

## YATTON PARISH COUNCIL

**Full Council, 10 January 2011**

**Agenda item 10: 2011/12 budget and precept: REVISED 10 JANUARY**

### **Report of the Clerk**

1. A parish council has power to raise money from council tax payers in its area. It does this by sending a demand called a 'precept' to the billing authority (North Somerset Council). North Somerset Council includes the precept on council tax bills, along with precepts from the police and fire authority, and the money it needs itself. Council tax bills are itemised so that council tax payers can see how much is raised by each authority. North Somerset Council pays over the precept in two instalments, one in April and one in September.

2. Parish council expenditure is not capped and a parish council can at present set whatever precept it thinks fit. The 2010/11 precept was £177,279. The amount payable by council tax payers varies according to what council tax band their property is in. For 2010/11 £177,279 gave an amount of £64.96 payable in respect of a middle band (Band D) property. This is higher than most other parishes in North Somerset but by no means the highest. If the precept were kept the same for 2011/12 the amount payable in respect of a Band D property would be £64.28.

3. I am circulating a draft budget for 2011/12 with the Council agenda. This proposes essentially the same spending as the projected out-turn for 2009/10, increased slightly for inflation in some cases. The main differences, as recommended by the relevant committees, are:

- 107/4712 (page 4), grant to Yatton Junior Football Club to cover utilities and white liner: £1950 as requested by the Club (2010/11: £2200)
- 103/4711 + 107/4701 (page 4), grants: £10,000 (2010/11: £8000)
- 107/4722 (page 4), grant to Strawberry Line: £600 (2010/11: £750)
- 299/4924 (page 11), play and fitness equipment: £8000 for new equipment (2010/11: £5000 although in the event this was spent on Rock Road play area resurfacing, **SEE BELOW**)
- 299/4935 (page 11), Hangstones: £4000 for extending the path (2010/11: £5000)
- 399/4964 (page 12), road safety: £10,000 (2010/11: Nil). Together with reserves carried forward this will give a total of £21,500, enough to fund a zebra crossing outside 130 High Street, Yatton.

4. Members might also like to consider making a provision of (say) £3000 for equipment replacement, as the tractor may need replacing in the next few years.

5. The draft budget does not include any provision for funding play rangers.

**5A. NOTE THAT THE FIGURE OF £5000 FOR 299/4924 NEW PLAY EQUIPMENT PROJECTED OUT-TURN IS INCORRECT. IT SHOULD BE NIL AS THE £5000 VIRED TO ROCK ROAD APPEARS UNDER 212/4017. FIGURES IN THE ORIGINAL REPORT ARE ADJUSTED ACCORDINGLY AND HIGHLIGHTED.**

6. The current projected out-turn for 2010/11 shows a deficit of **£25,222**, which would need to be met from general reserves. However I expect the eventual transfer to be less than this. The proposed budget for 2011/12 would result in a deficit of £43,860 if the precept were kept at £177,279, which again would need to be met from general reserves.

7. At 31 December 2010 the Council had £127,356 in general (uncommitted) reserves<sup>1</sup>. The external auditors have several times commented on the high level of the Parish Council's reserves. The National Association of Local Councils recommends that a general reserve should be between 25% and 100% of the precept. If the Parish Council leaves the precept unchanged this would suggest a general reserve of between £44,000 and £177,279. I would suggest that Yatton Parish Council's reserve could be towards the lower end because (a) North Somerset Council pays the first instalment of the precept promptly (b) the Parish Council is not expecting any large expenditure early in 2011/12 and (c) much of the Council's expenditure such as salaries is spread smoothly throughout the year.

9. If the 2010/11 out-turn is a deficit of **£25,000** this would reduce uncommitted reserves to around **£100,000**. If there were a further deficit of £40,000 in 2011/12 this would further reduce uncommitted reserves to **£60,000**. This would still be at an acceptable level.

10. Members should also bear in mind that the Localism Bill currently going through Parliament provides for a local referendum to be held before a parish council can impose an 'excessive' increase in precept. 'Smaller' parish councils will be exempt from this requirement. The Government has not announced what will be considered excessive or which parish councils will be considered smaller. This provision is likely to apply from 2012/13 onwards.

Members are invited to consider the draft budget, approve it with or without amendments and decide on the amount of the precept for 2011/12.

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<sup>1</sup> Including: £1000 Cadbury Hill (Yatton) Lease (no longer required), £1000 Moor Street Bow (no longer required) and £8137 Capital Receipts Interest Reserves (uncommitted)

## **Agenda item 11: Adoption of new Standing Orders and arrangements for public participation**

### **(1) New Standing Orders**

1. I am circulating with the Agenda a set of draft Standing Orders for Yatton Parish Council, based on the model published last year by the National Association of Local Councils (given to members in July). This draft would replace the existing Standing Orders adopted in 2008, but based on the 2003 NALC model. I am grateful to Councillors Martyn Hooper, Jill Iles and Susan Morris for their assistance in adapting the model.
2. The Localism Bill currently going through Parliament will require some changes in Standing Orders when it becomes law and is brought into force (probably late 2011 or early 2012). However I do not expect any major changes to be required.
3. A commentary on the draft, including differences from the model, is appended to this report.

### **(2) Arrangements for public participation**

4. The Parish Council and its committees currently allow public participation before the start of the formal meeting, although it is regulated by the person in the chair. This has two disadvantages:
  - If the Chairman and Vice-Chairman are absent the formal meeting ought to start in order to elect a person to preside
  - More seriously public participation ought to come after members have had a chance to declare interests so that everyone is aware that a member who speaks is doing so under paragraph 12(2) of the Code of Conduct.
5. For these reasons NALC recommends that public participation ought to be a part of the formal meeting and be dealt with under Standing Orders (not by 'suspending' Standing Orders). The model Standing Orders accordingly provide for public participation but they do not specify when it should take place. In my view the most suitable time would be immediately after declarations of interest.

I RECOMMEND that:

- (1) the draft Standing Orders be adopted as the Standing Orders of Yatton Parish Council in place of the existing Standing Orders;
- (2) the public participation provided for in the new Standing Orders take place immediately after declaration of interest.

## COMMENTARY ON THE DRAFT STANDING ORDERS

- Order 1 includes new provision for public participation. This is necessary to enable members with a prejudicial interest to comment under paragraph 12(2) of the Code of Conduct. Although the Localism Bill, if enacted in its current form, will put an end to the requirement to have a Code of Conduct there will still be a requirement to declare interests and (for some interests) leave the room, so some provision similar to this will be required.
- Orders 1(e) & (f): time for public participation has been retained as 15 minutes total, 3 minutes per person
- Order 1(j): members do not need to stand
- Order 1(x): quorum for committees, one third of membership, is inserted
- Order 1(z): meetings not to last longer than 2½ hours
- Order 3(b)(i) in the model includes an alternative allowing meetings to be summoned by email. This is currently not permitted by the legislation. I would be very cautious about adopting this alternative since decisions taken at a meeting summoned in this way might be open to challenge before the auditors or in the courts. I have not included this provision in the draft.
- Orders 3(b)(iii), 4(a) & 4(c): time limits inserted
- Order 7 deals with representations, &c, by members with a prejudicial interest (see above).
- Model order 8, providing for Question Time, has been omitted. Members of the working party considered it was unnecessary for Yatton Parish Council

Note that because of the omission of model order 8 subsequent orders in the draft are one number less than in the model

- Order 10 (model 11): number of councillors required to rescind resolution has been set at 6 (currently 14)
- Order 12(c) (model 13(c)) allows for the delegation of power to authorise payments. This is in the expectation that the law will be changed in the near future so that payments no longer need to be made by cheque signed by two councillors. NALC has new model financial regulations in draft but will not be issuing them until the law has been changed. I am not proposing any change in payment procedure at present.
- Order 13(b) (model 14(c)): the Council does not have a common seal so the second alternative is appropriate
- Model order 15(a)(iv) allows for substitute members of committees. Members of the working party did not consider this appropriate for Yatton Parish Council
- Order 16(b) (model 17(b)): Despite being in bold type the model text is incorrect. The legislation provides for 'any' two councillors, not 'those' two

councillors, to summon an extraordinary meeting if the chairman refuses to do so. I have corrected this in the draft.

- Order 24 (model 25), which is new, sets out the statutory requirements for the exercise of the power of well-being. The Localism Bill currently going through Parliament will replace the power of well-being with a 'general power of competence' but the conditions for exercising the power are likely to be the same or similar.
- Order 25 (model 26), which is new, makes provision for procedures affecting employees, I suggest the Personnel Sub-committee as the appropriate committee
- Order 28(b) (model 29(b)): correspondence on routine matters need not be copied to North Somerset councillors
- Order 29 (model 30) on financial regulations is a statutory requirement: amount above which formal tenders are required is reduced to £20,000 (currently £50,000) on the recommendation of the Finance, Personnel & Administration Committee following an internal auditor's report.
- Model order 30, which deals with allegations of breaches of the Code of Conduct, has been omitted. The requirement to have a Code of Conduct, and the jurisdiction of principal authority standards committees, is likely to be abolished when the Localism Bill currently going through Parliament becomes law and is brought into force.
- Order 30 (model 32) deals with variation, revocation and suspension of standing orders. It is generally accepted that it should not be too easy to make a permanent amendment to standing orders (as opposed to a temporary suspension which can always be done without notice). The former model standing orders achieved this by providing that any proposal to amend standing orders was automatically deferred to the next council meeting (Yatton Parish Council did not, however, adopt this provision). The new model suggests a two-thirds majority for amendment of standing orders. *Knowles on Local Authority Meetings*, the leading textbook on the law and practice of local authority meetings, considers that such a provision would be unlawful because the law requires decisions to be made by a majority (i.e. a bare majority) of members present and voting. I have replaced the two-thirds majority with a provision that motions to amend standing orders are referred automatically to the Finance, Personnel & Administration Committee.