

Finance and Budget Statement 2012

Following several 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 2012/13 on behalf of the Finance Committee.

Background

We have been in ongoing discussions throughout the last year with the County Council regarding the transfer of certain services from County to Town Council responsibility. We currently are responsible for the delivery of allotments and seasonal lighting, and from April 2012 will also be responsible for the delivery of the following list of services:

- Play areas;
- All public seats;
- Provision of new litter bins;
- War Memorials;
- 'In Bloom' competitions;
- All Bus Shelters.

We agreed to the transfer of these services in the December Council meeting, to ensure that we have local control over these areas, to prevent special charges from being levied on Council Tax bills, and to prevent these services from disappearing altogether when there is such a strong local need.

The 2010/11 and 2011/12 budgets have successfully enabled us to deliver services and support a wide range of projects throughout Newbiggin by the Sea, and we have already achieved much of what we set out in the Town Plan that was ratified in December 2010.

The focus for the budget this year is on supporting the delivery of services as they transfer to us in April, and we have spent a great deal of time obtaining the best cost:quality ratio possible within the time constraints we have been working.

Key messages

The overall precept that we recommend requesting of Northumberland County Council remains unaltered from the previous two years at £113,110. The Finance Committee recommend no change to the previous years' precepts because:

1. We have been able to merge repairs and replacements 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 find ourselves in, including the uncertain future of Alcan;
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 2011/12 at £113,110, and use balances from 2010/11 to cover additional project costs and contingency funds.

In detail

Administrative expenses totalling £48,585 shows a reduction of £8,125 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 £25,000, 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.

Special Events provides funding for particular activities that bring prestige, pride and visitors to 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 youth and horticulture schemes, the delivery of the town calendar and continuation of the small grants scheme again which has proven immensely popular this year, the establishment of a music bursary to be administered through the Wansbeck Music Festival, and a flexible budget to cater for other projects.

Contingencies made up of balances remaining from the 2010/11 financial year cover a repairs and replacements cycle for bus shelters, public seats, litter bins and play areas, and the maintenance of the speed sign at Spittal. This year we have also decided to move monies previously residing in the main budget for legal and election costs into the contingencies budget as they have consistently remained unspent, and we must also maintain balances for the staff pension fund plus a working balance that we have set at £10,000.

Conclusion

Over the last year we have established meaningful discussions with the County Council regarding service delivery and cost, and have received significantly revised figures for the delivery of services that have been much more acceptable and have been accommodated within this budget. However, time constraints have prevented us from seeking alternative methods of providing services, and the coming year will necessitate a significant amount of work to identify potential alternative service providers and seek greater cost:quality efficiency.

Recommendations

1. That the Town Council accept the proposed budget of £113,110.
2. A Contingency budget is set at £34,000.
3. That the Town Council accept the proposed precept of £113,110.

Cllr Rebecca McCready,
Chair, Finance Committee
January 2012