

CHESHIRE EAST COUNCIL

Wilmslow Community Governance Review Sub Committee

Date of Meeting: 21st October 2010
Report of: Borough Treasurer
Subject/Title: Wilmslow Community Governance Review - Budgets and Parish Precepts

1.0 Report Summary

- 1.1 At its meeting on 27 September 2010 the Sub Committee received an initial report from the Borough Solicitor and was asked to start to consider the potential running costs and budgetary requirements of the three new Parish Councils, in order that draft budgets could be prepared and precepts calculated.

2.0 Recommendation

- 2.1 The Sub Committee is asked to make recommendations to the Constitution Committee on the setting of appropriate budgets and precepts for the three proposed Parish Councils.

3.0 Reasons for Recommendations

- 3.1 Established Parish Councils advise the Borough Council in January each year of their precept requirements and these proposals are then included by the Borough Council as part of the total Council Tax setting process.
- 3.2 The difficulty with the process for proposed new parish councils in the Wilmslow area (if that is the outcome of the review), is that the parish councils themselves will not come into operation until Councillors have been elected in May 2011. Action is therefore required by Cheshire East Council to ensure that the new parish councils have a budget to work with.

4.0 Wards Affected

- 4.1 Wards covering the areas of Wilmslow, Handforth and Styal.

5.0 Local Ward Members

- 5.1 As above

6.0 Policy Implications including - Climate change - Health

- 6.1 None

7.0 Financial Implications (Authorised by the Borough Treasurer)

- 7.1 Parish precepts would need to be raised for any new Parish Councils created, to cover the administration costs for the municipal year 2011/12. The Council also needs to take into account corporate proposals which have been agreed by Cabinet on 19 July 2010 for the devolution of services from Cheshire East Council to Parish Councils. Further discussions will be required as to the impact of this programme upon the newly formed parish councils.

8.0 Legal Implications

- 8.1 The Local Government Finance (New Parishes) (England) Regulations 2008 enable the Council to calculate the first anticipated precept for a newly constituted Parish Council and for the amount of that precept to be included in the Re- organisation Order.

9.0 Risk Management

- 9.1 The risk is that if no action is taken by the Council to set a precept for the new parishes, the newly formed Councils will be unable to operate.

10.0 Background

10.1 Comparison with other Parish Councils in Cheshire East

In order to consider and determine reasonable budgets for the new Parish Councils, it may be helpful to compare with existing Parishes in the area.

Appendix A is a table showing information for existing Parishes, grouped by Local Area Partnership (LAP) Area – this simply shows for each Parish: Council Tax Base (number of Band D-equivalent properties); Parish Council Precept (budget for 2010/11) and the resulting Parish council tax (for a Band D property).

Appendix B shows similar information, but is organised by Council Tax Base (high to low). The Tax Bases for the new Parishes of Wilmslow, Handforth and Styal have been *estimated*, such that they can be seen adjacent to Parishes of a similar size.

In order to provide some focus, Parishes with a Tax Base lower or higher than 25% of the three new Parishes have been shaded – and for both **Handforth** and **Styal** an average of the budgets of Parishes within the +/-25% range has been shown, along with the resulting council tax. **This is purely illustrative, to aid the start of discussion – it is not an indication of what should be.**

Regarding **Wilmslow**, the “nearest neighbour” in terms of size (indicated by Council Tax Base) is Congleton, though it should be borne in mind that Congleton is a long-established Town Council with a range of service responsibilities, including the historic Town Hall building.

10.2 Local Service Delivery

As noted at the last Sub Committee meeting, appropriate budget provision will also need to be provided for the running of services, in accordance with the progress of the Council’s Local Service Delivery initiative.

Appendix C shows an indication of net operating budgets for a range of services within the Wilmslow area – the kinds of services that are on the agenda for local delivery and that will be discussed in detail with various Towns and Parishes in the coming weeks.

In order to assist with the process, it will be helpful for the Sub Committee to consider each service and – especially where we have gaps in financial information - discuss its applicability to the Wilmslow area and its location in terms of which of the three new Parishes, such that the information can be refined.

Further information on Local Service Delivery and how Parishes could be supported in the short term will be conveyed in the meeting.

10.3 Information from the Cheshire Association of Local Councils

The Cheshire Association of Local Councils (ChALC) supplied examples of budgets for both a small and a large Parish Council which were considered at the last meeting of the Sub Committee. These are attached again (**as Appendices D and E**) to this report, to aid discussions – they show an illustrative budget breakdown for a “small” Parish Council with a total budget of some £16,000; and a breakdown for a “large” Parish Council illustrating a budget of some £96,000.

- 10.4 In conjunction with the indicative budgets provided by ChALC and matters relating to Local Service Delivery, it is hoped that comparison with existing Parishes in the area will be helpful in initiating discussions on what would be reasonable budget levels, for the first year of the new Parishes.

11.0 Access to Information

There are no background papers relating to this report. The report writer is:

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