

Newton Kyme Parish Council Financial review – 2017/18Yr 1 – 2018/19Yr2 -2019/20Yr3

Precept requirement budget justification

Following the receipt of professional advice, in the interest of transparency and in support and explanation of our current and future precept needs to SDC and our residents the Parish Council has concluded that it is good practice to prepare a strategic outline relating to the main items requiring financial expenditure in the period 2017/2018/2019 and beyond.

Background

The PC has over a number of years operated prudently with the specific objective of building up a significant (in proportion to its income) financial reserves. This strategy was implemented to provide financial reserves in the event of three significant eventualities and a recognised need for available cash i.e.

- A) the legal costs which might have been necessarily incurred relating to the development of the village at Papyrus where initially there was considerable debate over the use of the site for example if a supermarket or Hotel complex had been proposed this would have led to significant and costly legal dispute with landowners and developers.
- B) the application to build a wind turbine – which would have blighted the village. This involved a protracted 2-year campaign, the submission of a 100-page detailed review, and the management of an independent review. It was anticipated that the co-ordination and production of this report would incur significant expenditure but in the event the professional participants agreed to donate their time FOC.
- C) The Village Hall – the PC agreed more than 10 years ago to meet the insurance costs of the Village Hall. The Hall has been demolished at a cost further underwritten by the PC and negotiations have been underway with the Trustees to transfer the ownership of the Village Hall to the PC. The cost of this transfer has still to be agreed.

Each of these items individually could easily have absorbed the total cash reserves of the PC despite these reserves being accumulated to a greater level than traditionally would be normal relating to our precept income.

The Papyrus development and Turbine projects have now been completed without significant use of reserves however the doubling in size of the village the village hall and other items reviewed below necessitate a harnessing, focussed expenditure plan together with an increase in our financial resources

1) Village Hall

It is now anticipated that the Trustees of the Village Hall will conclude negotiations during the current year with the PC in settlement of all expenditure liabilities relating to the public liability insurance and building demolition costs of the village Hall site.

The land ownership, together with a leasing arrangement for part of the site will be transferred to the Council providing a significant asset for the Village. This transfer including liabilities, potential legal fees and necessarily incurred costs relating to fencing landscaping etc. are expected to be c£2,000.

Stage 1 Cost £2,000 Year 1 This is the first phase of a three-phase project

2) Liability Insurance

Public liability insurance will then be required £400 pa. Ongoing Annually.

Stage 2 will involve securing the site, making it vandal and traveller proof

Cost £1,000 Year 2

Stage 3 there will then be a future use debate and consultation process involving Village residents relating to the use of the land. Options include car parking, village amenity - for example a children's play area, a landscaped garden, allotments, or the erection of a new hall which would be a huge undertaking and asset to the village. The PC regrets that plans to facilitate a new village hall were abandoned by Selby planners during the planning process of the new development as this amenity was regarded by the PC as a vital hub relating to social, educational and recreational activity for the expanded village.

The costs involved are difficult to quantify potentially ranging from say £5000 to £200,000 so at this stage the PC are including a piece cost of £5000 to cover stage 1 and 2 with an allowance for a small amount for professional advice relating to stage 3

Cost £2,000 Year 3

Other Capital Expenditure

3) Notice Boards

Of the two PC notice boards, one was replaced several years ago but needs maintenance the other in urgent need of replacement as it is unfit for purpose – Replace on a like for like basis will cost £500 plus £200 preparation and fitting. The other notice board will require weatherproofing and maintenance in year 2 say £400

Total Cost (Replacement & refurbishment) Year 1 £700 Year 2 £400

4) Pond Seat

A new seat of suitable wooden construction will be required for the pond area – this is to be included in the budget at a later stage given other priorities

Cost £600 Year 3

5) Grass Cutting and Maintenance

The need for the council to meet its village maintenance obligations needs to be provided and it is recognised that with the extension of the village the maintenance extent and costs mainly grass cutting need to be reviewed.

Cost £1000

6) Professional Support & Administration

The village has now doubled in size and given the increasing need to ensure compliance the Parish Council made the decision to recruit for 2017 a professional clerk to provide additional administrative capacity and professional advice. An appointment was made which for reasons of cost, contractual matters and performance has not been a success and ended in September 2017. This change will require some additional one off input and therefore cost is expected to be higher than the norm in 2017 as a replacement is recruited and an audit and updating completed.

Cost has been calculated 1 hour per week @£15 per hour plus 20% = £18 per hour

1 hour per week £18 x 48 weeks = £864

4 meetings per year 6 hours to prepare and attend 4 hours administrative follow up 10 x 4 = 40 x £18 = £720

Budget / finance / audit 2 hours per quarter 8 hours x £18 = £120

Total £1704

An additional 16 hours have been allowed in year one to complete the backlog of work

Cost £2000 Year 1 £1704 PA ongoing

7) **Cycle Path/Sustrans**

The creation of a cycle path across the viaduct by Sustrans significantly increases access to the village which may well create the need for expenditure. There have been historical discussions with Sustrans going back some 15 years relating to the concerns of car parking, access (particularly motor bikes), littering, amenity provision, route planning safety and security. The village will undoubtedly have many more external people passing through and the viaduct does present a new quick access route for both legitimate and criminal activities.

We have found Sustrans a difficult organisation to deal with and one which has made no effort to engage the PC in the evolution and development of plans in what is a significant and permanent change to the village environment.

The Village Hall site adjacent to the cycle path will attract Parking nuisance unless the site is securely fenced (as per stage2) however it has also been identified (from recent road markings) that entry is envisaged/permitted and the PC will need to engage Sustrans or the developer relating to the installation of entry barriers (presumably planned but not to date evident) at the junction of the cycle path and the A659.

We hope that engagement will occur however it is prudent to provide provision (as the PC did some 15 years ago) for expenditure relating to this development. This involvement could range from zero to £very substantial in the case of legal advice being required or a legal challenge being initiated.

Cost £0 - £30,000

Provision £5000 Split across 3 years £1,000 - £2,000 - £2,000 it should be noted that this is a provision which would be nowhere near the cost of even a minor legal dispute requiring professional input.

8) **Transparency and Communication - Web**

Given the doubling of the village size the council is acutely aware of its obligations relating to transparency requirements and governance. The Council has in place a basic Web site however there is a significant need for this to be developed and made more interactive.

A scoping project is underway and a provision needs to be made to incorporate a link to the existing Newton Kyme News and modern media applications e.g. Facebook, a quarterly update, breaking news etc.

Cost £1500 Split Year 1 £500 Year 2 £1000 then £250 maintenance from year 3

Other significant expenditure

9) Village Flood Protection

During the Christmas of 2015 the village was significantly impacted by the flooding which devastated the Wharf Valley and partially destroyed the bridge at Tadcaster. Some 25 homes in the village locality were impacted with significant negative impact upon adjacent farmland productivity and the environment.

This has led to the formation of a registered Flood Group who have produced various plans working with various Authorities. The full extent of the work to be undertaken is still being evaluated however similar contingency work elsewhere has cost in the region of £80,000.

Various grant aid is available for this work however a key component in obtaining these monies is local community participation - both practical and financial. The professional advisers for the project give their time FOC however some expenditure is required. During 2017 the commitment below has been made this relates to

Feasibility Study Specialist Advice – up to 3 days @ £660 per day £1980

First stage work to clear ditches adjacent to the village £2000

Clearance, restoration of reed beds, restoring village amenity – Village Pond £2000

Total Cost £7480 split £3980 Year 1 £2000 Year 2 £1500 ongoing

To minimise expenditure, it is anticipated that the PC will organise a volunteer day of village residents to conduct a FOC working party clearance of the pond area.

10) Church Support

The PC has a long-term obligation relating to meeting some of the costs associated with St Andrews Church which is the only religious and social meeting place for the community. In addition to religious activities the church is the venue for PC meetings and a facility for others eg the bread fund charity

Cost £1500 pa

Other matters

There are various other current and imminent issues which may require the PC involvement and a financial cost these include

1. Traffic calming on Rudgate. "Slow Down" or "Beware Horses" Signage and passing place provision.

2. Standing water on village roads. Drainage grip maintenance. Footpath maintenance. Utilities work inadequate reinstatement.

3. Reinstatement of land fill site. Operator's obligations for landscaping, replanting and provision of ditches to manage surface run-off.

4. Nature reserve at Papyrus. Developer's Planning Permission obligations for landscaping contaminated land area to the rear of the development to be monitored/accepted.

6. Churchyard maintenance

7. Insurance (currently £320 pa)

8. Audit Fees

The cost scope and timing of these items need to be quantified however it is prudent to assume that some expenditure will be required

Cost say £1,000 PA

The above is a strategic view of the main items impacting upon expenditure. The total £29436 or an average of c£10,000 pa is a realistic estimate however it does represent a considerable additional amount above our current income stream. Given that the village has doubled in size and that this is the first time a strategic 3 year overview following a meticulous process has been applied this is no surprise.

Such an increase requires careful planning (of which this review is the first step), management and auditing. The council intend to prudently use some of its reserves to meet these needs however a significant increase in income is plainly required.

All organisations need to relate expenditure to income and prioritise and the PC income of course comes through the collection of a precept paid by village residents this is linked to rateable value the principles of which are outlined on the attached sheet. For the current year income is £2828 and estimated across the 3 years at £8602 average £2867 produces a deficit of £20834. This income was generated before the expansion of a further approx 120 houses (to be verified)

Budgetary Strategy

The village has expanded virtually doubling in size to 240 properties.

It is proposed to limit expenditure to the average of £10,000pa using some reserves, capturing FOC volunteering input (professional and physical) and increasing the precept

This would require a precept of £41.66 per household (£10,000 divided by 240 households plus use £1000 from reserves)

The PC can review expenditure and phasing as the period proceeds although the preliminary split would be as follows

Item	2017/8	2018/9	2019/20
1 Village Hall	2000	1000	2000
2 V Hall Public Liability Insurance	400	400	400
3 Notice boards	700	400	0
4 Pond seat	0	0	600
5 Grass	1000	1000	1000
6 Administration	2000	1704	1704
7 Cycle Path	1000	2000	2000
8 Web	500	1000	250
9 Flood Protection	3980	2000	1500
10 S137 Church Grant	1500	1500	1500
11 General Maint etc	1000	1000	1000
Total	14080	12004	11954
Current precept Income (rounded)	2828	2774	3000
Surplus / (deficit)	(11252)	(9230)	(8954)
Current reserves (rounded) to be allocated	8457	Reserve contingency to be reduced to c £6000	Reserve contingency to be reduced to c£5000

This overview is the first stage of this required process, the document has been reviewed by the PC and communicated to residents to seek input. Once approved it is intended to be submitted at an early stage into the process at District level for informal initial discussion and then formally form the basis of the budget to be submitted to Selby District Council later in the year

Bob Hall

Chairman

Newton Kyme Parish Council

November 2017

V4

Parish Councils can raise revenue to help meet their spending requirements by issuing a 'Precept'. This is the total amount to be raised through the Council Tax from all the dwellings within the Parish area. The 'Precept' is converted into an amount per Council Tax Band that is added onto the Council Tax bill.

The amount is calculated on Band B properties. To calculate the additional Parish Charge amount for the other bands, multiply the amount shown for band D as follows:

Band A = Band D Charge $\times 6 \div 9$

Band B = Band D Charge $\times 7 \div 9$

Band C = Band D Charge $\times 8 \div 9$

Band E = Band D Charge $\times 11 \div 9$

Band F = Band D Charge $\times 13 \div 9$

Band G = Band D Charge $\times 15 \div 9$

Band H = Band D Charge $\times 18 \div 9$

The district councils revenues and benefits teams collect council tax on behalf of the county council, police, fire and any parish councils in their district (as well as for themselves). They then allocate the money and send it on to the relevant organisations.

Parish councils set their own level of precept and let the district council know each year what level they would like to set it at. It is unclear as to how the levels are set but it seem that Parish & Town Council estimate the money they will need for basic running costs. Clerks' wages etc, based on previous spend and in some cases add extra to meet the cost of specific time limited projects.

Interestingly, parish councils are the only organisations in the list above which does not have a cap in terms of how much it can increase the precept each year. Council tax revenues differ depending on the number of council tax payers in their parish and also on the level at which that parish precepts per household. Some of the parishes leave the precept at the same level each year whilst some increase it to do a particular piece of work.

Each year, the district councils issue a [council tax leaflet](#) which sets out how the money they collect in council tax is allocated and, generically, how it is spent.