

Precept 2016/7

Haddenham Parish Council

4th January 2016

What's Covered

Review of 2015/6

Precept 2016/7

Drivers

Recommendation

Adequacy of Reserves

Long-Term Financial Planning

REVIEW OF 2015/6

Review of 2015/16

60 budget lines

54 on or within budget yielding a surplus of

£13,966

5 slightly over

Street Lighting Energy
 Office Rent & Room hire
Transfer to Allotments
Improvements Reserve
 Election Costs
 APM

-£500
 -£400
 -£573
 -£145
 -£47

Legal and Professional Fees

-£26,000

Projected net deficit for y/e 31/3/16

-£13,699

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<u>Devolved Services</u>	
Costs	£4,052
Income	£812
Allotments water	£600
Staff Costs	£1,847
Audit	£800
Cap Ex	£1,500
IT	£1,500
All others	£2,855

PRECEPT 2016/7

DRIVERS

Setting the Precept

The main drivers for setting a Precept are:

- To ensure the Council can meet its costs for the coming year
- To ensure provision is progressively being made for major repairs and other contingencies that are foreseeable
- To maintain or replenish a General Contingency to a level of 50% of Operational Costs

Three Matters Prevent us Setting a Precept for 2016/7 Similar to 2015/6

- Legal Actions
- Pressure on Higher Tier Councils to Devolve Services to Parish
- Confidential Contingencies to be discussed in Closed Session

Legal Actions

2015/6 (FY projection)

Public Inquiry Glebe Site	£23,000
1 st part Costs Re Judicial Review of the NHP re Lightwood Strategic Action	£12,000

	£35,000
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2016/7 Precept Proposal

2 nd part Costs Re Judicial Review of the NHP re Lightwood Strategic Action	£8,000
Allowance for Sundry Associated Costs	£5,000
Balance	£12,000

	£25,000
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Legal Contingency / Feasibility Studies or similar (possibly via Grants) for NHP projects	£13,500
Fund for NHP-related matters	£25,500
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Factors to Anticipate / Consider

Uncertainty around housing allocation.

Current VALP allocates 910 for Haddenham but the impact on this total from adjacent (and adjacents' adjacent) authorities is yet to be added in to the AVDC calculations

Housing Distribution - latest position			
* Aylesbury Vale	- Own Needs	21,300	
	- Estimated needs from Bucks	10,000	
	- Needs from other areas	?????	
	- Estimated Planned Total	31,300?	
* Chiltern/South Bucks	- Chiltern Needs	7,300	
	- South Bucks Needs	7,800	
	- Needs from other areas	?????	
	- Estimated Planned Total?	7,600	
	Shortfall, at least	7,500	
* Wycombe	- Own Needs	15,100	
	- Needs from other areas	?????	
	- Estimated Planned Total	9,100+	
	Potential Shortfall	6,000	

BCC submission to AVDC advocates non-even distribution of the allocation across Aylesbury Vale with Haddenham being second only to Aylesbury as the settlement to take the largest allocation of AVDC's 31,300+

This may entail re-doing or re-opening NHP, almost certainly requiring much more outside input (fees). Also village may benefit from a further planning layer – Master-planning – so the village can stipulate not only site allocation but also details of site use, access etc.

Proactive and defensive responses have separate costs. We will be obtaining better estimates over the next two weeks but need Councillors' in-principle view at this meeting

Devolved Services

Grass Cutting is untypical of the financial impact as we were receiving grants in prior years for work we could do without incurring increased costs

This is unlikely to be the case with other devolved services.

	2014/5 (Actual)	2015/6 (Projected)	2016/7 (Precept Proposal)
Grants Received	£8,219	£8,884	£7,596
Incremental costs incurred to deliver the service	–	£8,010	£11,502
Surplus/Deficit	£8,219	£874	–£3,906
Net change since 2014/5	–	–£7,345	–£12,125

Factors to Anticipate / Consider

- Bucks CC have to find £4.5 million due to new Central Government settlement re Autumn Statement
- Similar pressures on AVDC?
- Deferrals of Traffic-related schemes & feasibility studies
- Lack of visibility re continued Library funding

- Legally distinct from Devolved Services, but similar in practical effect: St Mary's Churchyard closure
- Burial provision within the village from November 2016 (not currently included in the Precept – we need Councillors' in-principle view on this at this meeting)

Impact of the three matters

Were it not for these three matters:

1. this year's and next year's legal actions and potential legal actions,
2. the additional devolved services being passed onto us, for which we are currently providing £23,000 to cover, and
3. the confidential contingencies, where we are setting aside £20,000

We would be proposing setting a precept increase of £896, or £0.21 per annum per Band D Equivalent Household

Or 0.3%

Or 0.4p per week

PRECEPT 2016/7

RECOMMENDATION

Precept Calculation

Haddenham Council Tax Bands

Band@	£860.02
Band A	£1,032.03
Band B	£1,204.02
Band C	£1,376.04
Band D	£1,547.04
Band E	£1,892.06
Band F	£2,236.06
Band G	£2,580.07
Band H	£3,096.08

Weighted Average:

The number of
Band D Equivalent
Households =
The Tax Base

Proposed Precept 2016/7

	Tax Base	Precept	Precept per Band D Equivalent Household
Precept 2015/16	<u>2,218.88</u>	163,710	£ 73.78
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Changes			
Taking over churchyard maintenance (6 months only this year)		1,500	
Increase grass cuts from 6 to 10 pa		4,355	
Reduction in grant from BCC re grass cutting		2,090	
Salaries		4,851	
Replenishment of reserves re 2015/6 deficit		13,699	
Provision for further devolved services		23,000	
Provision for confidential contingencies		20,000	
Legal & Professional		19,000	
Feasibility Studies or similar (possibly via Grants) for NHP projects / Legal Contingency		13,500	
		 265,705	
Net savings from all other areas	-	10,400	
Precept for current operations 2016/17	<u>2,224.78</u>	<u>255,305</u>	£ <u>114.76</u>
Absolute change	5.90	91,595	40.98
Percentage change	0.3%	55.9%	55.5%
Change per week for Band D Equivalent household		£ 0.79	

COMPARISON OF PRECEPTS 2015/16
BASIS: AYLESBURY VALE PARISHES WITH TOP QUARTILE OF SIZE OF TAX BASE

Parish	2015/16 Precept	Band D Equivalent Tax Base	Band D Equivalent Tax	2015/16 Grant
1 Waddesdon	92,100	693.83	132.74	3,900.00
2 Buckingham Town	565,193	4,653.33	121.46	18,130.00
3 Buckingham Park	88,210	798.93	110.41	3,540.00
4 Aylesbury Town	1,723,671	17,838.50	96.63	59,680.00
5 Steeple Claydon	78,940	844.1	93.52	3,290.00
6 Aston Clinton	149,367	1,597.92	93.48	1,420.00
7 Winslow Town	166,618	1,826.74	91.21	5,840.00
8 Cheddington	62,430	703.09	88.79	1,470.00
9 Coldharbour	155,350	1,772.83	87.63	1,860.00
10 Newton Longville	60,800	743.23	81.81	2,700.00
11 Long Crendon	91,814	1,134.04	80.96	1,880.00
12 Wendover	261,652	3,322.15	78.76	10,210.00
13 Haddenham	163,710	2,218.88	73.78	1,220.00
14 Watermead	67,622	951.34	71.08	880
15 Edlesborough, Dagnall & Northall	88,770	1,251.09	70.95	1,230.00
16 Wing	68,435	1,036.90	66	2,660.00
17 Stone with Bishopstone & Hartwell	71,000	1,103.51	64.34	990
18 Pitstone	77,700	1,228.73	63.24	2,950.00
19 Wingrave with Rowsham	40,317	657.53	61.32	720
20 Brill	31,000	515.84	60.1	880
21 Stewkley	39,958	808.7	49.41	320
22 Weston Turville	66,000	1,357.61	48.61	1,270.00
23 Dinton with Ford & Upton	21,213	441.37	48.06	190
24 Stoke Mandeville	97,020	2,293.07	42.31	330
25 Quainton	22,900	574.48	39.86	210
26 Oakley	16,586	461.87	35.91	440
27 Bierton with Broughton	25,200	844.88	29.83	870
28 Berryfields	31,500	1,072.77	29.36	0

What this Precept enables the Council to do

Specifically, with regards the three matters:

1. Legally defend the village and its residents,
2. Provide more of the village's services from our own budget rather than that of higher tier councils', and
3. Meet the confidential contingencies

And more generally it enables the council to:

- Meet its costs and
- Be in a position to make choices and
- Help the village to maintain some control over its own destiny in an environment with multiple uncertainties
 - The legal uncertainties from hostile developer actions,
 - The uncertainty regarding the nature and pace of devolution of services from higher tier councils to Parish level,
 - The housing allocation in the VALP
 - Once the unmet needs of neighbouring authorities (and of their neighbours in turn) are factored in
 - If AVDC accepts the uneven allocation of development advocated by BCC

PRECEPT 2016/7

ADEQUACY OF RESERVES

Restoring Contingency Reserves to 50% of Operational Costs

- When operational costs rise, the contingency reserve needs to rise by 50p for every £1 increase in costs (simple arithmetic)
- When the contingency reserve is used for a need for which there was no earmarked reserve and/or where the Council has a deficit in a Financial Year, the reserves need to replenished by £1 for every £1 used.

Adequacy of Contingency Reserves

Balance at 31/3/15	£61,802	
Pond repairs	-£12,172	
Projected deficit for the FY	-£13,699	
S106 Mallard's Croft Commuted Sum	£18,440	
Unused Reserve re NHP	£4,267	
Projected balance at 31/3/16	£58,638	
Projected unused Staff Contingency Reserves for 2015/6	£12,829	
Less: 2 nd 50% contribution to Street Light Renewal Reserve	-£8,415	
	£4,414	
Adjusted balance at 31/3/16	£63,052	38%
Replenishment of 2015/6 Deficit	£13,699	
Surplus/Deficit for the Year	-	
Projected balance at 31/3/17	£76,751	
Projected unused Staff Contingency Reserves for 2015/6	£13,934	
Less: 2 nd 50% contribution to Street Light Renewal Reserve	-£8,600	
	£5,334	
Adjusted balance at 31/3/16	£82,085	40% (£21,159 short)

6 Options for Replenishment

Three options that may happen to us:

1. Confidential contingencies may be deferred to subsequent year (£20,000)
2. Further devolved services are delayed until 2017/8 (23,000)
3. Options 1 & 2 both occur

Three Options where we take action:

4. IF HPC needs not participate in any legal action other than the Judicial Review in the FY, then £21,189 of the projected £25,500 remaining could be used
5. Extend the Street Light Renewal Programme by one year and use one year's provision (£17,200) plus £4,000 from the Major Assets Repair Reserve
6. Make a further increment to the Precept which implies a total increase of £124.72 for a Band D Equivalent Household, being 69% or 98p per week

The recommendation is Option 5 with a quarterly review regarding the prognosis for Options 1-4 to see if we have emerging room for manoeuvre

LONG-TERM FINANCIAL PLANNING

(THIS IS A WORK-IN-PROGRESS)

Objectives of Long-Term Financial Planning

To ensure that the village and specifically the Parish Council are in a position financially to:

- Maintain services currently provided,
- Enable the objectives of the Neighbourhood Plan and its projects to be brought to fruition, and to
- Be in a position to cope with services currently being provided or funded by others to be taken over by the Parish Council if the current organisations running them:
 - prove unable or unwilling to continue to do so and
 - can either pass on to us, or impose upon us the right or obligation to run them instead.

What is the financial top line from the work so far?

The sums involved are many multiples of the precept

So HPC's ability to help achieve these objectives will be determined by:

1. The ability of the new Community Facilities Sub-Committee to get different interest groups in the village to
 1. Think hard and precisely about their real objectives and needs at different populations levels for the village and to articulate them clearly
 2. Be prepared to adjust their plans to meet the objectives of potential funding partners (e.g. to widen participation or to generate participation from demographics not currently catered for) so that additional sources of co-funding for Haddenham projects are opened up
 3. Treat the S106 monies and any funds that HPC may have as seed capital to secure initial matched funds, and then to use the first set of secured outside funds as the basis to get further outside funding so that as often as possible Haddenham s106 money or HPC funds can first be put on the table but ultimately be taken back off the table with the projects fully or mainly funded from outside sources.
 4. Find common cause and joint use of facilities with other organisations
 5. State their needs (see Point 1) but be confident in their needs being met via a coherent overall plan for the village where things work well together so we avoid piecemeal development whether it be of housing, Community Facilities, infrastructure etc.
2. The extent to which HPC costs change geometrically with an increasing tax base
3. The extent to which some of the costs we are currently incurring represent a "new normal", or are transitional in nature.
4. HPC's legal power (GPC & devolved power), willingness, and resident consent for funding or co-funding some of the services and projects via increments to the precept in future years.