



Hale Parish Council

Budget + Precept Proposal 2019/2020

Briefing Paper

Resources Executive Committee

WHAT IS THE BUDGET?

INTRODUCTION

The budget of Hale Parish Council is an estimate of income and expenditure for the period beginning 1 April 2019 and ending 31 March 2020.

With openness and transparency at the core of all Local Council's financial decisions, Hale Parish Council should expect, nay encourage, proper scrutiny by the public and Councillors of the spending plans and any precept request.

S.1 of the 'Local Government Transparency Code 2015' states:

"This Code is issued to meet the Government's desire to place more power into citizens' hands to increase democratic accountability and make it easier for local people to contribute to the local decision making process and help shape public services. Transparency is the foundation of local accountability and the key that gives people the tools and information they need to enable them to play a bigger role in society."

BACKGROUND

In order to carry out duties, powers, and delegated functions, Parish Council's prepare a budget for each financial year.

Section A of 'The Good Councillor's Guide to Finance and Transparency 2017' states:

"The preparation of an annual budget is one of the key statutory tasks undertaken by a Council, irrespective of its size."

STRUCTURE

Without a budget in place, a Council is in breach of its Financial Regulations. Budgets must be set in line with S.101 (6) Local Government Act 1972, S.50 Local Government Finance Act 1992 and S.78 Localism Act 2011.

Section A of 'The Good Councillor's Guide to Finance and Transparency 2017' states:

"The budget:

- Results in the Council setting the precept for the year;*
- Gives the Clerk and any other officers overall authority to make spending commitments in line with the decisions of the Council;*
- Enables progress monitoring during the year by comparing actual spending against planned spending.*

It is important that Councillors understand how the budget is put together and how it should be used. The budget is an essential tool for controlling the Council's finances, and demonstrates that the Council will have sufficient income to meet its objectives and carry out its activities.

The Council must approve a budget before it sets a precept. The budget and precept both need to be approved at a full Council meeting and recorded in minutes; the Council must then manage its activities within budget.

The key stages in the budgeting process are:

- Review of current year budget and spending;*
- Determine the cost of spending plans;*
- Assess levels of anticipated income;*
- Provide for contingencies and the need for reserves;*
- Approve the budget;*
- Set the precept.*

Some Councils may budget to minimise spending to keep the local precept as low as possible, which may sometimes result in the Council doing little for their local community. However, there is evidence that local taxpayers are willing to pay more if they can see the results in terms of better local services. Local electors will often be prepared to contribute more for tangible local community benefits, rather than pay an amount where it appears that the Council is not active on behalf of the community and is merely administering itself."

HOW DOES THE COUNCIL DECIDE THE BUDGET?

A Parish Council must ensure all legislative requirements are met when deciding the budget, ensuring that policies are adhered to and all predicted spend falls within the duties and/or power(s) of a Parish or Town Council.

PREDETERMINATION AND BIAS

The duty on public authorities to avoid bias in their decision-making is essentially part of their duty to act fairly.

Predetermination (where a decision-maker effectively decides on an issue in advance and closes his or her mind to any other possibility) is unlawful and Councillors must comply with S.25 Localism Act 2011 when setting the budget.

Councillors must safeguard their democratically accountable functions, ensuring that any fair-minded and informed observer, having considered the facts, could not conclude that there was a possibility of bias or predetermination in their decision making.

CODE OF CONDUCT

All Councillors are required to act within a Code of Conduct that governs their decision making. The Code of Conduct ensures budgeting decisions are not made for the benefit of any Councillor and that all Councillors act with openness, integrity, objectivity and accountability.

Halton Borough Council Code of Conduct states:

Accountability

Councillors are accountable to the public for their decisions and must co-operate fully with whatever scrutiny is appropriate to their office, including by local residents.

Objectivity

Councillors should remain objective, listen to the interests of all parties appropriately and impartially and take all relevant information, including advice from the authority's officers, into consideration.

Openness

Councillors must be as open and transparent as possible about their decisions and action and the decisions and action of the authority. Councillors should be prepared to give reasons for those decisions and actions. Councillors must not prevent anyone getting information that they are entitled to by law.

Honesty

Councillors must declare any private interests, both pecuniary and non-pecuniary that relate to their public duties and must take steps to resolve any conflicts arising in a way that protects the public interest, including registering and declaring interests.

Integrity

Councillors must not place themselves under any obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

Selflessness

Councillors must act solely in the public interest and must never use or attempt to use your position improperly to confer an advantage or disadvantage on any person or act to gain financial or other material benefits for yourself, your family, friends or close associates.

CONSULTATION

It is good practice for a Council to consult the community to ascertain the needs and aspirations of residents.

Section A of 'The Good Councillor's Guide to Finance and Transparency 2017' states:

"The Council should consider consulting the local community for their views."

In 2018, alongside an explanation of the budget, Hale Parish Council delivered a response form to all households requesting feedback to act as a cornerstone of future action plans, ensuring the budget and precept is allocated to areas of the village residents feel need it the most.

This consultation serves as an evidence base for the budget, highlighting the below;

- How important Green Belt is to residents;
- Concern for traffic speed and parking;
- Worry of increased fly tipping, litter and dog fouling;
- Lack of facilities for the less able – parking, benches, pedestrian crossings;
- Need for increased children's activities;
- Desire for a programme of work to enhance planting and maintain open spaces;
- Fear of airport expansion and increased air traffic over Hale;
- Wish to remain a rural village without development;
- Wildlife enhancement requirements;
- Enjoyment of current village events;
- Pride in sense of community;
- Lack of transport;
- Requirement for more retirement and affordable homes;
- Interest in more courses to be ran in Hale Village Hall;
- Improvement wanted in retail offering – farm shop, butchers, florist etc;
- The necessity for a programme of work to transform the pavements and green spaces;
- Disappointment in appearance of Ivy Farm Court;
- Relevance of a weekly meeting place for sufferers of Dementia and their carers;

- Consequences of not having adequate medical services within the Ward;
- Necessity for expansion of graveyard;
- Keenness to see the introduction of allotments;
- Demand for more involvement in community competitions such as ‘Best Kept Village’ and ‘Village in Bloom’;
- Concern for the lack of protection of trees;
- Frustration in the lack of facilities for young people;
- Desire for independent analysis of pollution generated by the airport;
- Dissatisfaction in parking available at Hale Village Hall;
- Request for film nights in Hale Village Hall;
- Hope for improved broadband;
- Discontent with the current appearance of Hale Village Hall;
- Dismay at lack of recreational facilities;
- Preference for more bridleways;
- Appropriateness of public toilets in the Ward;
- Aspiration to retain historic values and preserve heritage;
- Eagerness to revive traditions such as May Pole, festivals, rural crafts, workshops;
- Yearning for cast iron ‘Welcome to Hale’ signs;
- Value in using Hale’s culture and environment to improve agritourism – a woodland trail, expanded parklands, pumpkin-patch, clay-pigeon shooting, archery, riding etc;
- Use of L24 postcode affecting insurance and emergency services;
- Influence of greater police visibility and importance of safety;
- Requirement of a more active Parish Council;
- Benefits of more to do in the village offering residents a ‘feel-good’ factor;
- Advantages of additional outdoor events – BBQ in the park, fireworks, street fairs;
- Desire to see more Christmas lights around the village;
- Requirement for an adventure playground;
- Interest in the provision of gym equipment in Hale Park.

CALCULATION

S.78 Localism Act 2011 states:

(2) The local precepting authority must calculate the aggregate of–

- a) The expenditure the authority estimates it will incur in the year in performing its functions and will charge to a revenue account for the year in accordance with proper practices,*
- b) Such allowance as the authority estimates will be appropriate for contingencies in relation to amounts to be charged or credited to a revenue account for the year in accordance with proper practices,*
- c) The financial reserves which the authority estimates it will be appropriate to raise in the year for meeting its future expenditure, and*
- d) Such financial reserves as are sufficient to meet so much of the amount estimated by the authority to be a revenue account deficit for any earlier financial year as has not already been provided for.*

(3) The local precepting authority must calculate the aggregate of–

- a) *The income which it estimates will accrue to it in the year and which it will credit to a revenue account for the year in accordance with proper practices, other than income which it estimates will accrue to it in respect of any precept issues by it, and*
- b) *The amount of financial reserves which the authority estimates that it will use in order to provide for the items mentioned in paragraphs (a) and (b) of subsection (2) above.*

(4) If the aggregate calculated under subsection (2) above exceeds that calculated under subsection (3) above, the authority must calculate the amount equal to the difference; and the amount so calculated it to be its council tax requirement for the year.

ESTIMATED EXPENDITURE

COMMUNITY & WELLBEING COMMITTEE

The Wellbeing Committee have resolved to propose a budget of £7,980 for 2019/20.

This year, the Wellbeing Committee have arranged successful community activities and also made plans to run a program of community classes in Hale Village Hall. The Committee would like to continue this work, in line with the Council's evidence base and positive feedback from the community.

The wellbeing Committee would also like to arrange a 'Picnic in the Park' on August Bank holiday alongside a charity cricket match to mark the 125th anniversary of Hale Parish Council.

3 x Adult Learning Courses = £1,950 (£650ea)

6 x Children Activities = £1,500 (£250ea)

4 x Adult Activities = £1,000 (£250ea)

Hall Hire for Meetings = £30pa

Picnic in the Park = £2,500

Contingency = £1,000

Total = £7,980

GUILDSWOMEN COMMITTEE

The Guildswomen Committee have resolved to propose a budget of **£500** for 2019/20.

The Guildswomen award was conceived in 1994 to mark the centenary of Hale Parish Council, with the first Guildswomen receiving their award on 2 March 1995. The Parish Council have presented the awards every year since, and 2019 will see the 25th year of Guildswomen presentations. The budget is proposed to be used by the Committee to hold an afternoon tea to celebrate the achievements of the women who have received the award over the last 25 years.

CIVIC SERVICE COMMITTEE

The Civic Service Committee have not requested a budget for 2019/20.

ENVIRONMENTAL WORKING PARTY

The Environmental Working Party have not requested a budget for 2019/20.

STAFFING COMMITTEE

The Staffing Committee have not requested a budget for 2019/20.

LIVERPOOL AIRPORT COMMITTEE

The Liverpool Airport Committee have not requested a budget for 2019/20.

In 2018/2019, Hale Parish Council had an earmarked reserve of £4,965 collected over ten years ago to be spent on challenging the expansion of the airport.

Following planning applications from the airport in 2018, triggering their 'masterplan', the Council held a public consultation during an extra-ordinary meeting and resolved to submit robust objections under the legal direction of Richard Buxton & Co Solicitors.

Whilst subsequent challenges did deplete the majority of the reserve, this fund was able to realise its initial purpose and the Council felt it important to use the reserve to deliver the aim for which it was originally collected. Parish Councils do not hold savings and as such an ear-marked reserve held for over ten years was not delivering any beneficial outcomes for Hale. Whilst it did take ten years for the airport to trigger planning applications of the masterplan, this reserve played an important role in the objections raised by Hale Parish Council, and without using it the Council would not have been in a position to defend the village as strongly.

The Liverpool Airport Committee have a remaining earmarked reserve of £133.27.

WAR MEMORIAL COMMITTEE

The War Memorial Committee have not requested a budget for 2019/20.

The War Memorial Committee have an earmarked reserve of £1,286.75 which remains currently unused since it was collected for the works to the memorial green during the Millennium.

PARISH PLAN COMMITTEE

The Parish Plan Committee anticipate a budget of **£17,000** for 2019/20, being covered entirely by grant funding applications.

RESERVES

Hale Parish Council currently hold a number of reserves:

General Reserve: £500

Maintenance Reserve: £500

War Memorial Reserve: £1,286.75

Greenbelt Reserve: £1,500

Defibrillator Reserve: £100

Hale Village Hall Reserve: £1,000

Legal Fees Reserve: £1,000

Liverpool Airport Reserve: £133.27

Total: £6,020.02

The General Reserve is currently much less than the minimum recommended amount.

Section A of 'The Good Councillor's Guide to Finance and Transparency 2017' states:

"Local councils need to hold an amount in reserves to meet unexpected expenditure, otherwise they could run out of money before the end of the year.

A council should typically hold between 3 and 12 months expenditure as a general reserve. If the general reserve is too low then it may not be enough to cover unexpected expenditure or emergencies...

The Council may have 'earmarked reserves' for specific projects, where money is allocated for a specific purpose but may not be spent in that financial year."

It is recommended in coming years that Hale Parish Council hold a general reserve of £10,000-£15,000.

It is advised in 2019/2020 to uplift the current General Reserve to £5,000 (an increase of **£4,500**) - a figure that would at least cover the charge-back amount if a by-election had to be called.

Section A of 'The Good Councillor's Guide to Finance and Transparency 2017' states:

"Many councils also hold an 'election reserve', as all reasonable costs of holding local council elections can be fully recharged by the district or unitary council to the local council."

CONTINGENCY

The main unbudgeted items purchased in 2018/19 included a 'There But Not There Tommy' at a cost of £750, a noticeboard at a cost of £1,075 and photography at a cost of £420.16.

Costs regularly exceeded estimates in 2018/19, with postage often uplifting the price of items significantly.

It is proposed to hold a 2019/2020 contingency of **£2,000**.

GRANTS

The Council budgeted £800 and £250 for the Carnival Committee in 2018/19 for general costs and a 'make-and-take'.

St Mary's Church received £1,200 for maintenance of the graveyard.

An amount of £500 was granted to the Mayor's Fund.

An amount of £100 was budgeted for the hall exhibition.

The Council also budgeted £500 for any village in bloom projects in 2018/19.

It is proposed to hold a 2019/2020 grant budget of **£3,350**.

CHRISTMAS

Ongoing costs for Christmas increased in 2018/19 with the addition of a Christmas Festival, from £200 to approximately £350.

Councillors have expressed an interest for this to become an annual event.

It is proposed to hold a 2019/2020 Christmas budget of **£350**.

TRAINING

In line with current spending, it is proposed to budget **£2,000** for clerk and Councillor training in 2019/20, with an additional **£250** for training resources.

INSURANCE

The Council's insurance currently costs approximately **£2,000** per annum.

COMMUNICATION

The annual running cost of www.haleparishcouncil.gov.uk is **£550** including domain, hosting and emails.

The newsletter budget is proposed to remain the same at **£1000** for 2019/2020.

AUDIT

The internal audit in 2019/20 is anticipated to cost approximately **£500** and the external audit is anticipated to cost approximately **£1,000**.

SUBSCRIPTIONS

Subscriptions to CHALC, SLCC, and CCA total **£750**.

STAFF

Clerk's salary is anticipated to be in line with the new SCP 24-28 (effective as of 1 April 2019). This will deliver an hourly rate of approximately £15.40 per hour. With the clerk's agreed workload set at fifteen hours per week, this produces an overall annual salary of **£12,045** with an additional provision of a phone allowance at **£80pa**, home office allowance at **£216pa** and expenses at **£300pa**.

The budget for the Landscape attendant currently stands at **£700**pa.

ADMINISTRATION

Administration costs of £650 were budgeted in 2018/2019.

With an underspend, it is proposed this be set at **£325** for 2019/2020.

ALLOWANCES + EXPENSES

Allowances and expenses are anticipated to total £1,500 for the year 2018/2019.

It is proposed to set a 2019/2020 budget of **£1,000**.

PROFESSIONAL SERVICES

An annual payroll service totals **£91** and the use of Scribe accounting software costs **£283**.

OPEN SPACES

The Parish Council has received complaints about the maintenance of open spaces for over forty years, and recent liaison with Halton Borough Council to provide additional grass cuts for the Ward has been unsuccessful.

With no other service delivery available, it is within the power of the Parish Council to supplement the service provided by the Local Authority.

With additional grass cuts and proper edging, aeration, scarification, weeding, and fertilisation, poorly maintained areas such as Bailey's Lane, High Street, Arklow Drive, Aran Close, Church End, Cocklade Lane, Town Lane, Pepper Street, and Hale Park Estate could be completely transformed.

It would be anticipated that a lengthsman would be required for 2-3 days per month, from March to October (8 months).

This work would necessitate the additional one-off purchase of a lawnmower at approximately **£500** and an estimated annual petrol overhead of **£250**.

To complete this ground work would require a budget of **£2,100** in 2019/2020 to ensure delivery of a quality service.

VILLAGE HALL

Whilst the income of the new village hall doubled in its first year of operation, in comparison to the year prior to the old hall being demolished, increased overheads have needed substantial support from the Parish Council.

It should be remembered that Hale Village Hall is not subsidised, owned or funded by Halton Borough Council and the Parish Council have the burden of sustaining all overheads to ensure this vital provision remains open.

Ongoing annual costs include:

Insurance: £1,000
Rates: £300
Water: £500
Gas: £2,500
Electric: £1,500
Maintenance: £500
Lengthsman: £800
Lift servicing: £100
Fire extinguisher servicing: £50
Gas safety certificate: £150
PRS music licence: £166
Green bin collection: £100
Premises licence: £150
Broadband: £600
Website: £250
Village Hall Reserve: £1,000
Contingency: £334
Total: £10,000

A buy-a-brick fund needs to be maintained at approximately £500 to cover installation costs in 2019/2020.

The caretakers salaries currently total £6,387.50 per annum. In 2018/2019, the Council made a commitment to honour the UK Living Wage Foundation's rate of £8.75 per hour. This increased to £9.00 in November 2018 and would result in a new annual caretaker expenditure of £6,570.

In addition to the above, the Village Hall Committee would like to complete the below works:

Purchase of new table tops: £838
Completion of bar: £200
New chairs in foyer: £1,200
Additional high capacity kitchen equipment: £5,447
PA System: £1,500
CCTV: £600
Acoustics Survey: £500
Additional Car Parking: £1,500
New crockery and cutlery: £1,000
Total: £12,785

The total estimated outgoings of the Village Hall for 2019/2020 stands at £29,855. With an anticipated income of approximately £9,000, the total budget request from the Village Hall Committee stands at **£20,885**.

BUDGET RESOLUTION

The Resources Executive Committee propose the Council accept the below budget for 2019/2020 of £82,475. With income of £17,000 expected in grant funding, an amount of £65,475 remains to be generated.

Existing Reserves:

General Reserve: £500
Maintenance Reserve: £500
War Memorial Reserve: £1,286.75
Greenbelt Reserve: £1,500
Defibrillator Reserve: £100
Hale Village Hall Reserve: £1,000
Legal Fees Reserve: £1,000
Liverpool Airport Reserve: £133.27
Total: £6,020.02

Estimated Expenditure 2019/2020:

Insurance: £2,000
Communication: £1,550
Audit: £1,500
Regulatory Body Subscriptions: £750
Staff: £13,341
Administration: £325
Training: £2,250
Allowances + Expenses: £1,000
Wellbeing: £7,980
Guildswomen: £500
Parish Plan: £17,000
Reserve Uplift: £4,500
Contingency: £2,000
Grants: £3,350
Christmas: £350
Professional Services: £374
Open Spaces: £2,850
Village Hall: £20,885
Total: £82,475

Estimated Income (Excluding Precept):

Parish Plan Grant: £17,000
Total: £17,000

THE PRECEPT

WHAT IS IT?

The precept is an amount collected by the Local Authority on behalf of the Parish and distributed by Hale Parish Council to meet the needs of the community.

HISTORICAL CONTEXT

The first precept resolved to be levied by Hale Parish Council was the sum of £5 in January 1895, a few months after the Council was formed in 1894.

The largest ever precept increase occurred in 1979, seeing a year-on-year rise of 87.5%, at the request of residents for a contribution to the restoration of St. Mary's church.

Over the past twenty-five years, the Parish Council has levied the below sums:

YEAR	PRECEPT
2018/19	£43,225
2017/18	£26,131
2016/17	£26,131
2015/16	£16,000
2014/15	£15,400
2013/14	£15,400
2012/13	£16,600
2011/12	£15,874
2010/11	£15,874
2009/10	£15,412
2008/09	£15,412
2007/08	£17,565
2006/07	£13,565
2005/06	£13,565
2004/05	£13,565
2003/04	£13,565
2002/03	£13,565
2001/02	£13,384
2000/01	£13,090
1999/00	£12,602
1998/99	£11,725
1997/98	£11,725
1996/97	£10,750
1995/96	£13,100
1994/95	£10,000

During the last twenty-five years, Hale Parish Council has recurrently not maintained a precept in line with the National average, frequently resolving not to increase the precept.

Through a review five years ago, in 2014, the Council became aware of the pressure a lack of finance was creating on delivery of provision. The precept between 1994 and 2014 increased at a rate significantly lower than inflation and as a result, ongoing costs of the Parish became increasingly difficult to cover.

With future projects in the pipeline and increased feedback from the community with additional aspirations, Hale Parish Council realised a need for further financing in order to continue serving the needs of the village.

Having successfully attained £600,000 of external funding since 2014 to rebuild Hale Village Hall, Hale Parish Council increased the precept over the same timeframe to an amount approximately in line with the National average.

YEAR	Band D (National Average, England)	Band D (Hale, Halton)
2018/19	£64.05	£65
2017/18	£61.03	£39
2016/17	£57.40	£39.65
2015/16	£54.12	£24.65
2014/15	£52.37	£23.95
2013/14	£50.19	£23.91
2012/13	£47.74	£22.77
2011/12	£45.88	£21.66
2010/11	£44.55	£21.78
2009/10	£42.51	£21.14
2008/09	£40.26	£21.29
2007/08	£37.39	£24.33

This increase has enabled the Council to meet further ongoing costs, respond more effectively to the needs of the community, and provide at least as much resource for Hale as other Parish Councils do for their communities across the Country.

NATIONAL POSITION

Many Parish Councils in England must raise a precept to cope with increased responsibilities and community needs.

In 2018 there was an average Band D parish precept increase of 4.9% in England.

In 2017 there was an average Band D parish precept increase of 6.3% in England.

In 2016 there was an average Band D parish precept increase of 6.1% in England.

COMPLAINTS

Councils may receive complaints about their operations and services and any member of the public who is dissatisfied with a decision made by the Council can make a formal complaint.

Hale Parish Council have a legislative responsibility to handle complaints and hold records of complaints in compliance with the Freedom of Information Act 2000 and the Data Protection Act 1998. The Council also have an obligation to notify insurers of any complainant seeking redress for loss or damages.

Hale Parish Council have adopted a standard form for complainants to use when submitting their complaints which can be obtained on the website or by contacting the clerk.

In the past ten years, two complaints relating to the precept have been received by the Parish Council.

2018: 0 Complaints Received.

2017: 0 Complaints Received.

2016: 2 Complaints Received.

2015: 0 Complaints Received.

2014: 0 Complaints Received.

2013: 0 Complaints Received.

2012: 0 Complaints Received.

2011: 0 Complaints Received.

2010: 0 Complaints Received.

2009: 0 Complaints Received.

BANDS

There are approximately 818 households in Hale. The majority of households (63%) fall within Bands A-C.

	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
Number of Households	32	160	315	119	105	49	33	4

COUNCIL TAX

In 2018, Halton Borough Council increased the Council Tax on a Band D property by 5.15% (£79.80) per annum to £1,629.80. The precept of a Band D property in Hale was £65 and equated to 3.84% of the overall Council Tax bill. This sum equates to a Band D house paying approximately 4p to Hale Parish Council for every £1 collected by Halton Borough Council.

It should be noted that Halton Borough Council must have regard for any precepts requested prior to setting its own Council Tax, in line with National regulations.

S.74 Localism Act 2011 states:

Council tax calculations by billing authorities in England

(2) The authority must calculate the aggregate of-

(a) the expenditure which the authority estimates it will incur in the year in performing its functions and will charge to a revenue account,...

(6) In estimating under subsection 2(a) above the authority must take into account the amount of any precept issued to it for the year by a local precepting authority...

It is anticipated that increases to Council Tax for 2019/20 will result in an increase of at least approximately £80 for a Band D property. As a large portion of this increase is to be incurred to meet funding gaps, with negligible improvements in service provision, it is unfortunately likely that this increase will come at no further benefit to residents of Hale.

Hale Parish Council can continue to provide further benefits to residents of Hale and this is likely to only be achieved by levying a precept for 2019/2020 to ensure the Parish Council can continue to provide a vital service for the Parish. This will be coupled with the Council securing external funding to supplement the remaining deficit budget.

PRECEPT RESOLUTION

The Resources Executive Committee propose the Council accept a precept levy for 2019/2020 of £43,225, remaining unchanged since 2018/2019, leaving a deficit budget of £39,250 to be generated by Councillors through alternative funding streams and grants.