

# ASTON, COTE, SHIFFORD & CHIMNEY PARISH COUNCIL

## CLERK'S BRIEFING NOTES

### PARISH COUNCIL MEETING ON 3 NOVEMBER 2016

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**Correspondence sent since 6 October 2016**

- a) Letter to WODC Planning Department with objections to Gladman Developments application for new development on Cote Road
- b) Letter to DCLG with response to their consultation on the 2017/18 Local Government Finance Settlement

**Financial Matters****1. Cash Balances**

	£
<i>SANTANDER CURRENT ACCOUNT</i>	
Balance at 30 September 2016	NIL
<b>Balance at 31 October 2016</b>	<b><u>NIL</u></b>
 <i>UNITY TRUST CURRENT ACCOUNT</i>	
Balance at 30 September 2016	1,946.62
Receipts in month – second instalment of precept	12,907.00
November payments	(1,807.81)
<b>Balance at 31 October 2016</b>	<b><u>13,045.81</u></b>
 <i>NATIONWIDE DEPOSIT ACCOUNT</i>	
Balance at 30 September 2016	39,106.79
Transactions in month	NIL
<b>Balance at 31 October 2016</b>	<b><u>£39,106.79</u></b>
 <i>SANTANDER BUSINESS DEPOSIT ACCOUNT</i>	
Balance at 30 September 2016	534.46
Transactions in month: interest received	0.13
<b>Balance at 31 October 2016</b>	<b><u>£534.59</u></b>
 <b>TOTAL CASH HOLDING AT 31 OCTOBER 2016</b>	<b><u>£41,587.87</u></b>

**Financial Matters****2. Bank Reconciliations at 30 September 2016**SANTANDER CURRENT ACCOUNT

	£
Bank Statement Balance at 30 September	NIL
Reconciling items NONE	NIL
Cash Book Balance at 30 September	<u>NIL</u>

UNITY TRUST CURRENT ACCOUNT

	£
Bank Statement Balance at 30 September	1,946.62
Reconciling items NONE	NIL
Cash Book Balance at 30 September	<u>1,946.62</u>

SANTANDER DEPOSIT ACCOUNT

	£
Bank Statement Balance at 30 September	534.46
Reconciling items NONE	NIL
Cash Book Balance at 30 September	<u>534.46</u>

NATIONWIDE DEPOSIT ACCOUNT

	£
Bank Statement Balance at 30 September	39,106.79
Reconciling Items NONE	NIL
Cash Book Balance at 30 September	<u>39,106.79</u>

**ASTON, COTE, SHIFFORD & CHIMNEY PARISH COUNCIL**  
**6 MONTHS ENDED 30 SEPTEMBER 2016**  
**RECEIPTS & PAYMENTS ACCOUNT**

	Relevant Statute	BUDGET		ACTUAL	PRIOR YR
		Full Year Budget 2016/17	Budget for 6 months 2016/17	6m ended 30 Sept 2016/17	6m ended 30 Sept 2015/16
<b>RECEIPTS</b>					
Precept		25,055	12,528	12,528.00	12,193.00
Council tax support grant (WODC)		760	380	380.00	313.74
Grants (grass cutting)		1,049	1,049	1,048.60	1,048.60
Interest		110	55	5.24	38.10
Sundry				8.00	
VAT refund received				702.17	
<b>TOTAL RECEIPTS</b>		<b>26,974</b>	<b>14,012</b>	<b>14,672.01</b>	<b>13,593.44</b>
<b>PAYMENTS</b>					
<u>Ordinary Expenditure</u>					
Clerk's Salary	LGA 1972, s112	4,358	2,174	2,174.20	2,116.80
Office equipment	LGA 1972, s111				
Office running costs	LGA 1972, s111	500	250	157.67	192.78
Bank charges				18.00	
Website	LGA 1972, s111	105	105	193.20	0.00
Insurance	LGA 1972, s111	456	456	411.86	434.03
Audit	LGA 1972, s111	200	0	0.00	100.00
Election cost (2014 election)	LGA 1972, s111	0	0	0.00	82.96
Village Hall Rental/Cost APM	LGA 1972, s111	40	40	32.39	76.80
Subscriptions	LGA 1972, s143	362	219	208.04	209.39
Chairman's Allowance	LGA 1972 s15(5)	100	40		
<u>Expenditure under Statute</u>					
Grass Cutting - verges & War Mem	HA 1980, s116	5,056	4,189	2,442.30	1,789.75
Grass Cutting - playing field	LG(MP)A 1976, s19	1,080	936	648.00	616.00
<b>Grants - See Separate Analysis</b>		<b>2,850</b>	<b>840</b>	<b>870.00</b>	<b>1,800.00</b>
Dog & Litter Bin Emptying	Litter Act 1983	203	102	106.26	87.65
Training & Travel	LGA 1972, s174	220	110		0.00
Clock Maintenance	PCA 1957, ss2 & 6	202	202		
Bus Shelter Cleaning	LG(MP)A 1953, s4	113	56	54.00	52.00
Repairs (incl Cote phone kiosk)		500	250		
<u>Expenditure from "Free Resource" (S137)</u>					
Village maintenance/Lengthsman		2,000	1,000	190.00	210.00
Subscriptions		106	106	106.00	101.00
<b>Grants - See Separate Analysis</b>		<b>1,430</b>	<b>640</b>	<b>0.00</b>	
<u>Projects</u>					
Queen's Birthday Medals	LGA 1972, s137			367.29	0.00
Bench donated to Comm.Trust				324.98	
Pedestrian Barrier Works				421.81	
Defib at Village Hall	PHA 1936 s234				177.44
Contingency Sum		5,000	2,500		
VAT Paid				704.59	499.42
<b>TOTAL PAYMENTS</b>		<b>24,881</b>	<b>14,215</b>	<b>9,430.59</b>	<b>8,546.02</b>
<b>Excess/(Deficit) of Receipts over Payments for Financial Year</b>					
		<b>2,093</b>	<b>(203)</b>	<b>5,241.42</b>	<b>5,047.42</b>
<b>Reserves</b>					
Opening at 1 April		36,346		36,346.45	
Closing at period end		38,439		41,587.87	
<b>Closing reserves analysis:</b>					
Working day to day balance		5,000		12,387	
Contingency Reserve		0		5,000	
Recreation reserve		33,439		24,201	
		<b>38,439</b>		<b>41,588</b>	

## **ASTON, COTE, SHIFFORD AND CHIMNEY PARISH COUNCIL DRAFT BUDGET 2017/18 – VERSION 1**

### **1.0 Overview**

- 1.1 A first draft of the budget for 2017/18 is attached. The precept for the year needs to be agreed at the January meeting at the latest as it must be submitted to the District Council shortly thereafter.
- 1.2 The District Council has not yet provided information on the level of the council tax support grant (introduced in 2013/14 to compensate local authorities for the impact of the localisation of the effect of council tax benefits receivable by local residents) and the council tax base for 2017/18. The council tax support grant for 2016/17 was £760 and the council tax base (the number of households across which the precept is split) was 513.83 in 2016/17. For this version of the budget it has been assumed that these figures will be unchanged in 2017/18.
- 1.3 The first draft budget shows recurrent expenditure of £19,994 and no planned one-off (project) expenditure. The total expenditure is reduced to a net of £18,915 when the non-precept income budgeted is offset against it (the grass cutting grant from Oxfordshire County Council and interest on the deposit accounts).
- 1.4 Built into the precept requirement is the usual general contingency sum of £5,000 to cover unexpected expenditure during the year and a working day-to-day balance of cash funds required to carry forward at the end of the year of £5,000. Holding a reserve of £10,000 has previously been agreed to be sufficient to give the council financial security, given its limited assets and unavoidable commitments.
- 1.5 In 2015/16 the Parish Council resolved to increase the precept by an additional £6,850 for three years to build up a recreation reserve of £32,000.00. 2017/18 will be the third year of that increase.
- 1.6 Including this increase, the total “traditional” precept (the precept for tax setting purposes combined with the council tax support grant) in 2016/17 was £25,815 (£25,055 after deducting the council tax support grant).

### **2.0 Reserves**

- 2.1 The forecast out-turn for 2016/17 (after allowing for the transfer of £6,850 into the recreation reserve) is a surplus of £2,118.
- 2.2 The surplus has arisen due to the costs of the grass cutting paid to West Oxfordshire District Council being lower than budget due to their inflationary uplift being 1% rather than the 5% budgeted, lower than budgeted expenditure on village maintenance (forecast actual of £490 compared to budget of £2,000) and lower than budgeted donations requested by charities outside the parish (forecast actual of £960 compared to budget of £1,430), offset by higher expenditure on clock maintenance, the website, bank charges and the one-off projects in 2016/17 – the commemorative medals and bench and the work to the pedestrian barriers.
- 2.3 The actual out-turn for 2015/16 was a surplus of £12,421, of which £6,850 was added to the recreation reserve, as planned, leaving a general surplus of £5,571.

- 2.4 The forecast reserves at 31 March 2017 are £46,021. This is made up of: recreation reserve £27,626, general contingency sum of £5,000 and a working day-to-day balance of £13,395.
- 2.5 As noted in 1.4, the planned working day-to-day balance for the Parish Council is £5,000.00, so the forecast balance at 31 March 2017 is £8,395 above this, arising from the actual surplus achieved in 2015/16 and the forecast surplus for 2016/17.
- 2.6 Parish Councils are not permitted to hold reserves above planned basic levels unless they are for a designated purpose. The Parish Council needs, therefore, to decide what to do with the extra reserves. These could be added to the recreation reserve (which would then be £42,871 at 31 March 2018 compared to the original target of £32,000) or be ring-fenced for another purpose – to contribute towards the Community Trust's current plans for the children's playground for example (subject to the Trust being able to meet any conditions attached to a donation) or to set aside funding for traffic calming to match the funds expected from the Gladman development(s) so that an effective measure can be installed.
- 2.7 Alternatively, the Parish Council could reduce the precept, but see information in 3.0 below about the potential impact of the Government's suggested extension of the referendum principle to all precepting authorities.
- 3.0 **The Referendum Principle**
- 3.1 Since 2012/13, local authorities have been required to hold a referendum to agree any increase in council tax considered to be "excessive". For 2016/17, the Government legislated that "excessive" was an increase above 2% for councils with no social care obligations and 4% for councils with social care obligations.
- 3.2 Since the legislation was introduced local (town and parish) councils have been exempted from its requirements. As part of the Technical Consultation on the Local Government Finance Settlement for 2017/18, the Government is consulting on the potential extension of the referendum principle to all precepting authorities, including smaller parish councils like ours.
- 3.3 This could mean that were the Parish Council ever to wish to or to need to increase the precept in a future year by the greater of 2% or £5 per band D household (an estimated £2,570 for our parish), then the Parish Council would need to hold a referendum. The costs of holding a referendum would be likely to be above £2,570 and would need to be paid even if the public ultimately voted against the precept increase proposed.
- 3.4 Whilst the Parish Council must not agree a precept level which would generate reserves for undesignated purposes, councillors do need to be mindful of the potential for a decreased precept to increase the risk of the Parish Council needing to hold a referendum in a future year, should the precept be cut too far back.
- 4.0 **Detail**
- 4.1 Where expenditure is expected to be subject to an inflationary rise this has been allowed for at between 2% and 5% depending on the nature of the expenditure/supplier.

- 4.2 Explanations for many of the changes made to the budget when compared to the expected out-turn and budget for 2016/17 are provided on the attached spreadsheet.
- 4.3 The areas where greater clarity for the rationale behind the budget is required, or where further decisions by the Parish Council are required are covered below:
- 4.4 Clerk's Salary  
Included at the existing level; the annual salary review will take place at the end of this meeting.
- 4.5 General Grass Cutting  
The contract with WODC will continue through 2017. WODC is expected to apply an inflationary increase which has been incorporated at 2% (inflationary increase for 2016 was 1%).
- 4.6 Playing Field Grass Cutting  
The contract with Des Johnston continues through 2017 at the current cost of £72 per cut. The contract covers a maximum of 15 cuts per year (total budget of £1,080). The actual number of cuts carried out in 2016 is 16. There has been some discussion over whether modifications should be made to the contract due to the increased use of the field for organised football, including youth training and matches.

The Parish Council does not own the recreation ground and has no legal obligation to fund its maintenance; this custom and practice has been in place for many years, with local taxpayers therefore paying for the grass cutting of the recreation field.

If the Community Trust wishes to change the frequency of the grass cutting, the Parish Council could consider funding any increase, or could elect to restrict the amount it pays, with the Community Trust funding any increase itself.

- 4.7 Grants paid under statute  
The proposed budget of £2,850 covers the following:

Voices	£750
Citizens Advice Bureau	£120
Community Trust – playground maintenance	£630
Aston minibus	£210
Grass cutting, Cote Chapel	£300
Grass cutting, St Mary's Shifford	£210
Grass cutting, St James' Aston	£630
	<u>£2,850</u>

As Councillors are aware, Voices have asked the Parish Council to consider increasing the donation it provides to £1,000 for 2017/18.

The donation given to St Mary's Shifford in 2016/17 was £240. Would the Parish Council like to increase the budget above to this level?

Would the Parish Council like to consider increasing any of the other donations? They have been at the budget shown for several years.



4.8 Village Maintenance

The budget includes a round sum allowance of £2,000, payable either to a dedicated Lengthsman or for specific individual contracts for pieces of work (such as the recent weed spraying). This is significantly above the actual expenditure in recent years, and is one of the reasons why the current budget leads to a surplus – would the Parish Council like to consider reducing this budget?

4.9 LGA 1972 s137 Donations

The only donations/grants which have been requested (or are expected to be requested) from the s137 fund in 2016/17 are as follows:

British Legion	150.00
Volunteer Link-Up	135.00
	<u>£285.00</u>

In previous years Aston & Cote Primary School requested and were given a grant towards the visit of the Life Education Bus, but this hasn't been requested since 2014.

The total budget for donations has been set at £1,430 for several years, but is routinely significantly unspent, which adds to the surplus generated by the current budget basis. Would the Parish Council like to consider reducing this budget?

4.10 Village Hall

The budget does not include any funds to be spent on work at the village hall (beyond the routine playground maintenance grant and the cutting of the playing field).

4.11 One-off Projects

The budget does not include any one-off projects for 2017/18. Historically the Parish Council has not been very effective at identifying projects to include in the budget, but has then embarked on projects during the year in any case, funding these from underspends in other budget headings. It would demonstrate better financial management if the Parish Council were to identify and set aside budgets for one-off projects during the budget setting process. Councillors are therefore asked to consider potential projects for 2017/18 before the budget is finalised.

**5.0 Precept**

5.1 The net expenditure in the budget as presented is £18,915. The Parish Council has committed to a third year's funding contribution to the recreation reserve of £6,850, meaning that the Parish Council would need to raise a precept of £25,765 in order to break even. The precept for 2016/17 was £25,815, so the budget can be achieved with no change in the precept.

5.2 However, as noted above, the current budget basis leads to regular surpluses due to regular annual underspend on village maintenance and donations to external organisations; the Parish Council is recommended to review the basis of the budget as part of this annual exercise.

## **6.0 Recommendations**

6.1 That the Parish Council considers the draft budget as presented, proposing amendments where identified.

### 6.2 Specific areas for discussion

- Grounds maintenance of recreation ground – frequency and nature of cuts; amount of funding from the Parish Council;
- Donations to village organisations under statute – potential increases in budget amounts;
- Village maintenance budget – potential to reduce from current budget level of £2,000 (potentially to release budget for expenditure elsewhere);
- Donations to external charities/organisations – potential to reduce budget to likely expected level;
- Identification of one-off projects for 2017/18;
- Consideration of any funding to set aside for Community Trust projects (subject to approval of any funding request as it arises);
- Consideration of whether to create a reserve for traffic calming measures to set aside funds to match with the expected s106 contributions from the Gladman development(s).

6.3 That the Parish Council decides how to use the expected surplus of £8,395 at 31 March 2017 (see 2.6 above).

6.4 That the Parish Council discusses the provisional level of the precept for 2017/18.

6.5 That the Parish Council resolves to consider a second draft of the budget at the December meeting and to delay a final resolution on the precept for 2017/18 until that meeting at the earliest.

Prepared by: Helen Sandhu, Clerk and RFO  
29 October 2016

**ASTON, COTE, SHIFFORD & CHIMNEY PARISH COUNCIL**  
**FINANCIAL YEAR 2017/18**  
**DRAFT BUDGET FOR MEETING ON 3 NOVEMBER 2016 - VERSION 1**

	Budget 2016/17	Currently expected outturn 2016/17	Draft Budget 2017/18	
<b>EXPENDITURE</b>				
<b>Recurrent Expenditure</b>				
<u>Ordinary Expenditure</u>				
Clerk's Salary	4,358	4,358	4,368	No inflationary rise proposed
Office equipment				No predicted requirement
Office running costs	500	270	500	As existing budget
Bank charges		54	72	£6 per month
Website costs	105	193		No renew als due
Insurance	456	412	432	This year actual + 5%
Audit	200	200	200	Quotation new provider
Village Hall Rental/Cost APM	40	32	40	As existing budget
Subscriptions	362	316	362	This year + 5%
Chairman's Allowance	100	50	100	As existing budget
<u>Expenditure under Statute</u>				
Grass Cutting - verges & WM	5,056	4,284	4,961	14 cuts - actual quote +2% infl. Actual quote - 15 cuts See 3 November report
Grass Cutting - playing field	1,080	1,152	1,080	See 3 Nov Report
Grants paid under statute	2,850	2,880	2,850	This year + 2% infl.
Dog & Litter Bin Emptying	203	213	217	As existing
Training & Travel	220	100	220	1 unplanned call-out & annual service
Clock Maintenance	202	638	440	This year + 2% infl.
Bus Shelter Cleaning	113	108	110	General round budget
Repairs	500	0	500	
<u>Expenditure from "Free Resource" (S137)</u>				
Village maintenance (Lengthsman)	2,000	490	2,000	See 3 Nov Report
Subscriptions (CPRE & ORCC)	106	106	111	This year + 5%
<b>Grants - See Separate Analysis</b>	<b>1,430</b>	<b>960</b>	<b>1,430</b>	See 3 Nov Report
<b>Recurrent Expenditure c/f</b>	<b>19,881</b>	<b>16,816</b>	<b>19,994</b>	
<b>Recurrent Expenditure b/f</b>	<b>19,881</b>	<b>16,816</b>	<b>19,994</b>	
<u>Projects</u>				
Bench donated to CT		355		See 3 Nov Report
Pedestrian barrier works		422		
HM Queen birthday medals		367		
<b>Total Project Spend</b>	<b>0</b>	<b>1,144</b>	<b>0</b>	
<b>OVERALL EXPENDITURE</b>	<b>19,881</b>	<b>17,960</b>	<b>19,994</b>	
<b>OTHER INCOME</b>				
OCC grass cutting grant	1,049	1,049	1,049	Same as this year
Interest	110	56	30	
Sundry		8		
<b>TOTAL INCOME</b>	<b>1,159</b>	<b>1,113</b>	<b>1,079</b>	
<b>NET EXPENDITURE</b>			<b>18,915</b>	
<b>Amount to set aside for recreation reserve</b>			<b>6,850</b>	
<b>Precept requirement to break even</b>			<b>25,765</b>	

**ASTON, COTE, SHIFFORD & CHIMNEY PARISH COUNCIL**  
**CONFIDENTIAL ITEM**  
**CLERK'S PAY REVIEW - 2017/18**