



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

2 January 2013.

There will be a meeting of the **Finance Committee** on **Tuesday 8 January 2013** at the 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 12 November 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 2484/4.1 Weaving Diamond Jubilee Orchard lease. The amended lease has arrived and is being checked. An update will be supplied at the meeting.

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

5. **Financial report.**

5.1 Income/Expenditure report of 2 January 2013 attached (pages 8 -10).

5.2 Reconciliation of accounts report of January 2013 attached (page 10).

5.3 Reconciliation of December 2012 bank accounts with actual statements will be submitted to the meeting on the night.

5.4 Investment Bonds. To receive and update on the NATWEST bond and for members to consider what action to take when the Cooperative 6 month bond matures in February.

6. **2013/14 Draft Budget.**

To consider the budget and agree a recommendation to the Parish Council on the adoption of the budget and also the precept to be set, details enclosed for members. A resolution along the lines of "***The budget is recommended to the Parish Council and that a precept of £? be set***" will be considered.

7. **Policy and procedures reviews and adoption.**

7.1 Review of policies and procedures 2013 – 2014 see report (page 3).

7.2 Committee review of Financial Regulations see enclosure and report (page 3 - 4).

7.3 Review of banking arrangements see report (page 4).

7.4 Procedure for payment of staff salaries by BACS see report (page 4 - 5).

7.5 Reserves policy see report (page 5 - 6).

8 **St Mary and All Saints Closed Churchyard.**

To consider whether to pass responsibility on to Maidstone Borough Council see report (page 6). A resolution to this effect might be placed before the meeting.

9 **Grant Request.**

None received.

10 Solar panels.

To consider Estates Committee request to fund solar panels for Beechen Hall, see report (pages 6 - 7). A resolution to allocate funding from the reserves will be placed before the meeting.

11 Matters for Information.

None as yet received.

12 Date of Next Meeting.

Tuesday 12 March 2013 at Beechen Hall, Wildfell Close, Walderslade commencing at 7.30 p.m. Items for the agenda must be with the parish office no later than 3rd March 2013.

Clerk to the Council.

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

Note to all councillors; any councillor is welcome to attend a committee meeting that they are not a member of but only committee members can vote.

Item 7. Policy and procedures reviews and adoption *Purpose of item - To consider the current documents/information and identify any changes that may be required.*

Item 7.1 Finance Committee – Review of policies and procedures 2013 – 2014.

The purpose of this document is to ensure that the parish council and its office meets its duties and manages its risk effectively and efficiently. It is a rough timescale and will be subject to change as needed. The annual review of this document reminds members and the public of the existence of the policies and procedures and also allows for members to make amendments.

Members' may be asked whether, in the future, a report to a committee can be completed as 'housekeeping' or biannually rather than annually. If this has been agreed then either **H** or a date will be added to the list on the understanding that members can require it is returned to them for consideration.

January	Review of this document to allow adjustments. Committee review of Financial Regulations (to give notice to March Parish Council) Review of banking arrangements.
<i>Office note</i>	<i>Review Santander investment bond expires 25/04/14</i> <i>Review Cooperative 6 month investment bond.</i>
March	Investments. Insurance – annually and every 2-3 years report on whether service could be provided by another company. Terms of Reference (to go to April PC mtg) – are there any amendments that the committee wish to request?
<i>Office note</i>	<i>Arrange for agenda a review of earmarked reserves situation.</i> <i>Review fidelity amount to maximum holding.</i>
May	Health and Safety Policy Training and Statement of Intent. Petty Cash H . Payment of bills by Direct Debit and Standing Orders H . Review Reserves Policy
<i>Office note</i>	<i>Submit the final Summary of Receipts and Payments include +/- 10% explanation for members.</i> <i>Submit the office produced notes that accompany the EofY audited accounts.</i>
July	Risk Assessment Review audit controls for statement to be produced.
September	Grievance Procedure Disciplinary Procedure Grant for War Memorial Wreath Annual competency review (health check) Review Value for Money – Downs Mail (with budget) Review subscription list (with budget)
November	Grants policy & procedure. Reserves policy. Review Independent Internal Auditor 2014 Annual review of H&S/accident book. <i>Put dates of review into the title.</i>
<i>Office note</i>	<i>Arrange for agenda item to review the projects being considered by committees.)</i>

Item 7.2 Review of Financial Regulations.

Members are given an opportunity to review the parish council's financial regulations to allow a recommendation for any substantive change to go the March parish council meeting. A copy of the current financial regulations are enclosed for members to consider; it should be noted that standing order 11.3 need adjusting to take in the BACs

payments to staff salaries (item 7.4). Now to read "Parish Councillor Allowances and staff salaries can be paid by standing order or BACs as approved by the parish council". Any councillor who is not a member of the Finance Committee but who has a suggestion for a change in the regulations can either attend the meeting or supply details to the Clerk who will then notify the Finance Committee.

7.3 Review of banking arrangements.

Members annually review the banking arrangements of the parish council; they review the investment bonds separately. The parish council's main account is currently with the Cooperative Bank and that of Beechen Hall with HSBC. The parish council does not pay operation charges at the two banks.

Clerk's comment: do members need to annually review the arrangements? Could this be put down as 'housekeeping' unless there are any substantive changes such as charges being introduced?

Item 7.4 Payment of staff salaries by BACS procedure.

Members and the internal auditor have both agreed to direct payment of salaries into staff bank accounts subject to a strict procedure being followed that minimises the possibility of fraud. Members must now agree the payments procedure; see suggested draft below.

Update on costs: With the council's Community Directplus Account at the Cooperative Bank there is no charge for BACS transfers. As the bank does not accept letters of instruction by e-mail, the parish council will fax the letter to the bank. The office will investigate purchasing or renting a machine for this purpose.

Clerk's note: Any fraud 'issues' at a parish council are likely to be instigated by a Parish Clerk as they are generally the Responsible Financial Officer and manage and look after the cheque books. It is therefore important that parish councillors have a robust system for monitoring and auditing the accounts. This parish council has been recognised, by the Independent Internal Auditor as having strong controls and in order to ensure that this continues must set up and approve the procedure by which staff salary payments are paid directly into their accounts.

Current law requires two signatories to each cheque (the Clerk/RFO not being an approved signature to cheques etc.).

It should be noted that by having such account management systems the parish councillors are:

- *Being open and accountable in the way that they manage public money;*
- *Have a clear audit trail;*
- *Protecting the Clerk/RFO and the Assistant Clerk.*

When considering the following members are asked to ensure that the procedure has the same protection that surrounds the signing of cheques.

The Cooperative Bank no longer has a specific form that deals with multiple requests for such payments but was happy to accept it in letter form as long as it had the required authorisation and information. The template letter has been based on a Cooperative Standing Order form.

Draft:

Payment of Staff Salaries by BACS.

To conform to the council's Financial Regulations (e.g. the requirement for two signatures) and to minimise the risk of fraud or incorrect payments, the following procedure for authorising and processing direct payment of salaries must be strictly followed. This complements other existing policies and procedures to minimise the possibility of fraud:

- A minimum standards check, normally undertaken by the Chairman of the Parish Council every three months, that contains a check of the last PAYE entries.
- A three monthly reminder to members to remind them of the need not to sign authorisations for change unless there is clear understanding as to why it is needed.
- Independent and councillor internal audits.

- All BACS authorisations, Direct Debits and Standing Orders are reported on the SCRIBE payment list supplied to each parish council meeting.
- All bank statements of the parish council are reconciled by the Finance Committee every two months.

Procedure

In advance of the salary payment date (normally the 22nd of the month) the letter of instruction to the bank authorising the BACS transfers will be submitted for 2 councillors to sign.

The letter will be accompanied by the normal paperwork detailing gross pay, PAYE etc. deductions and net pay as worked out on HMRC software, which should be carefully checked.

Once signed the letter will be faxed to the Cooperative Bank and then the original filed with the PAYE documents that are kept in a secure container.

Template for letter of instruction on parish council headed notepaper. (Once agreed the Clerk will put in relevant boxes for beneficiaries account numbers and sorting codes).

Dear Sir/Madam
 year and month; so 2013/01 for the first payment.

Date and ref. *The ref will be the*

Account number
 Sort Code

Please make the following payments from the above account to the beneficiaries set out below on the date stated:-

Beneficiary’s name.....	
Bank	Sorting code
Account number	
The sum of <i>(amount in figures)</i>	<i>(amount in words)</i>
Date due 22 nd of the month	
Ref. <i>The parish council needs to set up a reference for each member of staff.</i>	

Clerk’s comment the above beneficiary details will be reproduced for every member of staff being paid by this method. Pages will be numbered and at the end will be.

This instruction is only valid if signed in accordance with the account mandate requiring the signatures of any two of the parish councillors ~~who are~~ authorised to sign cheques.

Yours faithfully.
 Signature date
 Signature date

Item 7.5 Reserves policy.

Clerk’s comment; this statement has no indication of what actual cash reserves are being kept or at what point a ‘reserves top up policy’ will come into effect.

The policy currently reads
Boxley Parish Council has a number of long term projects, aspirations and liabilities and thus has fairly substantial and earmarked reserves; it also uses the interest gained from the reserves to keep the Precept low.

The Parish Council’s unallocated cash reserve will be maintained at about 33% of the ‘normal’ annual expenditure of the Parish Council and provision will be made in the annual budget for a donation to the reserves to ensure that this figure is met.

The Parish Council is aware that Maidstone Borough Council Concurrent Functions Grant however can be reduced with no notice or stopped. Boxley Parish Council therefore

considers it prudent to retain sufficient reserves to ensure it could adequately function for 2 – 3 years if this grant was dramatically reduced or stopped.

With the Concurrent Functions Grant being replaced by the Parish Services Scheme do members wish to update or change this statement?

Item 8. St Mary and All Saints Closed Churchyard. *Purpose of item; decision.*

At its meeting on the 5 November the parish council gave the Finance Committee the power to decide on whether to approach MBC to take on responsibility of the closed churchyard. This area is not covered by the concurrent functions grant nor its replacement Parish Services Scheme. As the Estates Committee was due to meet before the Finance Committee it was asked to consider the following report on 11 December 2012:

Long term responsibility of the closed churchyard.

If a church closes its churchyard to burials then it can pass responsibility (ground maintenance and health and safety responsibility) for the closed burial area onto the parish council (Local Government Act 1972 s215). The parish council has a three month period to react and it can:

- refuse to take responsibility for the closed churchyard, in which case it passes directly to the borough or district council;
- It can take on responsibility.

After the three month period if a parish council has not taken a decision it legally becomes responsible. After this three month period the borough or district council can volunteer to take on the closed churchyard but it cannot be forced to do so.

The closed churchyard land remains in the ownership of the church; the headstones remain in ownership of the families. In the case of St Mary and All Saints Church the wall and the Lych Gate are deemed part of the closed churchyard.

Many years ago Boxley Parish Council choose to take on the closed churchyard. MBC has recently indicated that it would consider taking over responsibility of closed churchyards and so members views are being sought on whether they wish to recommend to the Finance Committee that MBC be approached to do so.

At its meeting on the 11 December the Estates Committee decided in favour of an approach to "Maidstone Borough Council to consider taking over the responsibility of this closed churchyard as indicated to the Clerk".

Clerk's comment. The closed churchyard is currently in the KCC landscaping contract which runs for another year. Should KCC not agree to its withdrawal from the contract then the worst case scenario is that BPC offers to keep cutting it for another year even if it is passed over to MBC.

Item 10. Solar Panels. *Purpose of item; decision.*

The parish council requested, due to its management of Beechen Hall, that the Estates Committee be responsible for the carbon footprint review. The committee identified that the council's carbon footprint could be reduced by installing solar panels at the hall; there would also be a financial benefit to the hall due to the tariff paid by the Government.

Quotations were requested but only two were received and the Estates Committee subsequently requested that a third be obtained; with members agreeing to go with the lowest quote. All three companies received the same job specification and were required to provide the same information regarding the estimated electricity production from the installed panels.

To receive the governments pay back tariff there is a need to progress this project swiftly. In addition to the solar panels the hall will need; a roof survey (required for building regulations); wall insulation which it is thought does not currently exist; and possibly LPA written advice* (at a cost of £100) regarding whether planning permission is

needed or a planning application at an applications cost of no more than £200. Different requirements exist for domestic and business properties and the requirements set out by LPAs differ so advice has to be sought concerning planning permission and it is probably likely that a planning application has to be submitted.

In view of the need to progress this issue the Estates Committee is requesting that the Finance Committee considers releasing up to £10,000 from the contingency fund.

If members wish to gain more information about solar panels then they should visit www.energysavingtrust.org.uk. If members are planning to obtain information about any planning issues then they should be aware that there has been 'disagreement' between the Government and LPAs over the General Permitted Development Rights and they should be aware that most of the discussion surrounds domestic properties and the General Permitted Development Rights for business uses don't clearly state community halls hence the suggestion that the parish council pays MBC £100 to get clear advice. A request for information or advice regarding the need for planning permission has been sent to Action with Rural Communities in Kent.