



BOXLEY PARISH COUNCIL

www.boxleyparishcouncil.org.uk

Clerk – Mrs Pauline Bowdery
Assistant Clerk – Mrs Melanie Fooks
Tel – 01634 861237

Beechen Hall
Wildfell Close
Walderslade
Chatham
Kent ME5 9RU

E-mail – Clerk@boxleyparishcouncil.org.uk

To all members of the Council, public and press

2nd July 2012

There will be a meeting of the **Finance Committee** on **Tuesday 10th July 2012** at Parish Office, Beechen Hall, Wildfell Close, Walderslade commencing at 7.30 p.m.

1. **Apologies and non-attendance.**

To receive apologies from members unable to attend.

2. **Declaration of Interest or Lobbying.**

Members are required to declare any interests or lobbying on items in this agenda.

3. **Minutes of the meeting of 22nd May 2012.**

To consider the minutes of the meeting and if in order to sign as a true record (previously circulated).

4. **Matters Arising.**

4.1 Minute 2411/10 Penhurst Close lease. MBC's legal section has accepted all of the Council's requests for change to the draft lease. The request to have the clause regarding the dog waste bin removed has been referred to another department and a response is awaited.

To adjourn to enable members of the public to address the meeting.

5. **Financial report.**

5.1 Income/Expenditure report of 2nd July 2012 (pages 10-12)

5.2 Reconciliation of accounts report of 2nd July 2012 (pages 13).

5.3 Reconciliation of accounts for June 2012 will be submitted to the meeting on the night.

5.4 Adjustments to budget see report (page 3).

5.5 Contingency Vire see report (page 3).

6. **Policy and procedures reviews and adoption.**

6.1 Investment Strategy see report (page 3-5).

6.2 Training and Statement of Intent see report (page 5-6+ enclosure).

6.3 Petty cash see report (page 6-7).

6.4 Payment of bills by Direct Debit and Standing Orders see report (page 7).

6.5 Risk Assessments see report (page 7 + enclosure).

6.6 Health and Safety Policy. The review has been deferred to the September 2012 meeting of the committee to allow the Clerk to take a 'refresher' investigation of the whole procedure to check suitability of the current document and also allow a competent person statement to be made to the document.

6.7 Review Audit controls. The review has been deferred to the September 2012 meeting of the committee to allow the Financial Scrutiny Committee to meet and pass on its comments to the Finance Committee.

7. **Grant Request.**

7.1 Kent Wildlife Trust see attached report (page 14-16)

8. **Consultation on appointment of external auditor for 2012/13.**

To consider whether to respond to the consultation see attached report (page 8).

9. **Subscription payments.**

A review of the subscriptions paid by the Council see report (page 8).

10. **Earmarked Reserves.**

To consider the draft document (pages 8-9).

11. **Matters for Information.**

Parish Councillor Allowances. The Finance Committee has been asked to recommend a percentage increase and this will be placed on the September agenda.

12. **Date of Next Meeting.**

Tuesday 11th September 2012 at Beechen Hall, Wildfell Close, Walderslade commencing at 7.30 p.m.

In view of the confidential nature (staff salaries and staff remuneration) the chairman will move a resolution to exclude the public and press for all or part of the item.

13. **Outstanding Time off in Lieu.**

See attached report (page 9) and confidential report enclosed for members. Members may consider passing a resolution to make a financial settlement.

14. **Salaries of office personnel.**

To consider the current situation see attached report (page 9) and confidential report enclosed for members. Members may consider passing a resolution to make a financial settlement.

Clerk to the Council.

Issues to be returned to agenda as they develop. None.

Item 5.4. Finance Report. Purpose of report; information

Item 5.4 Adjustment to budget. Members agreed that adjustments could be made to the 2012/13 budget document and asked for a report to be submitted on the changes.

Parish office Salary and PAYE. There has been no change to the combined budget figure of £47,420. The split between the 2 codes (salary and PAYE) has been wrong for a number of years. Having taken account previous history the split has now been changed to salary - £32,246 and PAYE £15,174.

Insurance. The 5 year long term commitment to the company resulted in a reduced premium and the budget was changed to reflect this. At the same time the decision was taken to remove some of the individual code entries for insurance for noticeboards, seats etc. The supporting budget information will show that there is insurance cover for the items but it is now under the Parish Council's general insurance code. Some separate code entries have been kept (for instance for Walderslade Woods Group) but with the addition of the playground equipment and other items it proved too complicated to calculate individual codes. The insurance document details the actual cover in full and this corresponds with the assets and inventory records.

Concurrent functions. Income changed to reflect actual amount that is being paid.

Beechen Hall PAYE. The budget was increased for the PAYE as it was significantly under the amount paid out. There is a need to investigate how this occurred before the next budget is set.

New codes. These have been added as there was a need for example Sandy Lane Land.

Item 5.5 Contingency Vire. Office and hall rates. The withdrawal of the Beechen Hall business rates rebate and the re assessment of the rates for the hall and office has resulted in a need to vire amounts to the relevant codes. The hall rate budget will now read £3803 and the office rate budget will be £1267. There is also a need to allocate the reclaimed wrongly awarded business rate rebate which was taken back by MBC and this will be included in the Contingency budget.

Item 6. Policy and procedures reviews and adoption. Purpose of report; to decide whether documents, policies and procedures are still fit for purpose.

NOTE. Members must agree a procedure to allow a decision to be made out of meeting as one of the 12 month bonds expires before the next meeting.

Item 6.1 Investment Strategy.

The Parish Council's investment policy requires at a minimum an annual review but does allow a more frequent review if it is felt necessary.

In recent reviews, due to the impact of the recession on interest rates and bank failures, the Council moved away from 2 year long term investments to shorter periods and spread its investments to minimize risk. At the last review members agreed that there was a need to have an in depth review of the investment strategy.

Enclosed for members are:

- A printout of the current investment bonds etc. under item 5.
- Information on interest rates from a number of companies is given below. Note – these are out of date and cannot be guaranteed, others may also be bought to the meeting

The Public Sector Deposit Fund www.psd.co.uk is a 'company' that the Council has not considered and further details are enclosed The Market Development Officer is happy to attend to give a presentation if members wish.

Issues that members are asked to consider:

- a) The spread of the reserves.
- b) The 'split' of the funds for the spread of the reserves.

c) The length of time for investments.

Clerk's comment. Having taken into account expenditure trends and outstanding bills it is suggested that £203,000 can be tied up in long term bonds and £65,000 in a short term bond as it is likely that some of this may be needed towards the end of the year.

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Current policy – now numbered for ease of reference

Annual Investment Strategy

1. The Council shall review its investments annually and as required within the year. Currently it does not breach the £500,000* threshold but will comply with the spirit of the guidance contained within the *Governance and Accountability for Local Councils Practitioners' Guide.

2. The Council will review its' Annual Investment Strategy before the start of the financial year.

3. The Council's strategy is that it will

- 3.1 include short term investments to ensure liquidity;
- 3.2 only invest in low risk bonds etc.;
- 3.3 generally not tie up its reserves in long term investments (more than 3 years) unless there are exceptional circumstances;
- 3.4 spread its investments through a number of financial institutions to ensure maximum recovery should any institution collapse.

4. Reviews of the investments will take place annually and also as required for short term bonds.

All investments of money under the control of the Council shall be in the name of the Council.

The Council will manage its investments prudently and where possible obtain information concerning credit ratings prior to making a decision.

All decisions will be taken in an open and accountable way by either; Council; Finance Committee or Councillors that have been delegated the power to undertake the work. All decisions have to be minuted or ratified. Members will consider suggestions and recommendations from the Responsible Financial Officer however the final decisions and policy making will be the responsibility of the Council.

Natwest Bank (e-mail 28/06/12)

Does not do 3 month bonds

"The rates we offer are as follows

- 6 months 1.6 Gross
- 12 months 2.0 Gross
- 12 Months 2.25 Gross (unbreakable)

We also offer a 3 year product with stepped interest as follows

- Year 1 2.75
- Year 2 3.50
- Year 3 4.0"

Clerks comments & recommendations.

- 1. Retain paragraph
- 2. Retain paragraph
- 3.1 Retain paragraph
- 3.2 Retain paragraph
- 3.3 Retain paragraph but review current placing of funds.
- 3.4 Retain paragraph
- 4. Retain paragraphs

Cooperative Bank

Term	£10,000 - £99,999	£100,000 - £499,999	£500,000 - £1,000,000	£1,000,000 - £4,999,999	£5,000,000+
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1 Month	0.75000	0.75000	0.75000	0.75000	0.75000
3 Month	1.37500	1.37500	1.37500	1.37500	1.37500
6 Month	1.75000	1.75000	1.75000	1.87500	1.87500
12 Month	2.18750	2.50000	2.50000	2.75000	2.75000

If obtainable more details will be provided at the meeting.

Item 6.2 Training and Statement of Intent

The Parish Council is applying for reaccreditation for Quality Status and has to have a commitment to training which is shown by its Statement of Intent – Training. The following statement includes a section about in-house training but the council has, due to lack of time and interest, not managed to keep to this standard.

It is recommended that Councillors personally take a positive view and be proactive to training.

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Boxley Parish Council Statement of Intent - Training.

Boxley Parish Council is committed to improving the standard of its staff and councillors by training and to support this includes a budget for conferences and training in each financial year.

Boxley Parish Council will require future Clerks to be qualified or agree to become qualified. The Parish Council also pays for the Clerks' subscription to the Society of Local Council Clerks.

Boxley Parish Council recognises that training can take many forms (formal, in house and peer mentoring). The Parish Council encourages members to consider and undertake training; this is particularly recommended for any member wishing to serve on the Environment and Finance Committee and new councillors.

Boxley Parish Council has adopted the four guiding principles in the National Training Strategy for Town and Parish Councils for its staff and councillors. The four guiding principles of

- Formal Training. Examples – Cilca (Certificate in Local Council Administration) and Local Policy Certificate (Gloucester University).
- Personal Skills. Public speaking; Customer care; Accounting techniques; Report writing; Presentation techniques etc. Boxley Parish Council will support its staff and councillors seeking relevant training.
- Specialist Skills. Newsletter and website; Green Spaces and play equipment; Cemetery management; Community planning etc.
- Technical Updating. Legal and statutory provisions; Regional conferences; Planning updates etc.

The Finance Committee will be responsible for undertaking a formal review of the training needs of the parish council and council personnel in July of each year (in order to plan for the next financial year). The Committee will review the four guiding principles to identify what training might be needed and then plan how to achieve it.

Boxley Parish Council will use all resources available to it. Examples:

Formal training - Borough Council, County Council, Kent Association of Local Councils, Society of Local Council Clerks and other organisations. All Parish Councillors are informed of training opportunities and encouraged to attend. It is expected that Members of the Environment and Finance Committee attend planning and Finance training offered by the Borough Council and Kent Association of Local Councils. New Councillors are expected to attend the Kent Association of Local Councils Information Day for New Councillors. New staff are to be given on job training and formal training where appropriate.

Informal/In House Training – All new Councillors have an induction meeting with the Clerk and receive an information pack (Standing Orders, policies procedures, leaflets, List of Parish Council Powers etc.)

Boxley Parish Council is to work towards providing 4 in house training sessions a year run by the Clerk or a relevantly experienced parish councillor.

The Clerk is to continue to issue briefing papers, containing details of relevant document or websites that can be consulted, to increase member’s knowledge etc. DVDs and books are also to be made available.

The parish office is to maintain and annually circulate a list of the training documents that are available (members attending training are requested to give a copy of the documents that they received to the parish office). Parish councillors can request the documents for reading etc.

Peer Mentoring – Inexperienced councillors are encouraged and supported by their colleagues. Councillors who have been on training courses are asked to share their knowledge with their colleagues.

The Finance Committee is to review regularly the training undergone by all Parish Council members and staff. Persons who have attended formal training will be asked to submit a report on the training, its appropriateness and what they gained from it. Personnel are also requested to inform the Clerk of any relevant formal training they receive outside the Parish Council ‘envelope’, e.g. at their work-place.

The Parish Council and its Committees are asked to make suggestions about and recommendations about training needs to the Finance Committee. An agenda item is placed at a relevant meeting to ensure that discussion takes place. The impact of the informal training sessions run by the parish council is also to be evaluated.

It is recognised that the parish office plays a pivotal role in identifying when training is needed due to changes in legislation, new equipment or an unusual circumstance. There is a standing requirement for the Clerk to place an item concerning this on to an agenda (either committee if related to that committee or parish council) rather than wait for the scheduled Finance Committee meeting.

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Training.

Enclosed for members is a copy of the training undertaken by Councillors and staff in the last 4 years.

Currently there is no KALC training planned for August or September. The KALC training is notified to all members when details are received by the office and members are invited to attend any sessions.

Do members wish to identify individual training needs?

Item 6.3 Petty cash.

Standing Orders allows the Clerk to run a petty cash imprest system of £150. There is no wish to increase this amount. As there are no cashing facilities for cheques a cheque for the reimbursing amount is paid to the Clerk who having banked the cheque then

withdraws the amount in cash and places it in petty cash. Regular reconciliation of the petty cash account takes place.

Item 6.4 Payment of bills by Direct Debit and Standing Orders

It is recommended that the current policy is updated (shown as underlined) to include BACS transfers and also the recent change made to Standing Orders concerning Parish Councillor Allowances.

Due to hirer demand and also office efficiency the Assistant Clerk has been allowing BACS transfers into the Beechen Hall Account. BACS Transfers are only ever used for receipt payments from hall hirers. Internet banking on this account does not allow payments out of the account through this method.

BACS transfers are confirmed by the hirer once they have been paid and checked by the Assistant Clerk by logging onto the Beechen Hall bank account. Once it is in the account it is entered onto Scribe – the financial system the Parish Council uses.

BACS transfers are used by MBC to pay the Precept and Concurrent Functions.

Direct Debits, Standing Orders and BACS Transfers.

Direct Debits and Standing Orders are set up for MBC rates (hall and office), utility companies, Downs Mail, Councillor Allowances etc. The setting up of any such electronic transfers is approved by the Council with 2 signatories on any letter/agreement. This conforms to the relevant legislation and every transaction is reported (on the cheque list) to the Council and is approved by either the Council or the 2 cheques signatories.

BACS and CHAPS transfers are allowed into the Parish Council's accounts but unless approved by the Parish Council, with authorisation by 2 Councillor signatories, cannot be used to transfer funds out of accounts.

Item 6.5 Risk Assessment.

The Parish Council is required to undertake a risk assessment on all its responsibilities and services. The Finance Committee scrutinises the general risk assessment and the Estates Committee scrutinises the risk assessment for Beechen Hall. The Clerk or Assistant Clerk produces additional Risk Assessments as required and will report them to the Parish Council or relevant committee.

Risk Assessments will be reissued, as a reminder, to people covered by them and plans are in place to have a refresher in-house Health and Safety training for office and hall staff.

The Finance Committee Risk Assessment (enclosed for councillors) has recently been updated for members and includes new sections on

- 4.2 General Power of Competency.
- 5.4 Computer security. Guidance is sought on possible issues.
- 7.2 Council reputation.
- 8. Weaving Diamond Jubilee Orchard
- 9. Land at Sandy Lane.

Statement of Clerks competency to produce such an overview.

The Clerk is a qualified Clerk (Certificate of Higher Education in Local Policy July 2000) and undertakes regular training to keep up to date and refreshed. She has been a Clerk for 19 years and undertakes mentoring and training of other Clerks (Kent Association of Local Councils and Society of Local Council Clerks). She is a member of the Society of Local Council Clerks Kent Branch. Her financial and administrative systems are annually audited by the Independent Internal Auditor and positive reports on her competence and the quality of the office systems are regularly submitted to the Parish Council. The Parish Councillors Internal Audits check her financial systems and positive feedback is received by this.

Item 8. Consultation on appointment of external auditor for 2012/13. *Purpose of report; information and to allow discussion.*

Notification has been received that for the period 2012 – 2017 the external auditor Littlejohn LLP has been appointed with effect from 1st September 2012. There is a duty to consult and the Audit Commission is asking whether the Council is aware of any reason why Littlejohn LLP cannot be appointed. The cost of the limited assurance audit will either £400 or £600 depending on whether the Parish Council breaks a £200,000 threshold. Extra fees may be charged if the Council's return is wrong or there is a challenge from a resident on any issue, these charges range (depending on the seniority of the person) from £95 - £345 per hour. It is suggested that members just receive the information.

Item 9. Subscription payments. *Purpose of report; information and to allow discussion.* Clerk comment. Members requested a review of the subscriptions paid out by the Council. **Bold indicates a legal requirement to pay**, underlined indicates a major impact on the Council's work if not paid.

Subscriptions that are paid are as follows:

Action for Communities in Rural Kent	£35	<u>Kent Association of Local Councils</u>	£1140
Open Space Society	£40	Council for the Protection of Rural	£29
England, Kent Wildlife Trust	£46	<u>NALC (Direct Information Service)</u>	£171
Information Commissioners Office (Data Protection licence)	£35		
Kent County Playing Fields Association	£20	<u>Keylink</u>	£25
<u>Society of Local Council Clerks</u>	£220		

There is a need to restart the subscription for an association for burial ground providers and this will be looked into as there are currently 2 associations.

Item 10 Earmarked reserves. *Purpose of report; information and to allow discussion.*

Draft document.

Earmarked Reserves as at 4th July 2012

			<i>Clerks/RFO comments</i>
Land or Property Purchases	£20,000.00	*	
Parish poll/election/referendum	£15,000.00		
Wear & tear for hall equip.	£3,668.00	*	
Gratuities for staff	£10,000.00	*	Untouchable
Finance Committee Contingency Fund	£30,000.00		
Long Term Liability Fund Long term liabilities are Closed Churchyard at St Mary and All Saints, War Memorial and Beechen Hall.	£40,000.00	*	
Total Cash Reserve for the purposes of running the parish approx. 33% of basic running costs	£57,000.00		
Boxley Warren LHI application	£19,448.00		Project period 2011 - 2013. Original amount £48,963.96 - £16,137.07 spent

		in 2011/12.
Walderslade Woods Group	£1,500.00	Grant bought in by Cllr Springate for WWG
Sub total		£196,616.00

Item 12. Outstanding time off in lieu. *Purpose of report; information and to allow discussion.* Clerk comment – due to the nature of the information and whilst attempting to allow the Council to be open and accountable members will receive a longer version of the following report which will include personal, and therefore confidential information, regarding the Clerk and Assistant Clerk.

Members' have been monitoring the Clerk's outstanding Time Off in Lieu and members' asked for details of the extra time worked by the Clerk and Assistant Clerk due to the Royal Visit. Members are also reminded that during this period the Council also purchased land and this also created extra work for the office. Members may consider passing a resolution to make an extra payment.

Item 13. Salaries of office personnel *Purpose of report; information and to allow discussion.* Clerk comment – due to the nature of the information and whilst attempting to allow the Council to be open and accountable members will receive a longer version of the following report which will include personal, and therefore confidential information, regarding the Clerk and Assistant Clerk.

Cllr Ivor Davies requested the item be placed on the agenda with an explanation of what the situation was and what could be done if members decided to award a pay increase.

Discussions on individual staff salaries are required to be undertaken in confidence. It is perfectly acceptable for members to ask the Clerk to Assistant Clerk to leave the room during any discussions. On their return the chairman will however be required to brief the Clerk or Assistant Clerk as to what the minute should be or may prefer to wait until the member of staff returns to hold any vote in order that it can be minuted.

The Clerk and Assistant Clerk salaries are paid in accordance with the National Joint Council salary scales. A Parish Council is not required to pay the NJC salary scale it can make its own arrangements.

The NJC salaries scales have been frozen for 3 years due to the recession and so there has been no 'cost of living increases'. No increase is planned for 2012/13.

Clerks comment.

As staff pay is based on an incremental scale any percentage increase, if voted for by members, will cause problems when future increases are agreed by the NJC as the salary scale points will not relate to what is being received. It is therefore suggested that if an award is made that it is paid separately as an add on sum and that the Parish Council resolves to pay this until the member of the staff leaves or the post is regraded.