Food Bank. Initial research suggests Seaton Valley is poorly served by Food Bank Services and the Group hopes that by providing a small budget of £5,000 per annum, a viable service run by volunteers and provided at a Seaton Delaval location will be able to be set up and established over a short period. The Group would like to see Officers research this proposal more closely and come forward with an early report to set out in more detail how such a service could be developed for Seaton Valley residents.

Allotment Rents

10. The Labour Group has reviewed the level of rents paid by allotment holders and feels that an increase more or less in line with inflation (2%) is appropriate.
11. Members will recall that the Council's allotment rents had been allowed to fall well below market levels in previous year's and consequently quite large annual increases were required to bring such rents back up to market levels and to allow

much needed investment in some allotment sites. Small annual inflationary increases should avoid such circumstances happening again in the future.

12. Members should also note that it has been previously agreed to reduce the 'pensioners concession' over a period of five years. The current year i.e. 2017/18 is the last year of the phased reduction and as a consequence, no concessions will apply in 2018/19.
13. If Council agrees with the Labour Group's recommendation Allotment Rents for 2018/19 will be as shown in the table below:

Proposed Allotment Rents 2018/19

Size (m2)	Gross 2018/19	Gross 2017/18	Net* 2017/18
0 – 50	41.60	40.80	36.72
51 - 100	50.60	49.60	44.64
101 - 200	53.60	52.60	47.34
201 - 300	56.20	55.10	49.59
301 - 400	62.40	61.20	55.08
401 - 450	68.60	67.30	60.57
451 - 999	74.90	73.40	66.06

*Concession 10% in 2017/18 reducing to 0% in 2018/19. Concession was only applicable to tenants in receipt of a state pension and has been phased out over five year period.

Flat Rents

14. 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

15. If Council agrees to implement the Labour Group's budget proposals its subscriptions budget will provide for annual payments to the following bodies:
 - The North East Regional Employers Organisation,
 - The Society of Local Council Clerks, and
 - The National Association of Local Councils.

Conclusion

16. The Council's finances remain in a healthy position and will continue to remain so if it adopts the budget proposals put forward by the Labour Group.
17. The proposals identify efficiency savings in some services and allow new investment in other priority services whilst limiting the Council's Council Tax increase to an acceptable level, i.e. less than current rate of inflation.
18. The proposals include the use of £12,000 from unallocated reserves in 2018/19, leaving a balance of circa £31,000 of unallocated reserves over and above the Council's minimum reserve level of £75,000.