



BOXLEY PARISH COUNCIL
www.boxleyparishcouncil.org.uk

Beechen Hall, Wildfell Close, Walderslade, Chatham, Kent. ME5 9RU
☎ 01634 861237 ☒ clerk@boxleyparishcouncil.org.uk

Clerk Mrs Pauline Bowdery **Assistant Clerk** Mrs Melanie Fooks

A G E N D A

To All Members of the Council, Press and Public

There will be a meeting of the **Finance & General Purposes Committee** on **Monday 15 August 2016 at Beechen Hall, Wildfell Close, Walderslade**, commencing at 4.00 pm when it is proposed to transact the following business:

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.

Adjournment to enable members of the public to address the meeting.

3. Beechen Hall Extension – Financial Report

To consider the recommendation from Estates Committee. See report (pages 21-24) and hall extension plan (enclosed).

4. Date of Next Meeting

Tuesday 13 September 2016 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 2 September.

Pauline Bowdery

Pauline Bowdery
Clerk to the Council.

Date: 12 July 2016

Issues to be returned to agenda as they develop: Minute 2876/9.1 Health & Safety policy return to agenda September 2016
Minute 2833 Reserves, new format and full review July 2016

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

Item 3. Beechen Hall Extension – Financial Report. Purpose of item: decision

At its meeting on 14 June the Estates Committee took, after considering previous reports and discussions, the following decision on whether the idea to extend the parish hall should be progressed.

“Members **received** and **noted** the updated costings analysis. For the benefit of Cllr Matthew Radcliffe-Godfrey, the chairman and Cllr Dengate gave a brief history and explained the costings. After a brief discussion it was proposed from the Chair that a recommendation is submitted to the Finance & General Purposes Committee to consider the financial aspect for the extension. There were 5 in favour of the proposal with 1 abstention.”

The background to this being that, although the Estates committee was favourably disposed to the project, there would be no point in deciding to move forward without financial backing.

The background to this being that, although the Estates committee was favourably disposed to the project, there would be no point in deciding to move forward without financial backing. A copy of the feasibility and sustainability report agreed by the Estates Committee may be requested from the parish office.

Clerk briefing.

It is the responsibility of the F&GPC to decide whether it is prudent to use the parish council’s reserves for projects and obviously the larger the amount being considered the more complicated and possibly controversial the decision may be. It is therefore vital that any recommendation or decision, either by the F&GPC or the parish council, is undertaken in an open and accountable way and if deemed necessary public consultation should be undertaken.

Projects that benefit only part of the parish can be of concern to some residents who perceive that they gain no advantage and the parish council should always be mindful of this. It must take care to ensure that it presents information or publicises a project so that residents can see and understand how and why a particular decision was reached. The parish council has supported and undertaken projects in areas that potentially only benefit part of the overall parish, for instance Weaving Diamond Jubilee Orchard, so it has a history of investing in individual communities as opportunities arise.

Parish councillors may also be conflicted as to whether large sums of money should be spent on a particular project. With 15 members on the parish council it is right that all have an opportunity to participate in any decision that is *out of the norm*. In this case the investigations and decisions of the Estates Committee have been taken in an open and accountable way and all agenda and minutes have been available on the parish council’s website and supplied to parish councillors.

If the F&GPC decides to make a recommendation to release reserves the parish council could either vote against this or agree in principle to the project, subject to additional information being supplied. The type of information that might be needed is identified in the RFO briefing. It is vital to agree in advance, in the form of terms of reference, which group of people will be responsible for progressing which part of the project and what decision/s they are authorised to take. It will be possible to produce such a draft document for the parish council meeting.

Other aspects of the development at the hall have also been identified. This is solely to allow members of the committee to comment on aspects that come under their terms of reference. Input from councillors at this stage is welcomed as it will help the clerk to understand the type of reports that members might find helpful.

RFO briefing

Cost.

Based on professional advice, the overall expected cost of the project will be between £110,000 and £130,000, including the overdue replacement of the front doors (some £10,000). In addition to this sum it is planned to refurbish the toilets at a cost of approximately £20,000, which, like the doors, will go ahead regardless of whether the extension project is adopted. If the extension is approved then it is sensible to undertake this work at or around the same time.

The parish council has a large reserve, which includes £40,000 invested in the name of Beechen Hall and which is under the control of the Estates committee.

The RFO considers that there are potentially two options to fund the extension. In both scenarios additional work and reports will be needed before a final decision is reached.

1. The parish council's reserves could be used to fund all the work in which case the F&GPC and the parish council will need to approve the project within a stated maximum cost and agree to the reserves being committed. Agreement-in-principle could be given prior to a final decision as the parish council may wish to request a report on the possible long-term implications of dedicating these funds. This would allow members to consider future policy on the amount of reserves the parish council intends to hold and whether there is a need to plan to replace the reserves that will be used.
2. Apply for a Public Works Loan (PWL) for part of the costs and use this and the parish council's reserves to fund the whole project. The advantage of this approach would be that the parish council's reserves would not be as significantly reduced and future parishioners, who would more likely benefit from the extension, would be paying towards the project. Again an in principle decision could be taken so that exact details and implications could be presented to the parish council.
An application for a public works loan requires the applicant to undertake public consultation. Advice from KALC is that this can be via the parish council newsletter.

What would a PWL cost?

To obtain a rough idea the RFO used the PWLB website to obtain some early information and on an interactive part of the website entered in the amount of £60,000 for a loan.

For such an amount, to be paid back between 15 - 20 years, the percentage rate for an annuity would be 2.67 giving a total cost repayment of £77,830. **Action: RFO to identify whether these rates are fixed or variable.**

A similar amount over the same repayment period but with equal instalments of principal (EIP) was shown as 2.61% and a total repayment of £76,052.

Please note further investigation will be required and a fuller report of all the possible options regarding repayment period, amount of loan etc. will be produced.

Standing orders and Financial regulations

if the project is to proceed a number of standing orders and regulations concerning tendering will have to be met and depending on the price of the project EU procurement rules (or their successor!) may be triggered (SO 26). Projects costing between £60,000 and £138,982 require a formal and laid out tendering process to be followed (SO 26C - D).

Competency of the Clerk/RFO to complete the project

The Estates committee has received some professional input to produce the draft plans. However, it is important at this stage that it is recognised that whilst the parish office can undertake the basic administrative and financial roles of the project the staff cannot take on more professional aspects of the project.

Impact on the staff, office and hall hire

To reach this stage in the process has taken a lot of staff hours and impacted on daily office work, it should also be acknowledged that the Estates committee members, particularly Cllr Dengate, have invested a large amount of their time and individual expertise. If this project does go ahead then professional advice and support will be needed and this has been factored into the estimated costs.

What will need to be explored is the impact on office hours and also during any development the impact on the day-to-day work of the office and on the staff, including the caretakers. Part of any project management document/work will need to address this impact.

Timeline for project

Currently there is no timeline as further information is required from members and the decisions they take will of course need to be considered. The hall will have to be closed for periods during any construction work and of course this will impact, short term, on hall income.

RECOMMENDATION FROM CLERK/RFO

That F&GPC decides whether

- a) to recommend to full council that this project be considered financially sustainable and an appropriate use of parish funds whether or not partly funded by say a £60,000 Public Works loan if available
- b) if agreed, to make a recommendation on option one (full funding) or option two (partly loan-funded) or needs further information.
- c) it wishes to recommend to the parish council the reports that it or committees should receive prior to making more decisions
- d) to recommend a way to progress the project e.g. forming a working group and if so responsible to ???
- e) to identify the roles that F&GPC should be solely responsible for
- f) to request that the Clerk produces terms of reference and also flowcharts for the September parish council meeting to consider should it agree that the project goes ahead

Chairman's Guidance

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Parish councillors may also be conflicted as to whether large sums of money should be spent on a particular project. With 15 members on the parish council it is right that in such cases all have an opportunity to participate in any decision. For this reason, as always, the investigations and decisions of the Estates Committee have been taken in an open and accountable way with all agendas and minutes being available on the parish council's website and supplied to parish councillors and open to comment.

If the F&GPC decides to make a recommendation to release reserves the parish council could either vote against or agree in principle to the project, subject to additional information being supplied. The type of information that might be needed is identified in the RFO briefing. It is vital to agree in advance, in the form of terms of reference, which group of people will be responsible for progressing which part of the project and what decision/s they are authorised to take. It will be possible to produce such a draft document for the September parish council meeting.

Other aspects of the development at the hall have also been identified [*What are these?*]. This is solely to allow members of the F&GPC to comment on aspects that come under its terms of reference. Input from councillors at this stage is welcomed as it will help the clerk to understand the type of reports that members might find helpful.