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Wildfell Close
Walderslade
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To all members of the Council, public and press

19 November 2014

There will be a meeting of the **Finance and General Purposes Committee** on **Tuesday 25 November 2014** 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 Interests, Dispensations, Predetermination or Lobbying.

Members are required to declare any interests, dispensations, predetermination or lobbying on items on this agenda. Members are reminded that changes to the Register of Interests should be notified to the Clerk.

Recommended: That the press and public be excluded from the remainder of the meeting or part of this item owing to the confidential nature (staff salaries) of the following business to be transacted.

3. Staff salary.

See confidential enclosure.

4. 2015/2016 Draft Budget.

- 4.1 Earmarked Reserves see report (page 2 - 4)
- 4.2 Review subscription list see information page of budget ref.
- 4.3 To consider the draft budget see enclosure and report (page 5 - 8).
- 4.4 Precept. To allow members to raise any issues.

5. Date of Next Meeting.

Tuesday 13 January 2015 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 5 January.

Pauline Bowdery

Pauline Bowdery
Clerk to the Council.

Issues to be returned to agenda as they develop.

Note to all councillors: you are welcome to attend meetings of committees of which you are not a member but only committee members may vote.

Legislation allows for meetings to be recorded by anyone attending. Persons intending to record or who have concerns about being recorded should please speak to the Clerk.

**Supporting agenda papers for the Meeting of the Finance & General Purposes
Committee on Tuesday 25 November 2014.**

The Chairman will assume that these have been read prior to the meeting.

Councillors wishing to suggest changes to any policy document or procedure in this agenda should notify the office, in writing, at least three working days in advance of the meeting. This will allow details to be circulated at the meeting (or in advance if particularly contentious).

Item 3.1. Earmarked reserves *Purpose of item: information and action.*

The parish council keeps earmarked reserves for a number of reasons and these should be reviewed on a regular basis.

**Earmarked Reserves Review F&GPC
25.11.14**

General	As at 19.11.14	<i>Clerks/RFO comments</i>	Forecast for 2015/16
Land or Property Purchases	36,050.00 *		£37,131.00
Parish poll/election/referendum	15,000.00		£15,000.00
Gratuities for staff	10,300.00 *	Ring fenced. NO increase made for 15/16	£10,300.00
Finance Committee Contingency Fund	40,000.00	Additional £10,000 is to contest local plan.	£40,000.00
Long Term Liability Fund Long term liabilities are Closed Churchyard at St Mary and All Saints, War Memorial and Beechen Hall.	63,654.00 *	Reserve to be controlled by F&GP Committee. Although most of the structures are managed by the Estates Committee. NO increase made for 15/16	£63,654.00
Total Cash Reserve for the purposes of running the parish approx. 33% of basic running costs	57,000.00	Recalculation to revise this figure, to ensure it is still accurate) is to be undertaken.	
Provender Way controlled crossing point (installation Feb 2012)	28,652.00	BPC agreed to fund part of the costs for the installation/work Despite numerous requests KCC has failed to provide invoices to allow payment to be made. 11/3/14 FGP Committee decided to keep in reserves for 5 years.	£28,652.00
Speed reduction work on Boxley Rd/Beechen Bank Road (installation Mar 2012)	3,199.00		£3,199.00

Dove Hill Allotments key deposits	450.00	Ring fenced. £15 deposit per key refundable to tenant	£450.00
Walderslade Woods Group	7,153.22	The Finance Committee has allowed the WWG to build up its reserves by earmarking any unspent grant. This sum is made up of £1,500 grant bought in by Cllr Springate for WWG and £3,745 unspent grants from external sources.	£7,153.22
Total		<u>261,458.22</u>	£205,539.22

Estates Committee - Beechen Hall.			
		Clerks/RFO comments	
Wear & tear for hall equip.	3,013.90		£3,013.90
Total		3,013.90	£3,013.90

* all items so marked are subject to an annual increase of 3% unless otherwise noted.

Walderslade Woodlands Group Earmarked Reserves.

Clerk's briefing note.

In November 2012 the F&GP Committee authorised the transfer of any unspent annual grant funds into an Earmarked Reserve. The minuted purpose was to allow the group to build up funds to purchase a wood chipper. This project has now been completed with the wood chipper, and this is a credit to the WWG, actually being purchased from grants received from external sources.

As the original authorisation was directly connected to the purchase of a wood chipper new authorisation is needed. Members are reminded that:

- 1) The group receives an annual grant (currently £4,878) from the parish council.
- 2) The parish council has a responsibility to manage and award public money in a prudent manner.
- 4) The parish council also supplies an annual grant to Vinters Valley Nature Reserve and it must decide whether any decision it takes here should also relate to VVT. Currently VVT has no restrictions on how it spends or saves its annual grant.

The WWG Earmarked Reserves are currently on schedule to soon reach £10,000 and as the Responsible Financial Officer I would advise members that without a clear plan for why these reserves are being accumulated or an idea of the future needs of the WWG the need for such a reserved sum should be questioned.

Walderslade Woodlands Group has developed into a fairly strong group and currently the group is authorised to spend its grant as it sees fit as long any expenditure is directly related to the work in the woodlands and spent in accordance with the parish councils Financial Regulations. WWG operates a small bank account but the main expenditure is organised through the parish office. WWG is working to a new KWT produced Management Plan and it is likely the group will be looking to purchase and replace equipment to continue to undertake its work and to undertake more targeted work as identified in the management plan. When considering the issue members should take into account the work that the group has been doing and what, with the correct equipment, it could contribute to the future maintenance and well-being of the woodlands.

F&GP Committee has, in my opinion, the following options all of which will need some form of agreed and minuted decision:

- a) Allow, if sufficient evidence is presented from WWG, for the earmarked reserves to be increased with unspent annual grant funds with no upper limit.
- b) Recognise that WWG will need to replace equipment but put an upper limit on the amount of Earmarked Reserves that will be allowed. When this threshold is achieved you can require any unspent annual grant funds to revert back to the parish council's general reserves or undertake another review.
- c) Require WWG to reduce the reserves by either decreasing/stopping the annual grant or only increasing/starting it again once the Earmarked Reserves fall below an identified threshold.
- d) Take back some of the Earmarked Reserves into the general account to reduce the sum. The parish council should not take into its general accounts any outside grants received by WWG.
- e) If an Earmarked Reserve threshold is set ask WWG how they would like the issue dealt with.

Information from Rob Burrows WWG Chairman

WWG has requested that permission is given by the Estates Committee to have additional storage at the Beechen Hall site. No decision was made as the Estates Committee was considering an extension to the hall.

The Chairman is now hoping to go back to the Estates Committee to see if this request can be progressed.

WWG have obtained a quote (£6,681 plus delivery) for an identical style unit to the one they currently use.

The next major expenditure by the group, after the new store, is expected to be a tractor (probably two wheeled), which will serve two purposes:-

- As a power scythe, to enable us to mow the meadows we are creating, in line with our Five Year Management Plan.
- As a means of towing our chipper, and resolving any other logistical issues we have moving kit from the store(s) to the working site.

The purchase of the tractor will not happen before the new store is in place, or the start of the growing season, next spring, and we are expecting this expenditure to be in the region of £3,000.

Item 4.3 2015/16 Draft Budget. Purpose of item: decisions.

It will be assumed that all councillors have read both the proposed budget and also the accompanying notes.

Two suggestions for items have not so far been included:

1. Replacement equipment to accommodate the new planning system, but it would also be used for other work, including a new projector and possibly a laptop. *Clerk's note: there is a tiny chance that MBC might come up with some funds and rather than purchase the equipment now, especially as paper planning applications are still being received could it be agreed that if equipment is suddenly needed it will be purchased from the contingency budget.*
2. Excel training. *Clerk's note: The Assistant Clerk has not received any outside excel training and the Clerk could do with a refresher however time is generally the issue. It is suggested that the Assistant Clerk complete her current training before commencing with more. A refresher for the Clerk can generally be found on the internet.*

INCOME

Ref.	Description	Code	Budget 2014/15	Forecast income to 31/03/2015
CF1	Parish Service Scheme	175	14,014	14,014
PREC	Precept *	47	97,506	91,506
GG	Government Grant	?	3,425	3,425
4.5.6	Sale of Assets	48	0	0
4.2.7	Salaries income	173	0	0
4.7.3	Boxley Warren	68	0	7,055
Drawn from reserves				
4.3.7	Referendum	167	15,000	0
4.5.3	Contingencies	45	40,000	12,186
4.7.1	Land	63	61,800	0
4.7.3	Boxley Warren	68	5,000	16,412
Sub total			236,745	144,598

Bank Accounts 4.1.

1	HSBC general account	51	0	0
2	Coop general account	52	0	120
3	Barclays Bank	176	0	0

Forecast budgets

1516 Fin -16/09/2014

Set % increase	Proposed budget 2015/16	Forecast income 2016/17	Forecast income 2017/2018	Forecast income 2018/2019	Priority
	14,014				Ess
	0	0	0.00	0.00	
	0	0	0.00	0.00	
	15,000	15,000	15,000.00	15,000.00	Des
	35,000	35,000	35,000.00	35,000.00	
3	63,654	65,564	67,530.53	69,556.44	
	113,654	115,564	117,530.53	119,556.44	
	0				
	90				
	0				

4	Santander investment bond	57	5,095	5,135
	Natwest investment bond	171	1,000	1,074
5	Lloyds 3 mth	184	64	128
6	Lloyds 12 mth	185	0	0
Sub total			6,159	6,457

1,500			
0			
0			
760			
2,350			

TOTAL

PRECEPT * 2014/2015 precept included a portion (£3,425) of a Government grant so precept requested was £97,983 however an administrative error resulted in only £91,983 being received. Changes to the guidance for the audit now requires the government grant portion to be shown separately from the precept.

EXPENDITURE

Ref.	Description	Code	Budget 2014/15	Forecast exp to 31/03/2015
Parish Office 4.2.				
1	Administration	1	2,833	2,341
2	Audit	2	431	360
3	Books & publications	3	55	15
4	Gratuity/pension	4	866	875
5	Office rates	5	1,530	1,593
6	Photocopier	6	750	555
7	Salaries	7	37,010	37,010
8	PAYE	8	17,959	17,500
9	Scribe lease	9	256	245
10	Subscriptions	10	1,808	1,584
11	Training/conferences	11	300	60
12	Travel-staff	12	700	580

	% increase	Proposed budget 2015/16	Forecast exp 2016/2017	Forecast exp 2017/2018	Forecast exp 2018/2019
		2,376	2,412	2,448	2,485
	1.5	371	380	390	399
	2.5	60	65	130	130
	1.5	903	917	1,654	3,837
	3	1,624	1,656	1,689	1,723
	2	566	575	583	592
	1	38,725			
	1	14,504			
	1.5	600	300	308	315
	1.5	1,611	1,635	1,660	1,685
		600	400	400	400
	1	587	593	599	605

Priority
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General Parish Council 4.3.

1		26		
2	Hire of halls	27	300	350
3	Insurance	28	2,046	1,834
4		29		
5	Publicity	31	7,594	7,594

2		356	363	370	378
3		2,107	2,171	2600	2678
1.5		7,670	7,747	7,824	7,903

Dis
Ess
Ess/Imp

6	Website administration	166	306	310
7	Referendum	167	15,000	0

2	312	318	325	331
	15,000	15,000	15,000	15,000

Councillor & subsistence allowance 4.4.

1	Chairman's allowance personal	36	610	600
2	Chairman's allowance Civic	37	100	80
3	Councillor Allowance/PAYE	38	5,000	4,250
4	Subsistence	39	130	20

1	606	612	618	624	Imp
	100				Imp
1	5,050	5,101	5,152	5,203	Imp
	100	150	100	100	Imp

Finance 4.5.

1	Agency Services	42	0	0
2	Capital Schemes	43	0	0
3	Contingency fund	45	40,000	14,000
4	Doubtful Debts	46	0	0

	0	0			
	0	0			
	40,000	30,000	30,000	30,000	Imp
	0	0			

Donations 4.6.

4.6	Donations (s137)	61	0	0
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	0	0	0	0	Imp
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Parish Council Projects 4.7.

		62		
1	Land/office acquisition	63	36,050	0
2		64		
3	Boxley Warren	68	9,990	23,467
4	Community Project	66	7,537	2,000

3	37,132	38,245	39,393	40,575	Des
	WILL BE REMOVED IN AGREED BUDGET REMOVE?				Ess

Grants 4.8

1	Kent Wildlife Trust	91	0	0
2	Friends of Boxley Warren	183	240	80
3	Other grants	93	1,000	370
4	Walderslade Woods.	94	4,878	4,878

	REMOVE?				Des
2	545	556	556	567	Des
	1,000	1,000	1,000	1,000	Des
	Increase if Community Project removed ?				
2	4,975	5,075	5,176	5,280	Imp

5	Vinters Valley Park Trust	96	4,878	4,869
			200,156	429,530

2	4,975	5,075	5,176	5,280	Imp
	182,455	120,345	123,150	127,089	

Finance Committee - 2014/2015

15/16 Fin support 19/11/14

Supporting information and forecast plan.

As the Parish Council has Power of Competency (01/10/12) it could, if the RFO wished, remove the legislation section of this document. However this information will prove valuable to the Assistant Clerk during her training and so it is being retained.

Budgets are classified, by the RFO and committee, with a 'rating'; Essential (also shown with a black code box with white writing), Important and desirable. Essential is normally expenditure required by legislation or expenditure that if stopped will have unacceptable impact on the parish council or its services.

Ref	Legislation	Information
	Localism Act 2010 s8	
INCOME	* LGA 1972 s133 offices and hall ** s150 expenses.	Donations from reserves are not true income.
CF1		14/15 it is expected that the Parish Services Scheme income will be matched this year.
PREC	LGA 1972 s150	The Precept is set by members after consideration of the draft budgets. 2014/15 Band D costs to residents was BPC Precept £24.34 (-6% on the previous year) and MBC average £48.16.
GG		The Government issues a grant to billing authorities that should be passed on to parishes but there are 7 billing authorities (including Sevenoaks) that do not pass this grant on. As it appears the government is not acting to ensure payments are made members are notified that this grant cannot be guaranteed.
BANK ACCOUNTS		
4.1.1		HSBC general account Interest from account.
4.1.2		Coop general account. Interest from account.
4.1.3		Barclay's account set up to spread the parish council's financial risk.
4.1.4		Santander investment bond (1.2%) matures on 01.07.2015.

		Natwest Investment Bond 18 months. Expires 07/04/14. CLOSED
4.1.5		Lloyds Bank 3 months
4.1.6		Lloyds Bank 12 months
EXPENDITURE		
Parish office		
4.2.1	**	Administration
4.2.2	**	Audit. Ind Int (50% of £600) District Audit (50%) KF £240 (£120 = 50% for this code) reviewed annually.
4.2.3	**	Books and publications
4.2.4	**	Gratuity. Amount placed in earmarked accounts, this sum annually increased by 3% to take into account rises in staff salaries. Suggested there is need to have a £10,000 pot to cover 2 staff leaving after long service. There is a contractual requirement to pay the gratuity even once the pension enrolment starts. As the maximum amount payable is linked to the PAYE lower earnings level threshold an annual review of the amount held will be undertaken with a 'top-up' contribution made if necessary.
	Pensions Act 2008, LGA 1972 s112(2)	Pension. Until Sept 2017 1% contributions from both parties. Oct 2017 - Sept 2018 Employee 3% employer 2%. Oct 2018 onwards employee 5% employer 3%. This budget includes the contributions from staff and the staff salary budget has been reduced to recognise this.
4.2.5	**	Office rates. Office pays 30% of rates bill.
4.2.6	**	Photocopier. Lease and maintenance cost - £158 per quarter. Contract ends 30/06/14
4.2.7	LGA 1972 S112	Salaries net of employees' tax & NI contributions. 10 hrs of Asst Clerk allocated to Beechen Hall for Booking Sec. Breakdown of calculation signed off by Chairman, document includes breakdown on how salary and PAYE/NI figures calculated.
4.2.8	LGA 1972 S112	PAYE includes employees' and councillors' tax/NI and employer's NI contributions.
4.2.9	**	Scribe. Lease on software. NOTE Increase in 2015/16 as the accounting system is being reviewed.

4.2.10	**	Subscriptions, a mixture of current prices and last years prices. ACRK: £35; KALC £1140; Open Space Society £45; CPRE £29; KWT £46; ICO (Data Protection licence) £35; SLCC £227; KCPFA (Kent County Playing Fields Assoc) £20. NOTE NALC (Direct Information Service) £135 was not renewed as information was being received from other sources that were free.
4.2.11	**, LGA 1972 S175	Training. Refresher on and Fire Training for office/hall staff - 2013/14 or 14/15, training for councillors. Clerk's First Aid training needs refreshing in 14/15 (if certificate wanted). Fixed play equipment refresher course 2015(?).
4.2.12	**	Travel sheets are completed. Increase in expenditure from 14/15 due to additional mileage that will be incurred with regular visits (a minimum of monthly) to the allotments. NOTE the need for such regular visits to the allotments have not materialised
General Parish		
4.3.1		
4.3.2	LGA 1972 s135	Hire of halls for meetings.
4.3.3	LGFA 1992 s50(2)(b)	Insurance Suffolk ACRE (Zurich) long term undertaking expires 31.05.17. Less the premium for Friends of Boxley Warren, WWG and the allotments.
4.3.4	LG & RA 1997 s31	PCSO. 3% included for pay rise. Contract expired 30.06.13.
4.3.5	LGA 1972 s111 & s 142	Publicity. 1.5% increase on following £890 annual report, monthly page/additional papers £5189, delivery costs £1440.
4.3.6		Website costs.
4.3.7	Localism Act 2011 s72(i)(2)	Referendum. Required for NDP and possible new legislation requiring this on demand.
Councillor & Subsistence		
4.4.1	LGA 1972 s15(5)	WEF 2013/14 £610 Personal allowance. Chairman claims only £600.
4.4.2	LGA 1972 s15(5)	£200 Civic allowance. Agreed this can be used to pay 'awards' to people in recognition of their contribution to the parish.
4.4.3	Modification to LGA 72 s173-178. LA (Members allowance) England (2003)	Cllr Allowance - WEF 2013/14 £500 per annum. Any overspend to be taken from cash reserves.
4.4.4	Modification to LGA 72 s173-178. LA (Members allowance) England (2003)	Subsistence and mileage. Any overspend to be taken from cash reserves.

Finance		
4.5.1,4.5.2,4.5.4, 4.5.6		By law this is required to be on all accounts even if not used.
4.5.3	LGA 1972 s15(5), LGFA 1992 s50	Contingencies. Original budget was £30,000 but £10,000 added to cover any additional costs due to the Core Strategy public enquiry etc. Due to the MBC delay in the Core Strategy work this sum has been included in the 2015/16 budget. A Nov 2012 decision was no longer to vire but to note 'awards' either as an appendix to this document or under notes on this document. Finance Committee is responsible for agreeing expenditure over budget. Estates Committee can vire any unspent money within its own budget.
Donations (previously Section 137 section)		
4.6	LGA 1972 S137	As the Parish Council has Power of Competence it can no longer use S137. [S137 expenditure Can only be used if no other legislation and if it is in the best interest of all or some of the parish. Must be commensurate with the expenditure.] If the PC loses PoC it is legally required to report on s137 expenditure so this code will remain on SCRIBE.
Parish Council Projects		
4.7.1	LGA 1972 S124	Land acquisition. Policy is to increase the earmarked reserves by 3% annually.
4.7.2		A salaries income has been included because in the past the Clerk has occasionally helped out other councils* and needs to ensure PAYE is paid. * The chairman has approved this.
4.7.3	Various acts.	Boxley Warren - £55,526 Grant awarded + £1,000 from BPC Total £56,526 , project completed. Anomalies in income and expenditure is due to the early receipt of the remaining grants and also how projects were undertaken.
4.7.4	Various depending on the chosen project	Community project
Other Grants		
4.8.1	LGA 1972 s144	Grants

4.8.2	OS Act 1906 s9 s10	2013/14 Insurance premiums (adjusted for 12 months) - shed £11.17, equipment £27.20 TOTAL £38.37 (3% increase). Additional money to cover some administrative costs and future task days etc.
4.8.3	Various acts.	Generally released for concurrent function type work.
4.8.4	OS Act 1906 s9 s10	Walderslade Volunteer Group Grant.[£5605 2010/11 grant, 2011/12 reduced by 20%.] A review of the level of financial support to be undertaken if requested.
		2013/14 Insurance premiums. Shed £37.56, equipment £74 TOTAL £111.56
4.8.5	OSA 1906 s10	Vinters Valley NR. [£5605 2010/11 grant, 2011/12 reduced by 20%.] 2012/13 the first instalment of the grant to be £2,802 followed with a second award of £1,885. A review of the level of financial support to be undertaken when the second instalment was due.