



BOXLEY PARISH COUNCIL
www.boxleyparishcouncil.org.uk

Beechen Hall, Wildfell Close, Walderslade, Chatham, Kent. ME5 9RU
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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 **Tuesday 16 January 2018 at Beechen Hall, Wildfell Close, Walderslade**, commencing at 7:30pm 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.

3. Minutes of the meeting of 14 November 2017

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

4. Matters Arising from the Minutes

- 4.1 Minute 3048/4.1 Charitable Incorporated Organisations (CIOs). An update will be provided at the meeting.
- 4.3 Any other matters arising from the minutes, but not on the agenda.

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

5. Financial report.

- 5.1 Reconciliation of accounts reports (page 3).
 - 5.1.1 Cooperative Bank.
 - 5.1.2 HSBC Beechen Hall.
 - 5.1.3 Unity Trust Bank.
 - 5.1.4 Santander Investment Bond.
 - 5.1.5 Barclays Bank.
 - 5.1.6 Lloyds 3 month.
 - 5.1.7 Lloyds Bank 12 mths.
 - 5.1.8 Nationwide Beechen Hall.
 - 5.1.9 Nationwide PC.
- 5.2 Investments. See 5.1 (page 3).
- 5.3 Income/Expenditure report as at 31 December 2017. See report (pages 12-18).
- 5.4 Independent Internal Audit Report. See report (page 4).
- 5.5 Financial Reports. See report (pages 4-5).
- 5.6 Petty cash reconciliation. To receive confirmation that this was undertaken prior to the meeting.

6. Contingency Fund and Budget adjustments

None.

7. Personnel matters

- 7.1 TOIL, training, leave and sickness cover. See enclosed confidential report.

- 7.2 Staff appraisals. A verbal report on the completion of the two outstanding appraisals will be given at the meeting.
8. **2018/2019 Draft Budget**
To discuss the draft budget (enclosed) and agree recommendations to the Parish Council on the adoption of the budget and the precept to be set, details enclosed for members. A resolution along the lines of **"It is recommended to the Parish Council that the draft budget be accepted and that a precept of £ xxx be set"** will be considered.
9. **Parish Hall Extension: Public Works Loan**
To consider the report and enclosure in order to make a recommendation to the Parish Council. See report (pages 19-22).
- 10 **Policies and Procedures: Reports and Reviews**
10.1 Policy and Procedures Review calendar. See report (pages 5-6).
10.2 Review of banking arrangements. See report (page 7).
10.3 Tender Opening Procedure (review). See report (pages 7-10).
10.4 Committee review of Financial Regulations (to give notice to March Parish Council). See report (pages 10-11).
10.5 Parish Tour, review requested at last meeting.
- 11 **Electronic Communication and Outreach**
To discuss the issues, including the website.
11.1 General Data Protection Regulations. See report (page 11).
11.2 Other current issues.
- 12 **Grant Requests**
None
- 13 **Matters for Information**
13.1 Notification of external auditor appointments for the 2017/2018 financial year. There is no change to the current appointment of PKF Littlejohn LLP.
13.2 Annual Return is now renamed Annual Governance and Accountability Return.
13.3 KALC Good Councillors Guide to Finance and Transparency, available from the office.
- 14 **Date of Next Meeting**
Tuesday 13 March 2018 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 March 2018.

Pauline Bowdery

Pauline Bowdery
Clerk to the Council.

Date: 10 January 2018

Issues to be returned to agenda as they develop: Reserves Policy Review as needed.

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 16 January 2018.

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 5. Financial report.

Item 5.1. Reconciliation of accounts. *Purpose of the report. To safeguard the parish council's funds and to ensure a robust method of maintaining the accounting system is in place. Periodic reconciliations are required, the Parish Council decides how many and when and the F&GPC undertakes these at each meeting.*

For the information supplied below to be verified the Chairman will have the original supporting documents, including the latest bank statements.

Account closing balances.

Item	Statement Date	BANK ACCOUNTS (closing balances at last statement)	
5.1.1	04.01.18	Coop General Account	£22,122.52
5.1.2	04.01.18	HSBC Beechen Hall	£21,330.55
5.1.3	04.01.18	Unity Trust Bank (UTB)	£71,037.64
5.1.4	01.08.17	Santander Investment Bond (matures 01.08.18)	£76,196.54
5.1.5	25.07.17	Barclays Bank	£41,439.25
5.1.6	26.06.17	Lloyds A (matures 08/05/2018)	£50,646.27
5.1.7	22.10.17	Lloyds B (matures 26/01/2018)	£25,013.75
5.1.8	05.04.17	Nationwide Beechen Hall (now 95 day saver account which rolls over)	£55,873.90
5.1.9	31.10.17	Nationwide Parish Council (now 95 day saver account which rolls over)	£19,999.66
		Total	£383,660.08

5.2 Investments.

Purpose of the report. To safeguard the parish council's funds and to ensure a robust accounting procedure any investment transaction requires prior approval by the F&GPC.

5.1.7 Lloyds B Do members wish to reinvest this sum for another 3 months?

5.1.8 Nationwide Beechen Hall. Do members wish to ask the Estates Committee to release use this reserve for the hall development costs?

5.4 Independent Internal Audit Report. *Purpose of the report. To comply with the Accounts and Audit Regulations 2015 and as part of the Risk Management controls put in place by F&GPC.*

BOXLEY PARISH COUNCIL
INTERIM INTERNAL AUDIT REPORT 2017-18

I am pleased to report to Members of the Parish Council that I have carried out an interim internal audit of the Parish Council's records for 2017-18.

Members should be aware that the audit tests that I undertook during the interim audit cannot be relied on to identify the occasional omission or insignificant error, nor to disclose breaches of trust or statute, neglect or fraud which may have taken place and which it is the responsibility of the Members of the Council to guard against through the Parish Council's internal control procedures.

I would like to take this opportunity to thank your Clerk for the assistance given to me in the conduct of the audit that took place on 14 December 2017.

PREVIOUS AUDITS:

There is nothing to follow up from my previous audit.

The Council's external audit certificate on the 2016-17 accounts was received in August 2017 and reported to Council on 4 September. The External auditor also had nothing to report.

NOTES FROM THIS VISIT:

During the visit, I reviewed and tested the accounting records including the cashbook, bank statements and bank reconciliations for the parish and Beechen Hall. I also test checked payroll and VAT and read the minutes.

The Clerk discussed with me the addition of her partner and that of the Assistant Clerk as persons authorized to make bank deposits in view of the one and a half hour round trip to a bank from the parish office. I will review the operation of this new system at a later audit.

The Clerk also reported the receipt and subsequent disposal of a gift hamper worth £150. Such gifts are rare in the public sector in my experience and I support the Clerk's action in respect of this item.

There is nothing further that I wish to bring to the Council's attention.

Lionel Robbins
Independent Internal Auditor
05 January 2018

5.5 Financial Reports.

Deferred from November meeting. RFOs Report.

At the September F&GPC meeting members discussed the reports produced for the F&GPC and Cllr Hayday e-mailed his ideas for improvements. He is suggesting that a trial balance is produced for each F&GPC meeting with a view to having a cross reference with the sums on the bank statements and Income and Expenditure report. A trial balance can be done with a minimum of impact on office time unfortunately the accounting system has limitations on how this can be linked to the other documents.

The following problems have been identified as causing problems in trying to cross reference figures

- The trial balance report is closed and there is no flexibility for the period it is produced, this means that it is only relevant for the day it is printed off. Regardless of the date/month any inputting into the accounting system updates this document.
- The bank statements on the 3 most active accounts come in at different dates.
- At the end of each month the accounts have to be closed (Month end closure) but this can only be done once all the bank statements have been received and all inputting for that month is completed. This month end closure can be 7 -14 days into the next month.
- The Income& Expenditure Report is produced for the F&GPC meeting (so every two months) and it is placed on the F&GPC agenda.
- The F&GPC agenda is normally supplied a week before the meeting and this can easily be before the month end closure.
- It could be possible to produce reports that could be cross referenced but it would probably require manual amendments to the reports that can be saved as excel documents and the RFO considers that this defeats the object of there being a check to try to detect anomalies or fraud.

The parish council is required to meet the Accounts and Audit Regulations 2015 and the guidance in The Practitioners Guide and in September the Clerk undertook a review to ensure the council was still complying and that its checks and processes of internal audit were still relevant which they were.

Members have to decide what auditing processes and reporting systems/processes they require but these cannot go below the standards set in the regulation and guidance. Regardless of whether it is F&GPC or any other committee when deciding on any new system or process members should be totally clear as to why they are requiring something to be produced or introduced so that every member understands the purpose of what is being proposed and can consider a) whether there is a need, b) the impact on the agenda and c) the impact on office time, this is not only for financial reports this is for all requests for additional or new work.

Item 10 Policies and Procedures: Reports and Reviews

Item 10.1 Finance and General Purposes Committee – Review of policies and procedures 2018 - 2019.

The purpose of this document is to ensure that the parish council meets its duties and manages any associated risk effectively and efficiently by regular review of its policies and procedures to ensure that they are up-to-date and fit for purpose. The annual review of this document reminds members and the public of their existence and allows for members to make amendments.

Some documents are reviewed biennially or by the parish office as “housekeeping”. If this has been agreed then **H** (housekeeping), **O** (odd year review) or **E** (even year review) are shown; no letter indicates an annual review. The parish office will bring forward a review if necessary and a member can request a review at any time.

January		<ul style="list-style-type: none"> • Review of this document to allow adjustments. • Committee review of Financial Regulations (to give notice to March Parish Council) • Review of banking arrangements. • Tender Opening Procedure
Office note	E	<i>Review investment bonds to see what is expiring in next two months. Do a backup test – can Northstar reinstate records?</i>

		<i>Include trial balance in agenda</i>
March	H	<ul style="list-style-type: none"> Insurance cover– annually review cover. Review best value for insurance company every 3 years (next due late 2016/early May 2017 as contract expires 31/05/17). Terms of Reference (to go to April PC mtg) – are there any amendments that the committee wish to request? Chairman’s Pendant Procedure
Office note		<i>Review investment bonds to see what is expiring in next two months</i> <i>Arrange for agenda a review of earmarked reserves situation.</i> <i>Review fidelity amount to maximum holding.</i>
May	E H H	<ul style="list-style-type: none"> Health and Safety Policy Training and Statement of Intent. Petty Cash Payment of bills by Direct Debit and Standing Orders list
Office note		<i>Review investment bonds to see what is expiring in next two months</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	E E H	<ul style="list-style-type: none"> Risk assessment –general Public use of computers Bullying and harassment Public internet access policy Review all committee and parish council training needs
Office note		<i>Review investment bonds to see what is expiring in next two months</i> <i>Arrange Clerk’s staff appraisal</i>
September	O O	<ul style="list-style-type: none"> Grievance Procedure Disciplinary Procedure Annual health and safety and accident book review Grant for War Memorial Wreath Report back on Clerk’s staff appraisal
Office note		<i>Review investment bonds to see what is expiring in next two months</i> <i>Arrange for agenda item to review the projects being considered by committees.</i> <i>Include trial balance in agenda</i>
November	H E O H E	<ul style="list-style-type: none"> Grants policy & procedure. Review subscription list (with budget) Review Independent Internal Auditor 2018 Investment Strategy (includes reserves policy) Electronic recording of Meetings of the Parish Council and its Committee Acceptable use of computer facilities, e-mail and the internet.
Office note		<i>Review investment bonds to see what is expiring in next two months</i> <i>Do Mel & Angie’s staff appraisals</i>

Item 10.2 Review of banking arrangements

Purpose of report: To comply with legislation as reflected in the Parish Council's Financial Regulation 6.2. *"The Parish Council shall review the banking arrangements as and when required but at least annually. Banking arrangements shall only be changed by resolution of the Parish Council".*

RFO's recommendation: No change to the current banking arrangements.

Item 10.3 Tender Opening Procedure (Review)

Purpose of report: To review whether the procedure is still fit for purpose and to ensure that the council operates in a legal, fair, open and accountable way. Changes to the Financial Regulations have to be approved by Parish Council. This item is specifically dealing with the Tender Opening Procedure.

Financial Regulation 12.5 Invitation to Tender and Opening of Tenders

- (a) Invitations to tender shall state the general nature of the intended contract for which the Clerk shall obtain the necessary technical assistance to prepare a specification in appropriate cases. The invitation shall in addition state that tenders must be addressed to the Clerk in the ordinary course of post. Each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract.
- (b) Any invitation to tender issued under this regulation shall be subject to Standing Order 26 and shall refer to the terms of the Bribery Act 2010.
- (c) All tenders and quotations for goods, materials or for the execution of works shall as far as practicable be based on a specification and unless the specification sent to companies invites submission of other ideas/recommendations no tender shall be accepted which deviates from that specification.
- (d) Tenders shall be opened in the presence of a Parish Councillor who is not, where applicable, a member of the committee considering the tender. A note signed by the opener will record the name of the company and the tender price. An alphabetical list of firms is to be included in the briefing document submitted to the committee choosing the successful quotation/tender.

An amendment to the following has been suggested by the Chairman Ivor Davies

Tenders shall be opened in the presence of a Parish Councillor who is not ~~where applicable,~~ a member of the committee **that will consider the tenders.** A note signed by the opener will record the name of the company and the tender price. An alphabetical list **of tenderers** is to be included in the briefing document submitted to the committee choosing the successful quotation/tender **but to which tender each applies shall not be identifiable.**

- (e) If, despite attempts, an insufficient number of quotations/tenders is received or all submissions are identical the council may make such arrangements for procuring the goods or materials or executing the works as it thinks fit. None of this shall apply where the cost of this exceeds £60,000¹.

An amendment to the following has been suggested by the Chairman Ivor Davies

~~If despite attempts,~~ If an insufficient number of quotations/tenders **are** received **to meet the requirements of Standing Orders** or all submissions are identical the council may make such arrangements for procuring the

¹ Standing Order 26(c).

goods or materials or executing the works as it thinks fit. None of this shall apply where the cost of this exceeds £60,000².

In view of paragraph 3 of these regulations neither the Parish Council or any committee is bound to accept the lowest tender, estimate or quote.

Procedure for opening tender documents (Review)

The following to be the procedure.

- The tenders will be opened in the presence of a councillor who is not a member of the committee considering the tender.
- A note, see below, signed by the opener will record the name of the company and the tender price.
- ~~An alphabetical list of companies is to be included in the briefing document submitted to the committee choosing the tenders.~~

Record of tender opening for

Opened in the presence of Councillor.....

Company..... Tender price.....

Company..... Tender price.....

Company..... Tender price.....

Company..... Tender price.....

Company..... Tender price.....

Company..... Tender price.....

Quotation submission.

CONFIDENTIAL

Title.

(title and date)

Budget:

Meeting

Job Specification:

Making a decision.

The parish council is not required to award the contract to the lowest quotation (Fin Regs 12.4) but it has adopted the principles of Value for Money (Fin Regs 3). If the parish council chooses not to go with the lowest quote then it should be clear as to why it preferred another company. For example a company may be known to the parish council and due to its previous excellent service the contract may be awarded to them even if there is a lower quote from a previously untested company.

A company that submits the lowest quote may not be able to undertake the work in the timescale set by the parish council.

It is possible for the committee to request the identity of the firms but it is preferable that this is only done:

- a) When a decision has been made:
- b) A quotation is preferred but it would be beneficial, before the final decision, that the company is identified:

² Standing Order 26(c).

- c) Where two or three quotes are very close together making it difficult to make a final decision:

When making a decision members can indicate a reserve or even place the tenders in an order of preference. It is in order to make an initial decision subject to clarification on a point and so it would be sensible to have at least one reserve in case the selected contractor fails to meet the parish council's requirements. Members should consider whether to award delegated power to a small group of councillors, possibly the chair and vice-chair of the committee or parish council, to consider and recommend any change to the stand-by contractor-designate with the recommendation and reasons being sent to members and then ratified at the next meeting.

It is sometimes difficult to make a decision on something like this, so perhaps the questions that members must first consider are:

Why would the parish council not wish to award the contract to the lowest quotation?

Does the lowest quotation appear to give value for money?

What 'subject to conditions' would be attached if it was awarded to the lowest quote?

References are required for example.

Quotations.

?? companies were contacted for quotes and the following have replied (in no particular order):

- ??
- ??
- ??

The average of the ??? quotes is £????.

All quotes exclude VAT.

Each company was required to quote on the job specification supplied by the parish council however if a company considered that the specification should be varied then it could submit an additional quotation for the variation as long as it also included the reason why it was recommending the variation and whether there would be any change in the cost. Members are required to reject any quotation that a) does not supply a quotation that matches the job specification or b) fails to explain why a variation was being recommended and the cost implications of this.

Job specification	Tender 1*	Tender 2
	As per specification	
	£??	
	£??	
	£??	

Details of any other costs.		
Total	£??	

The following variations to the job specification have been submitted

*Tender 1	Variation	Cost implications

Decision taken.

Company:

Any conditions imposed:

Reserve company

Any conditions imposed:

Delegated powers awarded to

Date

Item 10.4 Committee review of Financial Regulations (to give notice to March Parish Council)

Purpose of the report: To comply with legislation as reflected in the Parish Council's Financial Regulation 19.1 *The Financial Regulations of the Council shall be subject to annual review prior to the adoption of the Annual Governance Statement.* 19.4 *These Regulations shall be reviewed annually by the full Parish Council.*

Under the Terms of Reference F&GPC makes a recommendation to members should any changes be required.

RFO report: KALC has not made notification of any changes to the model document and the RFO has not received notification of any legal changes from NALC. A revised Practitioners Guide for the Audit and Accounts is expected in the near future and this will be checked for any changes; the last in-depth review of the compliance to the guidelines was September 2017.

What however is missing from the Parish Council's Financial Regulations is a section on Loans and it is recommended that one be added as a matter of urgency. The F&GPC can make a recommendation to the 22 January Parish Council meeting.

The remainder of the Financial Regulations is considered fit for purposes but will be reviewed when the Practitioners Guidance is reissued.

The following is taken from the NALC Model document. Items that are already covered in the Financial Regulations or which do not relate to loans have a strikethrough.

All members should have retained a copy of the Financial Regulations however a copy can be supplied by the parish office but is also available on the website.

1. LOANS AND INVESTMENTS

- 1.1. All borrowings shall be effected in the name of the council, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by Council as to terms and purpose. The application for borrowing approval, and subsequent arrangements for the loan shall only be approved by full council.

- 1.2. Any financial arrangement which does not require formal borrowing approval from the Secretary of State/Welsh Assembly Government (such as Hire Purchase or Leasing of tangible assets) shall be subject to approval by the full council. In each case a report in writing shall be provided to council in respect of value for money for the proposed transaction.
- ~~1.3. The council will arrange with the council's banks and investment providers for the sending of a copy of each statement of account to the Chairman of the council at the same time as one is issued to the Clerk or RFO.~~
- 1.4. All loans and investments shall be negotiated in the name of the council and shall be for a set period in accordance with council policy.
- ~~1.5. The council shall consider the need for an Investment Strategy and Policy which, if drawn up, shall be in accordance with relevant regulations, proper practices and guidance. Any Strategy and Policy shall be reviewed by the council at least annually.~~
- ~~1.6. All investments of money under the control of the council shall be in the name of the council.~~
- ~~1.7. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.~~
- ~~Payments in respect of short term or long term investments, including transfers between bank accounts held in the same bank, or branch, shall be made in accordance with Regulation 5 (Authorisation of payments) and Regulation 6 (Instructions for payment)~~

Item 11 Electronic Communication and Outreach

11.1 General Data Protection Regulations. To understand the new regulations and how it effects data retention and storage the Clerk has booked KALC training on 24 January 2018. NALC has just issued a legal topic note which states that, due to a potential conflict of interest, Parish Clerk's cannot be the Data Protection Officer for their council. The parish council may need to employ an external company/person to take on the role of the DPO and the Clerk has been informed that this may cost in the region of £300.

Item 5.3 Income/Expenditure report 31 December 2018

Purpose of the report – The Parish Council is required by the Accounts and Audit Regulations 2015 to monitor its Expenditure against Income and Budget. The Parish Council has to ensure itself that the Responsible Financial Officer, acting on behalf of the Parish Council, has put in place arrangements for effective financial management, and has maintained an adequate system of internal control and risk management.

Clerk's explanation on codes over/underspent.

100/4035 and 260/4035. Parish office and Beechen Hall Rates. The changes to the way the rates were calculated occurred after the budget was set. There was a significant reduction in the rates being charged hence the large underspend.

150/4275 Walderslade Woodland Group. Overspend is caused by the group using some of their earmarked reserves to buy equipment etc.
260/4040 Licences/leases. A decision to split the photocopier lease charge 50/50 between the office and Beechen Hall, to more accurately reflect the use of the copier has resulted in an over spend on this budget.

240/4500 Grounds Maintenance Contract. This is underspent as the number, due to the dry summer, of grass cuts were reduced. The contract allows for less cuts if fewer are needed. This has been queried with the contractor and they have confirmed the final invoice as correct.

300/4801 Seat Timber Tops. MBC dedicated the design and material of the seat that they would allowed.

		Actual Current Mth	Actual Year To Date	Current Annual Bud	Variance Annual Total	Funds Available	% Spent
PARISH COUNCIL							
100	Parish Office						
4000	Salaries	3,517	32,079	43,020	10,941		74.6%
4005	PAYE	1,122	10,181	13,261	3,080		76.8%
4010	Pensions	79	715	1,643	928		43.5%
4020	Administration	130	1,522	1,700	178		89.5%
4025	Audit	0	(25)	400	425		(6.3%)
	Bank/Credit Card Charges	0	35	0	(35)		0.0%
4030	Books and Publications	0	0	60	60		0.0%

4035	Rates	61	545	1,684	1,139		32.4%
4040	Licences/Leases	138	1,650	2,652	1,002		62.2%
4045	Subscriptions	233	1,569	1,675	106		93.7%
4050	Training/Conferences	36	96	750	654		12.8%
4055	Travel-Staff	43	274	596	322		46.0%
	Contingency Fund	0	350	0	(350)		0.0%

Parish Office :- Indirect Expenditure	5,359	48,991	67,441	18,450		72.6%
Movement to/(from) Gen Reserve	(5,359)	(48,991)				

110 General Parish Council							
4100	Hire of Halls	30	345	380	35		90.8%
4105	Insurance	0	1,727	2,381	654		72.5%
4115	Publicity	610	6,492	7,925	1,433		81.9%
4120	Website Admin	0	0	330	330		0.0%
4125	Referendum	0	0	15000	15000		0.00%

General Parish Council :- Indirect Expenditure	640	8,564	26,016	17,452		32.9%
Movement to/(from) Gen Reserve	(640)	(8,564)				

120 Councillor & Subsistence Allow							
4150	Chairman's Allowance Personal	9	90	129	39		69.8%
4155	Chairman's Allowance Civic	32	77	100	23		77.0%
4160	Councillor's Allowance/PAYE	346	3,105	4,107	1,002		75.6%
4165	Subsistence	0	0	100	100		0.00%

Councillor & Subsistence Allow :- Indirect Expenditure	387	3,272	4,436	1,164		73.8%
Movement to/(from) Gen Reserve	(387)	(3,272)				

130 Finance							
1076	Precept	0	107,437	107,437	0		100.0%
1077	Government Grant	0	0	0	0		0.00%
1090	Interest Received	0	674	1,863	1,189		36.2%
1100	Parish Service Scheme	0	13,711	13,611	(100)		100.7%
1130	Other	0	1676	0	-1676		0.00%
Finance :- Income		0	123,498	122,911	(587)		100.5%
4210	Contingency Fund	0	4,067	27,532	23,465		14.8%
4220	Land Aquisition	0	0	52831	52831		0.00%

Finance :- Indirect Expenditure	0	4,067	80,363	76,296		5.1%
Movement to/(from) Gen Reserve	0	119,431				

150 Grants							
4270	Other Grants	761	2,091	2,000	(91)		104.6%
4275	Walderslade Woods Group	1,198	6,996	5,177	(1,819)		135.1%
4280	Village Hall Grants	0	0	1,500	1,500		0.0%
4285	Vinters Valley Park LNR	0	896	6,214	5,318		14.4%
4290	Friends of Boxley Warren	0	42	568	526		7.30%

Grants :- Indirect Expenditure	1,959	10,025	15,459	5,434		64.8%
Movement to/(from) Gen Reserve	(1,959)	(10,025)				

ESTATES

220 Burial Ground							
1200	Burials	525	525	1,250	725		42.0%

Burial Ground :- Income		525	525	1,250	725		42.0%
4045	Subscriptions	0	90	92	2		97.8%
4420	Admin Fee	0	0	250	250		0.00%

Burial Ground :- Indirect Expenditure		0	90	342	252		26.3%
Movement to/(from) Gen Reserve		525	435				

230	Green Spaces						
4210	Contingency Fund	0	0	2,000	2,000		0.0%
4400	Maintenance	279	1,283	2,500	1,217		51.3%
4450	Boxley Village Green	0	0	500	500		0.0%
4460	WDJ Orchard	34	179	500	321		35.80%

Green Spaces :- Indirect Expenditure		313	1,462	5,500	4,038		26.6%
Movement to/(from) Gen Reserve		(313)	(1,462)				

240	Grounds Maintenance						
4500	Grounds Maintenance Contract	0	4,327	7,967	3,640		54.3%
4505	Roundabout Maintenance	0	0	306	306		0.00%

Grounds Maintenance :- Indirect Expenditure		0	4,327	8,273	3,946		52.3%
Movement to/(from) Gen Reserve		0	(4,327)				

250	Street Furniture						
4550	Noticeboards	0	(94)	0	94		N/A
4560	Village Signs	0	0	200	200		0.0%

Street Furniture :- Indirect Expenditure		0	(94)	200	294		(47.0%)
Movement to/(from) Gen Reserve		0	94				

260 Beechen Hall							
1091	Interest Received	0	0	402	402		0.0%
1230	Hire Fees Casual	1,099	12,256	16,200	3,944		75.7%
1231	PL Insurance Income	14	138	222	84		62.2%
1235	Hire Fees Regular	3071	21828	30000	8172		72.80%
1250	Wages - AEC	20	290	400	110		72.50%
Beechen Hall :- Income		4,204	34,512	47,224	12,712		73.1%
4001	Wages	1,570	14,363	19,235	4,872		74.7%
4005	PAYE	202	1,840	2,306	466		79.8%
4010	Pensions	22	198	452	254		43.8%
4020	Administration	0	101	200	99		50.5%
4025	Audit	0	(25)	400	425		(6.3%)
4035	Rates	141	1,272	3,930	2,658		32.4%
4040	Licences/Leases	0	560	409	(151)		136.9%
4105	Insurance	0	1,016	1,215	199		83.6%
4210	Contingency Fund	0	0	6,000	6,000		0.0%
4605	CCTV/Alarms Maintenance	0	941	970	29		97.0%
4610	Consumables	271	885	914	29		96.8%
4615	Electricity	172	1,287	2,080	793		61.9%
4620	Gas	170	649	1,130	481		57.4%
4625	Water	0	362	825	463		43.9%
4630	Electrical Safety	0	410	410	0		100.0%
4635	Fire Safety	0	80	80	0		100.0%
4640	Gas Maintenance	0	0	257	257		0.0%
4645	Ground Maintenance	0	0	500	500		0.0%
4650	Hall Maintenance	0	0	0	0		N/A
4655	Hall Marketing	0	1,120	2,500	1,380		44.8%

4656	Hire fee refund	0	0	200	200		0.0%
4660	Refuse Collections	240	1651	2039	388		81%
4720	Car Park Lights	0	-707	0	707		0.00%

Beechen Hall :- Indirect Expenditure	2,788	26,003	46,052	20,049		56.5%
Movement to/(from) Gen Reserve	1,416	8,509				

270	Beechen Hall projects						
4550	Noticeboards	0	0	300	300		0.0%
4705	Internal Decoration	0	0	500	500		0.0%
4710	External Decoration	0	0	500	500		0.00%
4715	Floor	0	640	15,000	14,360		4.3%
4716	Extension Project	0	3,280	25,000	21,720		13.1%
4717	Height Barrier	0	0	2,000	2,000		0.0%
4718	Toilet Refurbishment	0	0	25,000	25,000		0.0%

Beechen Hall projects :- Indirect Expenditure	0	3,920	68,300	64,380		5.7%
Movement to/(from) Gen Reserve	0	(3,920)				

280	Allotments						
1280	Allotment Income	0	992	960	(32)		103.3%
	Allotments :- Income	0	992	960	(32)		103.3%
4020	Administration	0	7	30	23		23.3%
4105	Insurance	0	255	255	0		99.80%
4400	Maintenance	0	1315	2300	985		57.20%

Allotments :- Indirect Expenditure	0	1,577	2,585	1,008		61.0%
Movement to/(from) Gen Reserve	0	(585)				

ENVIRONMENT

300 Environment							
4800	Street Maintenance	32	(19)	15,000	15,019		0.0%
	Seat Timber Tops	0	830	3,000	2,170		27.7%
	Highway Projects	0	0	40000	40000		0.0%
Environment :- Indirect Expenditure		32	811	58,000	57,189		1.4%
Movement to/(from) Gen Reserve		(32)	(811)				

Grand Totals:- Income	4,729	159,527	172,345	12,818	92.6%
Expenditure	11,478	113,015	382,967	269,952	29.5%
Net Income over Expenditure	(6,749)	46,512	(210,622)	(257,134)	
Movement to/(from) Gen Reserve	6,749	(46,512)			

Item 9 Parish Hall Extension: Public Works Loan

Chairman's Guidance

The November F&GPC meeting minutes show that the committee "agreed in principle, that Boxley Parish Council should apply for a Public Works Loan (PWL) for 50% of the cost of the project" and that members then asked for the Clerk's report below on the application process, the requirements for public consultation (since confirmed) and the repayment schedule for 15, 20 and 25-year periods.

After considering this, and if it is decided to proceed, the committee will have to agree the precise amount needed, the repayment period and on what terms. To avoid any subvention from the Parish Precept, repayments commensurate with, or less than, the net annual income from letting the Hall are needed. Further guidance will be found in the Clerk's briefing.

Projects that benefit only part of the parish can be of concern to some residents who perceive that they will 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 a history, as opportunities arise, of investing, supporting and undertaking projects in areas that may appear only of benefit to part of our extensive parish such as the Weaving Diamond Jubilee Orchard [*add "and various village halls"?*].

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 full parish council, is undertaken prudently and in an open and accountable way – as of course is our usual practice.

Clerk's report

The following article gives a summary of the Loan Application

HOW TO MAKE A SUCCESSFUL LOAN APPLICATION



With interest rates continuing at an all-time low, it has never been a better time for councils to borrow for capital projects. The team at the Department for Communities and Local Government explain how English parishes can ensure a successful application for the necessary loan consent.

Parish and Town Councils can borrow money for a variety of capital projects in their areas. From cricket pavilions to community halls, councils make use of this facility to fund improvements to their towns and villages. Loans are normally taken out with the Public Works Loan Board (PWLb), as this is often the most cost effective option available, but councils can borrow from other authorities or any suitable financial organisation. But first, before any loan is taken out, an approval has to be obtained from the Secretary of State for Communities and Local Government (DCLG). Here's how to ensure that this approval is granted.

You will need to supply certain documentary evidence (in paper form) to comply with the terms of the Parish Council Loan Guidance. In practice, this means the following:

- A copy of the minutes of the full council meeting showing approval of the loan application.
- A copy of the council's budget for the current year, and next year (if available), showing the provision made to meet the loan costs.
- A business case. This should include a breakdown of the proposed works, estimated costs, financial planning to fund the loan repayments and the steps the council has in place to mitigate the risk for not being able to afford the loan repayments. Will you use council reserves? Is the council planning to increase the council tax precept to fund the borrowing?

If the council tax precept is to be increased you need to detail by how much (amount and percentage), and if possible, how much the increase for house holders at Band D will be. You will also need to provide evidence of public support to increase the precept to cover the loan repayment, for example the details of any public consultation with residents.

Even if you are not increasing the council tax precept you still need to provide details how local residents were consulted on the project and associated borrowing. For example, a parish newsletter or website notice or at public meeting.

It is paramount to stress the importance of the public support and consultation evidence. The Government's localism agenda aims to place more power into people's hands. For democratic accountability to increase, local people need to be able to hold local authorities to account over how they spend public funds and the decisions that are made on their behalf. This principle applies to decisions made by all levels of local government, including parish councils. Transparency is the foundation of this accountability as, if people are to play a bigger role in society, they need to have the tools and information to enable them to do so.

Councils should only apply for borrowing approval when they are fully ready to take up the borrowing, for example, when planning permission has been obtained. Applications by councils for approval should be sent to the local County Association of Local Councils (CALC), whether or not they are a member. The CALC should be able to help you with advice on applying for a loan and be able to supply you with the correct paperwork.

Councils may, if they wish, take up any disputed issue with DCLG. The review by the County Association is intended to assist councils in submitting well-founded applications to DCLG. The County Association will provide a brief factual report to DCLG with the application.

Once DCLG are satisfied with the application, we send you a letter confirming our approval which needs to be sent to the PWLB (or other loan provider) when you apply for the loan.

So that's it. Follow this guide and you will be successful in your application. DCLG is happy to provide advice along the way. We can be contacted at Parish.Borrowing@communities.gsi.gov.uk.



Action required to meet the criteria for applying for a PWL

Note. Any application needs to be made around the end of February as the loan facility needs to be in place before soliciting tenders. F&GPC's Terms of Reference state that in cases like this it makes a recommendation to the full Parish Council for decision. This next meets on 22 January with no meeting currently planned for February.

Description	Action	Timescale for completion
Public Works Loan	Decision on amount, type and length of loan	This meeting
Use of Parish Council Reserves	Decision on how much is to be earmarked	This meeting
Is Council planning to increase precept to fund the borrowing.	Decision	This meeting
Amendment to draft Budget		This meeting
Financial planning to fund the loan repayments	Decision and inclusion on draft budget	This meeting
Risk assessment and management if council unable to afford repayments	Decision and production of a statement	This meeting
Full Council Approval of the Loan Application	A minute must be produced to show that the Parish Council agrees to the loan application for £X	22.01.18 or at a specially called parish council meeting in early February
Evidence of public consultation and support	Agree a statement explaining why a PWL is being applied for, how it is going to be repaid, benefits of the extension to the hall etc. This statement to be basis of public information/consultation: Downs Mail; community alert system; website; noticeboards; questionnaire at the hall etc.	Starting 23 January if loan application agreed by PC.
Production of a business plan.	Due to previous work by BHEWG the basis of the business plan is already available. Missing is: <ul style="list-style-type: none"> • estimated costs; • Breakdown of proposed work; and • Various issues that are covered by the decisions that will be made above and at the Parish Council 	Production underway for completed after finish of consultation.

Interest Rates as at 05/01/2018 (these fluctuate daily, but only slightly in normal circumstances).

Amount of Advance £90,000 (as an example, rate increases with size of loan)

Period (years)	Annuity			EIP			
	Rate %	½ Yearly Cost (£)	Total Cost (£)	Rate %	Initial ½ Yearly Cost (£)	Reduces by each ½ year (£)	Total Cost (£)
Over 15 not over 15½	2.12	3,421.53	106,067.43	2.10	3,848.23	30.48	105,120.00
Over 20 not over 20½	2.36	2,781.45	114,039.45	2.32	3,239.12	25.46	111,924.00
Over 25 not over 25½	2.56	2,413.81	123,104.31	2.51	2,894.21	22.15	119,367.00

There are three repayment methods open to Parish, Town and Community Councils (more information will be found in the attached Technical Note):

Annuity: half yearly payments where each payment is of a constant amount inclusive of principal and interest (available on fixed rate loans only)

Equal Instalments of Principal (EIP): half yearly payments where each payment consists of a constant instalment of principal

Maturity: half-yearly payments of interest only, with a single repayment of principal at the end of the term (it is assumed this will not be of interest to members).

For information, the Hall's net surplus revenue over the past three years has been:

2013/14 £8,751
 2014/15 £6,983
 2015/16 £11,447 *[is this comparable as there is no mention of office expenses in Mel's figures]*

For 2017/18 £>10,000 (£7,588 as at 31/12/17)

Annuity: half yearly payments where each payment is of a constant amount inclusive of principal and interest (available on fixed rate loans only)

Equal Instalments of Principal (EIP): half yearly payments where each payment consists of a constant instalment of principal