

**MINUTES OF THE PART I FINANCE, PRECEPT 2017/2018 MEETING
OF BIRCHWOOD TOWN COUNCIL, HELD AT
PARKERS FARM COMMUNITY CENTRE, DELENTY DRIVE, RISLEY
ON TUESDAY 20TH DECEMBER 2016**

Present: Councillor Ellis in the Chair
Councillors Allman, Atkin, Breslin, Evans, Fitzsimmons, M. Hearldon,
T. Hearldon, Linney, Nelson and Reeves

Clerk – Mrs. F. McDonald
Deputy Clerk – Mrs. C Caddock
Business and Finance Officer - Mr. G. Crowe

Apologies: Councillor Bowden

Councillor Fitzsimmons proposed, Councillor Reeves seconded and it was resolved that:

The Minutes of the Part II Strategy and Finance Meeting of the Town Council which took place on Tuesday, 22nd November 2016 be approved as an accurate record and signed by the Chair.

Code of Conduct – Declaration of Interests

The Chair reminded members of their responsibility to declare any personal interest or prejudicial interest which they have in any item of business on the agenda, no later than when the item is reached.

320/16-17 **PRECEPT 2017/2018**

The BAFO reminded Members that although ten Members were present at the Town Council forward Strategy and Finance Meeting held on 22nd November 2016, it was still a necessary formality that Members consider again and ratify all recommendations made at that meeting, when many policy and financial issues were discussed for tonight's official precept meeting.

The full minutes of that meeting, which Members agreed can now be considered as Part I items, will be included in the Part I Finance Minutes of tonight's Finance, Audit and Personnel meeting (see Minutes 326/16-17 to 337/16-17).

(a) **INTRODUCTION**

The Chair informed the meeting that the business to be transacted was to discuss the Town Council's current budgetary position, foreseen future expenditure and any potential contributory factors which may affect the Town Council and to propose a Council precept for 2017/2018.

Members were reminded that the Council's policy over recent years was to set out, in detail, the proposed income and expenditure for the forthcoming financial year and also to set out, indicative income/expenditure over a further two years, to establish a three year budget plan.

Correspondence and papers relevant to the precept discussion, including Schedules A and B were copied out again to Members in their papers (see pages 203 and 204 below). These had not changed from those issued at the Strategy and Finance Meeting held on 22nd November 2016.

The BAFO gave an introduction and explanation of the precept procedures. Members had been issued with papers setting out the Town Council's actual budget for 2016/2017; the year-end projected out turn for 2016/2017 and provisional financial projections for 2017/2018, 2018/2019 and 2019/2020.

The BAFO stated that he was presenting in detail the way the figures were emerging for the above financial years, taking into account issues raised at the pre-budget planning meeting held in November 2016 where Members had reviewed the future expenditure proposals. The figures reflect those considerations.

In schedule A the figures show our original budget for 2016/2017 and projections likely to the end of March 2017. Figures reflecting projected expenditure for 2017/2018, 2018/2019 and 2019/2020 were also highlighted.

The BAFO informed Members that a letter had been received from Warrington Borough Council giving us details of the precept calculations for 2017/2018 and the number of properties on which they set the Council Tax Band. The Town Council is required to respond to the Borough Council with its precept requirement by Friday, 13th January 2017.

The letter also indicates the payment timetable made by the Borough Council for us receiving the precept. The payment will for 2017/2018 be a single payment made by the end of April 2017.

The tax base for our Council for 2017/2018 has been calculated as 3604; this compares to 3578 for 2016/2017, an increase of 26; the impact of this was considered when setting the proposed precept. The tax base represents the number of Band D equivalent properties in our Parish after allowing for various adjustments e.g. single person discounts, etc.

The increase in the number of Band D properties and the way the Band D formula works means that Band D would produce around £2,500 more income for 2017/2018.

The BAFO stated he has made income and expenditure projections for 2017/2018 on most items where considered necessary and following detailed prior declarations.

In Schedule B of the papers, the BAFO had made some projections on the precept and earmarked balances for next year allowing for reasonable continuance of working balances to be retained. These projections assumed no major increase or surprise elements in expenditure on our main budget headings for 2017/2018.

All income and expenditure detail is now for formal Member decision.

The BAFO reminded Members that the Town Council's accounts for the financial year 2015/2016 had been submitted to the external auditor on 25th July 2016 and these were given approval with a clean report on 29th June 2016.

The current year's interim accounts for 2016/2017 have not yet been considered by the internal auditor; however, Members have continued to receive complete monthly income, expenditure and bank reconciliation detail as part of each monthly Council meeting.

All relevant issues raised by the internal auditor for 2015/2016 and over the past 18 months have been reviewed by Members as they have been reported. The figures now presented to Members therefore reflect the most up-to-date auditable figures upon which to consider the decisions for the 2017/2018 precept.

(b) **GENERAL DISCUSSION OF OTHER KEY INCOME / EXPENDITURE ISSUES**

The BAFO said that, following the Budget and Strategy Meeting held on 22nd November 2016, there were several main areas for discussion which would impact quite considerably on the Town Council's budget, in addition to several long standing matters.

He also commented that, although it has been confirmed that it will not happen in the 2017/2018 financial year, it is likely that the Borough Council will, within the next couple of financial years following, pass on their loss of income to the Parish/Town Councils. This change has arisen from the changes in the way Central Government transfers Council Tax Support from Central to Local Government. Based on previous information, this could mean the Town Council having to find up to £38,000 additional income and/or implement service reductions within Birchwood. He said that it would be wise, therefore, for the Town Council to allow for this in its budget balances as well as sensible balances for general cash flow.

(c) **OTHER ISSUES TO BE CONSIDERED RELEVANT TO THE 2017/2018 PRECEPT DECISION**

(i) **Maintenance Team Resources 2017/2018**

The BAFO stated that the figures given on the budget sheet (Schedule A) are calculated on the basis that the maintenance workforce will increase in size to fill current vacancies and possibly take on another additional staff member to enable the Town Council to undertake additional work responsibilities, such as some grass cutting and to enable us to catch up on environmental work that we have been struggling to keep on top of over the last few months.

(ii) **Employee Wages 2017/2018**

The BAFO brought to Members' attention that we have been notified that the Living Wage Foundation's recommended basic wage for employees has risen to £8.45 per hour with effect from 1st November 2016, previously £8.25 per hour (a 2.4% increase).

The Council has previously resolved to apply the Living Wage Foundation's pay rates since 1st August 2015. It has also previously been resolved that rises from November 2016 onwards would be awarded from the 1st April the following year.

321/16-17 **POLICE COMMUNITY SUPPORT OFFICERS (PCSOs)**

The BAFO stated that this issue was discussed in detail at the strategy meeting on 22nd November 2016.

As recommended at that meeting and to be ratified tonight, the Town Council agrees to part fund the local PCSO resources for the 2017/2018 financial year.

The Council will then review the position during the 2018/2019 precept process with up-to-date operational detail of the PCSO function in Birchwood, following a review being undertaken by the Police during 2017.

322/16-17

COMMUNITY DEVELOPMENTS

At the meeting on 22nd November 2016 the BAFO had stated that the proposed budget provision for community developments of £10,000 in the 2016/2017 budget appears to have been exceeded (£66,000). However the payments made for the Forest Park Multi-Use Games Area development are covered in the earmarked reserves in the 2016/2017 Accounts Statement.

The figure remaining in the Community Development Fund for 2017/2018 is expected to be £57,000.

Some of this remaining funding is earmarked for the next phases of improvements at Birchwood Forest Park, to the BMX/Skateboard area and the Brook Footpath Project.

323/16-17

ELECTION FEES

This matter was discussed at the meeting on 22nd November 2016 when the BAFO explained that the £5,000 that had been budgeted for in 2016/2017 was exceeded by £464; however, there is an earmarked election fund of £27,000.

If the Town Council elections had not taken place on the same day as the Borough Council and Police and Crime Commissioner elections, the costs would have been much higher, closer to £30,000 and the fund would have been depleted.

Because there are no foreseen elections for 2017/2018, 2018/2019 and 2019/2020, the BAFO believes there is currently enough in the election fund, if required, to cover a number of by-elections. Therefore there is a NIL amount in the budget on Schedule A for elections for 2017/2018, 2018/2019 and 2019/2020.

In addition, the Borough Council usually offers the opportunity to spread elections costs over four years.

324/16-17

BUSINESS RATES

There is currently a re-evaluation being undertaken of business rates, with thresholds at which payments have to start being made set to rise.

At present it looks as though the Town Council may no longer have to pay business rates because of the re-evaluation.

This has yet to be confirmed, however, therefore the current amount (£2,400) has still been included within the Schedule A budget figures (line 2).

Those present reflected on the above discussions and the effect of the decisions presented in Schedules A and B (pages 204 and 204 below) put forward by the BAFO and considered in substantial detail at the 22nd November 2016 and tonight's meetings.

Those present voted on the details discussed and the income/expenditure and balances profile submitted. It was **proposed** by Councillor Fitzsimmons and **seconded** by Councillor Allman to resolve that a rate precept increase of 2% for 2017/2018 be submitted to Warrington Borough Council as detailed below.

All Members present **voted in favour** of the proposal.

It was therefore resolved following the vote:

- (i) That the itemised estimated expenditure £363,500 as shown in the column of the 2017/2018 budget sheet be accepted for the Town Council to operate from 1st April 2017.
- (ii) That the projected income, expenditure and balances profile as detailed by the BAFO for 2017/2018 and the subsequent 2018/2019 and 2019/2020 financial years be adopted as the target expenditure for the Council's subsequent financial years.
- (iii) That the total estimated budget expenditure for the 2017/2018 financial year be £363,500.

Anticipated working balances carried forward for the 2017 year end are £93,543 i.e. 26% of general and precept income, well below allowable levels. That the Council utilises its expected other general income (£3,000.00 for 2017/2018) and from balances a figure of £6,899.00 to contribute £9,899.00 towards the projected expenditure and general inflation in 2017/2018 to balance the rate precept level of £353,601 and expenditure of £363,500 for 2017/2018.

It was agreed that a precept requirement of £353,601.00 be submitted to the Borough Council for the 2017/2018 financial year to comply with their 13th January 2017 budget timetable. This determines that the rate precept for 2017/2018 will be 2% higher for Band D properties.

- (iv) That the estimated working budget balance at 31st March 2017 should be in the order of £93,543 to be carried forward for the 2017/2018 financial year, in addition a likely maximum earmarked expenditure fund of £107,000 be approved for 2017/2018. This will be reduced in 2017/2018 with payments for contractor costs for the Forest Park recreation scheme and the Brook Footpath project.
- (v) That awards for grant aid will be by further resolution of the Council after formal applications have been received and brought before the Council.

- (vi) That the Council continues to monitor how it can assist Birchwood Youth and Community Centre to continue to be viable and in the short term to direct our community users to their more usable and practical premises.
- (vii) That once the precept has been confirmed, an announcement on the coming year's precept will be published in the local press and on the Town Council's website.

The Finance, Precept Meeting concluded at 8.20 pm

Schedule A

Nov-16

**BIRCHWOOD TOWN COUNCIL BUDGET
YEAR-END PROJECTED OUTTURN 2016/2017
AND FINANCIAL PROJECTION FOR 2017/2018, 2018/2019 AND 2019/2020**

ITEM NO.	EXPENDITURE ITEM	BUDGET 2016/2017	PROBABLE TO MARCH 2017	ESTIMATED EXPENDITURE 2017/2018	ESTIMATED EXPENDITURE 2018/2019	ESTIMATED EXPENDITURE 2019/2020
1	Caretaker's costs - Parkers Farm	£ 7,200	£ 7,200	£ 7,500	£ 7,800	£ 8,000
2	General and Water Rates/Gas/Electric	£ 7,000	£ 6,000	£ 7,000	£ 7,400	£ 8,000
3	Insurance/Subs/Fees/Car Tax/Bank Charges	£ 17,000	£ 17,000	£ 18,000	£ 18,800	£ 20,000
4	Employment costs (inc employer NI & superannuation)	£ 215,000	£ 183,884	£ 240,000	£ 250,000	£ 250,000
5A	Civic - Chairman's Allowance	£ 1,000	£ 1,000	£ 1,000	£ 1,000	£ 1,000
5B	Civic - Newsletter and Flower Displays	£ 6,000	£ 6,000	£ 5,000	£ 5,000	£ 5,000
5C	Councillors Allowances/Expenses	NIL	NIL	NIL	NIL	NIL
6A	Town Council Revenue Expenditure	£ 34,000	£ 36,000	£ 34,000	£ 34,000	£ 34,000
6B	Police Community Support Officer	£ 12,000	£ 12,000	£ 12,000	£ 12,000	£ 12,000
7	Community Developments	£ 10,000	£ 66,000	NIL	NIL	NIL
8	Town Council Elections	£ 5,000	£ 5,464	NIL	NIL	NIL
9	Grants	£ 8,000	£ 5,000	£ 10,000	£ 10,000	£ 10,000
10	Parkers Farm Estate/Maintenance/Equipment fund	£ 3,000	£ 3,000	£ 5,000	£ 5,000	£ 5,000
11	Loans inc. Mortgage Fund for Parkers Farm Estate	£ 24,000	£ 24,800	£ 24,000	£ 23,000	£ 22,000
	TOTALS	£ 349,200	£ 373,348	£ 363,500	£ 374,000	£ 375,000

Signed _____ Chair

Signed _____ Clerk

Signed _____ RFO

Date: _____

<u>SCHEDULE B</u>	<u>BIRCHWOOD TOWN COUNCIL</u>				Nov-16
	<u>Estimated Income/Expenditure/Balances for 2016/2017 and 2017/2018</u>				
	2016/2017	2017/2018	2017/2018	2017/2018	2017/2018
PROJECTED OUTTURN FOR					
Balances B/F	£ 119,724.00	£ 93,543.00	£ 93,543.00	£ 93,543.00	£ 93,543.00
Precept	£ 344,167.00	£ 346,668.00 (P) at nil% +£2501	£ 350,134.00 (P) at 1% +£5967	£ 351,868.00 (P) at 15% +£7701	£ 353,601.00 (P) at 2% +£9434
Other Income	£ 3,000.00	£ 3,000.00	£ 3,000.00	£ 3,000.00	£ 3,000.00
x Total Income	£ 466,891.00	£ 443,211.00	£ 446,677.00	£ 448,411.00	£ 450,144.00
x Total Expenditure	£ 373,348.00	£ 363,500.00	£ 363,500.00	£ 363,500.00	£ 363,500.00
Balances including earmarked * reserves	£ 195,543.00	£ 186,711.00	£ 190,177.00	£ 191,911.00	£ 193,644.00
Projected Working Balances 31st March each year	£ 93,543.00 †	£ 79,711.00 †	£ 83,177.00 †	£ 84,911.00 †	£ 86,644.00 †
		2017/2018 Precept	Estimated Precept	Estimated Precept	Estimated Precept
	Current Precept	(P) at NIL% increase	(P) at 1% increase	(P) at 1.5% increase	(P) at 2% increase
	£ 96.18	£ 96.18	£ 97.15 +97p	£ 97.63 +£1.45	£ 98.11 +£1.93
x Excluding VAT payments/refunds					
* Earmarked reserves:					
1 General Equipment/Parkers Farm Maintenance Fund	£ 18,000.00	£ 23,000.00	£ 23,000.00	£ 23,000.00	£ 23,000.00
2 Community Development Fund	£ 57,000.00	£ 57,000.00	£ 57,000.00	£ 57,000.00	£ 57,000.00
3 Election Fund	£ 27,000.00	£ 27,000.00	£ 27,000.00	£ 27,000.00	£ 27,000.00
Total	£ 102,000.00	£ 107,000.00	£ 107,000.00	£ 107,000.00	£ 107,000.00
† Working balances					
	(P) % Precept increase				