



COUNCIL

18 January 2021

Agenda Status: Public

Chief Executive

Report Title	COMMUNITY GOVERNANCE REVIEW AND SUGGESTED BUDGETS/PRECEPTS FOR NORTHAMPTON TOWN COUNCIL, KINGSTHORPE PARISH COUNCIL AND FAR COTTON & DELAPRE COMMUNITY COUNCIL
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1 Background

- 1.1 In conjunction with NCALC the Cross-Party Working Group considered the funding requirement for each of the new Parish Councils to function and operate in their first year and be safe and legal in doing so. It is for the new Councils to determine the final precept taking into account what activities and services they consider the new Councils could offer and deliver within their areas for the benefit of the community in their first year of operation.

The new Councils will set their precepts.

2. Purpose

- 2.1 To report to Full Council the recommended suggestions for a first-year base budget as set out below from the Cross-Party Working Group held on the 9 December 2020. These recommended suggestions are part of the process for putting in place the decisions of Full Council at its meetings on the 20 January, 24 February and the 2 November 2020.
- 2.2 To agree the suggested 2021/22 base budget to the Northampton Town Council, the Kingsthorpe Parish Council and the Far Cotton & Delapre Community Council.

3. Recommendations

- 3.1 That Council accept the suggested base budgets for Northampton Town Council, Kingsthorpe Parish Council and Far Cotton & Delapre Community Council, as set out at paragraph 4.3, and in turn suggest to the Northampton Town Council, the Kingsthorpe Parish Council and the Far Cotton & Delapre Community Council to set

these budgets for their respective Councils for 2021/22 to ensure their safe and legal operation. In finalising their budgets, the Councils will need to take into account the services the new Councils could want to deliver in their respective areas for the benefit of their residents.

4. Issues

- 4.1 On the 9 December 2020 the Cross-Party Working Group discussed and agreed three suggested 2021/22 budgets for Northampton Town Council, Kingsthorpe Parish Council and Far Cotton & Delapre Community Council. Attached at appendix 1 is the report that went to that meeting that sets out the decisions they made to reach the suggested budgets to enable the safe and legal operation of the new Councils. Items in red were not part of the original report, but show the decisions made at that meeting.
- 4.2 It should be noted that this is a suggested budget for 2021/22. This suggested budget is intended to generate sufficient council tax income for each of the three Councils to allow them to operate safe and legally during 2021/22. In building up this suggested budget the Cross-Party Working Group looked at likely items of expenditure that these Councils would incur in 2021/22. However, this is not intended to be a prescriptive budget: the suggested budgets will generate income for each of the Councils to operate, but it will be up to each of the three new Councils to decide how they wish to spend this money in 2021/22.
- 4.3 The table below sets out the suggested budgets for each of the three Councils. Also included in this table is the current estimated tax base for each of the authorities, and based on that estimated tax base, an estimated Band D equivalent council tax charge for the residents of these new parish areas. Note that the tax base is not yet finalised, and could still change, but any changes are likely to be relatively small.

Council	Suggested 2021/22 precept requirement (£)	Estimated 2021/22 tax base	Estimated 2021/22 band D equivalent council tax (£)
Northampton Town Council	1,111,000	36,401	30.52
Kingsthorpe Parish Council	222,000	6,913	32.11
Far Cotton & Delapre Community Council	148,000	3,058	48.40

- 4.4 If Full Council accepts the above suggested budgets, they will in turn be suggested to each of the three Councils. There is no requirement for the new Councils to accept Full Council's suggestions which would leave them free to decide their own individual precepts.

5. Implications (including Financial Implications)

- 5.1. The Council's policy is to create three new councils and give greater representation to its citizens on issues and concerns that will arise locally in the future.

6 Resources and Risk

- 6.1. The issue of costs is being monitored by the Cross-Party Working Group.

7 Legal

- 7.1. There are no legal issues at this stage except for the need to comply with the requisite legislation.

8 Environmental implications

- 7.1. None at this stage.

9 Other Implications

- 9.1. None at this stage.

10 Background Papers

- 10.1. As enclosed.

**George Candler
Chief Executive**

CROSS PARTY WORKING GROUP – 09/12/2020

COMMUNITY GOVERNANCE REVIEW

Report Title:	New Town and Parish Councils' Draft Precept Report
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1. Purpose

- 1.1. The purpose of this report is to set out draft precepts for the new Northampton Town Council, Kingsthorpe Parish Council, and Far Cotton & Delapre Community Council (from here on, referred to as “the new Town and Parish Councils”) for 2021/22, to be recommended for Full Council to approve and in turn recommend to the new town and parish councils to formally set.

2. Recommendations

- 2.1. That the working group consider the draft precepts put forward, and some of the issues described in the report below and agree any amendments to be made to the precepts, so that the draft precepts can be taken to Full Council in January.

3. Tax base

- 3.1. A draft tax base has now been calculated for the new town and parish councils. The total precept set by each council will be divided by the tax base to give the band D equivalent charge for the council taxpayers. It should be noted that this is only a draft tax base at this stage, but it is unlikely that any significant change would be made to this. The draft tax bases for the new town and parish councils are as follows:

Council	Draft 2021/22 tax base
Northampton Town Council	36,401
Kingsthorpe Parish Council	6,913
Far Cotton & Delapre Parish Council	3,058

4. Set up costs incurred by NBC

- 4.1. In July 2018 Council agreed to delegate a budget of up to £30,000 to undertake any specialist activity associated with undertaking a community governance review. Then in January 2020 Council agreed an additional budget of £100,000 to cover the period to the end of the financial year 2019/20. This gave an overall budget of £130,000. This budget was fully spent by the end of 2019/20 and was taken from Northampton Borough Council's reserves.
- 4.2. Northampton Borough Council are continuing to incur costs in the current year in relation to the Community Governance Review. The table below shows the costs that have been incurred to date in 2020/21, and the forecast costs for the full year. The forecasts include an increase in the budget of approximately £20k to allow an extension to the NCALC contract to the end of March 2021.

Expenditure incurred by NBC	Costs incurred to date in 2020/21 (£)	Forecast costs still to be incurred in 2020/21 (£)	Total forecast costs for the year 2020/21 (£)
Staff costs	44,914	22,457	67,371
Other incidental costs	24,310	0	24,310
NCALC	29,175	20,000	49,175
Legal advice	9,192	0	9,192
Total	107,591	42,457	150,048

4.3. In addition to the above set up costs, there will also be election costs that will be incurred in relation to the new town and parish councils. The set-up costs and the election costs will either need to remain with NBC, and will need to be taken from NBC reserves, or they will need to be recharged on to the new town and parish councils. If they are to be charged to the new town and parish councils, the split is shown below (note that the set-up costs are apportioned based on tax base size):

Council	Estimated set-up costs (£)	Estimated election costs (£)	Estimated total charge (£)
Northampton Town	117,785	70,000	187,785
Kingsthorpe Parish	22,369	15,000	37,369
Far Cotton Parish	9,895	9,000	18,895
Total	150,048	94,000	244,048

4.4. The budgets later in this report assume that these costs will be charged to the new town and parish councils. If it is decided that this is not the case, then this element will come out.

Decision 1 – should the set up and election costs be recharged to the new Town and Parish Councils?

Agreement 1 – It was agreed at the meeting that the election costs would be charged to the new Town and Parish Councils, but the set-up costs would not be.

5. Northampton Town Council

5.1. The staffing costs for Northampton Town Council for 2021/22 have been reviewed by NCALC and the latest estimate of the requirement is set out below, with on-costs shown separately.

Northampton Town	Salary	NI	Pens	Total
Town Clerk	77,783	10,734	23,335	111,852
Full time admin post	29,577	4,082	8,873	42,532
Part time admin post (25 hrs per week)	15,594	2,152	4,678	22,424
Part time finance assistant (25 hrs per week)	19,372	2,673	5,812	27,857
Total	142,326	19,641	42,698	204,665

Other staffing costs (recruitment, travel, relocation, training/development)	16,000
Total	220,665

5.2. An amount of £180,000 is included in the draft budget for accommodation costs. This is an estimate of the expected cost of a service charge for the lease of the Guildhall to Northampton Town Council.

5.3. Previous versions of the draft budget had included an amount of £50,000 for Mayoral and Member costs. This was to cover Members allowances, and a mayor's allowance and mayors transport. This figure has now been increased to cover more of the costs expected to transfer from NBC to the Town Council in relation to the mayoralty. The new figure is based on the following:

Mayoral and Member costs	£
Members allowances (£1,000 per Member)	26,000
Members expenses	2,000
Mayor making event (based on NBC budget)	5,980
Civic & Mayoralty Officer (incl. on-costs, based on NBC budget)	33,411
Mayors transport (vehicle costs and driver, based on NBC budget)	28,741
Other general costs (furniture & equipment, stationery, printing, etc, based on NBC budget)	6,035
Mayoral Expenses (based on NBC budget)	27,544
Total	129,711

5.4. Based on the items described earlier in this report updating previous versions of the draft budget, we arrive at the following proposed draft precept for Northampton Town Council (note some figures are rounded up slightly as just estimates):

Northampton Town budget item	2021/22 £
Staffing costs (including Town Clerk, and one fulltime, two part-time admin staff), relocation costs, recruitment advertising, travel costs, etc	221,000
Professional services/subscriptions (audit, insurance, legal fees, etc)	40,000
Running costs (including payroll/finance system costs, postage, office supplies, telephones, etc)	40,000
Mayoral and Member costs	130,000
Year 1 set up and election costs	188,000
Accommodation costs	180,000
Other miscellaneous running costs and contingency	30,000
Amounts to develop future services in 2021/22 and/or transfer to reserves	400,000
Total	1,229,000

Estimated tax base	36,401
Band D charge	33.76

5.5. The above shows that the precept requirement for Northampton Town would be £1,229,000. This would equate to a band D equivalent charge of £33.76 based on the draft tax base.

Decision 2 – accept the above draft precept, or make any amendments to it?

Agreement 2 – The above table was amended to remove the set-up costs. The updated table and precept are shown below:

Northampton Town budget item	2021/22 £
Staffing costs (including Town Clerk, and one fulltime, two part-time admin staff), relocation costs, recruitment advertising, travel costs, etc	221,000
Professional services/subscriptions (audit, insurance, legal fees, etc)	40,000
Running costs (including payroll/finance system costs, postage, office supplies, telephones, etc)	40,000
Mayoral and Member costs	130,000
Election costs	70,000
Accommodation costs	180,000
Other miscellaneous running costs and contingency	30,000
Amounts to develop future services in 2021/22 and/or transfer to reserves	400,000
Total	1,111,000

Estimated tax base	36,401
Band D charge	30.52

6. Kingsthorpe Parish Council

6.1. The staffing costs for Kingsthorpe Parish Council have been reviewed by NCALC and the Parish Clerk position was the subject of a paper at the last CPWG. It is anticipated that there will be an interim clerk at the Council, with the permanent clerk joining around August. The suggested salary of the permanent clerk is based partly on the size of the parish, and this can be measured by the size of the precept. The following table shows the recommended salary levels for different precept levels:

Band D level	Precept	Salary Scale	Annual Salary
			(37 hours/week)

£75	£465,375	LC3 SCP 3741	£40,876- £44,863
£50	£310,250	LC3 SCP 3336	£36,922- £39,880
£35	£217,175	LC2 SCP 2932	£32,910- £35,745

- 6.2. NCALC have advised that they think the permanent Clerk salary should be set at £36,922, and this is included in the current draft budget.
- 6.3. NCALC have also now advised that it is likely that a council as large as Kingsthorpe will require a part time member of staff in addition to the clerk.
- 6.4. The table below shows the staffing costs based on the NCALC recommendations. These costs are higher than the staffing costs that had previously been put forward.

Kingsthorpe Parish staffing	Interim	Salary	NI	Pens	Total
Interim Clerk	14,216				14,216
Permanent Clerk (starting August; 37 hrs per week)		23,830	3,289	7,149	34,268
Part time member of staff (starting August; 15 hrs per week)		6,238	861	1,871	8,970
Total	14,216	30,068	4,149	9,020	57,454

Other staffing costs (training/development)	3,300
Total	60,754

Decision 3 – accept these higher staffing costs as advised by NCALC? **Agreement 3** – The staffing costs set out above were accepted.

- 6.5. Accommodation costs of £10,000 have been included in the draft precept. 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.
- 6.6. A contingency amount for unforeseen running costs had previously been included in the Kingsthorpe budget at £4,000. NCALC have recently reviewed this figure and are now recommending that this be increased to £45,000 on the basis that a contingency must be a realistic figure, so the Council does not run into operational and financial difficulties in the first year.

Decision 4 – the precept budget currently only includes the original £4,000 – should this be increased, and to how much?

Agreement 4 – it was agreed that the contingency would be increased to £45,000.

- 6.7. An amount of £15,000 had previously been put forward for “developing future services/transferring to reserves”. NCALC have recently reviewed this figure and are now recommending that this be increased to £80,000 on the basis that as the parish

council is in its first year of operation, it has no reserves, and that the reserve level should be set at between 6-9 months of the baseline budget.

Decision 5 – the precept budget currently includes the original £15,000 – should this be increased, and to how much?

Agreement 5 – it was agreed that the budget for “developing future services/transferring to reserves” would be increased to £80,000.

6.8. Based on the items described earlier in this report updating previous versions of the draft precept, we arrive at the following proposed draft precept for Kingsthorpe Parish Council (note some figures are rounded up slightly as just estimates):

Kingsthorpe Parish budget item	2021/22 £
Staffing costs (Town Clerk), including training, etc	£61,000.00
Professional services/subscriptions (audit, insurance, legal fees, etc)	£6,000.00
Running costs (including payroll/finance system costs, postage, office supplies, telephones, etc)	£2,000.00
Year 1 set up and election costs	£38,000.00
Accommodation costs	£10,000.00
Other miscellaneous running costs	£3,000.00
Contingency	£4,000.00
Amounts to develop future services in 2021/22 and/or transfer to reserves	£15,000.00
Total	£139,000.00

Estimated tax base	6,913
Band D charge	20.11

6.9. The above shows that the precept requirement of Kingsthorpe Parish would be £139,000. This would equate to a band D equivalent charge of £20.11 based on the draft tax base.

Decision 6 – accept the precept budget above, or amend based on any of the other decisions or discussions?

Agreement 6 – the above table was updated to remove set up costs and add in the higher levels of contingency and service/reserves budget. The updated table and precept are shown below:

Kingsthorpe Parish budget item	2021/22 £
Staffing costs (Town Clerk), including training, etc	£61,000.00
Professional services/subscriptions (audit, insurance, legal fees, etc)	£6,000.00

Running costs (including payroll/finance system costs, postage, office supplies, telephones, etc)	£2,000.00
Election costs	£15,000.00
Accommodation costs	£10,000.00
Other miscellaneous running costs	£3,000.00
Contingency	£45,000.00
Amounts to develop future services in 2021/22 and/or transfer to reserves	£80,000.00
Total	£222,000.00

Estimated tax base	6,913
Band D charge	32.11

7. Far Cotton & Delapre Parish Council

7.1. The staffing costs for Far Cotton & Delapre Parish Council have been reviewed by NCALC and the Parish Clerk position was the subject of a paper at the last CPWG. It is anticipated that there will be an interim clerk at the Council, with the permanent clerk joining around August. The suggested salary of the permanent clerk is based partly on the size of the parish, and this can be measured by the size of the precept. The following table shows the recommended salary levels for different precept levels:

Band D level	Precept	Salary Scale	Annual Salary
			(30 hours/week)
£75	£207,000	LC2 SCP 2932	£26,684- £28,982
£50	£138,000	LC2 SCP 2428	£23,248- £26,136
£35	£96,600	LC2 SCP 2426	£23,248- £24,690

7.2. NCALC have advised that they think the permanent Clerk salary should be set at £26,684, and this is included in the current draft budget.

7.3. NCALC have also now advised that it is likely that Far Cotton and Delapre will require a part time member of staff in addition to the clerk.

7.4. The table below shows the staffing costs based on the NCALC recommendations. These costs are higher than the staffing costs that had previously been put forward.

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
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Other staffing costs (training/development)	2,850
Total	44,279

Decision 7 – accept these higher staffing costs as advised by NCALC? **Agreement 7** – The staffing costs set out above were accepted.

7.5. Accommodation costs of £10,000 have been included in the draft precept. 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.

7.6. A contingency amount for unforeseen running costs had previously been included in the Far Cotton & Delapre budget of £4,000. NCALC have recently reviewed this figure and are now recommending that this be increased to £25,000 on the basis that a contingency must be a realistic figure so the Council does not run into operational and financial difficulties in the first year.

Decision 8 – the precept budget currently only includes the original £4,000 – should this be increased, and to how much?

Agreement 8 – it was agreed that the contingency would be increased to £25,000.

7.7. At a previous CPWG the budget for “developing future services/transferring to reserves” for Far Cotton & Delapre was increased from £10,000 to £15,000. NCALC have recently reviewed this figure and are now recommending that this be increased to £50,000 on the basis that as the parish council is in its first year of operation, it has no reserves, and that the reserve level should be set at between 6-9 months of the baseline budget.

Decision 9 – the precept budget currently includes the original £15,000 – should this be increased, and to how much?

Agreement 9 – it was agreed that the budget for “developing future services/transferring to reserves” would be increased to £50,000.

7.8. Based on the items described earlier in this report updating previous versions of the draft precept, we arrive at the following proposed draft precept for far Cotton & Delapre Parish Council (note some figures are rounded up slightly as just estimates):

Far Cotton & Delapre budget item	2021/22 £
Staffing costs (Town Clerk), including training, etc	£45,000.00
Professional services/subscriptions (audit, insurance, legal fees, etc)	£4,000.00
Running costs (including payroll/finance system costs, postage, office supplies, telephones, etc)	£2,000.00
Year 1 set up and election costs	£19,000.00
Accommodation costs	£10,000.00
Other miscellaneous running costs	£3,000.00

Contingency	£4,000.00
Amounts to develop future services in 2021/22 and/or transfer to reserves	£15,000.00
Total	£102,000.00

Estimated tax base	3,058
Band D charge	33.36

7.9. The above shows that the precept requirement of far Cotton & Delapre Parish would be £102,000. This would equate to a band D equivalent charge of £33.36 based on the draft tax base.

Decision 10 – accept the precept budget above, or amend based on any of the other decisions or discussions?

Agreement 10 – the above table was updated to remove set up costs and add in the higher levels of contingency and service/reserves budget. The updated table and precept are shown below:

Far Cotton & Delapre budget item	2021/22 £
Staffing costs (Town Clerk), including training, etc	£45,000.00
Professional services/subscriptions (audit, insurance, legal fees, etc)	£4,000.00
Running costs (including payroll/finance system costs, postage, office supplies, telephones, etc)	£2,000.00
Election costs	£9,000.00
Accommodation costs	£10,000.00
Other miscellaneous running costs	£3,000.00
Contingency	£25,000.00
Amounts to develop future services in 2021/22 and/or transfer to reserves	£50,000.00
Total	£148,000.00

Estimated tax base	3,058
Band D charge	48.40

8. Next steps

8.1. If the CPWG approve the draft budgets above, or agree specific amendments, the draft precepts (or amended draft precepts) can be recommended to Full Council in January to in turn recommend to the new Town and Parish Councils to formally set.