

## HASSOCKS PARISH COUNCIL

Minutes of the **POLICY, RESOURCES and COMMUNICATIONS COMMITTEE** meeting held on **Tuesday 21st November 2017 at 7.30pm**

Attendees: Parish Councillors: Frances Gaudencio (Chair), Ian Weir, Georgia Cheshire, Sue Hatton, Peter Gibbons and Kate Bailey.

Clerk: Ian Cumberworth

**PRC17/34 APOLOGIES:** Cllrs Justine Fisher, Chris Hobbs, Judith Foot.

**PRC17/35 DISCLOSURE OF INTERESTS:** None declared.

### **PRC17/36 MINUTES**

The Minutes of the Meeting held on 17<sup>th</sup> October 2017 as previously circulated were accepted.

### **PRC17/37 PUBLIC PARTICIPATION.**

There were no members of the public present.

### **PRC17/38 CLERKS REPORT**

38.1 **Draft Budget 2017/18** The Clerk introduced the report setting out the Budget Proposal for 2018/19 which was presented on pages 3 to 14 on the agenda.

The report provided Members with the projected financial out turn for 2017/18 and a proposed draft budget for 2108/19 for consideration. The clerk indicated that a number of factors had been taken into account in preparing the budget and he would be happy to go through the figures in more detail.

Member's attention was drawn to the projected out turn for 2017/18 which will be in the region of £52,491 deficit which will be met from reserves. Based on the budget projection for 2018/19 with a nil increase in precept, this would result in a deficit budget in the region of £92,699 which, if remained unchecked would also need to be met from reserves.

Members were informed that the current business approach of using general reserves to fund operating costs is not sustainable indefinitely and would impact on the Council's ability to deliver a programme of improvements. Parish councils are the only tier of government where % precept increases are not currently capped, however this is anticipated to change in the future to align with the other tiers of local government.

The Clerk drew Member's attention to page 5 item 2 setting out the summary budget table which detailed Hassocks Parish Councils (HPC) property tax base & precept for the last 3 years. Members were requested to note that HPC, for a band D equivalent property between 2013/14 to 2017/18 had only increased its precept by 69 pence per annum taking into consideration the net effect of the decreases and increases in the precept over this period.

Members were advised that the national average Parish precept for 2017/18 was £61.03 and the average Mid Sussex District parish councils was £63.97 compared to HPC current charge of £56.38.

On page 6 of the agenda the report detailed a summary of receipts and payments projecting the out turn for this financial year and the projected draft budget for 2018/19.

In addition on page 7 the table set out the anticipated movement in reserves. The table illustrated that if all allocated Earmarked reserves (EMR) were spent in the next financial year and the precept not increased it would reduce the Councils total reserves to £71,075 by the end of 2018/19. This would be at the lower end of reserves required for contingencies therefore this would impact on our ability to contribute towards further initiatives.

Members were informed that the table on page 8 of the agenda summarised the projected EMR schemes which at present are programmed to be delivered next year. As part of the budgeting process Members may need to review the scheduling of some of these schemes depending on the approach Members choose to decide the level of precept.

The Clerk encouraged Members as part of this budget setting process to consider increasing the precept to work towards a balanced budget.

The information set out in Appendix A detailed the impact on individual's Parish Council tax contributions relating to the Parish element for every £10,000 incremental increase in precept. Members were informed that for every £10,000 increase in precept it would reduce the budget deficit by the same. To achieve a balanced budget based on the current draft proposal would require an increase in excess of £90,000. Anything below this sum would mean the Council would continue to operate a deficit budget which would need to be met from reserves which ultimately may impact on the ability to deliver the emerging priorities of the Council.

For every additional £10,000 raised in precept it would enable £10,000 to be returned to reserves to support emerging initiatives.

Members were informed that under the new revised Standing Orders, budget proposals are required to be considered by Policy Resource and Communications Committee in November prior to making a recommendation to Full Council.

Members thanked the Clerk for the work undertaken to draw the paper together and the level of detail provided to assist Members in making a decision.

Members then entered into detailed discussions considering each element of the 2017/18 projected out turn and the proposed budget for 2018/19. The Clerk drew Member's attention to a number of areas including staffing costs /PAYE/NI and pensions and mobile waste collections that had been previously under budgeted for. One of the key factors that has impacted on the Council's budget this year was the introduction by Government earlier this year of compulsory Auto enrolment pensions.

As Members went through each element of the budget it was established that a number of additional revenue costs had been incorporated into the proposed 2018/19 budget to support the emerging priorities of the Council from the Business Planning process, together with some allocations within Earmarked reserves. These values are yet to be formally ratified by full Council and will form part of the budget setting process. Members expressed the view that it would be useful in advance of full Council considering Policy Resources and Communications recommendation for all Members to have more detail around these additional spending proposals identified as part of the process. The Clerk

confirmed he will ensure further information is provided to the wider membership prior to the Council meeting in December.

Members reiterated that they were keen to support the emerging priorities/initiatives of the Council but were also conscious they needed to be affordable, therefore there may be a need to re-phase some of these. As part of the discussions, Members started to look in detail at potential areas where savings might be possible to achieve within the proposed budget for 2018/19. However they deferred any decision on adjustments to allow the Clerk further time to revisit the current proposal taking into account the business needs of the Council to explore opportunities for any further savings.

Members also emphasised the view that there will be a need to focus on external funding opportunities in future such as section 106 monies to support the Councils initiatives/priorities.

Members reviewed Appendix A which set out the impact of precept increases on the individual bands and discussed the merits of various increases and the impact it could have on different categories of residents in the community. Members agonised over the significant % increase being sought to achieve a balanced budget.

A paper was circulated by Cllr Weir that illustrated that although the HPC % increase would appear higher on the Council Tax bill, in weekly financial terms it was more modest. The paper presented a comparison where a 3.95% precept increase by County would generate an additional liability of 92p per week whereas a 42.38% increase in HPC precept would generate a 45p per week additional charge.

Members felt it was important that if any increase was made it should be effectively communicated to the residents of the parish.

The Chair (FG) asked each Member in turn as to where they would feel comfortable making a recommendation to Council setting the new precept. All Members agreed the Council needed to move towards a balanced budget and a range of values were suggested between £70,000 and £90,000.

Members reaffirmed the need to ensure the Budget is aligned to the Councils emerging Business Plan. The view was expressed that as a Council significant strides have been made in the last year to put processes in place to deliver outcomes.

Members **RESOLVED** to RECOMMEND that the Clerk be requested to review the proposed budget to identify if any further potential savings could be identified in 2018/19 to assist in reducing the projected deficit for consideration at full Council.

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**RESOLVED** to RECOMMEND to Council to consider increasing the precept for 2018/19 between the ranges of £70,000 to £90,000 to enable the Council to work towards a balanced budget.

- 38.2 **Business Plan** Members were invited to consider the high level Business Plan document that had been previously circulated and consider the way forward. Members were informed that some recent amendments had been made to the document and invited any further observations before the document progressed. Members proposed two further amendments within the categories Parish for All and Connecting our village. Members expressed the view that the

proposed document should be considered alongside the budget setting process and that potential delivery options of the document should be explored prior to finalisation of the document. Members also confirmed a desire to consult with voluntary groups within the village prior to distribution of the final document.

**RESOLVED to RECOMMEND** that the High level Business Plan should be considered alongside the budget setting process

38.3 **Tracker/action list** – Members noted the actions taken to date and will monitor progress on outstanding actions. (For information)

**PRC17/39** Urgent Matters at the discretion of the Chair for noting and/or inclusion on a future agenda.

There were no other urgent matters.

**PRC17/40** **DATE OF NEXT MEETING.** 16 January 2018

The Meeting closed at 9.25 pm

Chair ..... Date.....