

EAST PECKHAM PARISH COUNCIL

Clerk of the Council, Mrs. K Bell
The Parish Office, East Peckham Jubilee Hall, Pippin Road, East Peckham, Tonbridge, Kent, TN12 5BT
Telephone/answerphone: 01622 871309
Website: www.eastpeckham-pc.gov.uk
Email: admin@eastpeckham-pc.gov.uk

To Parish Councillors, members of the public and press

Members are hereby summoned and notice is given that a **Meeting of the Parish Council's Finance Committee** will be held on **Monday, 14 January 2013** in the meeting room at the East Peckham Jubilee Hall immediately following a meeting of the Parish Councils Planning & Transportation Committee which will commence at **19.45 hours**.

07 January 2013

Clerk of the Council

AGENDA

Time Guide

- 1) **Apologies and absences (8.30):**
To receive and accept apologies for absence
- 2) **Declarations of Interests or lobbying (8.31)**
Members are required to declare any interests or lobbying on items in this agenda
- 3) **Urgent Items (8.32)**
- 4) **Annual Review of Members Allowances (8.35)**
- 5) **2013/2014 Budget (8.40):** To consider the Parish Councils budgetary requirements
(Attached)
- 6) **2013 Review of Fees and Charges (9.10): To consider**
- 7) **Matters for Information (9.20):** To receive information
- 8) **Matters for consideration in private (9.25)**
- 9) **Date of Next Meeting (9.26):** 20 May 2013

Note: All meetings of the Parish Council & its committees are open to the press & public

EAST PECKHAM PARISH COUNCIL DRAFT BUDGET PROPOSALS 2013/2014

INTRODUCTION

The Parish Council is invited to give initial consideration to its budget for the year 2013-2014. At its meeting to be held on 14 January 2013, the Parish Council will finalise its budget and will be asked to authorise the Clerk to request a precept from Tonbridge and Malling Borough Council.

ZERO-BASED BUDGETING APPROACH

The Parish Council should adopt a zero-based budgeting approach to its spend in 2013-2014. This approach to budgeting encourages Members to question more closely each item of expenditure. It starts from the premise that no costs or activities should be factored into the plans for the coming budget period simply because they were in the costs or activities for the current or previous period. Every item of expenditure must be considered and justified, and there must be a reasonable prospect of each item coming to fruition during the financial year, to avoid criticism by the auditor.

BUDGET PROPOSALS – 2013-2014

The budget proposals shown on the attached schedule are based on core expenditure and amount to £116,984. This would require a precept of £107,440.

SECTION 137 CONSIDERATIONS

Under S.137 of the Local Government Act 1972, Councils are permitted to make grants which are “for the benefit of the community” and it is a matter for the Parish Council to decide what is of benefit. The formula is £6.50 (to be confirmed) x the number of electors in the parish. Any proposed spending under this heading should be identified within budget proposals. Where a Council has a statutory power which is restricted by a limitation or condition, S.137 cannot be used to circumvent that limitation or condition.

Provided that there is no alternative power, whether limited or conditional or not, and no statutory prohibition, the Council may incur expenditure under this section provided that it is satisfied that there is a direct benefit to the area, or part of the area, or to some or all of the inhabitants. However, the Council must ensure that the spend is not disproportionately large to the benefit derived from the spend. This spend can be challenged by the auditor or a local government elector (pursuant to S.16 Audit Commission Act 1998).

BACKGROUND INFORMATION

In accordance with the provisions of s41 of the Local Government Finance Act (LGFA) 1972, the Parish Council as a precepting authority has the discretion to issue a precept for each financial year on Tonbridge and Malling Borough Council. The precept must state the Councils budgetary requirements as calculated under s50 of the LGFA 1972 and is paid to the Council in half yearly instalments. The budgetary requirement is the difference between the Councils expenditure and income these two elements being calculated in accordance with the provisions of subsections 2 and 3.

Under subsection 2, the Council must calculate the aggregate of:

- The expenditure which is estimated will be incurred during 2013/2014 this expenditure will be charged to a revenue account for the year.
- Allowances the Council estimates will be appropriate for contingencies in relation to expenditure to be charged to a revenue account for the year.
- The financial reserves within the Council estimates will be appropriate to raise in the year for meeting its estimated future expenditure.
- Such financial reserves as are sufficient to meet so much of the amount estimated by the Council to be a revenue account deficit for any earlier financial year and not already been provided for.

Under subsection 3 the Council must calculate the aggregate of:

- The sum which is estimated will be payable to it for the year and in respect of which amounts will be credited to a revenue account for the year other than sums which will be payable in respect of the precept.
- The amount of the financial reserves which the Council estimates will be used.

If the aggregate calculated under subsection 2 exceeds that calculated under subsection 3 then the Council must calculate the amount equal to the difference and the amount so calculated will be the budgetary requirement.

Future Expenditure: This is:

- That which the Council estimates will be incurred in the financial year following 2013/2014 which will be charged to the revenue account for 2014/2015 and will have to be defrayed in the year before sums which will be payable to it for the year and sums in respect of which amounts will be credited to a revenue account for the year are sufficiently available.
- That which the Council estimates it will incur during 2013/2014 in performing its functions which will be charged to the revenue account for that or any other year.

The Detail

- The recommended estimates are exclusive of VAT which is recovered quarterly.
- The actual expenditure for the period up to 31 March 2012 shows the amount exclusive of VAT.
- The actual expenditure for the period up to 31 March 2012 shows the amount exclusive of adjustments from prior or current financial years.
- The credits received for the period up to 31 March 2012 shows the actual amounts received.
- An inflationary increase of 3% has been used where costs are not yet fixed or known.
- These notes are to be read in conjunction with the estimates which are attached

1 – 3 TMBC (Section 136 Concurrent functions)

Expenditure for these items is met and fixed by TMBC under the Scheme of Financial Arrangements with Parish Councils. In October 2012, TMBC advised that it had reduced the 2013/14 allocation by 11.9%. This was in line with TMBC reduction in its Revenue Support Grant. TMBC has advised that for 2013/14 the Council will receive the following amounts:

	2012/2013	2013/2014
Basic Allocation	£5,585	£4,990
Churchyards	£3,869	£3,408
Footway Lighting	£1,302	£1,146
TOTAL	£10,756	£9,544

Notes:

- In 2011/2012 the Parish Council received £12,850
- In 2012/2013 the Parish Council received £10,756, £2,094 less than for 2011/2012
- In 2013/2014 the Parish Council will receive £9,544, £1,212 less than for 2012/2013
- A reduction over 3 years of £3,306

In November 2012, the Parish Council agreed that provisions would be included within the budget in respect of the following:

Environmental Enhancements to Village Street Scene	£1,500*
Kitchen Equipment for the Jubilee Hall	£1,000
Dog Bags	£100
Work to the Lime Trees at the Churchyard	£2,500
TOTAL	£5,100

*Precise estimate not yet received at the time of preparing the estimates.

I would suggest that the S236 Allowance which the Parish Council will receive from Tonbridge and Borough Council for the financial year 2013/2014 which will amount to £4,990 be used to fund the projected listed above with an allowance for the remaining £100.00 included under the 2013 Project budget head.

4 - 7 Jubilee Hall & Queen Elizabeth 11 Jubilee Playing Fields

The Jubilee Hall comprises of a Sports Hall and a separate Meeting room both of which are let to local groups, organisations and residents. We are fortunate that the majority of our users are regular customers but we do have some casual users it is pleasing to note that the regular usage of the premises currently stands at 63% for the sports hall and 25% for the meeting room. There is however more casual usage of the meeting room.

As freehold owner the Council is responsible for the upkeep and running costs which include building maintenance, staff costs, playing field maintenance, insurance, cleaning, administrative costs, on call costs, cleaning supplies, energy costs, play equipment etc.

During 2007/2008, the Council approved a PWLB loan which enabled sports hall repairs to be carried out. During 2010 urgent repair work was identified to the building and this was carried out during the 2010/11 and 2011/12 financial years together with the conversion of the meeting room into the new Parish Office and a changing room into a new meeting room. The work was funded through a contribution of £25,000 from reserves and the remainder through the precept. The building is now in a sound state of repair however it is essential that the Council builds up a maintenance fund to ensure that sufficient funds are in place to meet ongoing and future repair and maintenance costs.

For the purpose of these estimates a budgetary provision of £36,111 has been recommended in order to maintain this vital community asset broken down into the following key elements:

- A budgetary provision of £32,875 offset by anticipated income of £20,000 resulting in a net provision within the precept of £12,875 to meet routine running and staffing costs. I am reluctant to reduce this provision as any sudden and unexpected reduction in income would have to be met from reserves which would have a detrimental impact upon the council's budget.
- A provision of £5,861 to meet PWLB repayments. These amounts are fixed.
- £12,500 towards building maintenance and the maintenance and repair of outdoor play equipment
- £5,750 in respect of the NNDR due on the Jubilee Hall & Playing Fields. The Council is the rateable occupier and not eligible to receive rate relief. The amount paid for 2012/2013 was £5,400.

8. Footway Lighting (in addition to TMBC funding)

The Council is responsible for 66 footway lights. The lighting units are maintained by PSR Lighting who in 2012/13 charged £235 (Excl VAT) per month. The energy is provided by EDF energy, energy costs have increased substantially and the Parish Council is currently paying £1,200 per quarter (Excl VAT). For the purpose of these estimates I have recommended a budgetary provision of £9,800 of which TMBC will be contributing £1,146. Many local authorities in an attempt to save costs are either reducing the number of hours the lights are illuminated or are switching them off altogether and this may well be something that the Council might want to consider. For the purpose of these estimates the budgetary provision has been broken down as follows:

Basic footway lighting maintenance	£3,000
Streetlight Energy	£5,800
Footway lighting repairs and patrols not covered by maintenance contract	£1,000

9. Election Expenses

There is not expected to be an election during 2013 and therefore I have not made a budgetary provision. If there were to be an election the costs could be met from either reserves or contingency.

10. Village Grass Cutting

In November 2012, the Parish Council accepted a quotation of £930.

11. Holy Trinity Churchyard (in addition to TMBC funding)

In November 2012, the Council accepted a quotation of £2,700. TMBCs contribution of £3,408 is towards the upkeep of the churchyards at both Holy Trinity and St Michaels and the Council will receive £1,169 less in 2013/14 than it did in 2011/12. In order to make up this shortfall and to ensure that the same level of service is provided at both churchyards during 2013/14, I have included a budgetary provision of £1,500 which includes an inflationary adjustment.

12. Administration

It is anticipated that the administration budget for 2013/14 will be £10,300; calculated as follows:

Audit Fees Current legislation requires the Council to have an external audit and an independent internal audit. The audit fees for 2011/2012 were £850. The budgetary provision for 2012/2013 was £1,000 and I am recommending that this remain unchanged.

Insurance Insurance costs as at 31 October 2012 were £3,695; the insurance policy includes the cost of insuring the Jubilee Hall and outdoor equipment. The insurance policy is due for renewal in June 2013. I anticipate that a budgetary provision of £4,000 will be required in order for the Council to meet its insurance obligations in 2012/13. Approximately £2,800 of which will be charged to the Jubilee Hall leaving £1,200 to be charged to administration.

Subscriptions The Council subscribes to KALC, NALC, Local Councils Review, ACRK, CPRE, SLCC, Kent Tree and Pond Warden Scheme, DIS and LocalGov. It is anticipated that at 31 March 2012, the subscription costs will have amounted to £1,320. I am recommending that the budget for 2013/2014 be £1,350.

Office Equipment The office equipment provision is used to finance items such as servicing and repairs to office equipment and the cost of parish office telecommunications. During 2009/10 the photocopier, fax and computer were replaced with a new photocopier, laptop, docking station, and a combined scanner, printer and fax machine, it is likely that new equipment and/or repairs will be required in 2013/14. I have therefore recommended that the provision remain at £2,000.

Publications The publication provision within the overall administrative budget for 2012/2013 was £250. I am recommending that this remain unchanged.

Annual Report/Newsletters Publication of the 2012/13 Annual Report and monthly newsletters should not exceed £1,150.

Website The website is becoming dated and needs to be enhanced and updated in order to maintain its effectiveness. It is also necessary to include a provision for ongoing website maintenance, website hosting, website enhancements and training. The budget for 2012/2013 was £2,150 I am recommending that the provision for 2013/14 be £2,350.

Miscellaneous This would cover incidentals such as stationery, Ordnance Survey registration, renewal of data registration, accounting software, postage and mileage; it is unlikely that these costs will exceed £1,000.

13 Clerks Salary, Clerks Ni and superannuation

The Clerks salary is in accordance with the recommended salary scales of NALC and SLCC. The Clerks current annual gross salary is £21,334 and the Clerk is paid monthly. In line with all local government employees the Clerks salary has been frozen for the past 4 years. In the event that there is a recommended salary increase in 2013/2014, I have increased the provision to £22,050. It is customary for the Clerk to receive a Christmas bonus. I have therefore made a salary provision of £22,200. I have also included the sum of £2,300 towards the Parish Councils employer's national insurance contributions and the Clerks gratuity. A total recommended budgetary provision of £24,500 of which £6,000 will be charged to the Jubilee Hall account...

14. S137 Free Resource

The Free Resource (S137) is an allocation of money which may be spent on anything which in the opinion of the Council is in the interests of the parish or any part of it or is in the interests of all or some of its inhabitants. The Department for Communities and Local Government has confirmed that the appropriate sum for the purposes of S137 (4) (a) of the Local Government Act 1972 for parish and town councils in England for 2013/2014 is £6.50 (To be confirmed) per elector. As at 01 April 2012 there were 2,654 registered electors within the parish of East Peckham. The total amount available for free resource expenditure is therefore £17,251. However, for the purpose of these estimates I have recommended that the Free Resource budgetary allocation for 2013/14 be £3,000 broken down into the following elements:

Litter clearing	£1,000	The litter warden works up to 12 hours per month and his hourly rate of pay is £6.50. The litter warden is due a salary review during 2013/14.
	£150	Litter clearing equipment.
2013 Summer Playscheme	£850	Amount suggested by TMBC
Community grants	£500	In November 2012, the Parish Council agreed that this new Community grant would enable the parish council to award to award small grants to groups and organisations in the village
Donations	£500	

15. Contingency Fund

The contingency fund for 2012/2013 was £5,000. I am suggesting that for 2013/2014 this be increased to £5,525. In the event that the Clerk resigns during 2013/2014, the contingency fund would be used to cover the costs to recruit and appoint her successor and for the handover period.

16. War Memorial

Sufficient funds have been earmarked to finance the cost of renovating the War Memorial. Therefore I have only included a sum of £300 for cleaning the memorial prior to the 2013 Remembrance Service.

17. CCTV

The CCTV system at both the Jubilee Hall and in the village centre is a useful asset to the village. There are ongoing maintenance costs such as energy charges, maintenance contract, repairs, replacement signs and training. It is also likely that system upgrades will be required. The budgetary provision for 2012/2013 was £1,500; In order to include a provision for system upgrades I am recommending that the provision for 2013/14 be £2,150.

18. Allotments

- During 2013/2014 it is hoped that the Parish Council will be able to provide a communal shed and eco toilet. It is intended that these items will be funded through grants. I have therefore not made a budgetary provision towards these items.

- Allotment income tends to exceed the running costs, I have not included any budgetary provision towards allotment costs which include ground rent, water rates, keys, weed killer etc.
- During 2012 the allotment land was transferred to Mr Stephens in Suffolk, the Parish Council was offered the opportunity of purchasing the land at £12,000 this was a significant difference from the land rental obtained by the Parish Council in 2011 which was £2,000. The Parish Council made an offer to purchase that land but this was not pursued by the landowner. The amount will therefore be transferred into earmarked reserves at year end and used towards the purchase of the allotment land should the opportunity arise.

19. Garden of Remembrance

In November 2012, the Council accepted a quotation of £480 in respect of the maintenance of the Garden of Remembrance four times per year.

20. Community & Police Working Group

The 2012/2013 provision was £165. I suggest this remains the same.

21. Chairman's Allowance

S15 of the 1972 LGA provided that a Chairman's Allowance can be provided within the precept. This is a sum of money set aside for the Chairman to defray the expenses of the office. In calculating the requirement and amount of allowance the Parish Council should consider the duties arising from the ordinary business of the council and the Chairman's enhanced role in discharging these, i.e. costs arising from regular communication with other members of councils, the working relationship with the Clerk, attendance on conferences and activities expected of him in his public relation role, attending ceremonies and travel costs. The 2012/2013 provision was £500. I suggest this remains the same.

22. Members Expenses

This is an allowance which members may use to offset travel costs and subsistence expenses incurred on business whilst acting on behalf of the Council. The 2012/2013 provision was £500. I am recommending that the budgetary provision increase to £1,000 to provide for the following:

- To cover members expenses should they wish to undertake relevant training which is especially important considering the number of legislative changes which are likely to affect the Parish Council.
- In view of the fact that greater expectation is on members to print parish council documentation using their own home computers I feel it is right that members be provided with the equipment to do this. I am therefore recommending that on an annual basis each member is provided with one ream of white A4 paper and two ink cartridges (one colour, one black and white).

23. Training

The training provision for 2012/2013 was £1,000. I am recommending that be increased to £1,500 in order that there are sufficient provisions for members and the Clerk to undertake relevant training which is especially important considering the number of legislative changes which are likely to affect the Parish Council.

24. Christmas Lighting

The 2012/2013 provision was £2,500. I have suggested that this be increased to £2,750. It should be noted that in addition to the budgetary provision a grant is normally provided by TMBC.

25. 2013/2014 Village Projects

In November 2012, the Parish Council agreed that provisions would be included within the budget in respect of the following:

Environmental Enhancements to Village Street Scene	£1,500*
Kitchen Equipment for the Jubilee Hall	£1,000

Dog Bags	£100
Work to the Lime Trees at the Churchyard	£2,500
TOTAL	£5,100

***Precise estimate not yet received at the time of preparing the estimates.**

I would suggest that the S236 Allowance which the Parish Council will receive from Tonbridge and Borough Council for the financial year 2013/2014 which will amount to £4,990 be used to fund the projected listed above with an allowance for the remaining £110.00 included under the 2013/2014 Village Projects budget head.

RESERVES

At 31.10.12, the bank balance less uncleared transactions was £159,118. It is anticipated that at 31 March 2013 the reserve level will be approximately £100,000 less earmarked reserves of approximately £25,591 and this results in a net anticipated reserve level at 31 March 2013 of £74,409. Our Audit advisors recommend that the Parish Council should keep in reserve an amount equal to its annual budget. However, Kent Association of Local Councils advises that an amount equivalent to 75% is a sufficient reserve amount. I am therefore recommending that included within the budget there be a contribution towards reserves of £5,525.

Anticipated Earmarked Reserves as at 31 March 2013

£2,131	Action with Communities in Rural Kent – Parish Plan Grant
£334	Allotment prepayment
£232	Bridge over the Stream
£8,300	Renovation of Village War Memorial Fund
£500	Village Sign Repairs
£11,244	Clerks accumulated gratuity
£600	Community Centre Key Deposits.
£2,250	Allotment land purchase