

EAST PECKHAM PARISH COUNCIL 2017-2018 PRECEPT BUDGET REPORT

The budget for East Peckham Parish Council for the financial year 2017/2018 shows a fundamental change from previous years because of the way in which the cost of providing local services has altered. Many of the costs now included within the Precept were previously covered by grants from Tonbridge and Malling Borough Council which are being withdrawn. The effect of this can be seen by the increase in the Precept for 2017/2018. As stated below this amounts to £20,000 or approximately £16.00 per annum on a Band D property. For this reason the financial year 2017/2018 cannot be directly compared to previous financial years.

1. Purpose of the Report

- 1.1 To seek approval to set the 2017-2018 Precept. Its EPPC's budget not what the clerk thinks is the budget and members have to decide what it wants to achieve.
- 1.2 EPPC needs to agree a budget for 2017-2018 and submit a precept request to TMBC.
- 1.3 In accordance with S25 of LGA 2003, this report provides members with information on the robustness of the budget and the adequacy of balances and reserves.

2. Background to the Report

- 2.1 EPPC is required to set its Precept in accordance with statutory requirements. This report sets out the implications of setting EPPC's Precept for 2017-2018 and the impact it will have on EPPC's portion of the Council Tax Bill. The recommendation of the Finance Committee is to be ratified by the Full Council.
- 2.2 Confirmation hasn't been received regarding referendum principles. If the approved budget is more than the limit set by Govt., EPPC may need to set a lower precept.

3. 2017-2018 Precept

The recommended 2017-2018 Precept of £139,950 is an increase of 23.9% on the 2016-2017 Precept which was £112,951. The Precept is the amount required to meet the estimated cost of providing EPPC Services after deducting expected income. The main reason for the increase in the precept is due to the loss of grants from TMBC totalling approximately £20,000. A provision of £15,000 has also been made towards the possible renovation of East Peckham Surgery. Similar provisions made in the financial years 2015/2016 and 2016/2017 has enabled the Parish Council to set aside a sum of £45,000 which can put be towards the retention of the East Peckham Surgery.

4. 2017-2018 East Peckham Parish Council Tax Base

- 4.1 The Council Tax Base is a statutory calculation of the number of chargeable households in the parish and is used by TMBC to calculate Council Tax. On 06 December 2016, TMBC advised that the 2017-2018 Council Tax Base figure is 1,279.50.
- 4.2 The 2017-2018 Precept of £139,950 is divided by the Tax Base of 1,279.50 and results in a Band D Council Tax of £109.38 per year. This equates to £9.11 per month or £2.10 per week. The amounts payable in all council tax bands are shown below:

Year	2015/2016	2016/2017	2017/2018
Precept	£110,274	£112,951	£139,950
Band D	1,242.70	1,263.22	1,279.50
Band A (6/9)	£59.14	£59.51	£72.92
Band B (7/9)	£69.02	£69.55	£85.07
Band C (8/9)	£78.88	£79.48	£97.23
Band D (9/9)	£88.74	£89.42	£109.38
Band E (11/9)	£108.46	£109.29	£133.69
Band F (13/9)	£128.18	£129.16	£157.99
Band G (15/9)	£147.90	£149.03	£182.30
Band H (18/9)	£177.48	£178.83	£218.76

5. Robustness of the 2017-2018 Budget Estimates

5.1 Working papers have been prepared to justify and support the budgetary estimates.

5.2 The budget process has incorporated a budget review. All budgets have been prudently set taking into account spending pressures such as pay awards, inflation and unavoidable budget growth. Balancing the budget has required efficiency savings to be identified and budget reductions to be made, many savings have been delivered and budget reductions have been made in underutilised budget areas.

5.3 The Budget sets out key issues and changes, the projects included, explains how spending pressures and funding cuts have been offset and why an increase in the precept is required. The Budget includes details of last year's actual spending and income as well as a latest projection of current year outturn which allows members to make informed decisions based on actual financial performance.

5.4 The robustness of the budget has been ensured through a budget framework ensuring that practical steps have been taken to prudently identify and provide for likely spending commitments and income next year.

6. Adequacy of Balances and Reserves

6.1 The assessment of the adequacy of balances and reserves has been based on best practice. No case has been made to set a statutory minimum reserve level and EPPC should base its judgement on its own circumstances; by taking this prudent approach EPPC is able to operate within a lower level of general reserves as recommended by the National Association of Local Councils and the Kent Association of Local Councils, these however will need to be supported by earmarked reserves to fund specific needs and future spending commitments.

6.2 In coming to a view on the adequacy of balances and reserves, account needs to be taken of the risks facing EPPC in terms of significant unforeseen spending commitments or funding cuts and any capital investments over the medium to long term taking into account the ability of EPPC to secure external funding via capital grants, contributions, borrowing or capital receipts from the sale of assets.

6.4 It is recommended that the balances & reserves policy remains unchanged, i.e.:

- Maintain a General Fund Balance of between 10% – 15 % of the Net Budget to protect against unforeseen Budget pressures and possible funding cuts.
- Set aside sufficient sums in Earmarked Reserves to support future years capital investment requirements and meet other specific commitments
- Undertake an annual review as part of the Budget Setting process.

6.5 The current levels of balances and reserves taken alongside the contingency sum should provide adequate resources to protect against unforeseen spending pressures, funding cuts and support future year's capital investment requirements.

7. Policy Implications: The budget conforms to one of the EPPC's aims and objectives which is to manage EPPC's finances and assets in a responsible manner

8. Staffing Implications: The Budget has been agreed with the Clerk/RFO

9. Financial Implications: These have been set out in this report.

10. Risk Assessment

10.1 The Budget has been robustly prepared in accordance with key principles of prudence and transparency and the levels of balances, reserves and contingencies within the Budget are adequate.

10.2 If the Precept is not set at this meeting then EPPC may not meet the deadline set by TMBC for the receipt of the Precept Request Form and would not therefore receive a Precept payment next year.

11. Recommendations

11.1 Members approve the 2017-2018 Council Precept at £139,950

11.2 The Chairman and/or the Clerk/RFO be authorised to sign the Precept Request Form which will then be delivered to TMBC.

2017-2018 BUDGET DOCUMENTS

1. INTRODUCTION

The preparation of an annual budget is a key statutory task; it results in EPPC setting the precept for the year and gives the Clerk/RFO the authority to make spending commitments in accordance with the spending plans approved by members. It also provides a basis for monitoring progress during the year by comparing actual spending against planned spending

The importance of the budget shouldn't be underestimated. Members should know how it's put together and how it's used in the running of EPPC. At its simplest the budget compares EPPC's spending plans and expected income with the excess of planned spending over income made up by the precept. As the year progresses things won't always go to plan and the prospect of a shortfall of funds during the year can present a risk. Regularly reviewing the budget against expenditure will warn members and help them decide responsive actions.

2. 2017-2018 BUDGET DOCUMENT

- Sets out EPPC's spending plans and explains how they will be funded.
- Includes a breakdown demonstrating how resources have been allocated to meet running costs of each service; budget summaries support the estimates.
- Provides a summary of the 2017-2018 Budget, setting out the background to the budget process and explains the impact that recent localisation of support for council tax by the Government has had on finances.
- Summarises key budget changes, shows how the budget impacts on Council Tax bills and gives consultation information. It's important that EPPC continually improves the quality of published financial information and invite feedback.

3. MEDIUM TERM FINANCIAL PLAN (MTFP) 2017-2022

- EPPC takes a strategic approach to financial planning
- MTFP provides a link between EPPC's strategic aims, priorities of the local community and the resources likely to be available to fund them
- MTFP establishes financial principles, within which financial planning will be undertaken and highlights key financial challenges facing EPPC over the next five years, putting in place a financial strategy to meet these.
- MTFP puts in place the framework for planning EPPC's spending each year and is the main driver for setting future budgets.
- MTFP focuses on issues such as likely funding cuts, whilst aiming to maintain existing service levels and keep future increases as low as possible.
- MTFP details challenges facing EPPC and the need to make difficult decisions in the coming years in terms of how to offset funding cuts as well as other spending pressures. It's likely that these budget pressures will need to be funded by increases to the Precept and budget reductions.
- While capital commitments will be met from earmarked reserves, balances are likely to diminish if they cannot be replenished. EPPC currently holds healthy balances and reserves and is in a strong position to meet the challenges that lie ahead in order to maintain services.

4. EFFICIENCY SAVINGS

With the implementation of some or all of the following, EPPC can make savings.

- Use of volunteers
- Increase take up in hall bookings
- Using BACS for making payments
- Scan and email where possible (instead of post)
- Insourcing certain maintenance items

- Use internet more for advertising/publicity
- Raising of fees where justified
- Manage cash to maximise interest (challenging at present)
- Hire out underutilised resources (open spaces, rooms)
- Looking at external funding sources such as sponsorship from businesses and residents for certain key projects
- Three year agreement on insurance has saved money
- Review utilities often

There may also be some scope in savings being made in the following areas:

- Increased use of the Jubilee Hall will see hall hire income rise resulting in less EPPC money being spent on the facilities and the Jubilee Hall more self-funding.
- Cutting contributions to reserves
- Improved procurement; reductions in under-utilised budgets.

5. **2017-2018 BUDGET FRAMEWORK**

This ensures that EPPC sets a prudent, realistic and transparent budget that clearly identifies costs and income associated with the provision of EPPC services and puts in place prudent budgetary provision within the financial resources available. The aim of the Budget Framework is to assess the impact of the Budget and determine the increase required to the Parish Council Tax in 2017-2018.

6. **THE 2017-2018 BUDGET**

- The financial year runs from 01 April - 31 March. The budget is prepared in the autumn and set in January, in advance of the new financial year.
- The Budget estimates the resources required to fund the services it provides deliver its strategic aims and objectives and meet community and local taxpayer needs and priorities.
- The Budget funds the day to day running costs of EPPC's services, and the net cost after deducting income and confirmed grants is funded from the Precept.
- The Budget also funds major one-off investment in EPPC and community assets such as its buildings and play areas. These can also be funded from Earmarked Reserves and any grants and contributions that may be available.
- The Budget is prepared in line with the known financial strategy of EPPC.
- The Budget has been developed on the principle of maintaining existing service levels whilst keeping the required increase in Council Tax as low as possible.
- The setting of the budget has taken into account likely changes in costs and income associated with the running of EPPC services between the two years.
- Additional budgetary provisions need to be made for a number of unavoidable budget increases such as officer pay awards and Inflation on running costs. However, these increases can be offset, for the most part, by efficiency savings, budget reductions and increases in income which will be assisted by the favourable budget position in 2016-2017.

Savings have been achieved without cutting services and EPPC will be maintaining services at 2016-2017 levels. The Budget includes a contingency, providing protection against further spending pressures and funding cuts. No provision has been made for replenishing reserves in 2017-2018; this has been considered but thought unnecessary. The 2017-2018 budget increase has been kept to a minimum and will ensure that important services provided by EPPC are protected and maintained.

7. **THE DETAIL**

The 2017-2018 Precept shows an increase from £112,951 to £139,950. Budgetary increases have for the most part been offset by efficiency savings, budget reductions and a forecast increase in budgeted income. Whilst savings have been achieved as

a result of the continued success of the Jubilee Hall a contingency has been included in order to protect any shortfall in income following the relocation of the WOK Gym Club. It has been possible to make savings on some service costs by improved procurement and reductions in under-utilised budgets. Also factored into the budget is the loss in income of approximately £20,000 in grant assistance from TMBC. TMBC are no longer contributing towards the maintenance of the open spaces, footway lights or churchyard maintenance and a budgetary provision of £15,000 towards the retention of the East Peckham Branch Surgery.

8. 2017-2018 PROJECT PROGRAMME

This provides for investment in assets such as buildings, amenity land, playing fields and play areas which includes provisions for the following:-

- Replacement computer and continued IT development (Administration)
- Possible skatepark (No use of Parish Funds, project to be grant funded)
- Asset management works at the Jubilee Hall Complex (Jubilee Hall)
- Environment projects (Village Projects).
- Asset management works to CCTV equipment (Service Delivery)
- Minor Village Maintenance Fund (Village Projects)
- Emergency Planning (Village Projects)
- Safety Surface repairs to older children's play area (Jubilee Hall)
- New outdoor activity (Jubilee Hall)
- Provision towards renovation of East Peckham Branch Surgery (S137)

The project programme will be funded from Earmarked Reserves, budgetary provisions and grants. There is no need for EPPC to borrow funds at this time.

9. 2017-2018 BUDGET CONSULTATION

The draft budget proposals have been available since October 2016 when they were published on EPPC's website, referred to on Twitter @EastPeckhamPC and reference made to them within EPPC's newsletters. Residents have been invited, encouraged and given the opportunity to comment on whether they are supportive or not of the proposed Budget, the proposed increase, which services were most and least important and priorities for moving forward.

10. BALANCES AND EARMARKED RESERVES

At 31 March 2016, the balances and reserves were £255,111, At 31 March 2017 they are expected to be £260,000. This is better than anticipated as a result of higher than expected savings on the 2016-2017 Budget and lower than expected outturn on anticipated earmarked reserves (£100,000). After deducting earmarked reserves, it is expected that EPPC will hold £160,000 in Balances. This is a prudent level of reserves to support future capital spending commitments and asset management. EPPC is expected to hold reserves of between 75%–125% of its budget, the level of reserves falls within this parameter.

11. LOANS

There is an outstanding PWLB loan. The Balance at 31 March 2017 will be £4,597 (not including interest charges). The loan will be repaid by 31 March 2018.

12. LAND, PROPERTY AND OTHER ASSETS

The value of EPPC's assets i.e. land, buildings, plant, machinery and play equipment is £1,447,423. This is not an open market valuation as the assets are generally regarded as specialised in that they will rarely be sold and therefore valued as existing use or replacement cost which is lower than the open market value.

13. INVESTMENTS

EPPC's Balances and Earmarked Reserves are on an instant access basis. Interest is minimal as a result of the low Bank of England base interest rate.

14. CONTRACT AND TENDERING

The Public Contracts Regulations 2015 have been promulgated recently governing the management, advertising and negotiation of contracts. These require that tenders should, as a minimum, be advertised on Councils' websites and may also require advertising on the Contracts Finder website. NALC has published a "Guide to Understanding Procurement": which is very comprehensive and I commend it as a sound basis for EPPC to follow should it undertake any form of contracting exercise. EPPC's threshold is £30K, above this projects must go out to tender.

15. CHANGES TO THE AUDIT & ACCOUNTABILITY FRAMEWORK

Public Sector Audit Appointments Ltd is responsible for audit appointments; there are no immediate changes to external audit requirements.

16. ZERO-BASED BUDGETING APPROACH

In preparing the budget, a zero based approach has been used which encourages the questioning of each expenditure item and starts from the premise that no costs should be factored into the budget simply because they were in the previous year's budget. Each expenditure item must be considered and justified, and there must be a reasonable prospect of each item coming to fruition during the year.

17. 2017-2018 BUDGET PROPOSALS

The budget proposals are based on core expenditure and amount to £198,160 which after deducting anticipated income requires a precept of £139,950.

18. 2017-2018 PRECEPT CALCULATIONS

18.1 The budget meets the requirements of the Accounts & Audit Regs. It may be amended as a result of EPPC changing its proposed programme, amending fund contributions, or through policy changes. The balances are the minimum EPPC should retain in order to develop and sustain existing service levels. Whilst capping arrangements are expected; they are unlikely to affect EPPC.

18.2 The working paper shows the 2016-2017 estimates, revised budget & 2017-2018 proposals. A 3% inflationary adjustment has been used where necessary and higher provisions where required. Expenditure has been analysed between costs of supporting EPPC, cost of planned projects and sums earmarked for future commitments. Income predictions are based on anticipated outcomes.

19. REFERENDUMS

If referendum principles are introduced in 2017-2018 it's expected that they'll include a deminimis threshold which would exclude EPPC from the requirement to hold a referendum.

20. TMBC S136 & COUNCIL TAX SUPPORT GRANTS

TMBC are withdrawing these grants effective from 2017-2018, in 2016-2017 EPPC received grants totalling £18,242

21. SUMMARY

The budget is based on meeting known commitments, incrementally developing EPPC's role and setting aside funds to meet future commitments. The 2016-2017 budget was successful in enabling planned projects to go ahead and EPPC has closely followed its objectives. The 2017-2018 Precept at £139,000 will enable EPPC to utilise balance from 2016-2017, make sensible provisions for inflation and set aside funds for future projects. If members approve the budget proposals it will mean an increase in the precept of £26,999 (23.9%). This is considered appropriate as it will absorb inflation and enable EPPC to carry forward a credible plan in developing its role and key objectives. In any analogy one would wish to create, this charge and the proposed increase represents good value for the benefits derived, especially as it is based on real local aspiration. If members wish to increase the Precept further an additional 1% will raise £1,399.50.

The availability of financial grant support is unlikely. EPPC receives no direct Govt. support neither does it receive a proportion of Business Rates or been offered funds to cushion increases. EPPC continues to face challenges particularly in ensuring that the localism agenda continues to foster direct working relationships that have proven successful and that the compact between residents, community groups and EPPC thrives. The budget is a positive means of ensuring EPPC meets its objectives and community aspirations. EPPC needs to focus on what it achieves and obtain a mandate of support from the community.

22. GENERAL OVERVIEW

Members must ensure that the 2017-2018 precept covers all anticipated expenditure. In previous years EPPC has had the knowledge that the precept could be increased, however, this may not be the case in the future and if the precept is capped at an artificially low level, it will have a devastating effect on the ability in the future for EPPC to carry out necessary works for the village. In any event, the precept should cover all anticipated expenditure without drawing on reserves. The information set out in this report will enable EPPC to have an informed debate on setting the precept. EPPC must then present the precept to the village, if done properly with full explanations then the precept is entirely justifiable.

23. PROPOSED 5-YEAR PRECEPT

2017 – 2018	2018 - 2019	2019-2020	2020-2021	2021-2022
£139,950	£146,000	£153,000	£160,000	£167,000

NOTES TO SUPPORT THE BUDGET CALCULATIONS

ADMINISTRATION/SUPPORT COSTS (COST OF COUNCIL)

Some EPPC services such as statutory planning consultation responsibilities, advice and close liaison with other authorities on the delivery of local services including roads and transport issues, waste, housing, open spaces and the environment do not incur specific costs as they are absorbed within the administration budget. Also absorbed are the cost of proper governance arrangements and the enhancement of EPPC's role. The administration budget reflects the cost of the Parish Office to support EPPC's activities and services. Office expenses continue to be stable.

1. **AUDIT FEES:** EPPC is required to have an external audit and an IIA. The 2016-2017 audit costs were £850. 2017-2018 Recommendation **£850**.
2. **CHAIRMANS ALLOWANCE:** S15 of LGA 1972 provides for a Chairman's Allowance which allows the Chairman to defray expenses of office. In calculating the allowance EPPC should consider the duties arising from EPPC's ordinary business and the Chairman's enhanced role in discharging these, i.e. costs arising from regular communication with other councils, working relationship with the Clerk, attendance at conferences and ceremonies, public relation role and travel costs. The 2016-2017 provision was £300, I suggest that for 2017-2018 this be increased to **£350**.
3. **MEMBERS EXPENSES:** A recommended provision of **£1,030** to provide for:
 - Members can claim mileage allowance for travel outside the parish whilst on council business. An allowance of **£230** has been included in the estimates.
 - Much EPPC work is now done online. In 2016/2017, several members were issued with tablets. I have recommended a provision of **£800** should tablets be issued to those who did not receive them in 2016-2017.
 - Members are entitled to claim allowances but historically have chosen not to. Allowances if claimed would be circa £650 per member. By deciding not to claim allowances, members are saving EPPC in excess of **£7,000**.
4. **OFFICE/IT EQUIPMENT:** This provision finances servicing and repairs to office and IT equipment. Essential equipment such as the laptop was last replaced in 2013-2014. During 2017-2018 equipment will need to be maintained, serviced, repaired or replaced. I have therefore recommended a provision of **£2,090**.
5. **POSTAGE, STATIONERY, TELEPHONE, BROADBAND, TRAVEL:** **£1,073** for stationery, data registration, accounting software, postage and mileage costs.
6. **REFERENCE BOOKS:** It is important that EPPC is equipped with up to date reference books. The publication provision for 2016-2017 was £300. I am recommending that for 2017-2018 this be increased to this increase to **£306**.
7. **ANNUAL REPORT/NEWSLETTERS:** The Annual Report is published prior to the APM. It summarises the EPPC year and contains reports and useful information. 2016 was the last year the document was printed in bulk and hand delivered to all households. In future years; there will be a limited print run and paper copies will be issued on request. Newsletters are produced monthly and contain a summary of EPPC activities and useful information and shouldn't cost more than £300. The 2016-2017 budget provision was £1,250, I am confident that this can be reduced to **£750**.

- 8. SUBSCRIPTIONS:** EPPC subscribes to KALC, NALC, LCR, ACRK, SLCC, Kent Tree and Pond Warden Scheme, Fields in Trust, and Kent Men of the Trees. It is anticipated that at 31 March 2017. I am recommending that the 2017/2018 budget be **£1,545**.
- 9. IT:** It is necessary to include provisions for on-going maintenance, updates, hosting, enhancements, training and backups. The 2016-2017 provision was £2,400. However having completed the upgrade of the website during 2016/2017 it is unlikely that IT costs will exceed **£2,000**.
- 10. TRAINING:** Funds of **£1,100** have been provided in order to allow the Clerk and members to attend conferences and training seminars offered by KALC and SLCC. This is particularly important considering the affect legislative changes are likely to have on EPPC. The Clerk has completed CILCA and is considering whether to embark on the Degree Course in Community Governance.
- 11. INSURANCE:** Costs are affected by abnormal increases in premiums, EPPC is protected somewhat as it opted into a fixed rate renewal which has been extended to 2018 and represents annual savings of at least £200. Premiums are competitive and claims experience excellent. The 2016-2017 insurance costs were £4,040, which included the cost of insuring the Jubilee Hall, outdoor equipment and streetlights. Costs are apportioned between the budget heads. EPPC also needs to be able to meet insurance costs of any new assets. I anticipate that a budgetary provision of £4,300 will be required in order to meet EPPC's insurance obligations in 2017-2018. Approximately £2,500 of which will be charged to other budget heads leaving **£1,850** to be charged to administration.
- 12. CLERKS SALARY:** Whilst no provisions have been made for staff changes, members must make a decision regarding the employment of a part time Deputy/Assistant Clerk. If such an appointment is made during 2017/2018, the costs can be met from reserves and budgetary provisions included from 2018/2019. With regard to the financial year 2017/2018, the estimates allow for the part time employment of the Clerk and reflect the staffing level agreed in December 2014. Removal of this resource will mean EPPC being unable to support the level of service it sets itself and will impact on proper governance arrangements. Sums have been included based on known service policy and staffing resources needed to meet that need. The Clerk is contracted to work 1,560 hours per year apportioned between the administration of EPPC (1,160) and Jubilee Hall (400). The Clerks salary is in accordance with the recommended salary scales of NALC and SLCC, the annual gross salary is £29,200, a provision of £4,100 has also been made to meet employers NI and pension/gratuity contributions, the Clerks Christmas bonus, salary increases and the outsourcing of the payroll, the total provision being £33,300 of which EPPC's contribution is 75% or **£25,000**. The balance is debited from the Jubilee Hall budget head. **See supplementary staffing structure report**
- 13. NNDR:** A provision of **£4,210** in respect of the NNDR due on the Jubilee Hall.
- 14. 2017-2018 VILLAGE PROJECTS**
Provisions have been made for the following projects:
- | | |
|--|--------|
| Provision for safety surfacing renewal in older children's play area | £2,675 |
| Emergency Planning | £2,500 |
| Village Planting | £2,575 |

Phased upgrade of the jubilee Hall	£3,100
Environmental Enhancements: Funding for Stage 5	£3,100
Village Minor Maintenance Fund	£2,575
New outdoor activity	£1,750
Garden Competition	£250

The cost of the projects is **£18,525**. Unlike in previous financial years, EPPC will not receive a contribution from TMBC towards these costs.

SERVICE DELIVERY

15. CHURCHYARD MAINTENANCE: Unlike in previous financial years, EPPC will not receive a contribution from TMBC towards meeting these costs. In 2016-2017 EPPC received a contribution of £3,439 from TMBC. In order to provide for the upkeep and maintenance of the churchyards at Holy Trinity and St Michaels, I have included a budgetary provision of **£5,200**.

TMBC are of the opinion that there is no obligation on EPPC to provide funds to maintain the churchyards and they are currently considering the introduction of a scheme whereby grants would be paid direct to Parochial Church Councils. In November 2016, members decided that EPPC would continue to provide funds to maintain the two open churchyards. I would recommend that be reviewed following the completion of TMBC's review.

16. VILLAGE GRASS CUTTING: A provision of **£1,160** should be sufficient. The area of the village subject to this maintenance is the EPPC land in The Pound.

17. GARDEN OF REMEMBRANCE: A provision of **£500** should be sufficient.

18. WAR MEMORIAL: **£350** for cleaning the memorial. Funds are available within earmarked reserves for Phase 2 of the memorial renovations

19. ALLOTMENTS: During 2017-2018 there are no planned upgrade works. Routine expenditure is offset by income from allotment rents.

20. FOOTWAY LIGHTING: EPPC is responsible for 66 footway lights. The lighting units are maintained by PSR Lighting whose monthly charges for 2016-2017 were £235. There has been no increase in the maintenance charges since 2012-2013. It is pleasing to note that the upgrade works carried out in 2014/2015 have been paid for and there is no longer the requirement to include a provision towards their cost which was £348 per month. Following the upgrade works, whilst energy costs decreased there has been an increase in demand for upgrades. I am confident that the budget can be reduced from £11,500 to **£7,500**. Unlike in previous years EPPC will not receive a contribution from TMBC towards these costs, in 2016-2017 EPPC received £1,157. The budgetary provision has been broken down as follows:

Basic footway lighting maintenance	£3,200
Streetlight Energy	£2,200
Repairs (incl. upgrades i.e. shields)	£2,100

21. CCTV: The CCTV is a useful village asset and is installed at the Jubilee Hall and at the Merry Boys Public House. There are on-going costs such as maintenance, upgrades, energy, repairs, signage and training. Members should also consider the cost that would be incurred if EPPC was required to relocate the system from the Merry Boys. Costs have also been sponsored by Mr Bearman and not wholly recharged to EPPC. Whilst this generosity is very much appreciated it has distorted the full CCTV costs. The CCTV is a digital integrated system which can

be remotely accessed by authorised persons. A provision of **£2,500** should be sufficient in order to ensure that the system continues to meet the demands expected from a fully functioning CCTV system.

22. CHRISTMAS LIGHTING

I am not recommending any change to the 2016/2017 budgetary provision which has an upper limit of **£5,000**. A Christmas Lighting Grant of £560 is also expected by be received from TMBC.

JUBILEE HALL & PLAYING FIELDS

These are community assets, owned and maintained by EPPC. Annual property reviews are undertaken to ensure that EPPC considers how it is looking after its assets, their purpose, can prioritise a programme of works and their value to East Peckham. EPPC is responsible for upkeep and running costs which include building and playing field maintenance, staff/contractors, insurance, cleaning, administration, energy, tree maintenance and play equipment. Spending on property maintenance varies from year to year and in order to avoid a demand on the budget, significant unforeseen and abnormal maintenance costs are met from funds established for this purpose. The 2017-2018 budget reflects this careful approach, however provisions have been made where necessary to ensure that both contractual and safety are the primary focus and that existing facilities remain fit for purpose. The maintenance & repair budgets follow historical spending patterns in order to avoid expenditure being met from reserves. Funding for the Jubilee Hall & Playing Fields has been subject to ongoing scrutiny in order to ensure that works are good value and essential. Particular attention has been given towards spending on play equipment, which will shortly need repairs and renewal.

23. JUBILEE HALL: The Jubilee Hall comprises of the Sports Hall and Meeting room which are hired out. The majority of users are regular and there is some casual use. The rates for 2017-2018 are to be considered by members in January 2017 and set at a level which will hopefully encourage more usage of the premises. In order to meet the day to day running costs of the Jubilee Hall, a budgetary provision of **£35,000** has been recommended offset by budgeted income of **£35,000** resulting in a net budgetary provision of **£0**. It is pleasing to note that following the relocation of the WOK Gym Club; booking enquiries have increased and EPPC should be confident and optimistic with regard to bookings and to hall hire income receipts, however, adequate contingency provisions have been made in order to meet the costs of any unanticipated expenditure or unexpected reduction in income.

24. BUILDING MAINTENANCE: Whilst the building is in a sound state of repair it is essential that a maintenance fund is built up to ensure that funds are in place to meet ongoing and future repair and maintenance costs. I am recommending that the building maintenance fund increase from £13,250 to **£13,650**. EPPC has a duty to maintain its assets and replenish the maintenance fund.

25. LOAN REPAYMENTS: A provision of **£5,861** has been made to meet fixed loan repayments. The PWLB agreement was entered into in 2007/2008 to provide funds to carry out building repairs and will be fully repaid during 2017/2018.

26. PLAYING FIELDS & OUTDOOR EQUIPMENT: These are non-income generating community assets available to residents throughout the year and maintenance costs are funded through the precept. I have recommended a provision of **£11,000** in order to fund their upkeep which will cover the costs of grass cutting, the groundsman, drainage rates, tree maintenance, maintaining the play equipment etc. One way in which EPPC could raise income to subsidise the

cost of maintaining the playing fields would be by hiring out the playing fields, however this would be contrary to current EPPC Policy and would have a detrimental impact on residents whose properties are within the close proximity of the playing fields. There would also be start-up costs such as administration, the employment of a line marker, additional cleaning costs, litter picking and the purchase of equipment such as goal posts and line marking equipment. Also included is a provision of **£1,500** towards enhancing the available facilities. I have therefore recommended a combined budgetary provision of **£12,500**.

27. S137 FREE RESOURCE: The Free Resource (S137) is an allocation of money which may be spent on anything which in the opinion of EPPC 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 appropriate sum for the purposes of S137 (4) (a) of the Local Government Act 1972 for parish and town councils in England for 2016-2017 is not expected to be confirmed until late January/early February 2017, however KALC advised in October 2016 to use an amount of £7.50/registered elector. As at 01 December 2015 there were 2,586 registered electors within the parish of East Peckham. The total amount available for free resource expenditure is therefore approximately **£19,395**. However, for the purpose of these estimates I have recommended that the Free Resource budgetary allocation for 2017-2018 be £19,110 broken down as follows:

Litter clearing	£1,930	Employment of Michael Hayes plus additional litter clearing to be undertaken when required and litter clearing equipment
Village Youth Projects	£930	
Community grants	£1,250	
Provision EP Surgery	£15,000	

CONTINGENCIES

28. Miscellaneous Provision: There are no specific provisions within the budget for additional projects unknown at this point in time. It is expected that an increase in administration costs and the various contingencies set out in this report will sustain any additional projects which EPPC might agree to undertake during 2017-2018. Given that EPPC is rapidly developing its role, it will need to be capable of continuing to sustain unexpected change, it is therefore necessary to maintain working balances at around 10- 15% of the precept in order to provide a safety cushion should unexpected commitments arise. I am suggesting that for 2017-2018 this be unchanged at **£18,500**.

29. Election Expenses: No budgetary provision. 2017 is not an election year and an election is not expected to be held. If a contested by-election was to take place the costs would be in the region of £2,000 which could be met from reserves.

30. Contribution to Reserves: I am not recommending the inclusion within the 2017-2018 budget of a contribution towards reserves.

INCOME

A provision of **£58,210** has been made for anticipated income, detailed as follows:

- 31. Council Tax Support Grant.** This grant is being withdrawn by TMBC which represents a loss in income of at least £8,669, £8,669 was received in 2016-2017. **£0**

- 32. S136 Concurrent Functions Grant:** This grant is being withdrawn by TMBC which represents a loss in income of at least £9,513, £9,513 was received in 2016-2017. **£0**

- 32. Hall Hire.** Anticipated income from hall hire, following the relocation of the WOK Gym Club there might be a shortfall in income, whilst it is expected that this will be covered by an uptake in use of the hall by other users, adequate contingency provisions have been made to cover any potential shortfall. **£35,000**

- 33. Christmas Lights.** It is expected that **£3,560** will be generated from fundraising events and donations. A grant is also expected to be received from TMBC towards meeting the costs of the Christmas Lights.

- 34. Refund of VAT:** Refund of recoverable VAT will cover the cost of VAT. **£10,000**

- 35. Allotments:** Allotment income will cover allotment expenses. **£650**

- 36. Contribution from Reserves:** I am recommending a contribution from reserves of **£9,000**

Parish Office Staffing Supplementary Report to Budget documentation

The Parish Council is currently served by the employment of a part time Clerk who works on average 30 hours per week on serving the Parish Council and managing the Jubilee Hall.

Whilst the existing level of service may be taken forward within existing staffing provisions any new demands will mean additional work for the Clerk to the extent that EPPC will need to consider the appointment of an Assistant Clerk, the IIA made similar observations during IIA inspections. During 2017-2018, this is an issue which the council may wish to give further consideration.

The appointment of an Assistant Clerk for 12 hours per week would take the number of fulltime equivalent number of staff employed by EPPC to 1.15 persons.

The Assistant Clerk would assist the Parish Clerk with the administration of the Parish Council office for 3 mornings per week, provide a reception service at the Parish Office during school holidays and attend possibly 1 evening meeting per month. The role would require someone with good administration, IT skills (including word and excel) and communication skills, preferably with some minute taking experience, marketing experience and ability to update the parish councils App and website.

Salary would be in accordance with the NJC salary scales, the spinal column point to be determined but would be dependent on the job description and the duties required by members and the Clerk. The post could initially be for 6 months, with a possibility to extend to a permanent contract.

East Peckham Parish Council - Budget 2017-2018

	Actual 2015/2016	Budget 2016/2017	Actual at 30/09/2016	Predicted 2016/2017	Budget 2017/2018	Difference from 2016/2017	
EXPENDITURE							
Administration/Support Costs (Costs of the Parish Council)							
Administration)							
Audit Fees)		£850	£810	£810	£850	0	
Chairman's Allowance)		£300	£100	£300	£350	+£50	
Members Expenses)		£1,000	£1,000	£1,000	£1,030	+£30	
Office & IT equipment, postage)		£2,050	£1,425	£2,050	£2,090	+£40	
Telephone, broadband & travel exps)		£1,050	£910	£1,050	£1,073	+£23	
Reference Books)	£15,771	£300	£141	£300	£306	+£6	
Newsletters & Annual Report)		£1,250	£151	£700	£750	-£500	
Subscriptions)		£1,500	£1,214	£1,500	£1,545	+£45	
Website)		£2,400	£846	£2,000	£2,000	-£400	
Training)		£1,000	£691	£1,000	£1,100	+£100	
Insurance)		£1,800	£604	£1,800	£1,850	+£50	
Elections	£1,953	0	0	0	0	0	
Clerks Salary	£20,921	£24,200	£12,462	£24,000	£25,000	+£800	
NNDR	£4,128	£4,200	£4,162	£4,162	£4,210	+£10	
Sub Total	£42,773	£41,900	£24,516	£40,672	£42,154	£254	+0.6%
Projects							
Village Projects	£8,123	£1,800					
Outdoor Equipment repairs)		£2,600	£0	£2,600	£2,675	+£75	
Emergency Planning)		£2,500	£0	£2,500	£2,500	0	
Village Planting)		£2,500	£1,277	£2,500	£2,575	+£75	
Garden Competition)		£500	£100	£150	£250	-£250	
Phase 4 Jubilee Hall upgrade)		£3,000	£3,000	£3,000	£3,100	+£100	
Phase 4 Environmental Enhancements)		£3,000	£810	£3,000	£3,100	+£100	
Village Minor Maintenance Fund)		£2,500	£305	£2,500	£2,575	+£75	
Outdoor Equipment - new activity)		£1,700	£0	£1,700	£1,750	+£50	
Sub Total	£8,123	£20,100	£5,492	17,950	£18,525	-£1,575	-7.8%

East Peckham Parish Council - Budget 2017-2018

	Actual 2015/2016	Budget 2016/2017	Actual at 30/09/2016	Predicted 2016/2017	Budget 2017/2018	Difference
Service Delivery						
Churchyard Maintenance)		£5,050	£3,634	£5,050	£5,200	+£150
Village Grass Cutting)	£5,295	£1,122	£851	£1,122	£1,160	+£38
Garden of Remembrance)		£490	£150	£490	£500	+£10
War Memorial Cleaning	£0	£300	£300	£300	£350	+£50
Allotments	£1,967	£615	£108	£615	£650	+£35
Footway Lighting	£10,175	£11,500	£6,080	£11,000	£7,500	£-4,000
CCTV	£1,240	£2,500	£513	£2,500	£2,500	£0
Christmas Lighting	£5,350	£5,000	£5,560	£5,000	£5,000	£0
Sub Total	£24,027	£26,577	£17,196	£26,077	£22,860	£-3,717 -13.99%
Jubilee Hall						
Running Costs	£29,800	£34,000	£18,425	£34,000	£35,000	+£1,000
Building & Asset Maintenance	£12,329	£13,250	£8,249	£13,250	£13,650	+£400
Loan Repayments	£5,860	£5,861	£2,930	£5,861	£5,861	£0
Sub Total	£47,989	£53,111	£29,604	£53,111	£54,511	+£1,400 2.64%
Playing Fields & Outdoor Equipment						
Playing Field & outdoor equipment	£9,348	£10,500	£4,720	£10,500	£12,500	+£2,000
Sub Total	£9,348	£10,500	£4,720	£10,500	£12,500	+£2,000 19.04%
S137						
Litter Clearing	£1,574	£1,870	£957	£1,870	£1,930	+£60
Village Youth Projects	£464	£900	£816	£900	£930	+£30
Community Grants)	£450	£1,250	£200	£1,250	£1,250	£0
Donations)	£275	£100	£0	£0	£0	£-100
EP Surgery Renovations	£0	£0	£0	£0	£15,000	+£15,000
Sub Total	£2,763	£4,120	£1,973	£4,020	£19,110	+£14,990 364%

East Peckham Parish Council - Budget 2017-2018

	Actual 2015/2016	Budget 2016/2017	Actual at 30/09/2016	Predicted 2016/2017	Budget 2017/2018	Difference
Contingencies						
Miscellaneous Provision)		£18,500	£2,050	£18,500	£18,500	0
Elections)	£1,953	£0	£0	£0	£0	0
Contribution to Reserves)		£0	£12,864	£0	£0	0
Sub Total	£1,953	£18,500	£14,914	£18,500	£18,500	0
TOTALS	£135,023	£174,808	£98,170	£170,830	£188,160	
Plus VAT on payments	£14,233		£9,090	£9,500	£10,000	
Total Expenditure	£149,256	£174,808	£107,260	£180,330	£198,160	
Income						
Council Tax Support Grant	£8,675	£8,669	£8,669	£8,669	£0	-£8,669
S136 Concurrent Functions Grant	£9,567	£9,513	£4,757	£9,513	£0	-£9,513
Hall Hire	£33,250	£34,000	£13,648	£34,000	£35,000	+£1,000
Misc Income	£3,751	£0	£440	£3,000	£3,000	+£3,000
Refund of VAT	£18,090	£0	£4,674	£10,000	£10,000	+£10,000
Allotments	£560	£615	£1,044	£1,389	£650	+£35
Contribution from Reserves	£0	£8,500	£0	£8,500	£9,000	+£500
Grants	£560	£560	£0	£560	£560	£0
Total Income	£74,453	£61,857	£33,232	£75,631	£58,210	-£3,647 -5.89%
Precept/Net to Raise	£110,274	£112,951			£139,950	£26,999 23.9%
Council Tax (Band D equivalent)	1,233.90	1,242.70			1,279.50	
Band D Precept	£88.43	£88.74			£109.38	