

EAST PECKHAM PARISH COUNCIL **2019-2020 PRECEPT BUDGET REPORT**

The preparation of EPPC's budget for the financial year 2019-2020 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 such as the two churchyards and footway lighting.

1. Purpose of the Report

1.1 To seek approval to set the 2019-2020 Precept. It is EPPC's budget and members have to decide what it wants the council to achieve in 2019-2020.

1.2 EPPC needs to agree a budget for 2019-2020 and submit a precept request to TMBC 18 January 2019.

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 2019-2020 and the impact it will have on EPPC's portion of the Council Tax Bill. The recommendation of the Finance Committee is then expected to be ratified by the Full Council.

2.2 It is not expected that referendum (Council Tax Capping) principals will be introduced for 2019-2020 but there is still the expectation that EPPC is 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. 2019-2020 Precept: The recommended Precept of £142,000 is an increase of 1.43% on the 2018-2019 Precept which was £140,000. The Precept is the amount required to meet the estimated cost of providing EPPC Services after deducting expected income

4. Income

- EPPC's main sources on income continues to be the precept
- The reduction in Jubilee Hall income as a result of the relocation of the Weald of Kent Gym Club has partly been mitigated by new users and a reduction in running costs.
- EPPC is still adjusting to the loss of Grants totalling £20,000 from TMBC.
- Several village groups and organisations enjoy free or discounted use of the Jubilee Hall facilities. The organisations currently benefitting from concessions are the Carers Group, the Carers Café and the East Peckham Youth Football Club.
- It is worthy of note that the Parish Councils use of the office and meeting room at the Jubilee Hall saves the council in excess of £12,500 per annum which is the approximate cost of renting alternative office and meeting room accommodation.
- Minor sources of income include a TMBC Christmas Lighting Grant (£560.00), Allotment rents and interest payments.

5. 2019-2020 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 used by TMBC to calculate Council Tax. TMBC has advised that the 2019-2020 Council Tax Base figure is 1,290.12.

5.2 The 2019-2020 Precept of £142,000 is divided by the Tax Base of 1,290.12 and results in a Band D Council Tax of £110.07. This equates to £9.17 per month or £2.12 per week. The amounts payable in all council tax bands are shown below:

Year	2017-2018	2018-2019	2019-2020
Precept	£139,950	£140,000	£142,000
Band D	1,279.50	1,295.73	1,290.12
Band A (6/9)	£72.92	£72.03	£73.38
Band B (7/9)	£85.07	£84.04	£85.61
Band C (8/9)	£97.23	£96.04	£97.84
Band D (9/9)	£109.38	£108.05	£110.07
Band E (11/9)	£133.69	£132.06	£134.53
Band F (13/9)	£157.99	£156.07	£158.99
Band G (15/9)	£182.30	£180.08	£183.45
Band H (18/9)	£218.76	£216.10	£220.14

6. Robustness of the 2019-2020 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 considering 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 considering 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 2019, 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 2019/2020.

12. Recommendations

12.1 Members approve the 2019-2020 budget which requires a Precept of £142,000

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

2019-2020 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. 2019-2020 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 2019-2020 Budget, setting out the background to the budget process.
- 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:

- Increased use of volunteers
- Increased take up in hall bookings, less concessionary use of the facilities
- Use of BACS for making payments and for customer receipts
- Scan and email where possible
- Insourcing certain maintenance items

- The use of Facebook, Twitter and Website more for advertising and publicity will result less paper communication
- Raising 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. 2019-2020 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 2019-2020.

6. THE 2019-2020 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 considered 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 2018-2019.

Savings have been achieved without cutting services and EPPC will be maintaining services at 2018-2019 levels. The Budget includes a contingency fund which provides protection against further spending pressures. No provision has been made for replenishing reserves in 2019-2020; this has been considered but thought unnecessary. The 2019-2020 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 2019-2020 Precept shows an increase from £140,000 to £142,000. Budgetary increases have for the most part been offset by efficiency savings and budget reductions. 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.

In October 2017, members agreed a £100K package of support towards the retention of a surgery in East Peckham, at 31 March 2018 this fund amounted to £43,154, as the future of the surgery had not been determined when the 2018/2019 budget was

set, included within the 2018/2019 budget was a further provision of £15,000 resulting in a total cumulative fund of £58,154. As the surgery has closed, this fund could be used towards new community and village enhancements such as the village centre, subject of course to EPPC being able to acquire the land transfer from KCC and the enhancement of the facilities at the Jubilee Hall and Playing Fields.

8. **2019-2020 PROJECT PROGRAMME:** This provides for specific projects and investment in assets such as buildings, amenity land, playing fields and play areas and 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)
 - Christmas Lights (Village Projects)
 - Village planting (Village Projects)
 - 125th Anniversary of EPPC (Village Projects)
 - 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. **2019-2020 BUDGET CONSULTATION:** The draft budget proposals were published, and a public consultation opened in October 2018. Residents have been given the opportunity to comment on whether they are supportive or not of the proposed Budget.
10. **BALANCES AND EARMARKED RESERVES:** At 31 March 2018, the balances and reserves were £286,413, At 31 March 2018 they are expected to be £290,000. This is better than anticipated as a result of higher than expected savings on the 2018-2019 Budget and lower than expected outturn on anticipated earmarked reserves (£100,000). After deducting earmarked reserves, it is expected that EPPC will hold £190,000 in Balances. The reserves support future capital spending commitments and asset management. EPPC is expected to hold reserves of between 75%–125% of its budget, i.e., £106,500 - £177,500 as the level of reserves falls outside this parameter by an amount of £12,500, it is recommended that there a contribution from reserves.
11. **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 £1,266,045. 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.
12. **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.
13. **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 £25K, above this, projects must go out to tender.

14. 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 has been considered and justified, and there is a reasonable prospect of each item coming to fruition during the year.

15. 2019-2020 BUDGET PROPOSALS: The budget proposals are based on core expenditure and amount to £194,164 which after deducting anticipated income requires a precept of £142,000.

16. 2019-2020 PRECEPT CALCULATIONS

16.1 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.

16.2 The working paper shows the 2017-2018 actual amounts, the 2018-2019 estimates, the 2018-2019 revised budget & the budgetary proposals for 2019-2020. 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.

17. REFERENDUM PRINCIPLES

The Government has issued a challenge to town and parish councils to demonstrate restraint when setting precept increases that are 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 2019-2020 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.

20. SUMMARY

The budget is based on meeting known commitments, incrementally developing EPPC’s role and setting aside funds to meet future commitments. The 2018-2019 budget was successful in enabling planned projects to go ahead and EPPC has closely followed its objectives. The 2019-2020 Precept at £142,000 will enable EPPC to utilise balances from 2018-2019, 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 £2,000 (1.43%). 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 £1,420.

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. 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 2019-2020 precept covers all anticipated expenditure. Previously 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 residents. If done properly with full explanations, then the precept is entirely justifiable.

22. PROPOSED 5-YEAR PRECEPT

2018 - 2019	2019-2020	2020-2021	2021-2022	2022-2023
£140,000	£142,000	£148,000	£152,000	£154,000

NOTES TO SUPPORT THE BUDGET CALCULATIONS

ADMINISTRATION/SUPPORT COSTS (COST OF COUNCIL) £51,804

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 is 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 2018-2019 audit costs were £820. 2019-2020 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 provision has not been increased from £350 for several years. 2019/20 recommendation **£400**.
3. **MEMBERS EXPENSES:** A recommended provision of **£2,500** 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 2019-2020.
 - 2019 is an election year and it is expected that re-elected and new members will accept training opportunities such as those offered by KALC.
 - Members Allowances: Elected members are entitled to claim allowances but historically choose not to. By deciding not to claim allowances, members are collectively saving EPPC in excess of **£8,000**.

OFFICE EXPENSES

4. **OFFICE & IT EQUIPMENT:** **£2,200** for servicing and repairs to office and IT equipment. Equipment such as the laptop was last replaced in 2013-2014. During 2019-2020 equipment will need to be maintained, serviced, repaired or replaced.
5. **POSTAGE, STATIONERY, TELEPHONE, BROADBAND, TRAVEL:** **£1,500** for stationery, data registration, accounting software, postage and mileage costs.
6. **REFERENCE BOOKS:** It's important EPPC is equipped with up to date reference books. The 2018-2019 provision was £300. 2019-2020 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. The Annual Report is no longer mass produced and delivered to all households. Newsletters are produced monthly and contain a summary of EPPC activities and useful information. The 2018-2019 budget provision was £775. 2019-2020 Recommendation **£800**.

8. **SUBSCRIPTIONS:** EPPC subscribes to KALC, NALC, LCR, SLCC, Living Wage Foundation, Fields in Trust, and Kent Men of the Trees. The 2018-2019 budget provision was £1,590. 2019-2020 Recommendation **£1,650**.
9. **WEBSITE & APP:** It is necessary to include provisions for on-going maintenance, updates, hosting, enhancements, training and backups. The 2018-2019 provision was £2,060. 2019-2020 Recommendation **£2,150**.
10. **TRAINING:** EPPC has a learning and development policy. In accordance with the policy, funds should be available allowing the Clerk to attend conferences and training seminars relevant to the 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 EPPC holds Quality Council Status, it is expected that training will be continuous and ongoing. The 2018-2019 provision was £1,100. 2019-2020 Recommendation **£1,100**.
11. **INSURANCE:** Costs are affected by abnormal increases in premiums, EPPC is protected somewhat as it opted into a 3-year which expires in 2021. Premiums are competitive, and claims experience excellent. The 2018-2019 insurance costs were £4,870.06, which included the cost of insuring the Jubilee Hall, outdoor equipment, street furniture, office contents, streetlights, 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 £5,000 will be required in order to meet EPPC's insurance obligations in 2019-2020. Approximately £2,900 of which will be charged to other budget heads leaving **£2,100** to be charged to administration.
12. **ELECTION EXPENSES:** If a contested election takes place the costs will be approx. £4,004 (as advised by TMBC on 07.12.18). 2019-2020 Recommendation **£4,004**.
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 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 2019-2020, costs can be met from reserves and budgetary provisions included from 2020-2021. With regard to 2019/2020, the estimates allow for the part time employment of the Clerk and reflect the agreed staffing level. 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 policies and the staffing resources required. The Clerk is contracted to work 1,560 hours per annum which is 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 £31,162, a provision of £5,000 has also been made to meet employers NI and pension/gratuity contributions, the Clerks Christmas bonus, salary increases and the outsourcing of payroll, the total provision being £36,200 of which EPPC's contribution is 75% or **£27,000**. The balance is debited from the Jubilee Hall budget head. **See supplementary staffing structure report.**

14. NNDR: The NNDR costs for 2018-2019 were £4,936.04. 2018-2019 Recommendation **£5,250.**

2018-2019 VILLAGE PROJECTS £18,125

15. Emergency Planning: The 2018-2019 budgetary provision was £2,500. 2019-2020 Recommendation **£2,500.**

16. Village Planting: This funding provision is used to finance the spring and summer hanging baskets and the tubs of flowering plants. The 2018-2019 budgetary provision was £2,650. 2019-2020 Recommendation **£2,750.**

17. Garden Competition: The 2018-2019 budgetary provision was £125. 2019-2020 Recommendation **£125.**

18. Jubilee Hall Upgrade. There is a phased programme 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, redecoration works, new white goods, replacement carpeting and the relining and varnishing of the Sports Hall Floor. The 2018-2019 budgetary provision was £3,200. 2019-2020 Recommendation **£3,500.**

19. Environmental Enhancements: There is a phased programme to upgrade the environmental street scene in East Peckham, a recent project was the installation of the fingerposts 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 additional fitness trail equipment 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. The 2018-2019 budgetary provision was £3,200. 2019-2020 Recommendation **£3,500.**

20. Village Minor Maintenance Fund: This fund is used to supplement services provided by KCC and TMBC such as additional grass cutting, clearing of vegetation and some maintenance of The Pound, 'piazza'. The 2018-2019 budgetary provision was £2,650. 2018-2019 Recommendation **£2,750.**

21. East Peckham Loyalty Scheme: The 2018-2019 budgetary provision was £500. 2018-2019 Recommendation **£500.**

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

SERVICE DELIVERY £23,075

23. CHURCHYARD MAINTENANCE: TMBC no longer provides funds towards maintaining the churchyards. Whilst there is no obligation either for EPPC to maintain the churchyards, council agreed that it would continue to provide funds to maintain the churchyards at Holy Trinity and St Michaels. A provision of £5,200 was included for 2018-2019. 2018-2019 Recommendation **£5,500.**

24. VILLAGE GRASS CUTTING: The area of the village subject to this maintenance is the EPPC owned land in The Pound. The 2018-2019 budgetary provision was £1,250. 2018-2019 Recommendation **£1,400.**

- 25. GARDEN OF REMEMBRANCE:** The 2018-2019 budgetary provision was £500. 2018-2019 Recommendation **£525**.
- 26. WAR MEMORIAL:** The 2018-2019 budgetary provision was £350. 2019-2020 Recommendation **£350**.
- 27. ALLOTMENTS:** During 2019-2020 there are no planned upgrade works. Routine expenditure is offset by income from allotment rents. The 2018-2019 budgetary provision was £750. 2019-2020 Recommendation **£800**.
- 28. FOOTWAY LIGHTING:** EPPC is responsible for 66 footway lights. The lighting units are maintained by PSR Lighting whose monthly charges for 2018-2019 were £235, £2,820 per annum. In addition to this there are energy costs which have been estimated to be £4,750. I am confident that the footway lighting costs will not exceed **£8,000**, within this budgetary provision is a small sum for streetlight repairs excluded from the maintenance contract.
- 29. CCTV:** The CCTV is at the Jubilee Hall. Costs include maintenance, upgrades, repairs, signage and training. The CCTV is a digital integrated system which can be remotely accessed by authorised persons. The 2018-2019 provision was £1,500. 2019-2020 Recommendation **£1,500**.

30. CHRISTMAS LIGHTING

The 2018/2019 budgetary provision was **£5,000**. 2019/2020 Recommendation **£5,000**. A Christmas Lighting Grant of £560 is also expected to be received from TMBC. Whilst the projected costs for 2019/2020 are in excess of £5,000, the excess expenditure is expected to be met through fundraising.

JUBILEE HALL COMPLEX, CAR PARK & PLAYING FIELDS £68,250

These community assets owned and maintained by EPPC. An Annual Property Review is undertaken which aids EPPC in prioritising a programme of works and their value to East Peckham. EPPC is responsible for the upkeep and running costs which includes building and playing field maintenance, staff/contractors, insurance, cleaning, administration, energy, tree maintenance and play equipment. Spending on property maintenance varies annually 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 2019-2020 budget continues to reflect this careful approach; however, provisions have been made to ensure that both contractual and safety are a prime focus and that the facilities remain fit for purpose. The maintenance & repair budgets follow historical spending patterns in order to avoid expenditure being met from reserves. It is right that funding for the Jubilee Hall & Playing Fields are 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 2019-2020 are to be considered by members in January 2019 and set at a level which will hopefully encourage more usage of the premises. In order to meet the day to day running costs a budgetary provision has been set at £17,500, the aim is for the facilities to be self-funding.
- 32.** The running Costs (£17,500), staff and Janitorial contractors' costs (£11,500) are offset by budgeted income of £17,500 and a contribution from reserves of £11,500 which results in a net budgetary provision of **£0**. Contingency provisions have been made in order to meet the costs of any unanticipated expenditure or unexpected reduction in income.

33. BUILDING MAINTENANCE: The building is in a sound state of repair, but 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 £14,650 to **£15,000**. EPPC has a duty to maintain its assets and replenish the maintenance fund.

34. LOAN REPAYMENTS: No budgetary provision

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 **£19,250** to fund their upkeep which will cover items such as 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, would likely to have a detrimental impact on residents whose properties are within close proximity of the playing fields and would have expensive start-up costs as EPPC no longer has equipment. Breakdown as follows:

35. Playing Field Maintenance	£13,500
36. Outdoor Equipment Repairs	£3,250
37. New Equipment	£2,500

38. CAR PARK

During 2019/2020 it is expected that maintenance will be required to the car park which is becoming potholed in places and relining work to the car park bays, disabled bays and speed humps. EPPC could also consider the installation of a cycle rack. It is estimated that the cost of the work will be **£5,000**.

GENERAL POWER OF COMPETENCE/S137 FREE RESOURCE £14,410

EPPC has adopted the General Power of Competence and is no longer constrained by the budgetary restrictions of S137. However, for the purpose of the 2019-2020 budget proposals, 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, £7.65/registered elector. As at 01 December 2018 there were 2,575 registered electors within the parish of East Peckham. Using S137 provisions, the total amount available would be £19,699. For 2019/2020, I have recommended that the budgetary provision be **£14,410** broken down as follows:

39. Litter clearing £2,060

Employment of litter warden for 4 hours per week, plus additional litter clearing work when required & equipment

40. Village Youth Projects

Year 6 East Peckham Primary School Mini Medics First Aid	£500
Another Village Youth Project TBC during 2019/2020	£500

41. Community Grants & Donations £1,350

42. Village/Community Enhancements £10,000

Funding provision included towards the land purchase and / or redevelopment of the village centre and towards the costs of a Speed Indicator Device should the Parish Council decide in January 2019 to acquire the equipment.

CONTINGENCIES £18,500

43. 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 the budget will sustain any additional projects which EPPC might agree to undertake during 2019-2020. 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 2019-2020 this be unchanged at **£18,500**.

44. Expenditure from Earmarked Reserves: No budgetary provision as expenditure has already been earmarked in previous financial years. EPPC should continue to reduce the level of its earmarked reserves.

INCOME £35,900

45. Hall Hire: £17,500

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 anticipated that it will be 2 – 3 years before the council fully recovers this loss in income which to some extent has 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 2018-2019 occupancy levels, if this occupancy had been charged at the normal hire charges, the Jubilee Hall would have benefitted by receiving approximately £14,600 in additional hall hire income

Subsidised Use

East Peckham United FC	£1,500
Carers Group	£200
Carers Café	£400

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 £12,500 per annum for similar facilities or receive in income if the facilities were leased commercially.

46. Misc. Income £3,500 expected from interest and grants

47. Refund of VAT: Refund of recoverable VAT. **£10,600**

48. Allotments: Allotment income will cover allotment expenses. **£800**

49. Christmas lights: TMBC (£560), Pub Quiz (£550) & fundraising (£2,390)

50. Contribution from Reserves: Recommendation £16,264

51. Precept: Recommendation £142,000

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 points 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.