

Finance and Budget Statement 2013

Following meetings of the Finance Committee, and in response to a range of information received from Northumberland County Council, I would like to propose the following budget and precept for 2013/14 on behalf of the Finance Committee.

Key Messages

We have been in ongoing discussions throughout the last year with the County Council regarding the transfer of certain key services from County to Town Council responsibility.

From April 2012, we became responsible for the delivery of allotments and seasonal lighting, play areas, all public seats, provision of new litter bins, War memorials, 'In Bloom' competitions and all Bus Shelters.

From April 2013, we have the option to adopt responsibility for parks and playing fields, which includes Memorial and Milburn Parks, and Newbiggin Sports and Community Centre, Welfare and Collingwood Playing Fields.

In the December 2012 Finance Meeting, we recommended that Memorial Park be adopted with land transfer, but the other park and playing fields should not be adopted. This is largely because of the cost of delivering these services, coupled with the complexity of managing and delivering them.

County Council policy means that it is likely that a Special Charge will be raised on Council Tax bills for Newbiggin by the Sea residents, to cover the cost of delivering these non-adopted services, as they will not be provided for in the County Council's budget, nor the Town Council's.

In addition to the complex picture of service transfers, we have also been watching closely the decisions made by the Department for Communities and Local Government over the payment of Council Tax Benefit. A grant has been provided from DCLG to the County Council to be passed on to Town and Parish Councils to cover the cost of the change in the benefit scheme arrangements, and the County Council have agreed this year to forward the whole sum onto Town and Parish Councils, but are likely to resolve to cease this from next year onwards, in order to supplement an increasing division between their income and expenditure.

This picture has again been coloured by a recent change to Council Tax eligibility, again impacting upon the housing base on which our precept will be collected, and thereby affecting the amount of precept we can collect with no increase to individual households' contribution.

Our previous budgets have successfully enabled us to deliver services and support a wide range of projects throughout Newbiggin by the Sea, and we have achieved much of what we set out in the Town Plan that was agreed in December 2010.

The total precept that we recommend requesting of Northumberland County Council remains unaltered from the previous three years at £113,110. This value is to include the grant being made to us, making the actual precept request of £84,368.

The Finance Committee recommend no change to the previous years' precepts because:

1. We have been able to merge repairs and replacement budgets to provide realistic funds to cover the management of the services for which we will be responsible;
2. We are able to realise budget underspends from the last two years to deliver on some projects that have one-off costs;
3. It acknowledges the difficult economic situation that we continue to find ourselves in;
4. It reflects the request made by Central Government to County Councils to not increase the precept this year. This request has only been made to County level, but we feel this reflects the spirit of the request.

We propose to set the overall budget for 2013/14 at £127,250, and use balances from 2012/13 to cover additional project costs and contingency funds.

In detail

Administrative expenses totalling £45,550 shows another reduction of £3035 on last year's budget, based on another year's worth of actual costs. These costs include salary, training budgets, room and building hire and office costs, insurance covering public and employer's liability, money for publicity, publications, audit and professional subscriptions, another 50% reduction in the budget for members' expenses, and general civic expenses.

The budget for service delivery, of £31,500, has been merged to cover a wider range of services; some figures are actual costs whilst others are estimated, allowing us some degree of flexibility in this budget heading. Service delivery includes a growing portfolio of areas of responsibility for the Town Council.

- Play areas will include money to pay for regular, weekly safety inspections, annual inspections and replacement equipment.
- Public toilets will provide service enhancement during the summer months.
- War Memorial maintenance is a new service being delivered by the Town Council.
- Bus Shelters maintenance, also new, will allow us to be in control of the upkeep of these facilities.
- Public seating maintenance will also allow us to control the delivery of this service.
- Newbiggin Nipper service contribution will continue with co-funding from the County Council, following another extremely successful year.
- Christmas lighting, delivered in partnership with the Traders' Association, continues to be a real success for our town.
- Floral displays and annual bedding budget will provide for annual bedding throughout Newbiggin by the Sea.
- Allotments continue to be very successfully managed by the Allotments Association.
- Memorial Park, which is managed by the Newbiggin in Bloom Association and the Royal British Legion Newbiggin and North Seaton Branch.

The Repairs and Replacements budget moves this year into the main budget, ceasing to be provided out of balances as was the case last year. This figure does not change from last year, and we were able in 2012/13 to deliver a significant number of projects from this budget, including new and replaced bus shelters, co-funded by County Councillors.

Special events provides funding for particular activities that bring prestige, pride and visitors to Newbiggin by the Sea. Unfortunately, this budget has had to be much reduced from last year, but is in line with the previous years' budgets and spends, and will provide support to key events within Newbiggin by the Sea.

Project funding covers areas of expense that will enable us to continue progressing other areas of our Town Plan. In particular, a focus on projects that will support youth, adults, holiday and leisure and community volunteering. Again, this budget is lower than last year, but will provide sufficient opportunity to support our community.

Conclusion

Over recent months we have seen our budget expectations and hopes challenged by Central Government and the County Council, and it is increasingly difficult to set a budget with no percentage increase overall and still deliver the range of projects and services that are expected of us.

We run an efficient and prudent Council, with a budget that is sensitive to the local climate and needs and responsive to local expectations. This budget takes us through into the next administration which will have an increasingly difficult task in maintaining the precept at 0% increase if services are to be delivered at a consistently high standard. This budget will enable a productive year to be had, but will need careful management to not impact heavily on future years.

Recommendations

1. That the Town Council accept the proposed budget of £127,250.
2. That contributions from balances of £15,247 are used to realise this budget.
3. That a request to the County Council for the full Government grant of £28,742 is made.
4. That the Town Council accept the proposed precept of £83,261.

Cllr Rebecca McCready,
Chair, Finance Committee
January 2013