

**MINUTES OF THE JOINT MEETING OF THE  
PART I FINANCE, AUDIT & PERSONNEL AND THE  
POLICY, STRATEGY & ENGAGEMENT SUB-COMMITTEES  
OF BIRCHWOOD TOWN COUNCIL, HELD AT  
PARKERS FARM COMMUNITY CENTRE, DELENTY DRIVE, RISLEY  
ON WEDNESDAY 12<sup>TH</sup> SEPTEMBER 2018**

**Present:** Councillor Atkin in the Chair  
Councillors Allman, Breslin, D. Ellis, Evans, Fitzsimmons, and Reeves  
  
Deputy Clerk – Mrs. C Caddock  
Business and Finance Officer - Mr. G. Crowe

**Apologies:** Councillors J. Ellis, M. Hearldon, T. Hearldon and Nelson  
Clerk – Mrs. F. McDonald

167/18-19 **PURPOSE OF MEETING**

Councillor Atkin informed Members that the purpose of the meeting is to consider the Council's Financial Strategy for 2019/2020, 2020/2021 and 2021/2022.

**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.

*Councillors Breslin, D. Ellis – Birchwood Youth & Community Centre Committee*

*Councillors Atkin, Breslin, D. Ellis – Birchwood Carnival Committee*

*Councillors D. Ellis – Repair Café*

*Councillor N. Reeves – Governor Birchwood Community High School*

*Councillor Allman - Spectrum Striders*

*Councillors Allman and Evans – Friends of Birchwood Forest Park*

*Councillor D. Ellis – Birchwood Forum*

168/18-19 **REVIEW OF 2017/2018 AND 2018/2019 EXPENDITURE AND YEAR END  
BALANCE OUTTURN FOR MARCH 2019**

The BAFO had circulated several documents and charts to Members in their papers which illustrated the figures and projections, etc. discussed during the meeting and referred to them at the relevant points of discussion.

The BAFO stated that in addition to the usual consideration of the Town Council's Financial Strategy for 2019/2020, 2020/2021 and 2021/2022, prior to the formal re-consideration and setting of a precept later in the year, Members, this year, must also take into consideration the impact of the Borough Council's removal of the Council Tax Support Scheme on the Town Council. At present, with the figures we have previously received from the Borough Council, it looks likely that there will be a shortfall in balances of at least £52,000 imposed on the Town Council.

The BAFO said that the Town Council must formulate a strategy to deal with this shortfall. However, over the last two years we have received some bonus income from a grant received from the Borough Council (£17,000) to assist in the improvements made to the Brook Footpath and a Business Rates rebate (£12,897.79 for overpayment 2010 – 2017). These have meant the Council is in a better financial position than initially anticipated 18 months ago and at the end of the 2017/2018 financial year, had a balance of £295,572.74.

The BAFO reminded Members that until November 2018, we are unlikely to have any specific figures from Warrington Borough Council regarding the number of Band D properties within Birchwood, from which the precept is calculated. This will be complicated further, as one or more of the residents in any Band D property maybe in receipt of Council Tax Support, which would remove that property from the equation.

In addition, there are other factors that require consideration, which are out of the Town Council's control, such as the increase in the Living Wage, as set by the Living Wage Foundation, which, in July 2015, the Town Council resolved to adopt. This figure is only released in November each year and will also have a 'knock-on' effect on pension and national insurance contributions.

The BAFO said that projecting forward, with information we currently have and best estimates, he believes that at the end of March 2019 the Town Council could have a balance in the region of £326,000. This will include £9,500 from the sale of the tractor in April 2018.

#### 169/18-19 **REVIEW OF EXPENDITURE OF CURRENT SERVICES**

The BAFO referred Members to Schedule A (see page 130 below) to consider the probable year-end projected outturn to 31<sup>st</sup> March 2019.

In particular, the BAFO drew Members' attention to several of the items:

Item 4 – Employment Costs – the probable outturn will be around £9,000 less than had been budgeted for in 2018/2019. Initially the budget was based on recruiting 3 additional full-time members of the maintenance team. However, the actual recruitment was 2 full-time staff members and one working part-time on three days per week. The £9,000 difference includes reduced NI and pension costs that would also have been incurred.

Item 6A – Town Council Revenue Expenditure – the £7,000 increase in the initial budget for this item (from £37,000 to £44,000) is mainly due to the purchase in September 2018 of an additional (second hand) tipper truck. The money from the sale of the tractor has helped to offset this increased cost.

Item 8 – Town Council Elections - £5,000 had been put in the budget to cover any unexpected bye-elections during 2018/2019. This has not been required so far. The Town Council already has £35,000 in earmarked reserves for Election Fees; it is not expected that any additional funding will need to be added to the fund for the next four years. There will be a reduction in the earmarked reserves when the Council's 'all out' election takes place in May 2020. In addition, the Borough Council usually offers the opportunity to spread elections costs over four years.

Item 10 – Parkers Farm Estate/Maintenance /Equipment Fund – There was £5,000 in the budget for 2018/2019, which is unlikely to be used to the end of March 2019.

The BAFO then indicated the 2 pie charts that had been circulated to Members. These show that 64% of the Town Council's Revenue (£235,720 in 2017/2018) goes on the payment of employment costs.

The employment costs consist of 83% wages, 6 % employer national insurance and 11% employer's superannuation.

The BAFO stated that, looking ahead, there does not appear to be any need to consider job losses. In order to maintain the same level of service the Town Council offers to the community at the present time (the Team is already working to capacity) staff will need to be retained. It is very unlikely with our current resources that we will be able to take on any additional services from the Borough Council for the foreseeable future.

Councillor Reeves enquired whether there is any opportunity for internal career progression.

The BAFO replied that we now have one Senior Maintenance Team member, then a flat structure below him; which seems to work well. There are not many options for career progression.

Councillor Evans asked about the training of staff.

The BAFO stated that all staff, both on the Maintenance Team and in the office undertake any training necessary for them to carry out their duties. The majority of the courses undertaken by staff are accredited and/or certificated; particularly those involving the use of machinery.

Councillor Reeves asked about staff turnover.

The BAFO said that we currently have a good team who work well together. Staff turnover is low. Any minor issues are managed by the Clerk/BAFO.

The BAFO then, for information, referred to a long (but not exhaustive) list of the duties undertaken by the Maintenance Team on a regular basis (see pages 131 to 133 below). The time spent on each duty cannot easily be broken down into percentages.

Councillor Atkin said that if the Team was not available to Birchwood, the work they do would be seriously missed.

The BAFO said that apart from the Public Works Loan Board payment, the other main items in the Town Council's Revenue Expenditure account for about 10% of the annual outgoings. Again, a list of the type of items paid for out of this heading had been included in Members' papers (see page 134 below).

#### 170/18-19 **REMINDER OF NEW COUNCIL TAX SUPPORT SCHEME 2019/2020**

This had been briefly covered earlier in the meeting (see Minute 168/18-19).

The BAFO pointed to the letter received from Warrington Borough Council, dated 8<sup>th</sup> December 2017 regarding the 'Effect of Changes to Birchwood (Town Council) Parish Tax Base for Council Tax Support Allowance'.

The main content of the letter stated that:

*“As from 1st April 2013 Council Tax Benefit was replaced by a locally funded scheme, ‘Council Tax Support Allowance’ (CTSA). Anyone receiving CTSA will be exempt from payment of council tax and as such, have been taken out of the Council Tax Base for Council Tax Setting Purposes.*

*From 2013/14 to date, this reduction in the tax base had not been passed down to the parishes and has resulted in a charge to the Council's revenue budget to fund this reduction. For 2018/19 this reduction equates to 7,311 Band D equivalents for the whole of the borough including unparished areas.*

*The proposal for 2019/20 (subject to Full Council approval) is to pass this reduction down to the lowest level. Each parish's tax base would be reduced by the number of Band D equivalents within that parish related to CTSA. For Birchwood (Town Council) the reduction in tax base using the 2018/19 data would be -532 Band D equivalents. Multiplied by the 2017/18 Band D Precept of £98.1135, this would mean a loss in precept of £52,196.374.”*

This proposal was approved by Warrington Borough Council at its Full Council meeting in February 2018.

The BAFO stated that despite both he and the Clerk asking the Borough Council if they have any indication yet as to how many Band D properties there are likely to be that can be included in the 2019/2020 precept calculations, none have been forthcoming yet.

It is unknown whether any / how many of the properties being built in on the new development in Oakwood (Greenfinch Close) will fall into the Band D range.

Councillor Atkin said that he had looked at the valuation agency's website. About 20 properties are listed on there so far with about 50% being Band B and 50% Band C. It is possible that approximately 40% of the properties when finished may be Band D (but it is also unknown if any potential precept income from those Band D properties would be ‘affected’ by the withdrawal of Council Tax Support.

The BAFO reiterated that we do not expect to get any formal figures until November 2018, at which time he will be able to prepare more precise documents.

#### 171/18-19 **REVIEW OF ESTIMATED INCOME/EXPENDITURE 2019/2020, 2020/2021, 2021/2022 VALUES**

The BAFO briefly explained the current estimated expenditure figures he has produced for 2019/2020, 2020/2021 and 2021/2022 (see Schedule A).

The BAFO stated that at the present time all the current community development projects (Item 7) that the Town Council has money earmarked for have been completed – with the exception of improvements to the skateboard park and BMX track. However, Warrington Borough Council has indicated that it has all the funding necessary to pay for those works.

Because of the impending reduction in balances due to the removal of Council Tax Support, it would not be financially prudent for the next few years for the Town Council to undertake any major new community projects.

There are, however, potential future projects that the Town Council would like to support, if possible. For example, the Town Council is aware that one of the play areas in Locking Stumps might be suitable for some refurbishment. Also, the Observation Tower at Risley Moss, which was burnt down, is to be replaced at some point in the future. The Town Council expects that it might be asked to contribute to the reinstatement of a replacement for this important community landmark.

Another potential project would be the addition of new lighting in Birchwood Forest Park, in the currently unlit section. This has been requested many times by the community, including Spectrum Striders Running Club, as it would improve the usage of the park and make it safer for all members of the community to use during the shorter days / longer nights.

The Town Council did ask Warrington Borough Council to quote for the installation of new lighting and we were given an initial figure of around £35,000.

Councillor Allman, for information, confirmed that Spectrum Striders would be prepared to make a contribution towards such a scheme, possibly in the region of about £1,000.

Councillor Atkin stated that the Town Council would have to think very carefully if it wanted to justify community projects being funded by increases in the precept.

Councillor D. Ellis said that, in the past some projects had benefitted from grants awarded by Biffa and WREN.

The BAFO said that we will look at all angles, but as a local authority it is difficult to apply for grants; also, it usually has to be the landowner who makes an application for a grant award that will affect their land. Previously, we have had some success with WREN via the Borough Council.

Unfortunately, WREN grants are no longer available to Birchwood; the FCC Community Action Fund is designed to deliver amenity projects within 10 miles of an FCC Environment landfill site in WREN's operating area; we are now outside this area.

Biffa does not fund local authorities or local government organisations.

Councillor D. Ellis enquired whether there has been any indication regarding the timescale of the proposed development of the Fox Wood School site and if that might bring any more Band D properties to the area.

Councillor Fitzsimmons said that he is unaware of any timescale, but he understands that the site is earmarked for housing development.

Councillor Reeves said that hopefully any new housing will bring younger families into the area, which might mean more children to Birchwood Community High School, as there seems to be an aging population within Birchwood at the present time and the high school numbers need to be boosted.

Councillor Atkin suggested that, potentially, if the BID for Birchwood goes ahead, there may be the potential for funding to be provided for some community projects via that route.

Councillor D. Ellis said that this would be a possibility. He gave Members a brief update on the current status of the BID proposal, which currently requires significant funding to enable the proposal to move to the next stage.

Regarding Item 6B – Police Community Support Officer, the BAFO stated that following the decision taken at the October 2017 Part I Finance, Audit and Personnel Meeting, where it had been resolved that the Town Council could no longer fund a PCSO (Minute 283/17-18) - this budget line will remain NIL for the foreseeable future.

The reasons for this decision were explained in detail at the October 2017 meeting, but the BAFO reiterated that the Police would no longer allow Parish Councils to part-fund PCSOs. Each additional PCSO would cost £33,280 (in the first year) to Local Councils, which not only includes full salary, but also pensions and other ‘on-costs’, which the Town Council felt should be paid by the Police (also a precepting organisation).

In relation to item 9 – Grants, the BAFO stated that the £12,000 estimated expenditure for 2019/2020 has been put in to cover applications from local groups which might require assistance – with some new local groups having set up in recent months.

*Several Members declared an interest due to their involvement with local groups that have benefited from Town Council grants (see page 120 above).*

The BAFO then explained a worked example, using an example from Warrington Borough Council for previous years. This was based on a £101 Band D precept charge and assumed approximately 3070 Band D equivalent property numbers (see figures of -532 properties (from the actual 3602 in 2018/2019) in the letter received from the Borough Council in Minute 169/18-19 above) which would give a precept of £310,070. This is £55,677 less than the actual 2018/2019 precept of £365,747.

This £55,677, currently a best estimate as we are awaiting actual figures from the Borough Council later in the year, has to be built back into the budget over following years.

#### 172/18-19 **TO CONSIDER VARIOUS PRECEPT LEVEL OPTIONS ON NEW TAX BASE AND IMPACT ON COUNCIL BALANCES**

The BAFO stated that based on £310,000 as a new precept base, he had prepared some projections on the precept and earmarked balances for next few years 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.

Several sheets had been circulated to Members in their papers showing the impact of various precept increase rises ranging from 4% to 7%. (The BAFO had looked at 3% - but that would take 6/7 years to start to make up any shortfall in balances).

The BAFO added that the Town Council has to consider what is a reasonable and sensible time frame for the balance to be brought back in line with expenditure plans and how any decision will impact on the local community.

In response to a question regarding a suggested £160,000 cash flow reserve, the BAFO informed Members that a Local Council can hold the equivalent of a full year's precept in reserve and would not be infringing any guidelines. There is no actual law on the minimum and maximum that can/should be held, but the internal auditor has advised that it would not be financially responsible for the Council to hold less than 6 months in reserve.

The BAFO reminded Members that the six month level is affected by the fact that the Borough Council can also choose to pay the precept in two parts, rather than in full at the beginning of a financial year. They would have to give notice of at least a year if they were going to change the current arrangement.

The BAFO guided Members through the various projections.

Members considered the options presented. The figures prepared by the BAFO indicated that if a 4% precept increase was applied, the Town Council would be almost back in balance again in 2023/2024, with a modest amount of around £4,000 income expected to use to offset any shortfall.

At a 5% increase, it would be about 4 years, 6% about 3 years and 7% about 2 years before the Town Council is almost back in balance of income/expenditure.

The BAFO indicated on the projection documents that at 5% increase – looking at the current £101 annual precept for a Band D property, would increase to £106.05 in 2019/2020.

Councillor Reeves commented that as this is just over a £5 increase per year, residents might accept the amount if stated as £5.05 – rather than 5% - which to some people sounds more if they do not have the figures to hand to work the amount out.

A £5.05 annual increase for a Band D property is the equivalent of just over 42p per month per property.

Councillor Atkin asked if the Borough Council's precept requirement would be increasing by the maximum amount allowed.

Councillor Fitzsimmons said that the Borough Council will have to put their precept up to the maximum allowed

The BAFO reminded Members that Local Councils are not currently bound by the same constraints as Local Authorities and can increase their precepts to the level they need to provide the services necessary for their community.

The House of Commons approved the 2018/19 council tax referendum principles on 7th February 2018. No referendum principles were set for Parish Councils for 2018/19. In the consultation on the provisional Local Government Finance Settlement in December 2017, the Government stated its intention to repeat this in 2019/2020.

The BAFO stated that he thinks a 5% rise would be 'defendable' and explainable to the community.

Councillor Fitzsimmons said that the abolition of general business rates support grants is now under reconsideration and he understands that the Chancellor might be considering abolishing the cap on the fuel levy; both of which may affect the expenditure of the Town Council.

173/18-19 **RECOMMENDATION TO THE TOWN COUNCIL OF PRECEPT % PROFILE 2019/2020 ONWARDS – SUBJECT TO FURTHER REVIEW AT THE DECEMBER 2018 RATE PRECEPT MEETING**

The BAFO asked Members whether they were minded to steer him in a particular direction regarding the further preparation of precept figures, subject to formal resolution and reconsideration in November.

The BAFO reiterated that until actual detailed figures are received from the Borough Council in November 2018, any projections are best estimates.

Members discussed the various options.

Councillor Atkin said that he feels that a 5% / £5 per annum increase seems to be the most sensible to aim for.

Councillor Breslin wondered whether 5% might be a bit high.

The BAFO said that he thinks a 4 year plan to address the reinstatement of balances would be a reasonable and sensible target to aim for; we would be able to demonstrate to the auditor that the Town Council is aware of its fiduciary responsibility and has a recovery cycle in place to deal with the upcoming financial ‘hit’ we have to take due to the withdrawal of Council Tax Support by the Borough Council.

The BAFO added that we also have to consider the community and ability to pay and a £5 per year (42p per month) increase does not seem unreasonable for a Band D property for the Town Council’s portion of the Council Tax.

The BAFO said that we do not know what issues other Parishes are facing; whether they are in a similar position to Birchwood.

Councillor Atkin said that we need to illustrate that the Council is aware of its fiscal responsibility and that it has to be prudent with the finances of the Town Council.

Councillor Evans commented that the precept still needs to be enough to maintain a viable level of service to Birchwood.

Councillor Allman asked whether figures could be prepared for a part percentage increase, maybe 4.9%

Councillor Atkin wondered whether figures for 4.5% could be considered.

The BAFO said that he can work up various figures to put forward later in the year – these initial projections had been prepared on whole figures just for ease of comparison.

### **Parkers Farm Listed Building Issues**

The BAFO reminded Members that there are some repairs that require undertaking on the Parkers Farm building – which has Grade II listed status.

A listed building application was put in to the Borough Council's Planning Department for approval to undertake repair works, but was returned as incomplete, for various reasons.

Despite the Clerk contacting several Officers at the Borough Council for advice regarding our application, there has been little assistance forthcoming and what the Borough Council appears to now require is beyond the Town Council Officers' technical knowledge / expertise.

A request for someone to come out to look at what exactly is needed, to show it is for repairs – not to alter, extend or demolish the building in any way, was rejected by the Borough Council; we keep being advised to read the published rules and guidelines – which the Clerk has and which have been followed to the best of our ability – but we still require some further guidance on the matter.

We have argued that the work is absolutely necessary for the conservation of the building, but this has not had any impact.

The BAFO stated that we have reached a position where we really require an independent planning expert, who is also versed in the complexities of dealing with listed buildings to assist with this matter.

The BAFO added that there are now more places where we are seeing damp appearing in the building and said that, although it might be an expensive item, he proposed that a full survey of the building might be in order.

Councillor Reeves said that as stewards of the building, it is the Town Council's responsibility to ensure that it is looked after.

The BAFO said that Members might wish to separate Parkers Farm Estate out from Item 10 on Schedule A and have a separate breakdown of earmarked funds for the building, in order that such issues can be specifically budgeted for in the future.

Following further discussion, Members agreed to recommend to Council that the Town Council seeks independent expert advice for help with the listed building planning application and also to arrange for a survey to be undertaken on Parkers Farm building. The cost of these recommendations is currently unknown.

### **Recommendations**

For the Town Council to appoint an independent consultant to assist with the preparation and submission of the listed building consent application for repairs to Parkers Farm.

For the Town Council to engage an independent surveyor to undertake a full building survey of Parkers Farm.

The BAFO stated that, with the exception of the purchase of an additional (second-hand) tipper truck; which is due for delivery next week, there are no other major expenditure items that he is currently aware of.

175/18-19 **BANKING MATTERS**

- (a) The BAFO asked Members to consider recommending the amendment of the maximum value of the BACS/Cheques Payment Limit – with a proposed increase from £15,000 to £20,000 per transaction. This would enable us to make larger payments (such as for the new van) without having to split the payment in two.

Councillor Fitzsimmons proposed, Councillor Evans seconded and it was unanimously agreed to put this recommendation to full Council.

**Recommendation** For the Town Council to increase the maximum value of the BACS/Cheques Payment Limit from £15,000 to £20,000 per transaction.

- (b) Review Bank Account Signatories

The BAFO stated that he would like to propose that one or two additional Members be added to the list held by the Co-operative Bank of those Councillors who can sign cheques on behalf of the Town Council. This allows for more flexibility when other signatories are not available, for whatever reason and a cheque needs to be signed.

The BAFO said that he and the Clerk are on the list, but will not sign cheques; it is necessary so that they are authorised to obtain statements, move funds between accounts, etc. He added that (male) Councillor Terry Hearldon and Councillor Tony Higgins are still listed with the bank and need to be removed from the list.

Councillor Reeves said that he would be happy to take on this role.

The BAFO asked if other Members would like to consider whether they would be happy to become a signatory and, if so, let him know at the main September Finance, Audit and Personnel meeting. There will be some requirement to provide various personal documents to adhere to money laundering regulations.

176/18-19 **TO AGREE THE ACTIONS TO BE RECOMMENDED TO BIRCHWOOD TOWN COUNCIL**

- (a) **Precept**

Following further discussion, Members agreed:

**Recommendation** For the BAFO to prepare additional precept increase projections between a minimum of 4% and a maximum of 5%.

- (b) **Parkers Farm**

**Recommendations** For the Town Council to look to appoint an independent consultant to assist with the preparation and submission of the listed building consent application.

For the Town Council to engage an independent surveyor to undertake a full building survey of Parkers Farm.

- (c) **Banking**

**Recommendation** To increase the maximum value of the BACS/Cheques Payment Limit from £15,000 to £20,000 per transaction.

The meeting concluded at 7pm