19 New Buildings
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13th December 2022

Budget & Precept Report 2023-24

Purpose of report: The Council is accountable to its public and must be able to justify how it has set the parish tax. The budget report is the document which sets out reasoning behind each budget allocation.

Contents

Introduction

Broadclyst Parish is home to some 6,000[1] residents, with c.3,000 dwellings. The parish is largely rural, comprising Broadclyst village and scattered hamlets such of Beare, Budlake, Killerton, Blackhorse, Westwood, and Westclyst. The Killerton estate, the largest National Trust property contained entirely within one parish, has 250 cottages, 18 farms, and guardianship of around 42% of the parish's land, the yellow ochre colour of its properties giving Broadclyst a distinctive and historic character.

Its demographic is somewhat different to that of rest of East Devon and the UK, depicting a parish with higher working-age occupancy than the regional and national average (all stats Census 2011).

Over 31% of Broadclyst residents are educated to Level 4 or higher, compared with 28% nationally; employers such as Exeter International Airport, the Met Office and Exeter University are within easy commute of the village and although specific statistics are not available it is reasonable to conclude this goes some way to explaining the differences in the demographic of Broadclyst Parish to the rest of East Devon.

Age	Broadclyst %	East Devon %	England %
0-14	17.1	14.29	17.64
15-24	9.58	9.69	13.1
25-44	22.61	19.44	27.38
45-64	30.77	28.38	25.44
65+	19.93	29.89	16.45

Table 1: Age breakdown of population in Broadclyst parish

This is reinforced by employment statistics:

Employment Status	Broadclyst %	East Devon %	England %
In employment	87.0	84.2	73.7
Full time	61.2	57.1	54.4
Part-time	28.6	29.8	22.3
Job-seekers	0.7	1.1	3.3
Long-term unemployed	0	21.8	30

Table 2: Percentage of people of working age in employment

[1] Estimated from increase to electoral role since 2011 census

Governance

Broadclyst Parish Council (BPC) was established in 1894, formed around the time of the disestablishmentarianism movement which resulted in the Liberal party passing The Local Government Act 1894, published by Henry Fowler - President of the Local Government Board - on 26 March 1893. A town/parish council has statutory Duties (things it must do) and has Powers which enable it to act in accordance with the wishes of its electorate. Members are elected by those eligible to vote; they are Holders of Public Office.

Nationally, the work of the Local Council is expanding rapidly, with 10,000 parishes in England and 80,000 Councillors, collecting £500 million in precepts (a figure which has doubled in 10 years) and making over £2 billion in community investments. Parishes are driving neighbourhood planning, with 90% of 2,000 Plans being parish-led, and the devolution agenda provides the opportunity to accelerate this, building the profile and reputation of local councils. In East Devon there are twelve ‘made’ Plans, with a further 28 designated Neighbourhood Plan areas. The policies contained within these plans represent local community aspirations and help to decide the planning applications in the neighbourhood areas as part of the development plan for East Devon.

Council finances

A Local Council is a precepting authority[2] and it has a statutory Power[3] to raise a precept which it must do before 1st March in the year preceding that for which it is issued. The precept is the sum of money required by the Council to discharge its functions; this figure is arrived at through budget preparation and in its most simple form is:

Anticipated expenditure minus anticipated income = precept.

Broadclyst Parish Council operates within a statutory legislative Framework including Local Government Act 1972, Local Government Finance Act 1988, and the Localism Act 2011, as well as its own adopted ‘rule-books’ of Standing Orders and Financial Regulations. Council is subject to a two-tier audit process set out in the Accounts and Audit Regulations 2015; proper practices described within ensure:

- The council’s **responsibility** for public money
- Its **accountability** to the public
- Its **efficient, effective and lawful** management of public money
- Its compliance with ‘**proper practices’**
- That **risks** to public money are correctly managed

[2] Local Government Finance Act 1992 s39 (2)(c)

[3] Local Government Finance Act 1992 s41

Setting the Budget:

Income:

The Council's Responsible Finance Officer (RFO) calculates expected income which contributes toward the general cost of running the Council e.g. allotment rents, hall hire, known grant funding. Broadclyst Parish Council receives some annual grant from the principal authority towards the delivery of delegated[4] services (hedge cutting; visibility display / verge cutting)

Expenditure:

The RFO examines all elements of its budget for expenditure. Contractor liaison, contracts review, and staff appraisals are core elements to successfully calculate expenditure.
Factors which may impact on future parish finances must be considered[5]. Loan repayments or other regular commitments must be provided for. As Broadclyst expands, its operational costs will increase exponentially; financial forecasting will be informed in part by strategic site delivery over the next 12 years as well as any projects Council considers.

Budget Forecasting

The budget forecasts an estimation of income, costs, and resources over a specified period. It reflects future financial requirements of the Council[6]. Growth, devolved services, and transfer of community infrastructure to Broadclyst Parish Council will impact on and increase the Council's operating costs. However, this is offset by an increase to the number of houses in the parish. The net effect of this is an eventual decrease to the Band D equivalent year-on-year, as shown by the orange blocks in the graph below, despite the steadily rising precept (blue line).

Accurate and informed budget forecasting ensures Council sets the right budget for its needs in the future; previous budget forecasting calculations have proven to be accurate.

Strategic development

Broadclyst Parish is one of the larger parishes in East Devon. With the 2013-2031 East Devon Local Plan delivering over 2800 new homes at Westclyst and Tithebarn, the population of the parish is increasing from 3,238 (2011 census) to about 10,400 (subject to occupancy predictions). The parish's dynamic and therefore demographic is changing from a predominantly rural parish of 1,467 dwelling (2011 census) to a mixture of rural and city edge, with the rural area and the 'old' parish eventually being out-numbered by the new developments.

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[4] Section 101 of the Local Government Act 1972 allows a council to delegate the discharge of its functions to another authority, committee, sub-committee, or an Officer of the authority.

[5] i.e. when community infrastructure in our strategic development is transferred to Council

[6] For example: forthcoming projects, transfer to/from council of assets, change in staff structure.

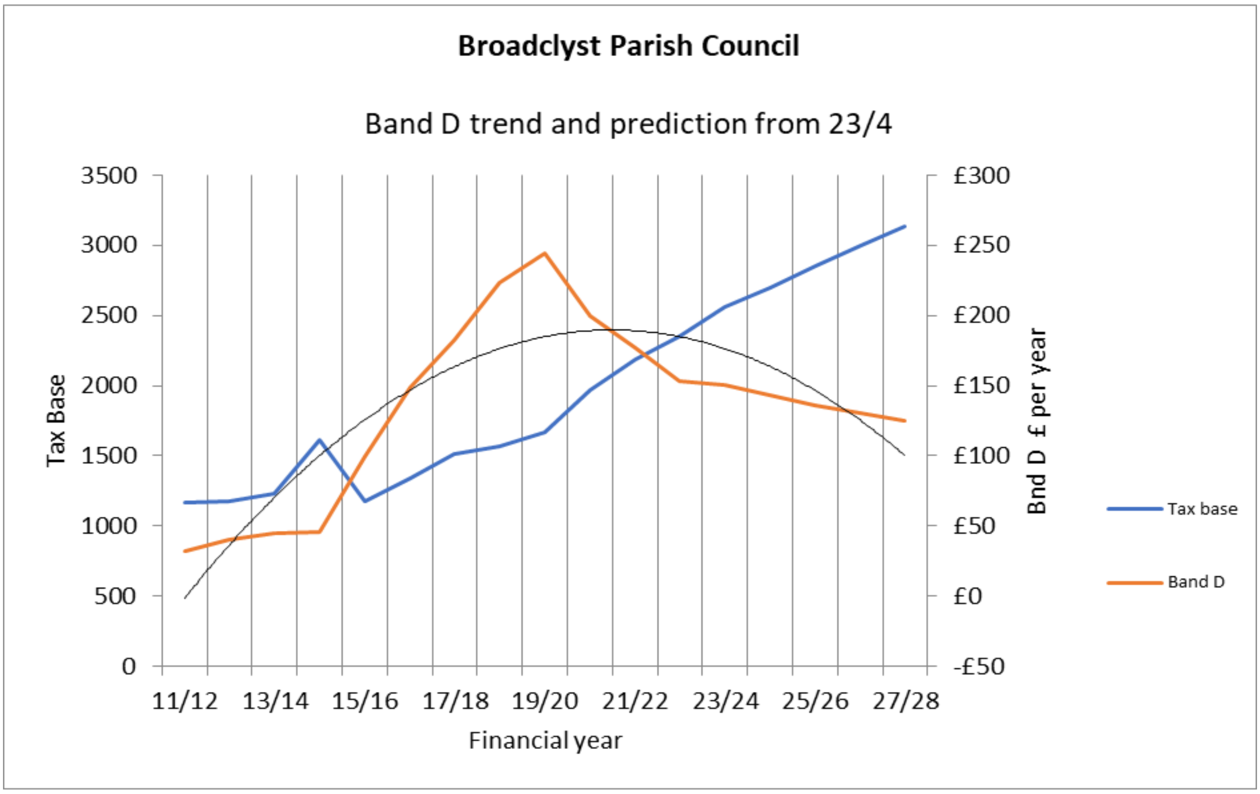

Figure 1 (above) Increases to the tax base offsets the Band D

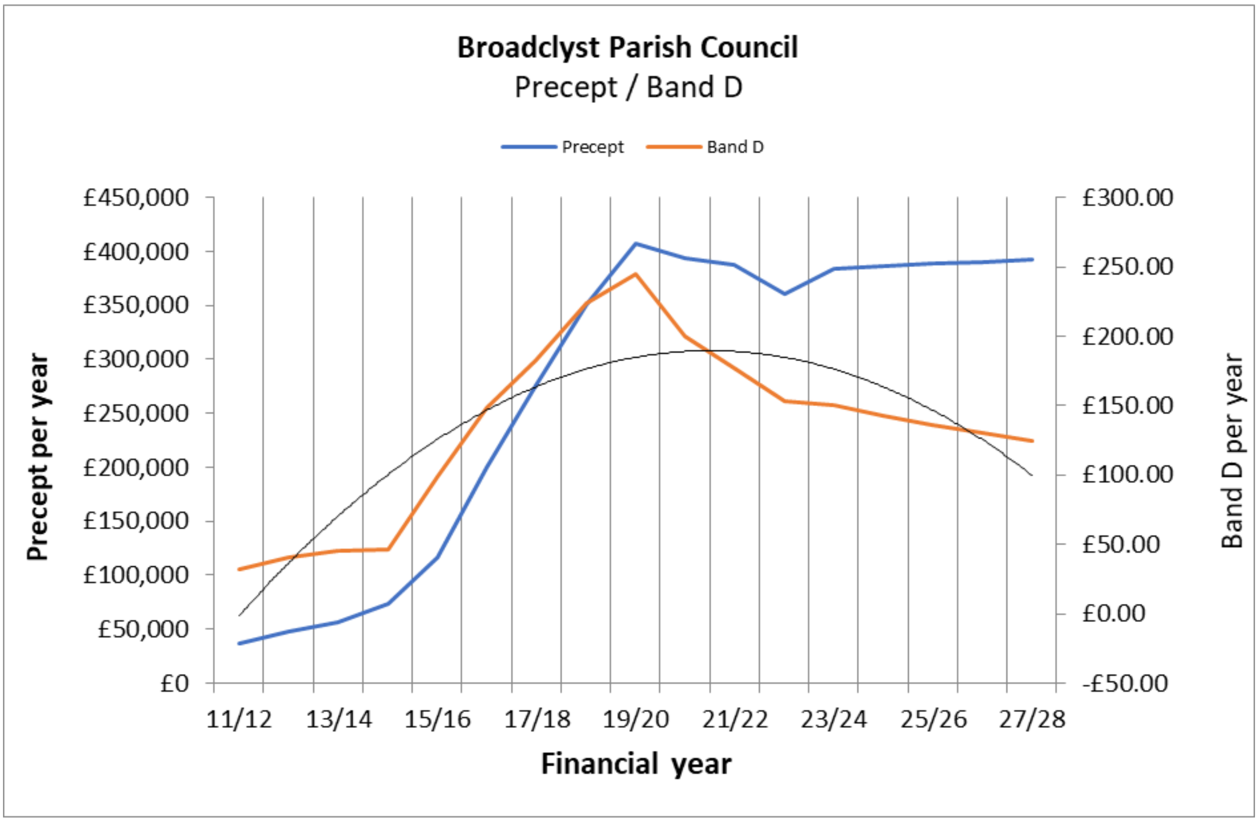

Figure 2 (above) Therefore, although the precept rises, the Band D drops

Effect of strategic development

The number of properties that pay full rate Band D Council Tax (the tax base) will increase at a different rate to that of the population, as the tax base is factored to take a variety of circumstances into consideration, including occupants in receipt of benefits. The 2022/23-2023/24 calculations show a nine percent year-on-year increase to the tax base, but this is more of an indication than a statistic as so many of the variables which affect the factoring cannot be predicted.

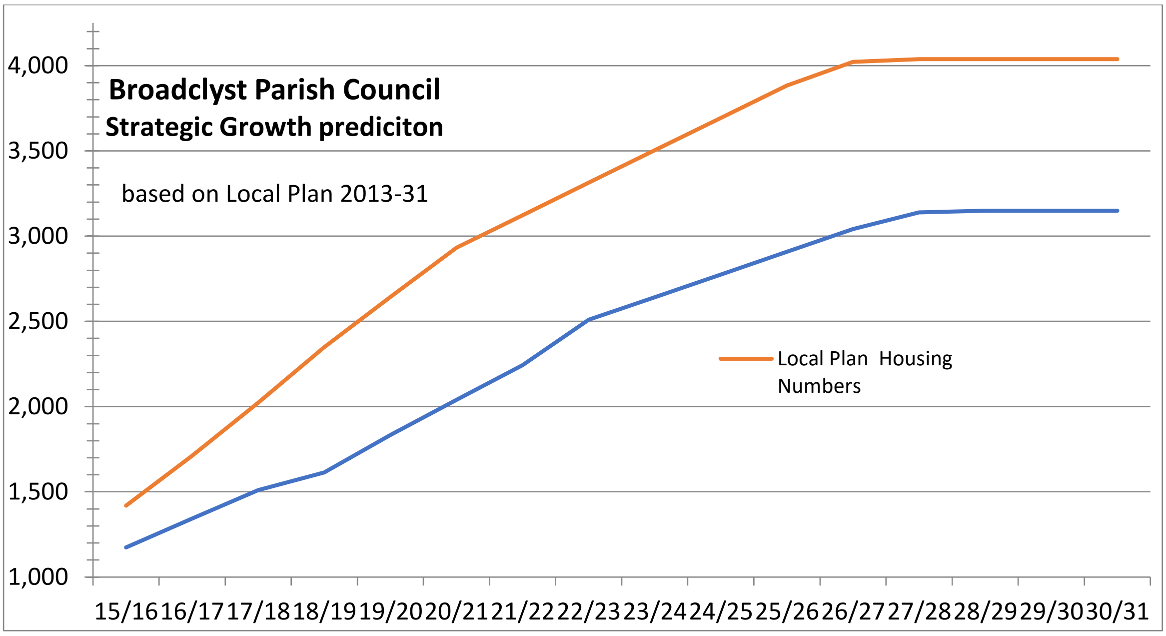

Figure 3: Dwellings are factored to calculate the Tax Base (number of Band D equivalent properties)

Delivery of public services

Broadclyst Parish Council lawfully discharges its statutory duties, and further serves its community by providing sports, leisure and recreation facilities, allotments, public toilets, and running community events. In addition, BPC works with partner agencies to continue to deliver services in the community including community safety, highways self-help, emergency community resilience, and youth provision.

Council strives to maintain a high standard of 'housekeeping' and support its community in a proactive manner. In this post-Covid era and at a time where the cost of living is escalating, it is estimated that the Council will end the financial year on budget.

As previously reported, the pattern of increased services being devolved to parish councils with minimal or no financial support looks set to continue; however, this has the positive effect of the Council being given the responsibility and power to ensure that the parish affairs are dealt with at local level, enabling an improved response to parishioners' concerns. Local taxes paying for local services. However, this comes at a cost, which continues to grow as more services fall under the principal authorities' axe. Some people perceive this as double taxation but in essence it is relocating the contribution to more local level, as former providers withdraw the service from their budget allocation. This has resulted in, and will continue to cause, an inevitable increase in the precept as the Parish Council delivers services and facilities that are vital and beneficial across the parish.

Wherever possible the Council will continue to seek external funding to supplement its provision and is looking at increasing the income stream from its main asset, the Pavilions.

Neighbourhood Planning

The work on the Neighbourhood Plan is nearing completion, with the final referendum scheduled to coincide with the May 2023 elections. Locality funding was secured during 2022/23 to fund the engagement of former NP Officer as a consultant to respond to the independent Examiner's questions; the funding also allocates an amount for printing which must be spent by 31.03.2022.

Personnel

In the budget, the staffing committee has created a new post for 23/24: a Community Support Officer (whose duties will incorporate the food bank, advice, and support). This is a development of the earlier post of Community Connector which was not advertised during Covid.

The budget also allocates funding for an expansion of youth provision across the parish, including Westclyst and Tithebarn (venues and details TBC).

In proposing the budget for 2023/24 I have considered:

- The ongoing strategic development sites at Westclyst and Tithebarn
- Factoring of the Council's Tax Base
- The role of the Council in supporting a range of community groups that provide valuable support networks and social opportunities
- Streamlining E-Systems to reduce costs

Budget analysis

INCOME

- An application for a P3 grant will be submitted; it is hoped this will be successful and for budget purposes a figure of £1,000 has been included.
- Bookings at Pavilions have not reached their pre-covid level, however we have a full house for football for the 2022/23 season, with Broadclyst FC juniors every Saturday morning, alternate Broadclyst FC / Cranbrook FC seniors in the afternoon, a new Broadclyst FC U12s girls team on a Sunday morning and occasional Broadclyst Veterans on a Sunday afternoon. A pay-per-play arrangement is also available for one-off fixtures.
- Interest rates remain low and are forecast to remain low for foreseeable future; the income from interest has been increased by not holding any more than needed in the current account
- Council invested £25,000 of its general reserves in the Local Authorities Property Fund 2018/19 and has since invested a further £25,000. This gives a return of c.£1.000 interest per year.
- Grant funding from the County Council towards the cost of visibility splay grass cutting is £1,544, a 3% increase on the year before, in 22/23. This has been budgeted at £1,500 for 23/24 as council has been advised there may be no uplift in allocations for 23/24.

EXPENDITURE

Administration and accommodation

- Staffing costs for 22/23 remain largely unchanged; an increase enables the expansion of the Community Connector post to include community support.
- Living wage increases are included in the allocation
- Employers HMRC on-costs and pension contributions are now shown separate to gross salaries and have been adjusted in line with employers obligations.
- Working from home allowance is payable to the Administrator in line with HMRC guidance[7]
- Administrative costs have been held or marginally adjusted to reflect current costs and requirements.
- Insurance: This allocation allow cover for asset transfer of new community infrastructure, council insurance, and the parish vehicle policy.
- The training budget allows for statutory staff training under H&SE (Emergency First Aid at work, Fire Marshall training, Manual handling), and staff CPD. It also includes an amount for Members training as 2023 is an election year.
- Accommodation costs associated with the Parish Office comprise: annual rent, service charge, non-domestic rates, car park rates, buildings insurance (all tenants pay a proportion) and utilities. The utilities allowance has been increased to reflect the energy market.

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[7] https://www.gov.uk/tax-relief-for-employees/working-at-home

- Youth provision. A new SLA tender will be published in the new year to invite providers to deliver provision across the parish.

Public Relations, grants, and projects

- Broadsheet costings remain the same thanks to a long-term agreement with a local printer; allocation has been increased as more properties in the west end are built and occupied.
- Public consultation has been removed from the budget as there is provision in ear-marked reserves; social media is proving one of Council's more cost-effective ways of reaching the community
- Crime/traffic budget remains to support the work of the Traffic committee.
- Fun Day and community events provision is made, with separate allocation of £5,000 for the coronation of HRH King Charles III.
- The Community Defibrillator and Helipad projects are complete; a small budget is proposed for annual service costs
- Broadclyst Parish Council Community Grants allocation has been reduced from £15,000 to £10,000 to allow £5,000 for the coronation.

Maintenance

- **Grass cutting** allocation increased in line with inflation and cost of fuel. Visibility splay cutting is subsidised by DCC
- **Grounds maintenance** is now done in house, with only a little hedge cutting subbed out. This has proven effective, both in terms of value for money and quality.
- **Handyman**
    - staffing budget remains unchanged.
    - operational budget for tools and ancillary items/PPE as required and pothole patch material has reduced due to assets purchased in previous years
    - works van now owned; running costs £3,000 to include fuel, tax, insurance, servicing.
- **Lengthsman.** Retained to continue to carry out gulley clearing / drainage work and rural verge/pavement vegetation clearance.
- **Dog waste.** 2022/23: 24 bins@£300/bin. Recommend increase to £310 per bin to allow for increase across our sites
- Equipment service/repair, parish clock, allotments, P3, refuse disposal, bus shelter maintenance all remain unchanged or have been adjusted marginally to reflect current prices

Public Toilets

Budget largely unchanged; the anticipated refurb project was not able to progress during covid and we have had to spend some of this money on repairs following vandalism. Our public toilets now receive new mandatory business rates relief, following an extensive and prolonged campaign to end the toilet tax by the National Association of Local Councils (NALC) and Members of Parliament.

Broadclyst Sports Pavilion

- Utilities, cleaning, and service costs remain much the same as before, with an increase for utilities costs in 23/24.
- Service costs include building a fund for three-yearly electric inspection and shower system service/descale (move to EMR at 31.03.2023)
- Broadband is combined with office package for better value.
- A new allocation of £10,000 had been added to progress replacing the Andrew's gas showers boiler with a more eco-friendly and efficient option. Noted a feasibility study may be needed due to low water pressure at the Pavilions.

Bowls Green

Anticipated income/expenditure has been agreed with the bowls club. Work is carried out in house, which has reduced costs. Noted that numbers are falling despite a recruitment drive by the club this year.

Recreation / Sports

- Play equipment inspection and service costs have been updated to reflect the council's resolution (Min ref 22/068i) "*that the annual figure for ongoing maintenance requirements of play equipment, including then outdoor gym equipment, be adjusted as the equipment ages*". A maintenance contract has been received and is incorporated in the budget.
- End-of-life replacement fund remains unchanged.
- The Westclyst community football pitch is now maintained in-house through an informal agreement between the school and council, with work being shared between groundsmen. It works well.

Clyst Room

No changes, the compound is useful. The roof needs attention.

Neighbourhood Planning

No allocation in 23/24

Climate Emergency

An operational budget of £4,000 has been made for this work, which should be addressed with increased appetite by the revised Planning and Environment Committee.

Reserves

- Ear-Marked Reserves will be allocated at year end for confirmed projects.
- Surplus general reserves are returned to the community in line with the council's reserves policy, shown as negative expenditure.

SUMMARY OF SIGNIFICANT CHANGES (over £2,000):

New allocations:

- Coronation grant fund £5,000
- Play equipment service contract £5,827

Increases:

- Youth Worker SLA £25,000
- Community Connector post £25,000
- Shower heating options £10,000

Reductions:

- I.T. £3,700
- Community grants £10,000
- Car park maintenance £5,000
- Climate Emergency budget £4,000

Council tax trends

The Council Tax bill comprises the levy of 5 authorities: Devon County Council, East Devon District Council, the local town/parish Council, Devon and Cornwall Police, and Devon and Somerset Fire Authority; the parish council precept comprises one element of the overall council tax bill.

Increase reversing: between 2014 and 2019, we saw significant increases year on year as shown in the table below; this was driven by the governance boundary review to form Cranbrook, devolution of services from principal authorities, and changes to Council's staffing structure in response to additional workload generated by strategic growth in the West End of East Devon.

Financial Year	**Tax base change**	**Percept % change**
1415-1516	-22%	95%
1516-1617	6.4%	66%
1617-1718	12.3%	23%
1718-1819	3.9%	23%
1819-1920	6.3%	9%%
1920-2021	15%	-18%
2021-2122	11%	-11%
2122-2223	7.4%	-13%
2223-2324	9%	-0.1%

The change to the parish council's part of the 2020/21 council tax bill saw a decrease from the previous year by c.£40, the first time a negative increase was seen since 2012. Predictions indicated this would be a trend we would see continuing as the Tax Base increase and operational service delivery settles.

Financial year	Precept	Per Band D Increase per annum (from previous year)	Band D % change
2015/16	£112,978	£43.50	95% (Cranbrook impact)
2016/17	£199,698	£62.13	66%
2017/18	£275,744	£34.03	23%
2018/19	£350,969	£40.22	23%
2019/20	£407,357	£20.68	9%
2020/21	£393,731	-£44.65	-18%
2021/22	£387,420	-£22.71	-11%
2022/23	£360,540	-£23.65	-13%
2023/24	£392,665	-£0.17	-0.1%

How council tax property bandings work

The Band D average is calculated on the property value on 1st April, 1991.

Band	Value of property on April 1 1991 (£)	Ratio of band D paid	Percentage of 'Band D' paid
A	Under 40,000	6/9	67%
B	40,001 – 52,000	7/9	78%
C	52,000 – 68,000	8/9	89%
D	68,001 – 88,000	9/9	100%
E	88,001 – 120,000	11/9	122%
F	120,001 – 160,000	13/9	144%
G	160,001 – 320,000	15/9	167%
H	Over 320,000	18/9	200%

Houses that were not built by April 1, 1991, are assessed by the Valuation Office Agency[8] (VOA). Council Tax bands are set according to the value the property would have sold for on 1 April 1991 in England and 1 April 2003 in Wales. Alterations to your property and rebranding of nearby properties can affect the banding of your house. You can challenge your council tax band through the VOA[9].

Conclusion

The 2023/24 budget has been prepared both to reflect the ever-changing and expanding financial responsibilities of this parish. Its role continues to evolve as it adopts a proactive approach to its work within the community, as evidenced by its response during the covid pandemic and the ensuing increases to the cost of living and inflation rises.

The changes have arisen as the council has responded to complaints and requests from the public, as well as hidden need. Alternative funding streams are explored and secured where possible, but grant funding is not available where costs arise through maintenance and statutory obligation. The budget does show a slight rise in expenditure, but this is offset by an increase to the tax base; therefore, the outcome is a very slight (0.1%) reduction for 23/24 from the 22/23 budget

This is a prudent budget, set at a time where principal authorities are still cutting services to stay within their allowed percentage increases and focus on their prioritised statutory obligations. Parish councils are uncapped; however, Broadclyst Parish Council is aware it must exercise fiscal caution and responsibility when setting its budget. We believe this has been demonstrated by not increasing the Band D. The continuation and increase to service provision for the benefit of all sectors within our community and responding to ever-changing needs of our residents is a challenging balance, and one which is best approached one a public value basis: cost-conscious, but with a budget that allows the council to support our community.

At a time where every other headline is about the increase to the cost of living, I suggest we can be confident that this is a sensible budget that does not increase the burden on the parish taxpayer, but instead makes good use of the parish council budget to serve the community and meet its immediate needs, whilst planning for the needs of the future.

Recommendation

Therefore, it is my recommendation that Council approves this budget for the year 2023/24 at £404,065, with a balancing precept of £392,665. This equates to £153.38 per Band D property.

This concludes my report.

AMS Hurren

Angie Hurren BEM, BA (Hons), FSLCC
Broadclyst Parish Clerk and Responsible Finance Officer
13th December 2022

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[8] https://www.gov.uk/guidance/understand-how-council-tax-bands-are-assessed

[9] https://www.gov.uk/challenge-council-tax-band