

**Northampton Town Council**

**Executive Committee**

**19<sup>th</sup> January 2021**

**Report of the Acting Town Clerk**

**1. Transfer of Property and Services**

<p><b>Purpose of Report:</b> To update Members on current discussions on the possible transfer of property and services to the Town Council</p>
---

**Recommended:** That the Town Council at its meeting on 27<sup>th</sup> January 2021 be recommended to:

- i) To agree in principle, subject to the concurrence of the Shadow West Northants Council, to the transfer on 1<sup>st</sup> April of those properties and services set out in paragraph 1b) of the report of the Acting Town Clerk (including a long lease of the historic part of the Guildhall) and, subject to the approval of the draft budget for 2021/22, further reports on the financial and staffing implications of these transfers be presented to this Committee**
- ii) To explore with the Shadow West Northants Council a possible funded transfer of the further services set out in paragraph 1c) of the report on 1<sup>st</sup> April 2021**

Over a period of time a wide range of properties and services have been suggested for possible transfer from the Borough Council to the new Town Council. These fall into three general categories: those which have already been agreed; those which the Borough has agreed to transfer in principle subject to further reports; and those in respect of which the Town Council has requested further information on the financial and staffing implications of transfer before considering further.

**a) Transfers already agreed**

The Statutory Order creating the Town Council transferred the following allotment sites on 1<sup>st</sup> April 2021: Billing Road East, Broadmead Avenue, Glebeland Road, Graspin Lane, Harlestone Road, Parklands, Rothersthorpe Road and Southfields.

The Order also transferred the Mayoralty and accordingly the full current budget for mayoral support services is being included in the draft budget. A long list of other civic items including regalia, robes, muniments and other artifacts is being compiled and will be reported in due course.

Following the creation of the Town Council the Borough Council's previous responsibility for maintaining closed churchyards also passes automatically to the Town Council. I have not yet been advised the precise areas of land involved or the maintenance costs for them.

**b) Transfers agreed in principle by the Borough Council**

At its meeting on 2<sup>nd</sup> November the Borough Council agreed in principle to transfer the following property and services subject to further reports to the Cross Party Working Group and full Council:

Markets, Events and Entertainments, Festive Lighting, Street Furniture, Hanging baskets and Planting Displays, Town Twinning, Community Grants, and Town Centre Management Activities.

The Cross Party Working Group is also recommending to the Borough Council meeting on 18<sup>th</sup> January that the Town Council be offered, subject to the concurrence of the Shadow West Northants Council, a long lease of the historic part of the Guildhall on an internal repairing basis only. At the last meeting of this Committee it was noted that the principal council would retain the freehold and responsibility for structural repairs including the roof and the external statues. As the Guildhall was currently managed and serviced as a single unit with the modern office extension and could not be readily be divided it was likely that the landlord would continue to be responsible for heating, lighting and other services, cleaning, security and other overheads such as insurance and business rates. The Town Council would then be required to pay a service charge for its proportion of those costs.

This Committee agreed that the Town Council is willing to continue to explore a long lease of the historic part of the Guildhall as indicated, subject to the receipt of further details of all income and expenditure related to this part of the premises.

Detailed income and expenditure figures for these services are not yet available but Borough Council officers have kindly given some estimated information of current service costs to enable appropriate contingency provision to be included in the draft budget presented in the next item.

**c) Property and Services for which the Committee has requested more information**

In addition to the services set out in sections a) and b) above, the Committee asked the Borough Council for advice as to the financial and staffing implications of further potentially local services being transferred to it. These were: Local Open Spaces and Play Ares (but excluding premier parks and land held under the Housing Revenue Account), Community Centres, War Memorial and statues, Council representatives on outside bodies and charities, Neighbourhood Wardens, Park Rangers.

Members will naturally wish to receive further information on all the above property and services in due course to enable them to consider which services it wishes to continue to explore at this stage. However, as many services are currently managed as part of much wider contracts or in a “package” with other services, disaggregating the precise income and expenditure details which Councillors would expect to see as part of usual budget preparation is complex and will take some time to achieve, final figures may not be available in time for this meeting or indeed the Council meeting on 27<sup>th</sup> January.

**d) Possible way forward**

Given the circumstances set out in the paragraphs above, the Committee may wish to consider the following approach to service transfers.

With regard to the services at paragraph b) above, the Committee could recommend that the Town Council agrees in principle to accept these services (which includes the historic part of the Guildhall) and includes contingency provision in the draft budget based upon the best available estimates having regard to current Borough Council gross budgets and so meet the 27<sup>th</sup> January deadline for setting a precept. Further more detailed reports on the financial and staffing implications can then be presented to the Committee and Council before 31<sup>st</sup> March to enable Councillors to make an informed final decision. In event the Committee may also like to instruct the new Town Clerk, during the Council’s first full year, to undertake a full review of the operation of every individual service so the Council can consider any desired modifications and improvements.

With regard to the matters at paragraph c), which the Borough Council has yet to consider, as explained above, providing more detailed income and expenditure estimates is particularly challenging. For example, it would be necessary to commission detailed building surveys for each of the 18 community centres in order to establish likely future landlord responsibilities/ liabilities, even if the principal council is willing to consider their transfer. Further, with regard to open spaces and play areas, Neighbourhood Wardens and Park Rangers, some of these are included in the much wider contract and a detailed analysis will need to be undertaken to reveal how readily these can be separated and what the potential benefits would be of the Town Council accepting future responsibility for these services. However, the shadow West Northants Council is presumably currently including those services in its own draft budget so that might be the opportunity, should the Council wish to continue to explore the possible transfer of them, of exploring with WSN a possible service level agreement for the Town Council to deliver them on a funded basis in year one but with a sliding scale contribution towards the cost of such transferred services over a further short period of years.

## **2. Draft Budget and Precept 2021/22**

**Purpose of report:** To invite the Committee to recommend a budget and precept to the Council Meeting on 27<sup>th</sup> January

**Recommended: That the Council at its meeting on 27<sup>th</sup> January be recommended:**

- i) to approve the draft budget in the sum of £x,xxx,xxx and to agree a precept on West Northamptonshire Council for 2021/22 in that sum;**
- ii) That, as a matter of priority, the new Town Clerk undertakes detailed reviews of all services which are transferred to enable the Council to consider any possible modifications and enhancements to those services**

### **a) A Contingency Budget**

The Meeting of the Council on 27<sup>th</sup> January is the final occasion at which the Council can agree its budget for the coming financial year and agree a precept upon West Northants Council.

For the reasons explained in the previous item, it is not possible at this moment in time to provide Councillors with the degree of itemised estimated income and expenditure for all budget heads which they might usually expect to have before them as a number of key component decisions, not least relating to services to be transferred, which are yet to be finalised. The budget included with this report is therefore very much a contingency budget to meet the deadline for setting a precept and at the same time provide adequate financial flexibility to the Town Council after the May elections to determine its own priorities. It is also very important to bear in mind that, although the Government has not applied referendum principles to town and parish council precepts for 2021/22, it has urged restraint and has advised that it could consider introducing such measures (which are more likely for the largest town councils) for future years. It is therefore important that the Council's first year budget is not set unreasonably low as this could seriously inhibit its opportunity to provide the level of community services which the town needs in future years.

There are likely to be four key elements to the preparing the Council's budget and precept:

- administrative costs of the Council (including staffing costs);
- existing Borough operational budgets for transferred assets and services;
- provision sufficient to allow additional or enhanced services desired by the Town Council and to avoid the Council having to consider a large increase in year two; and
- a contingency to initiate reserves for the council. The Town Council will initially possess no reserves and will potentially need to establish significant reserves to meet any unforeseen expenditure and liabilities. Members may recall that Weymouth Town Council are including £250,000 in each of its first four years.

The Cross Party Working Group (CPWG) is recommending a draft base budget for the Town Council but it is this Council which must make the final decision.

The latest advice (4<sup>th</sup> December 2020) as to the likely Council Tax base for the Town Council is **36,401 Band D** equivalent properties.

The CPWG budget includes several important aspects. Firstly, the following staffing provision:

#### b) Staffing

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

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

This is the minimum level of staff necessary for the Council to become fully effective after 1<sup>st</sup> April, however, moving forward, as previously discussed with Councillors at the informal briefing in November, I believe that provision will also need to be included for additional staff in the first and second years if the Council is to have adequate capacity to be capable of delivering the range of services which Councillors have indicated they would wish to provide. Although the new permanent Town Clerk will clearly wish to consider and advise on their preferred staffing structure, I believe the requirement will be for indicative additional posts such as:

Admin apprentices x 2

Head of Finance and Administration (appoint in Year 2)

Head of Environmental Services (possible post depending upon service transfers appoint in Year 2)

Economic Development Officer (Market, Town Centre initiatives) (Year 2)

Head of Community Development (appoint in October/ November 2021)

Community Development Officers (say 6 -8 spread over 2/3 years)

This will require a budget of £60,000 in the draft budget for 2021/22 with perhaps £200,00 in 2022/23 and £300,000 in 2023/24. When considering this level of staffing, the Committee will be aware that this is dependent upon the level of property and other services which are finally transferred from the Borough Council and represents a considerable reduction in the level of management costs normally applicable to principal councils.

#### c) **Mayoral and Member costs**

The following is the current Borough Council budget for Mayoral services together with a contingency figure for Councillor Allowances\* to enable the Council to consider whether it wishes to pursue this option once it has received the report and recommendations of the independent Parish Remuneration Panel which the Borough Council has already agreed to convene.

	<b>£</b>
Members allowances (£1,000 per Member)	26,000*
Members expenses	2,000
Mayor making event (based on NBC budget)	5,980
Civic & Mayoralty Officer and transport costs (incl. on-costs, vehicle costs and driver based on NBC budget)	62,152
Other general costs (furniture & equipment, stationery, printing, etc, based on NBC budget)	6,035
Mayoral Expenses (based on NBC budget)	27,544
<b>Total</b>	<b>129,711</b>

#### d) **Borough Council Recommended Base Budget**

The Borough Council at its meeting on 18<sup>th</sup> January is being recommended to pass on to this Council the following base budget which its officers have prepared in consultation with officers of Northants County Association of Local Councils (NCALC), including myself. This has been based upon the minimum provision desirable for the Town Council to operate efficiently and effectively. Apart from the cost of Mayoral Services, no provision is included for any other services which will or may be transferred.

<b>Northampton Town budget item</b>	<b>2021/22 £</b>
Staffing costs (including Town Clerk, and one full time 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
<b>Total</b>	<b>1,111,000</b>

Estimated tax base	36,401
Band D charge	30.52

#### **e) Contingency for new or enhanced services**

The base budget shown above also includes for a general contingency of £400,000 to cover future services and the creation of a working general reserve. There is no provision for the cost of transferred services except for the Mayoralty.

The Council will be starting with nil reserves so it will be necessary to create an appropriate reserve as part of its sound financial management policies. NCALC suggests a reserve of approximately half of estimated gross expenditure would be a suitable sum and this would be consistent with the decision which Weymouth TC took when it was created to set aside £250,000 for each of its first four years to create a working reserve of £1M. For this Council I would suggest the annual figure be £200,000 for each of the first five years to build up the same figure.

This will leave £200,000 general contingency to cover any new or enhanced services which the Council may decide to develop in its first year. Members of the Council at their informal briefings have referred to their ambitions to provide a range of new community services covering key topics such as Health and Welfare, Town Publicity and Promotion, Community Engagement and Support, Advice and Support for Young People, Enhancing street cleaning in key locations and Community Safety and Crime Prevention. The Council has further indicated that it would wish to undertake a community needs assessment of the whole area it serves and any initiatives considered in response to that survey. All these initiatives would have to be funded from this contingency of £200,00 and

Councillors may therefore wish to consider increasing this particular budget. Each further £100,000 added to the contingency would increase the precept for Band D council tax payers by £2.75.

All the Borough's draft budget has been incorporated into the draft Budget for 2021/22 together with current best estimates of the cost of transferred services as explained in the previous item (see Appendix).

This gross contingency budget of £1,775,500, based upon 36,401 equivalent Band D properties results in a Council tax of equates £48.78 at Band D or £32.52 (62p per week) at Band A (a typical town centre property).

This level of proposed council tax compares with other town and parish councils as follows:

<b>Council</b>	<b>Band D £</b>
Northampton Town Council	48.78
All parish councils in England (average)	75.00
Parishes in Northants (average)	71.00
Far Cotton and Delapre draft Budget	48.40
Kingsthorpe draft budget	32.11
Largest 20 Town Councils (average)	110.00

**The Committee is asked to consider this report and to recommend to the Council a precept for 2021/22.**

AppendixNorthampton Town Council Draft Contingency Budget 2021/22

	NBC Recommended budget 2021/22	Recommended Revised Budget
Staffing costs (including Town Clerk, and one full time two part time admin staff), relocation costs, recruitment advertising, travel costs, etc	221,000	221,000
Contingency for additional staff recruited during 2021/22 including Community Engagement Officer and two Administrative Apprenticeships		60,000
Professional services/subscriptions (audit, insurance, legal fees, etc)	40,000	60,000
Running costs (including payroll/finance system costs, postage, office supplies, telephones, etc)	40,000	50,000
Mayoral and Member costs	130,000	130,000
Election costs	70,000	70,000
Accommodation costs	180,000	180,000
Other miscellaneous running costs and contingency	30,000	50,000
Amounts to develop future services in 2021/22 and/or transfer to reserves	400,000	
First contribution to reserves		200,000
Contingency for new services and service enhancements		200,000
Councillor Community Funding 25 x £3,000		75,000
Community Grants		50,000
<b>Services</b> (estimates based up current NBC direct service costs, excluding management costs)		
Allotments (excluding staff costs)		26,000
Markets		44,000
Planting, hanging baskets etc		66,500
Events and Entertainments		104,000
Festive Lighting, Christmas etc		145,000
Town Centre Management		44,000
Closed Churchyards		Not yet available
<b>Total</b>	<b>1,111,000</b>	<b>1,775,500</b>