

Updated Budget Report Far Cotton and Delapre Community Council

1. Budget

- 1.1. Councillors requested a more detailed narrative to accompany the proposed budget for Far Cotton and Delapre Community Council. The budget included with this report is very much a budget to meet the deadline for setting a precept and at the same time provide adequate financial flexibility to the Community Council after the May elections to determine its own priorities. As elections were cancelled in May 2020, the appointed councillors from NBC must agree a budget to be used by the newly elected councillors in 2021, however items within the budget can be modified during 2021 if the elected councillors so wish.
- 1.2. The budget has been split into its constituent parts to allow councillors to understand how the final figures have been arrived at.

Budget item (detailed)	2021/22 £
Staffing costs	£41,429.00
IT equipment hardware (laptop & printer/scanner)	£800.00
IT equipment software (Microsoft 365 & antivirus)	£200.00
Website (2Commune)	£3,000.00
Office IT & phone costs (Mobile and internet)	£800.00
Accommodation (NBC figures)	£10,000.00
Insurance	£500.00
Training (staff and councillors)	£2,850.00
Subscriptions (NCALC, SLCC)	£3,000.00
Audit fees (internal and external)	£845.00
Election expenses (NBC figures)	£9,000.00
Contingency (to include legal)	£25,000.00
To develop future services/ transfer to reserves	£50,000.00
Total	£147,424.00

Estimated tax base	3,058
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Band A charge	£32.14
Band D charge	£48.21

It should be noted that 21% of properties in Far Cotton and Delapre fall within the Band A category of council tax banding.

1.3. This report will provide the background to each line item as shown above.

1.3.1 Staffing costs

The Interim Clerk has been appointed to the council and will be in post until a permanent clerk is appointed (this is anticipated to be August 2021). The Council is required by law to appoint a Proper Officer (Parish Clerk) who is responsible for signing and serving official documents and receiving such documents on behalf of the Council and a Responsible Financial Officer (RFO). An experienced, trained clerk is an invaluable asset to a council, especially a fledgling council. The clerk will be able to guide the council in all aspects of the powers and duties the council has and is able to apply for grant funding on behalf of the council which would allow further funds to be accessed to allow the newly elected councillors to identify and work on projects within the Far Cotton and Delapre area. The clerk would also work with the principal council to identify any S106 monies that may be owed to the council.

The table below outlines the costs associated with the interim clerk, permanent clerk and part time member of staff that may be required to run the council.

Far Cotton Parish staffing	Interim	Salary	NI	Pens	Total
Interim Clerk	8,789				8,789
Permanent Clerk (starting August, 30 hrs per week)		16,460	2,271	4,938	23,669
Part time member of staff (starting August; 15 hrs per week)		6,238	861	1,871	8,970
Total	8,789	22,698	3,132	6,809	41,429

1.3.2 IT equipment (hardware and software)

The council will need to purchase a laptop and printer/scanner for the parish office, the laptop will require an antivirus package and access to Microsoft 365.

1.3.3 Website

A website (with domain and one email address) has been purchased. The website will be live before the end of February and will be used to actively promote candidacy to the council as well as fulfilling the statutory responsibilities of the council.

1.3.4 Office and IT costs

The council will need a dedicated phone number to allow residents to contact the parish office. The office will also require an internet connection. A budget of £800 will be sufficient to acquire a mobile phone contract and to purchase office broadband connections.

1.3.5 Accommodation

Accommodation costs of £10,000 have been included as an estimated figure. It is anticipated that this would be sufficient to cover accommodation costs whether that be rent, lease, or maintenance of property owned by the Council. As the council does not have an agreed base of operation, it is impossible to give absolute costs for

accommodation. It is anticipated that the Recreational Centre in Far Cotton would be the ideal base of the community council, but negotiations for office and meeting space will need to occur between the council and West Northamptonshire Council, until those negotiations have been concluded, an estimated figure must be submitted.

1.3.6 Insurance

As a minimum, the council should have insurance to cover public liability, employers liability, fidelity guarantee and assets.

1.3.7 Training

The training budget will allow the clerk and all 12 councillors to attend up to 5 training courses in the first year.

1.3.8 Subscriptions

It is recommended that the council continues with membership to Northants CALC and for the clerk to remain a member of the Society of Local Council Clerks (SLCC). Membership fees are £2,773 and £234 respectively.

1.3.9 Audit fees

As a new council, the council must undergo both an internal and external audit. Internal audit costs are £445 and external audit costs are £400.

1.3.10 Election costs

NBC recharge all town, parish and community councils election costs as standard.

1.3.11 Contingency

The contingency includes estimated amounts for potential legal fees to complete any lease agreements for accommodation, a small grants fund to help the community groups in Far Cotton and Delapre, any allotment costs and any project work the elected councillors may wish to undertake in their first year in office. The actual breakdown of these items will depend on elected councillor decisions therefore cannot be provided in detail.

Far Cotton and Delapre Community Council will have Mereway and Pleydell Road allotments transferred as part of the Reorganisation Order. The cost of the above allotments is not available as they are currently managed as part of the Ide Verde contract with NBC. It should be noted that the allotments will also provide an income to the council.

1.3.12 Transfer to reserves

As the council will not have reserves, it is essential that the budget includes a sum to allow reserves to be built from year one. The recommendation is that between 3-12 months of the net revenue is held as a reserve amount. The amount presented in this budget represents 6 months of reserves.

2. Operational Fixed vs Variable Costs

It should be noted that some costs in the budget are operational costs for the council which are common across both new/community parish councils (website, office costs, IT costs and insurance), however some costs are variable costs which are dependent on either the total budget figure (internal and external audit, SLCC subscription) or the number of electors per council area (NCALC membership and election costs).

3. Summary

The budget is a contingency budget, the councillors elected in May will be able to use the budget as a starting point for the council. Some items are known (staffing costs, professional services, website), some are the best estimates available to officers in the current climate (running costs, accommodation costs, election costs) whilst the contingency and amounts to develop future services and transfer to reserves are the best estimates available to allow the elected councillors the freedom to achieve the goals they set in year one.

Community Councils can access grant funding and it is anticipated that the council will wish to explore all avenues of funding available to them. Any unspent provision in year one, would be added to reserves and may be used to off-set costs in year two.

4. Recommendations

- 4.1 To agree the budget as shown in 1.2 of this report and to use the figures as the basis of the first precept to be set by Far Cotton and Delapre Community Council.
- 4.2 To set a precept of £147,424 for 2021/22.