

EAST PECKHAM PARISH COUNCIL 2018-2019 PRECEPT BUDGET REPORT

The preparation of EPPC's budget for the financial year 2018-2019 has been challenging as the organisation is still absorbing cuts in funding from Tonbridge and Malling Borough Council and continuing to provide services which had previously been part funded by Tonbridge and Malling Borough Council. These grants amounted to £20,000 or approximately £16.00 per annum on a Band D property.

1. Purpose of the Report

1.1 To seek approval to set the 2018-2019 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 2018-2019 and submit a precept request to TMBC 19 January 2018.

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 2018-2019 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 At the end of October 2017, Sajid Javid, MP, Secretary of State, DCLG, Local Government Minister made the following statements:

"I want all principal authorities to pass down all monies due to Local Councils via the Local Council Tax Support Grant; I am willing to look into introducing stronger guidance on this. At the moment, I am not going to introduce referendum (Council Tax Capping) principals for Local Councils as you have been fiscally responsible".

If this changes and the approved budget is more than the limit set by Govt., EPPC may need to set a lower precept.

3. 2018-2019 Precept

The recommended 2018-2019 Precept of £140,000 is an increase of 0.004% on the 2017-2018 Precept which was £139,950. The Precept is the amount required to meet the estimated cost of providing EPPC Services after deducting expected income

4. Income

2017-2018 saw a reduction in income primarily as a result of the following

- Reduction in Jubilee Hall income as a result of the relocation of the Weald of Kent Gym Club, this loss in income has partly been mitigated by new users and a reduction in running costs.
- Loss of Grants totalling £20,000 from Tonbridge and Malling Borough Council
- Several village groups and organisations enjoy council approved free or discounted use of the Jubilee Hall facilities. The organisations benefitting from the concessions are the Carers Group, the East Peckham Youth Football Club the Apples Bowls Club and until July 2017 the Ikkle Pikkles Toddler Group.
- The Parish Councils use of the office and meeting room, similar facilities would cost in the region of £1,000 per month.

5. 2018-2019 East Peckham Parish Council Tax Base

5.1 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. TMBC has advised that the 2018-2019 Council Tax Base figure is 1,295.73 this is slightly higher than the 2017/2018 tax base which results in a slightly lower council tax payable per household.

5.2 The 2018-2019 Precept of £140,000 is divided by the Tax Base of 1,295.73 and results in a Band D Council Tax of £108.05 per year. This equates to £9.00 per month or £2.08 per week. The amounts payable in all council tax bands are shown below:

Year	2016-2017	2017-2018	2018-2019
Precept	£112,951	£139,950	£140,000
Band D	1,263.22	1,279.50	1,295.73.
Band A (6/9)	£59.51	£72.92	£72.03
Band B (7/9)	£69.55	£85.07	£84.04
Band C (8/9)	£79.48	£97.23	£96.04
Band D (9/9)	£89.42	£109.38	£108.05
Band E (11/9)	£109.29	£133.69	£132.06
Band F (13/9)	£129.16	£157.99	£156.07
Band G (15/9)	£149.03	£182.30	£180.08
Band H (18/9)	£178.83	£218.76	£216.10

6. Robustness of the 2018-2019 Budget Estimates

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

6.2 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.

6.3 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.

6.4 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.

7. Adequacy of Balances and Reserves

7.1 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 NALC and KALC, these however will need to be supported by earmarked reserves to fund specific needs and future spending commitments.

7.2 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.

- 7.3 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.

7.4 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.

8. 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

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

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

11. Risk Assessment

11.1 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.

11.2 If the Precept is not set by 18 January 2018, 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 in 2018/2019.

12. Recommendations

12.1 Members approve the 2018-2019 budget which requires a Precept of £140,000

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

2018-2019 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 cannot be underestimated. Members should know how it has been compiled and how it is 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 will not 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. 2018-2019 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 2018-2019 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 is important that EPPC continually improves the quality of published financial information and feedback is invited.

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

There is a potential to make savings with the implementation of some or all of the following initiatives:

- Use of volunteers
- Increase take up in hall bookings
- 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

5. 2018-2019 BUDGET FRAMEWORK

The budget framework ensures that EPPC sets a prudent, realistic and transparent budget that clearly identifies costs and income associated with the provision of 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 2018-2019.

6. THE 2018-2019 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 2017-2018.

Savings have been achieved without cutting services and EPPC will be maintaining services at 2017-2018 levels. The Budget includes a contingency fund which provides protection against further spending pressures and funding cuts. No provision has been made for replenishing reserves in 2018-2019; this has been considered but thought unnecessary. The 2018-2019 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 2018-2019 Precept shows an increase from £139,950 to £140,000. Budgetary increases have for the most part been offset by efficiency savings, budget reductions and a forecast increase in income. A contingency has been included in order to protect any shortfall in income and unforeseen costs. 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.

In October 2017, members agreed a £100K package of support specifically towards the retention of a surgery in East Peckham, however as earmarked reserves at 31 March 2018 will amount to £43,154 a budgetary provision of £15,000 has been included which will boost the funds available to £58,154. Sadly, as it is inevitable that the surgery will close, this fund could now be allocated towards new community and village initiatives such as enhancing the village centre, subject of course to the parish council being able to agree a transfer of land from KCC, the Parish Council investing in the planned Methodist Redevelopment, enhancing the facilities at the Jubilee Hall and Playing Fields or assisting with a Community Transport Scheme.

8. 2018-2019 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)
- 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 a GP facility in East Peckham (S137/GPC)
- Christmas Lights (Village Projects)
- Village planting (Village Projects)
- Funds towards the 125th Anniversary of EPPC which will be celebrated in 2019 (Village Projects)
- Funds for a 'shop local' East Peckham Loyalty Scheme (Village Projects/S137/GPC)

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. 2018-2019 BUDGET CONSULTATION

The draft budget proposals were published and a public consultation opened in October 2017 and have been available on EPPC's website and referred to within the pages of EPPC's monthly newsletter and on Twitter @EastPeckhamPC. 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 2017, the balances and reserves were £269,143, At 31 March 2018 they are expected to be £240,000. This is better than anticipated as a result of higher than expected savings on the 2017-2018 Budget and lower than expected outturn on anticipated earmarked reserves (£100,000). After deducting earmarked reserves, it is expected that EPPC will hold £140,000 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, i.e. £105,000 -£175,000.

11. LOANS

At 31 March 2018 there will be no loans outstanding. .

12. LAND, PROPERTY AND OTHER ASSETS

The value of EPPC's assets i.e. land, buildings, plant, machinery, street furniture, office contents and play equipment is £1,258,544.88. 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. 2018-2019 BUDGET PROPOSALS

The budget proposals are based on core expenditure and amount to £199,730 which after deducting anticipated income requires a precept of £140,000.

18. 2018-2019 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 actual amounts, the 2017-2018 estimates, the 2017-2018 revised budget & the budgetary proposals for 2018-2019. 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. REFERENDUM PRINCIPLES

Last year, the Government issued a challenge to town and parish councils to demonstrate restraint when setting precept increases that a not a direct result of taking on additional responsibilities and to make precept decisions more transparent to local tax-payers. The continuation of this position in 2018-2019 is contingent upon the Government receiving clear evidence of how the sector is responding to this challenge. The Government expects parishes in setting their precepts to consider all available options to mitigate the need for council tax increases including the use of reserves where they are not already earmarked for particular purposes or for "invest

to save” projects which will lower ongoing revenue costs. Any revised proposals will be set out at the time of the provision local government finance settlement later in the year.

20. SUMMARY

The budget is based on meeting known commitments, incrementally developing EPPC’s role and setting aside funds to meet future commitments. The 2017-2018 budget was successful in enabling planned projects to go ahead and EPPC has closely followed its objectives. The 2018-2019 Precept at £140,000 will enable EPPC to utilise balances from 2017-2018, 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 £50 (0.004%). 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 £1,400.

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.

21. GENERAL OVERVIEW

Members must ensure that the 2018-2019 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.

22. PROPOSED 5-YEAR PRECEPT

2017 – 2018	2018 - 2019	2019-2020	2020-2021	2021-2022
£139,950	£140,000	£142,000	£148,000	£152.000

NOTES TO SUPPORT THE BUDGET CALCULATIONS

ADMINISTRATION/SUPPORT COSTS (COST OF COUNCIL) £43,755

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 2017-2018 audit costs were £820. 2018-2019 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 relations and travel costs. The 2017-2018 provision was £350. 2018-2019 Recommendation **£350**.
3. **MEMBERS EXPENSES:** A recommended provision of **£1,030** to provide for:
 - Travel Expenses: Members mileage allowance for travel outside the parish whilst on council business.
 - Tablets: Whilst some members have been issued with tablets, funds should be made available for those who opt to be issued with them in 2018-2019.
 - Ink & Paper: For those members who have not been issued with a tablet.
 - Members Allowances: Members are entitled to claim allowances but historically have chosen not to. Allowances if claimed would be circa £700 per member. By deciding not to claim allowances, members are saving EPPC in excess of **£7,700**.

OFFICE EXPENSES

4. **OFFICE & IT EQUIPMENT:** **£2,250** for servicing and repairs to office and IT equipment. Essential equipment such as the laptop was last replaced in 2013-2014. During 2018-2019 equipment will need to be maintained, serviced, repaired or replaced. .
5. **POSTAGE, STATIONERY, TELEPHONE, BROADBAND, TRAVEL:** **£1,250** 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 2017-2018 was £300. 2018-2019 Recommendation **£300**.
7. **ANNUAL REPORT/NEWSLETTERS:** The Annual Report is published prior to the Annual Parish Meeting. It summarises the EPPC year and contains reports and useful information. 2017 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. The 2017-2018 budget provision was £750. 2018-2019 Recommendation **£775**.

- 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. The 2017-2018 budget provision was £1,545. 2018-2019 Recommendation **£1,590**.
- 9. WEBSITE & APP:** It is necessary to include provisions for on-going maintenance, updates, hosting, enhancements, training and backups. The 2017-2018 provision was £2,000. 2018-2019 Recommendation **£2,060**.
- 10. TRAINING:** EPPC has a learning and development policy. In accordance with the policy, funds should be available allowing the Clerk and members to attend conferences and training seminars relevant to their role within the organisation. 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. As EPPC holds Quality Council Status, it is expected that training will be continuous and ongoing. The 2017-2018 provision was £1,100. 2018-2019 Recommendation **£1,100**.
- 11. INSURANCE:** Costs are affected by abnormal increases in premiums, EPPC is protected somewhat as it opted into a fixed rate renewal which is due for renewal in 2018. Premiums are competitive and claims experience excellent. The 2017-2018 insurance costs were £4,482.10, which included not only the cost of insuring the Jubilee Hall, outdoor equipment, street furniture, office contents and streetlights but also asset protection, revenue protection, legal liabilities and employee benefits. 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 £4,600 will be required in order to meet EPPC's insurance obligations in 2018-2019. Approximately £2,700 of which will be charged to other budget heads leaving **£1,900** to be charged to administration.
- 12. ELECTION EXPENSES:** 2018 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. The next Parish Council election will be held in 2019. 2018-2019 Recommendation **£0**.
- 13. CLERKS SALARY:** Whilst no provisions have been made for staff changes, members must be mindful of the fact that as more is expected of the Parish Council that the work is increasing and it might become necessary in the future to either increase the Clerks working hours or to employ a part time Deputy Clerk/RFO. If such an appointment is made during 2018-2019, costs can be met from reserves and budgetary provisions could be included from 2019-2020. With regard to the financial year 2018/2019, 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 upon 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 the Parish Council and the Jubilee Hall. The Clerks salary is in accordance with the recommended salary scales of NALC and SLCC, the annual gross salary is £30,248, a provision of £4,752 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 £35,000 of which EPPC's contribution is 70% or **£25,750**. The balance is debited from the Jubilee Hall budget head. **See supplementary staffing structure report.**

14. NNDR: The NNDR costs for 2017-2018 were £4,456. 2018-2019 Recommendation **£4,550**

2018-2019 VILLAGE PROJECTS £17,325

15. Emergency Planning: The 2017-2018 budgetary provision was £2,500. 2018-19 Recommendation **£2,500.**

16. Village Planting: This funding provision is used to finance the spring and summer hanging baskets in the village centre and the tubs of flowering plants which are placed at key village locations. The 2017-2018 budgetary provision was £2,575. 2018-2019 Recommendation **£2,650.**

17. Garden Competition: The 2017-2018 budgetary provision was £250. It is unlikely that expenditure at 31 March 2018 will exceed £110. 2018-2019 Recommendation **£125.**

18. Jubilee Hall Upgrade. There is a phased programme in place to upgrade the Jubilee Hall; recent projects have included the refitting of the WC's, new flooring, redecoration of the entrance lobby. Ongoing projects include replacement windows, new chairs, replacement carpeting and the relining and varnishing of the Sports Hall Floor. The 2017-2018 budgetary provision was £3,100 which has been used to fund the decoration of the meeting room and will also be used to fund the renovation of one of the storage areas and new white goods in the kitchen. 2018-2019 Recommendation **£3,200.**

19. Environmental Enhancements: There is a phased programme in place to upgrade the environmental street scene in East Peckham, a recent project was the installation of the fingerposts, an ongoing project is the installation of hamlet signs with future projects possibly including a water fountain and a cycle rack in the village centre (subject to the approval of KCC, the landowner) and a cycle rack and a fitness trail at the Jubilee Hall Car Park and Playing Fields. Another project for future consideration and again subject to approval being obtained from KCC, the landowner is the upgrade of The Pound, 'piazza'. The 2017-2018 budgetary provision was £3,100. 2018-2019 Recommendation **£3,200.**

20. Village Minor Maintenance Fund: This fund is used to supplement the services provided by KCC and TMBC such as additional grass cutting, clearing of vegetation and some maintenance of The Pound, 'piazza'. The 2017-2018 budgetary provision was £2,575. 2018-2019 Recommendation **£2,650.**

21. East Peckham 'Shop Local' Loyalty Scheme: New initiative for 2018-2019, Recommendation **£500**

22. 25th Anniversary of EPPC: 2019 is the 125th Anniversary of East Peckham Parish Council, in the event that members wish this significant occasion in the history of the Parish Council to be commemorated, I am recommending that a budgetary provision of **£2,500** be included in both 2018-2019 and 2019-2020..

SERVICE DELIVERY £22,350

23. CHURCHYARD MAINTENANCE: TMBC no longer provides any funds towards maintaining the churchyards. Whilst there is no obligation either for EPPC to maintain the churchyards, it was agreed by council in November 2016 that EPPC would continue to provide funds to maintain the two open churchyards at Holy Trinity and St Michaels. A provision of £5,200 was included for 2017-2018. The

existing contractor has confirmed that there will be no increase in his charges for 2018-2019. 2018-2019 Recommendation **£5,200** which includes a small funding provision to meet unexpected costs associated with maintaining the churchyards.

24. VILLAGE GRASS CUTTING: The area of the village subject to this maintenance is the EPPC owned land in The Pound. The existing contractor has confirmed that there will be no increase in his charges for 2018-2019. The 2017-2018 budgetary provision was £1,160. 2018-2019 Recommendation **£1.250** which includes a small funding provision to meet unexpected costs associated with maintaining EPPC owned land in The Pound.

25. GARDEN OF REMEMBRANCE: The existing contractor has confirmed that there will be no increase in his charges for 2018-2019. The 2017-2018 budgetary provision was £500. 2018-2019 Recommendation **£500**.

26. WAR MEMORIAL: The 2017-2018 budgetary provision was £350. 2018-2019 Recommendation **£350**.

27. ALLOTMENTS: During 2018-2019 there are no planned major upgrade works. Routine expenditure is offset by income from allotment rents. The 2017-2018 budgetary provision was £650. 2018-2019 Recommendation **£750**.

28. FOOTWAY LIGHTING: EPPC is responsible for 66 footway lights. The lighting units are maintained by PSR Lighting whose monthly charges for 2017-2018 were £235, £2,820 per annum. In addition to this there are energy costs which have been estimated to be £4,500. I am confident that the footway lighting costs will not exceed **£7,800**, within this budgetary provision of £420 for streetlight repairs excluded from the maintenance contract.

29. CCTV: The CCTV is a useful village asset and is installed at the Jubilee Hall. The system which had been housed within the Merry Boys Public House has been removed at the landlords' request. EPPC is now only paying for the on-going costs such as maintenance, upgrades, energy, repairs, signage and training for the system at the Jubilee Hall. The CCTV is a digital integrated system which can be remotely accessed by authorised persons. The budgetary provision for 2017-2018 for two systems was £2,500. 2018-2019 Recommendation **£1,500**.

30. CHRISTMAS LIGHTING

I am not recommending any change to the 2017/2018 budgetary provision which has an upper limit of **£5,000**. A Christmas Lighting Grant of £560 is also expected to be received from TMBC. Whilst the costs are in excess of £5,000, the excess expenditure is met through fundraising.

JUBILEE HALL COMPLEX & PLAYING FIELDS £68,150

These 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 2018-2019 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. .

31. JUBILEE HALL: The Jubilee Hall comprises of the Sports Hall and Meeting/Committee room which are hired out. The majority of users are regular and there is some casual use. The rates for 2018-2019 are to be considered by members in January 2018 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 has been set at **£35,500**, the aim is for the facilities to be self-funding.

32. The running Costs (£24,000) and Staff Costs (£11,500) are offset by budgeted income of £25,000 and contribution from reserves of £10,000 which results 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.

33. 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 £13,650 to **£14,650**. EPPC has a duty to maintain its assets and replenish the maintenance fund.

34. LOAN REPAYMENTS: No budgetary provision as the PWLB agreement entered into in 2007-2008 which financed building repairs has been repaid.

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 **£18,000** in order to fund their upkeep which will cover items such as the costs of grass cutting, the groundsman, drainage rates, tree maintenance and maintaining the play equipment. 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 and would have expensive start-up costs. Breakdown as follows:

35. Playing Field Maintenance	£13,000
36. Outdoor Equipment Repairs	£3,000
37. New Equipment	£2,000

GENERAL POWER OF COMPETENCE/S137 FREE RESOURCE £19,350

In December 2016, EPPC adopted the General Power of Competence and is no longer constrained by the budgetary restrictions of S137. However for the purpose of the 2018-2019 budget proposals, finance recommendations have been made based upon S137 principles.

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 2017-2018 is not expected to be confirmed until late January/early February 2018, however KALC

advised in December 2017 to use an amount of £7.65/registered elector. As at 01 December 2017 there were 2,586 registered electors within the parish of East Peckham. The total amount available for free resource expenditure is therefore approximately £19,783. However, for the purpose of these estimates I have recommended that the budgetary allocation for 2018-2019 be **£19,350** broken down as follows:

38. Litter clearing	£2,000	Employment of litter warden Plus additional litter clearing work when required & equip.
39. Village Youth Projects	£1,000	
40. Community Grants & Donations	£1,350	

41. Village/Community Enhancements £15,000

In October 2017, members agreed a £100K package of support towards the retention of a surgery in East Peckham, however as earmarked reserves at 31 March 2018 will amount to £43,154 a budgetary provision of £15,000 has been included which will boost the funds available to £58,154. It is noted that at the time of preparing this report an official announcement on the future of the surgery had not been made, it is expected that this announcement will be made during January 2018.

CONTINGENCIES £18,500

42. 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 2018-2019. 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 2018-2019 this be unchanged at **£18,500**.

43. Expenditure from Earmarked Reserves: No budgetary provision as expenditure has already been earmarked in previous financial years. Whilst good progress is being made, EPPC should continue to reduce the level of its earmarked reserves.

44. Contribution to Reserves: I am not recommending the inclusion within the 2018-2019 budget of a contribution towards reserves.

INCOME £40,110

45. Council Tax Support Grant. This has been withdrawn by TMBC. **£0**

46. S136 Concurrent Functions Grant: This has been withdrawn by TMBC. **£0**

47. Hall Hire: £25,000

There has been a reduction in hall hire, due to the relocation of the WOK Gym Club. Whilst this reduction in income level is considered short term, the loss has not been fully covered by new users as quickly as originally envisaged. It is now anticipated that it will be 2 – 3 years before the council fully recovers this loss in income. The loss in income has to some extent been mitigated by a reduction in costs associated with running and maintaining the Jubilee Hall complex. It is also worthy of note that several community groups benefit from EPPC approved subsidised use of

the facilities which has impacted upon the actual income received. Based on 2017-2018 occupancy levels, if this occupancy had been charged at the normal hire charges, the Jubilee Hall would have benefitted by receiving approximately £3,289 in additional hall hire income

100% Subsidised Use

East Peckham United FC	£1,500
Carers Group - Tuesdays	£195
Carers Group - Wednesdays	£100
Ikkle Pikkles Toddler Group (to July 2017)	£315
Community Events	
- Big Get-together	£150
- Christmas Lights Fundraising Auction	£275
- Christmas Lights Fundraising Quiz	£130

50% Subsidised Use

Apples Bowls	£624
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It is also worthy of note that EPPC is not recharged for the use of the office and Meeting Room. In an open market rental situation, EPPC would be expected to pay approximately £12,000 per annum for similar facilities or receive in income if the facilities were leased commercially.

48. Misc. Income: It is expected that £3,400 will be generated from fundraising towards Christmas Lights and £100 from miscellaneous receipts such as interest.
£3,500

49. Refund of VAT: Refund of recoverable VAT. **£10,300**

50. Allotments: Allotment income will cover allotment expenses. **£750**

51.Grants: There is an expectation that TMBC will contribute **£560** towards the Christmas Lights.

52. RESERVES: I am recommending a contribution from reserves of **£19,620**.

53. PRECEPT: It is recommended that the precept be set **at £140,000**.

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 a Deputy Clerk/RFO. During 2018-2019, this is an issue which the council may wish to give further consideration.

The appointment of a Deputy Clerk/RFO for 12 hours per week would take the number of fulltime equivalent number of staff employed by EPPC to 1.15 persons.

The Deputy Clerk/RFO would assist the Council Manager 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 Council Manager. The post could initially be for 6 months, with a possibility to extend to a permanent contract.