

Seaton Valley Council

A Community Council

Report to: Full Council 23 January 2020

Report by: Clerk and Responsible Financial Officer

Subject: 2020/21 Budget Proposals

Purpose of Report

To consider the proposals submitted by the Labour Group and to agree the Council's revenue budget and precept for 2020/21.

Recommendations

Council is recommended to:

- a) **Approve the build-up of the 2020/21 Budgets as shown at Appendix 10A 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 £579,890**
- c) **Note that in agreeing to set a Council Tax Precept of £579,890, Seaton Valley Council's element of the Council Tax will increase by 2.0% from £118.73 per annum to £121.10 per annum (Band D Equivalents),**
- d) **Note that Seaton Valley Council's Band 'D' Equivalent Council Tax base has increased from 4,781.51 to 4,788.37,**
- e) **Further note that in setting a Council Tax precept of £579,890 the amounts of annual Council Tax payable in respect of Seaton Valley Council will be approximately:**

• Band A £80.72	Band E £148.02
• Band B £94.20	Band F £174.93
• Band C £107.65	Band G £201.84
• Band D £121.10	Band H £242.40
- f) **Approve the Allotment Rent levels identified in the table at paragraph 13 below,**
- g) **Agree to continue to subscribe to the Society of Local Council Clerks, the Co Operative Council's Innovation Network 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,**
- i) Agree to maintain the Council's minimum level of non-earmarked reserves at its current level of £90,000, and**
- j) Formally approve to increase the Service Officers' post to full time (from 29hrs per week) with effect from 1st April 2020 and reduce the Clerks' full time post to 18.5hrs with effect from 1st October 2020.**

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 2020/21 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 Budget Review Working Group via email correspondence in mid-December and was used by the Labour Group to inform its budget proposals for 2020/21.

Projected Outturn 2019/20

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 £10,000. 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 2020 is likely to be in the region of £52,000. A full break down of the build-up of the Council's reserves is attached at Appendix 10C.
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 £90,000.

Labour Group Budget Proposals

8. The build-up of the Council's 2020/21 budget as proposed by the Labour Group is shown in detail at Appendix 10A.
9. The group has prepared a further schedule (Appendix 10B) which summarises changes to the position I reported to Council on 27 November 2019. Some of these changes are discussed in a little more detail below:
 - Pop up Cinema, Seaton Delaval (£2,500 per annum) – work in partnership with Seaton Delaval Arts Centre to host one film per month for an initial six month period to in order to assess service demand.
 - Moveable CCTV Equipment (£3,000 per annum) – acquisition of one set of moveable CCTV to allow three areas to be targeted for periods of up to 4 months during a calendar year. The equipment will be positioned to observe individual assets that are targets for vandals.
 - Clerk/Services Officer Posts – the proposals confirm previous discussions to reduce the Clerks' current full time post to a half time post with effect from 1st October 2020 and to increase the Service Officers' 29 hr post to full time with effect from 1st April 2020.
 - Community Fund Budget – re-apportion the current £25,000 budget into three separate budget heads – Village Events (£5,500), Community Fund (£8,500), Support for Local Organisations (£10,000) and use the balancing £1,000 to create a budget to fund lunches for children attending our summer activities program provided by Active Northumberland.
10. In putting forward its budget proposals the Labour Group would also like to highlight that the Council's base budget continues to:
 - Provide funding to support the replacement two new bus shelters per annum,
 - Provide £20,000 per annum to fund/contribute to new or replacement play areas,
 - Fund quarterly issue of its highly regarded Futures Magazine,
 - Provide funding for community events in each of its 5 villages,
 - Provide funding to Active Northumberland to provide free activities for the young people of Seaton Valley during the school holidays,
 - Fund the installation and removal of Christmas lights and the holding of Christmas events in each of its villages, and
 - Provide funding to ensure the continuation of its successful Neighbourhood Partnership arrangements with Northumberland County Council.

Allotment Rents

11. The Labour Group has reviewed the level of rents paid by allotment holders and feels that an increase of just below inflation (2%) is appropriate.
12. 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.
13. If Council agrees with the Labour Group’s recommendation Allotment Rents for 2020/21 will be as shown in the table below:

Proposed Allotment Rents 2020/21

Size (m2)	2019/20	2020/21
0 – 50	42.40	43.30
51 - 100	51.60	52.60
101 - 200	54.70	55.80
201 - 300	57.30	58.40
301 - 400	63.60	64.90
401 - 450	70.00	71.40
451 - 999	76.40	77.90

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 Society of Local Council Clerks,
 - The Co-Operative Council’s Innovation Network, 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 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 the current rate of inflation.
18. The proposals include the use of £2,570 from unallocated reserves but leave sufficient funds within unallocated reserves to enable the Council to meet any unforeseen costs or issues that may arise during the coming financial year.