

Budget and Administration Committee

Parish precept comparative data

Background

1. Members are required to approve a Medium term Financial Plan. It is impossible to undertake such an exercise without considering the likely level of income to cover expenditure.
2. Members are also reminded that last year's budget was set on the basis that income would meet expenditure, and that reserves would gradually reduce. The issue of the level of reserves is considered in a separate paper to this meeting, but members are reminded that it is the opinion of your RFO that your level of reserves will always need to be higher than for other councils of a similar size because of the degree to which your income varies, depending on the level of income from the Freemen Trust.
3. Your officers have undertaken research to provide context to your discussions concerning future income levels.
4. By way of recap, your income derives from three sources; in descending order of size they are council tax precept, income from the Freemen Trust under the agreement as to disbursement of their funds, and miscellaneous income such as allotment rents.
5. In order to help members understand the potential scale of income from the precept, officers were instructed to research towns of a similar size in Northumberland and the level of their precept. A table overleaf shows the figures in question.
6. Members are not being asked on this occasion to draw any specific conclusions; the intention is to inform the debate amongst members prior to the budget debates. Nevertheless it is clear, from the overleaf, that the Band D rate for Berwick is well below the average for large local councils in Northumberland, and significantly below the level for other, comparable market towns such as Alnwick and Morpeth.
7. In terms of creating an environment for businesses to thrive, members are invited to reflect on the fact that in Hexham which has a comparable level of council tax to Berwick, but a much larger precept income, town centre businesses also benefit from an available Business Improvement District levy of £225,000 per annum. Members will note that similar Business Improvement District proposals are being developed for Morpeth.

Recommendation

1. Members are invited to note the report.

Councils with Precepts over £100000; listed in order of household charge					
	Total Precept				
Town Council	16-17	17-18	Band D Charge	% increase 16-17 to 17-18	
Corbridge	105000	105000	61.93	0.00	
W. Bedlington	214414	195736	64.67	-8.71	
Ponteland	380587	394517	71.01	3.66	
Hexham	293000	306875	72.84	4.74	
Berwick	251000	256020	77.83	2.00	
Prudhoe	295860	304569	92.99	2.94	
Alnwick	244253	267138	100.39	9.37	
Cramlington	815600	815600	102.40	0.00	
Ashington	675750	708500	102.28	4.85	
Amble	124300	174950	110.28	40.75	
Morpeth	535500	557582	113.38	4.12	
Seaton Valley	509080	531450	114.11	4.39	
Blyth	1062290	1120736	121.91	5.50	
Pegswood	95800	107600	126.66	12.32	
E. Bedlington	229482	249778	127.00	8.84	
Haltwhistle	114000	142500	130.95	25.00	
Newbiggin	197065	199365	143.72	1.17	
Choppington	362148	373012	146.41	3.00	
Average Band D Charge			104.49		
Average increase			6.89		