

EAST PECKHAM PARISH COUNCIL

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

To Parish Councillors, members of the public and press

Members are hereby summoned and notice is given that a **Meeting of the Parish Council's Finance Committee** will be held on **Monday, 06 January 2014** in the meeting room at the East Peckham Jubilee Hall immediately following a meeting of the Parish Councils Planning & Transportation Committee which will commence at **19.30 hours**.

19 December 2013

Clerk of the Council

AGENDA

Time Guide

- 1) Apologies and absences (8.00):**
To receive and accept apologies for absence
- 2) Declarations of Interests or lobbying (8.01)**
Members are required to declare any interests or lobbying on items in this agenda
- 3) Annual Review of Members Allowances (8.05)**
- 4) 2014/2015 Budget (8.10):** To consider the Parish Councils budgetary requirements **(Attached)**
- 5) 2014 Review of Fees and Charges (8.40):** To consider **(Attached)**
- 6) Review of Jubilee Hall Hire Conditions (8.55):** To consider **(Attached)**
- 7) Matters for Information (9.05):** To receive information
- 8) Date of Next Meeting (9.10):** 12 May 2014
- 9) Matters to be considered in private**

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

EAST PECKHAM PARISH COUNCIL – 2014/2015 BUDGET PROPOSALS

INTRODUCTION: At the Finance Committee Meeting being held on 06 January 2014, the Parish Council (PC) will consider and finalise its 2014/2015 budget and will request a precept from Tonbridge and Malling Borough Council (TMBC). S41 of the Local Government Finance Act (LGFA) 1972 states that the PC as a precepting authority has the discretion to issue a precept for each year. The precept must state the budgetary requirements as calculated under s50 of the LGFA 1972 and is the difference between the PC's expenditure and income.

The PC must calculate the aggregate of:

- Expenditure which is estimated will be incurred during 2014/2015 which will be charged to a revenue account
- Allowances for contingencies in relation to expenditure to be charged to a revenue account for the year.
- Reserves within the PC estimates appropriate to raise in the year for meeting estimated future expenditure.
- Sufficient financial reserves to meet so much of the amount estimated by the PC to be a revenue account deficit for any earlier financial year and not already been provided for.
- The sum estimated which will be paid for the year in respect of which amounts will be credited to a revenue account other than sums payable in respect of the precept, i.e. allotment, hall hire and vending machines.
- The amount of the financial reserves which the PC estimates will be used.

Future Expenditure is:

- That which the PC estimates will be incurred in the year following 2014/2015 which will be charged to the 2015/2016 revenue account and will have to be defrayed in the year before sums which will be payable to it for the year and sums in respect of which amounts will be credited to a revenue account for the year are available.
- That which the PC estimates it will incur during 2014/2015 in performing its functions which will be charged to the revenue account for that or any other year.

ZERO-BASED BUDGETING APPROACH: In the preparation of the 2014/2015 budget proposals, a zero-based budgeting approach has been used. This approach encourages the PC to closely question each item of expenditure and starts from the premise that no costs or activities should be factored into the 2014/2015 spending plans simply because they were in the costs or activities for 2013/2014. Every item of expenditure must be considered and justified, and there must be a reasonable prospect of each item coming to fruition during the financial year.

2014/2015 BUDGET PROPOSALS: The budget proposals are based on core expenditure and amount to £118,554. This would require a precept of £109,110 which would amount to additional Council Tax of £88.43 per Band D property equivalent. (The precept for 2013/2014 was £107,440, and the Band D amount per property was £86.56). There are the equivalent of 1,233.90 Band D properties in the parish and the precept is divided by that number.

NOTES TO PRECEPT CALCULATIONS

- **General:** The budget meets the requirements of the Accounts and Audit Regulations. The PC may amend the recommended Precept of £109,110 as a result of changing its proposed programme, amending fund contributions, or through policy changes. The balances are the minimum I would recommend the PC retain in order to develop and sustain existing levels of service. Proposed capping arrangements that may have applied to the PC have been deferred, although it is unclear how the proposals were expected to work, it is difficult to see how the PC could be seen to be setting an excessive budget which is within overall inflation in the current year. It must be noted that this might be the last year that the PC will have the autonomy to set its own budget.
- **Budget methodology:** A working paper has been produced for each budget head showing the original estimate, the revised budget and the next financial year. An inflationary allowance of 3% has been included where appropriate and higher provisions made where it is expected they may arise. Expenditure has been analysed between the costs of supporting the PC, the cost of planned projects in the financial year 2014/2015, and sums set aside to meet future commitments. Income projections are based on anticipated outcomes.

Summary: The budget has been based on meeting known commitments, incrementally developing the PC's role and setting aside prudent sums to meet future commitments. Following the publication of the Parish Plan (PP) it will be necessary to set funds aside towards meeting the Parish Plan aspirations. Prior to the publication of the PP I suggest the community be canvassed so that the PC is able to obtain a mandate for the PP and its project suggestions. A surplus of £1,981 is expected in the current year. The budget for 2013/2014 has been successful in enabling some planned projects to go ahead and the PC has closely followed its overall policy objectives in the year.

The Precept set out for 2014/2015 at £109,110 will enable the PC to utilise balances from the under spend in the current year, make sensible provisions for inflation, to spend and deliver on its PP projects, deliver its own Localism agenda, and set aside monies for future projects. If the PC approves the proposed budget and funding at this level it will mean an overall increase in Precept of £1,670, an increase of 1.5%. Given that this increase will absorb inflation and enable the PC to carry forward a very credible plan for developing its role, and key objectives at this time, this is considered wholly appropriate. 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 all based on real local aspiration. If the PC wishes to increase the Precept further to meet any issues not covered in the budget a further 1% will raise £1,074. This is an issue for members, but is not considered necessary at present or appropriate in the current financial climate.

It is unlikely that any substantial financial support will be available from TMBC for local projects. The general economic climate is also problematical. KCC has indicated that its budget will increase by 1.99%, TMBC however have not yet calculated its council tax so it is difficult at this point to relate the PC's spending to the overall Council Tax, however any small increase the PC makes will only have a small effect on the overall level of Council Tax paid by householders in East Peckham. This speaks for itself in terms of the value the local community receives from their PC. It is important to note that the PC does not receive direct support from the Government, neither has it been offered monies to cushion increases but continues to face great challenges particularly in ensuring that the localism agenda continues to foster direct working relationships that have proven to be successful, and that the compact between the local residents, community groups, and the PC thrives in the new local government environment. The budget is a very positive means of ensuring that the PC can meet its overall objectives and the aspirations of the community it serves. It is important to focus on what it achieves and the mandate from the community to support it.

COUNCIL TAX BENEFIT SUPPORT GRANT: A consequence of this year's transition from Council Tax Benefits to Local Council Tax Support was an overall reduction in the Tax Base. To mitigate the resultant necessity for increased precepts, a support grant was made, for 2014/2015 another grant will be made by TMBC. Unfortunately the calculation of the grant cannot be completed until TMBC knows the Settlement Funding Assessment for 2014/2015 but for estimate purposes; TMBC has advised that the amount likely to be received will be £8,538.59, a grant reduction of 0.8% over that received for 2013/2014. Even though TMBC are passing on some of the grant, there is real concern for the future, namely because:

- If grants are not passed on there is a potential detrimental impact on the community with the PC having to either reducing services or increasing the precept and council tax levels.
- If the PC is forced to increase the precepts then we might be at risk of capping/referenda
- This uncertainty and possible cutbacks in spending runs counter to the Governments expectations of the new and developing localism role for parish and town councils
- Additionally, serious concerns have been raised following comments by the CLG Deputy Director for Council Tax in a workshop at the NALC Larger Councils Conference, her comments have been perceived as meaning that a decision has been made on imposing referenda/capping on all councils with more than a £70 council tax element at Band D. Whilst this perception was incorrect, the overall position continues to be a matter of real concern.

Referendums: The SoS has not yet decided whether referendum principles will apply for 2014/2015. The Autumn Statement was delivered on 4 December 2013 and was followed by the Finance Settlement Report for Local Government, alongside other Ministerial Announcements. If the government does introduce referendum principles for Parish and Town Councils, it is expected that those principles will include a de minimis threshold which might exclude the PC from the requirement to hold a referendum. Unfortunately it is not known what that de minimis threshold might be if referendum principles were to apply. I would therefore suggest that it would be advisable for the PC not to increase its precept by more than 2%.

General Overview: This report has been prepared for decision by the PC and has been collated after much research. There has been much talk on the Government capping the precept in future years, possibly during the year 2014/2015 which will affect the year 2015/2016, this would mean that the PC would not be able to increase the precept above the cap and therefore the precept would for future years be set at the level decided in January 2014. In order to protect the PC, the PC must make sure that the precept set for 2014/2015 truly covers all reasonably anticipated expenditure. In previous years the PC had the knowledge that the precept could be increased, however, this may not be the case in the future and if the precept were capped at an artificially low level, it would have a devastating effect on the ability in the future for the PC to be able to carry out necessary works for the village. In any event, this year's precept should cover all anticipated expenditure without drawing on reserves; otherwise, we are simply budgeting to run out of money. The information set out within this document will enable Members to have an informed debate with regard to the setting of the precept. It is crucial to get this right. The PC must then present the precept to the village, if done properly with full explanations then the precept is entirely justifiable.

PROPOSED 5-YEAR PRECEPT

2013 – 2014	2014 – 2015	2015 – 2016	2016 – 2017	2017 – 2018
£107,440	£109,110	£111,292	£113,518	£115,788

The Detail

- Recommended estimates are exclusive of VAT which is recovered quarterly.
- Actual expenditure at 31 March 2013 shows the amount exclusive of VAT and adjustments from prior or current financial years.
- Credits received at 31 March 2013 shows the actual amounts received.
- An inflationary increase of 3% has been used where costs are not yet fixed or known.
- These notes are to be read in conjunction with the estimates which are attached

1 – 3 TMBC (Section 136 Concurrent functions): Expenditure for these items is met and fixed by TMBC under a Scheme of Financial Arrangements with PC's. TMBC has advised that in line with its reduction in its Revenue Support Grant, it had reduced the 2014/2015 allocation by 0.8%. For 2014/2015 the PC will receive the following amounts:

	2011/2012	2012/2013	2013/2014	2014/2015
Basic Allocation		£5,585	£4,990	£4,925
Churchyards		£3,869	£3,408	£3,382
Footway Lighting		£1,302	£1,146	£1,137
TOTAL	£12,850	£10,756	£9,544	£9,444

*In 2014/2015 the PC will receive £100 less than for 2013/2014, a reduction over 4 years of 26.5%. It is for members to decide how this money should be spent but it is generally used to offset the amount needed to fund village projects.

4 - 5 Jubilee Hall & Playing Fields: These community assets are owned and maintained by the PC. I recommend that a Property Review be undertaken in 2014/2015 the aim of which would be to ensure that the PC considers how it is looking after its assets, their purpose and their value to the PC. As freehold owner the PC is responsible for upkeep and running costs which include building and playing field maintenance, staff costs, insurance, cleaning, administration, energy costs, tree maintenance and play equipment. Members should be mindful of the fact that the Janitorial team are due for an increase to their hourly contracted rate, not having had an increase for several years. Overall spending on maintenance on property varies from year to year. Significant unforeseen and abnormal maintenance costs are met from funds established for that purpose in order to avoid peaks and troughs in demand on the precept. The budget for 2014/2015 continues to reflect 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.

In 2013/2014 the maintenance & repair budgets were increased in line with historical spending patterns and to avoid expenditure being met from reserves. Funding for the Jubilee Hall & Playing Fields has been subject to great scrutiny which is on-going in order to ensure that all works are essential and good value. Particular regard has been paid to spending on play equipment, which will shortly need renewal. There is a projected saving over 2013/2014 as a result of careful control.

The Jubilee Hall comprises of the Sports Hall and Meeting room which are let to organisations, groups and residents. The majority of users are regular and there is some casual use. The regular usage of the premises (Monday–Saturday) is approximately 70% for the sports hall and 7% for the meeting room which we are looking to increase. The rates are to be considered by members and set at a rate which will hopefully encourage more usage of the premises.

During 2010/11 & 2011/2012 repairs were carried out together with the conversions of the meeting room into the Parish Office and a changing room into a meeting room. The work was funded through the precept and through a £25,000 reserve contribution. 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. Whilst the long term ideal is for the premises to become self-funding this cannot be said for the Playing Fields and outdoor equipment which are non-income generating community assets available to residents at no charge throughout the year and will need to continue to be funded through the precept.

For the purpose of the estimates a provision of £26,000 has been recommended in order to maintain these community assets. Whilst this provision represents a reduction on the provision for 2013/2014 I am reluctant to reduce it any further as any sudden or unexpected reduction in income would have to be met from reserves which would have a detrimental impact upon the PC's budget. Nevertheless this is still a budgetary saving over 2013/2014 and is broken down as follows:

- A provision of £4,400 to meet expenditure on items such as routine maintenance, cleaning, supplies, staff costs, energy and water rates will be offset by anticipated income of £22,000.
- A provision of £8,600 towards the upkeep of the Playing Fields, drainage rents, tree maintenance and play equipment. Currently the playing fields are used by one football club (East Peckham Juniors), one way in which the PC could raise income to subsidise the cost of maintaining the playing fields would be by allowing adult football clubs from outside East Peckham to use the facilities. However this would face the opposition of residents and there would be start-up costs such as administration, the employment of a line marker, cleaning costs, litter picking and the purchase of equipment such as goal posts. On a number of occasions the PC has refused to make the playing fields available to clubs from outside East Peckham for reasons such as opposition by residents, littering and anti-social behaviour.
- £13,000 towards building maintenance. No change to the 2013/2014 provision.

6. **PWLB:** A provision of £5,861 has been made in order to meet fixed loan repayments
7. **NNDR:** A provision of £4,200 in respect of the NNDR due on the Jubilee Hall & Playing Fields. The PC is the rateable occupier and not eligible to receive rate relief. Following a successful appeal the NNDR rating was reduced, which resulted in an NNDR demand on the premises for 2013/2014 of £3,973; it is inevitable that there will be an increase in the amount payable for 2014/2015 but it unlikely to be above £4,200. Nevertheless this represents a net budgetary saving of £800.
8. **Footway Lighting:** There are concerns about the continual disproportionate increases in energy costs so sensible provisions have been made accordingly. The PC is responsible for 66 footway lights. The lighting units are maintained by PSR Lighting who in 2013/14 charged £235 (Excl VAT) per month. The energy is provided by EDF energy, energy costs have increased substantially and the PC currently pays £1,200 per quarter (Excl VAT). For the purpose of these estimates I have recommended a budgetary provision of £13,600 of which TMBC will be contributing £1,137 resulting in a net PC provision is £12,563. The budgetary provision has been broken down as follows:
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| Basic footway lighting maintenance | £3,600* |
| Streetlight Energy | £6,500** |
| Footway lighting repairs and patrols not covered by maintenance contract | £3,500 |
- * Note: There has been no increase to the streetlight maintenance costs for four years
- ** Note: An above inflation increase to streetlight energy costs is expected
- During 2014/2015 the PC will be embarking upon a project to upgrade the footway lights which include in most cases their conversion to part night illumination. Whilst it is expected that significant savings will be made in the longer term, in the short term and specifically for 2014/2015 I have not reduced the footway lighting budget. I would suggest that the footway lighting budget be reduced with effect from the financial year 2015/2016 when the PC can be more certain of the savings to be made and the costs required to meet the costs of the footway lighting.
9. **Election Expenses:** The next election is due to take place in 2015, no provisions have therefore been made. If there were to be an election, costs could be met from either reserves or contingency.
10. **Village Grass Cutting:** In September 2013, the PC accepted a quotation of £930.
11. **Churchyard Maintenance (Holy Trinity & St Michaels) (in addition to TMBC funding):** In September 2013, the PC accepted a quotation of £2,700 for Holy Trinity Churchyard maintenance; the Friends of St Michaels arrange the St Michaels churchyard maintenance. TMBC will contribute £3,382 (£1,967 Holy Trinity, £1,415 St Michaels) and will be £26 less than the amount received for 2013/2014. In order to make up this shortfall and to ensure that the same level of service is provided at both churchyards, I have included a budgetary provision of £1,526.
12. **Administration/Support Costs (Cost of Council):** Some PC's 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, noise, open spaces and the local environment do not incur specific costs as they are largely contained within the administration budget. Also absorbed within these costs are proper governance arrangements and the enhancement of the PC's role. The budget for administration reflects the overall cost of the parish office to support the PC's activities and services. Office expenses continue to be reasonably stable and it is anticipated that the budget for 2014/2015 will be £10,700; calculated as follows:
- Audit Fees** The PC is required to have an external audit and an independent internal audit. The provision for 2013/2014 was £1,000; whereas the fees charged were £700. I am recommending that this be reduced to £770.

Insurance	Costs continue to be affected by abnormal increases in insurance premiums, however the PC is protected from increases to a certain extent as on renewal in 2013 the PC opted into a fixed rate renewal until 2016, this represents a cost saving of £600. The premiums are reviewed regularly and tested periodically. Premiums paid are competitive, and claims experience is excellent. Insurance costs for 2013/2014 were £3,650; this includes the cost of insuring the Jubilee Hall and outdoor equipment although the costs are apportioned between the two budget heads. I anticipate that a budgetary provision of £3,800 will be required for 2014/2015. Approximately £2,500 will be charged to the Jubilee Hall leaving £1,300 to be charged to administration.
Subscriptions	The PC subscribes to KALC, NALC, LCR, ACRK, CPRE, SLCC, Kent Tree and Pond Warden Scheme, DIS and LocalGov. It is anticipated that at 31 March 2014, the subscription costs will have amounted to £1,350. I am recommending that the budget for 2014/2015 be £1,400.
Office Equipment	This provision finances items such as servicing and repairs and telecommunications. During 2012/2013 the laptop and printer were replaced. It is likely that during 2014/2015 the photocopier will need to be replaced and other equipment will need to be maintained, serviced, repaired or replaced. I have therefore recommended that the provision remain at £2,000.
Publications	The provision for 2013/2014 was £250. I am recommending that this be increased to £280.
Annual Report/Newsletters	Newsletters are produced to inform residents of PC activities and news. The newsletter costs about 15p per copy to produce (excl. staff costs). The 2013/2014 provision for the annual report (£1,000) and newsletters (£180) was £1,180; I am recommending that this be increased to £1,500 in order to include the printing costs of the Summer Recess newsletter.
Website	Whist the new website will be fully functioning at year end, it is necessary to include provisions for on-going maintenance, updating, hosting, enhancements and training. The 2013/2014 provision was £2,350. I am recommending that it remain the same for 2014/2015.
Miscellaneous	This covers items such as stationery, OS & IC registration, accounting & booking software, postage and mileage. During 2013/2014, following the recommendation of the internal auditor, the PC introduced a formal booking system and software was acquired costing £340, whist this was a one off cost the license is renewable annually. The 2013/2014 budget was £1,000; I recommend that the 2014/2015 budget be £1,100. To reduce administrative costs, I suggest that wherever possible electronic means is used for the distribution of agendas, minutes, newsletters etc.

- 13 Clerks Salary, Clerks Ni & superannuation:** No provisions have been made for staff changes, the budget for 2014/2015 will however need to provide for changes but financial provisions are not necessary in advance. The revised salary estimates allow for the part time employment of the Clerk and reflect the staffing resource agreed by PC at successive staffing reviews. Removal of these resources would mean that the PC would be unable to support the level of service that it continues to set for itself and would impact on proper governance arrangements. It has therefore been considered prudent to include sums based on council service policy at this time, and reflect the appropriate staffing resources to meet that need. The staffing budget also reflects variations not previously forecast for 2014/2015. During 2013/2014 following the announcement of the local government national pay award, SLCC and NALC issued revised recommendations on the salaries for local council clerks which resulted in the Clerk receiving a 1% pay increase. A financial provision has been made in the budget for 2014/2015 to meet potential salary and other costs arising from the evolving Localism agenda and development of PC services. The Clerk is contracted to work 1,404 hours per year apportioned between the Office (988) and Jubilee Hall (416). This equates to an average of 27/week although the Clerk regularly works in excess of these contracted hours. It is important to note that while 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 the PC might want to consider either increasing the Clerks hours and/or the appointment of an Assistant Clerk for up to 12 hours per week which would take the number of fulltime equivalent number of staff employed by the PC to undertake the programmes it has set to 1.25 people. Neighbouring PC's of a similar size, population and precepts to East Peckham do have full time Clerks and in some cases assistant clerks. The PC should bear in mind that since the last review of the Clerks role not only has the workload increased but the Clerk is regularly unable to take her entire leave entitlement.

The Clerks salary is in accordance with the recommended salary scales of NALC and SLCC and the current annual gross salary is £22,738, a provision of £3,050 has also been made in order to meet the staff costs such as employer's national insurance contributions, the Clerks gratuity and the outsourcing of the payroll. The Clerk also receives a Christmas bonus. In the event that there is a salary increase in 2014/2015, I have increased the provision to £26,300 of which £7,400 will be charged to the Jubilee Hall leaving the PC's contribution £18,900.

- 14. S137 Free Resource:** The PC is able to make grants "for the benefit of the community"; it is a matter for the PC to decide what is of benefit. The formula is £7.20 x the number of electors. Proposed S137 spending should be identified within budget proposals. Where the PC has a statutory power which is restricted by a limitation or condition, S137 cannot be used to circumvent that limitation or condition. Provided there is no alternative power, whether limited or conditional or not, and no statutory prohibition, the PC may incur expenditure under this section provided that it is satisfied that there is a direct benefit to the area, or part of the area, or to some or all of the inhabitants. However, the PC must ensure that the spend is not disproportionately large to the benefit derived from the spend. This spend can be challenged by the auditor or a local government elector (pursuant to S.16 Audit Commission Act 1998). The total amount available for free resource expenditure is £17,769. However, for the purpose of these estimates I have recommended that the budgetary allocation for 2014/2015 be £3,020 broken down into the following elements:

Litter clearing	£1,000	The litter warden works up to 12 hours per month and his hourly rate of pay is £6.50. The litter warden is due a salary review during 2014/2015.
	£150	Litter clearing equipment.
2013 Summer Playscheme	£870	Amount suggested by TMBC & agreed by the PC on 21.10.13
Donations to Groups & organisations	£500	
Community Grants	£500	

15. **Contingency/Additional projects:** 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 projects arising from the Parish Plan which the PC might agree to undertake during 2014/2015. Given that the PC 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% of the precept in order to provide a safety cushion should unexpected commitments arise. I am suggesting that for 2014/2015 this be £10,000.
16. **War Memorial:** Sufficient funds have been earmarked to finance the renovations. A provision of £300 has been included for cleaning the memorial prior to the 2014 Remembrance Service.
17. **CCTV:** The CCTV systems at the Jubilee Hall and village centre are useful village assets. There are on-going costs such as maintenance, upgrades, energy charges, repairs, signs and training. Members should also consider the cost that would be incurred if the PC was required to relocate the system in the village centre if it could no longer be operated from the Merry Boys. Members should also be aware that the proprietors of the Merry Boys have not submitted an invoice seeking the reimbursement of the electric consumption used by the system for a number of years and whilst this generosity is appreciated it cannot be taken for granted and does distort the full operational costs of the CCTV system, provisions should therefore be made to meet any backdated invoice in this respect. Whilst the system has recently been upgraded and now provides a fully digitally integrated system which can be remotely accessed by authorised persons it is fundamentally important that the system continues to meet the demands expected from a fully functioning CCTV system. I am therefore suggesting that the budgetary provision remain unchanged for 2014/2015 at £2,150.
18. **Allotments**
- Income tends to exceed costs; I have not therefore included any budgetary provision towards allotment costs which includes ground rent, water rates, keys and weed killer.
 - During 2012 the allotment land was transferred to Mr Stephens in Suffolk, the PC was offered the opportunity of purchasing the land at £12,000 which was a significant difference from the £2,000 land valuation obtained in 2011 by the PC. An offer was made an offer to purchase the land but this was not pursued by the landowner and the amount was transferred at year end into earmarked reserves and will be used towards the purchase of the allotment land should the opportunity arise in the future.
 - The PC has agreed to the installation of a communal shed and eco toilet but not how these items will be financed. Security is also a challenge at the allotments and whilst some site security issues were addressed during 2013/2014 the PC might want to include a budgetary provision to provide a lockable communal shed and if minded to so, I would suggest £2,500. In consideration, members should bear in mind that the difference between the amount paid by the allotment holders and the allotment expenditure is approximately £200 to £400 per annum.
19. **Garden of Remembrance:** In October 2013, the PC accepted a quotation of £480.
20. **Community & Police Working Group:** I am suggesting the budget be reduced from £165 to £100.
21. **Chairman's Allowance:** S15 of the 1972 LGA states that an allowance can be provided. This is a sum of money for the Chairman to defray expenses of office. In calculating the allowance the PC should consider the duties arising from the ordinary business of the PC and the Chairman's enhanced role in discharging these, costs arising from regular communication with members of other councils, working relationship with the Clerk, attendance on conferences, activities expected in the public relation role, attending ceremonies and travel costs. The budget has been historically underspent, the budget for 2013/2014 was £500, I am recommending that it be reduced to £250.

22. **Members Expenses:** This allowance is for members travel and subsistence costs incurred whilst acting on behalf of the PC and to meet printing expenses. The 2013/2014 provision was £1,000. I am recommending that this increase to £1,030 and provides for the following:
- Members travel costs when undertaking relevant training and when representing the PC at meetings, seminars and conferences outside the parish
 - There is a greater expectation on members to print PC documentation using their own equipment; provisions were made in 2013/2014 for members to be provided annually with one ream of paper and two ink cartridges. I am recommending that this continue into 2014/2015.
 - Members are entitled to claim allowances but historically have chosen not to do so. Allowances if claimed would be in the region of £600 for each member. By deciding not to claim allowances this represents a saving to the council in excess of £6,600.
23. **Training:** Funds should be available for members and the Clerk to undertake training. The budget has been historically underspent so I have suggested that it be reduced from £1,500 to £1,000.
24. **Christmas Lighting:** I have suggested that the budget be increased from £2,750 to £2,850. is be increased to £2,850. In addition to the budgetary provision a grant is normally provided by TMBC.
25. **2014/2015 Village Projects/Parish Plan (PP) Projects:** The PC is committed to supporting the PP and the document is due to be completed in the early part of 2014. Whilst there are earmarked reserves totalling £2,131 towards printing costs (DEFRA Grant) members might want to consider including additional budgetary provisions to ensure the successful project outcome. While some costs will be met from the administration budget there will inevitably be commitments that arise as a direct consequence of the delivery of the aspirations set out in the PP. It is important that the PC meets these commitments by directly identifying these costs as they arise or by providing contributions to funds to ensure that monies are available when required. In November 2013, the PC agreed that provisions would be included within the budget in respect of the projects listed below, so that they could be carried out during 2014/ 2015.
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| Parish Plan: Printing of Document & project implementation | £4,365 (DEFRA grant reserves) |
| Environmental Enhancements: Funding for next stage | £3,000 |
| Allotment site improvements | £2,500 (Allotment budget) |
| Resurfacing of Toddlers Play Area | £1,704 (Jubilee Hall Repair Fund) |
| Upgrade of Footway Lighting (£13, 322.76 phased over 3 years) | £4,441 (2014/15, 2015/16 & 2016/17) |
| Phase 2 of the redecoration of the Jubilee Hall | £3,000 (Jubilee Hall Repairs Fund) |
| War Memorial renovations | £10,000 (HLF Grant & Reserves) |
| *Parish Caretaker Scheme | £8,539 (Offset by CTSG) |

***Notes:**

- It is widely recognised that local communities should be taking on more which would inevitable result in pressure on the precept. However whilst there would be some costs to the parish the benefits obtained would be considerable and would make a real positive difference to the community. It is also recognised that it was in all PC's interests to move away from services being delivered by TMBC and KCC and that they should be taking an active part in delivering and funding local services.
- KCC and TMBC were looking at costing efficiencies and the effect the caretaker scheme would have on existing contracts.

The total cost of the projects (excluding administration) is £38,169, however the actual budgetary requirement is £9,675, this is because there will be a use of earmarked reserves, projects which have been grant funded will come to fruition and some will be funded through the S137 allowance, the 2014/2015 Council Tax Support Grant and the Jubilee Hall repairs fund; no additional funding is required in those instances. I would suggest that the S136 Basic Allocation Allowance of £4,925 which will be received from TMBC be used to part fund the 2014/2015 priority projects with a provision for the remaining £4,750. (£13,259 offset by the CTSG of £8,539).

RESERVES: At 31.3.13, the bank balance including uncleared transactions was £144,422 (£140,098 after outstanding transactions had cleared). It is anticipated that at 31 March 2014 the reserve level will be approximately £172,000 less earmarked reserves of approximately £53,000; this results in a net anticipated reserve level of £118,000. Our Audit advisors recommend that the PC should keep in reserve an amount equal to its annual budget. However, KALC advises that 75% is a sufficient reserve amount.

ANTICIPATED EARMARKED RESERVES: At 31 March 2014 it is anticipated that the PC's reserves will total approximately £53,000 and will be in respect of the following items:

£2,131	Action with Communities in Rural Kent – Parish Plan Grant
£300	Allotment prepayment
£247	Bridge over the Stream
£13,600	Renovation of Village War Memorial Fund
£500	Village Sign Repairs
£20,000	Jubilee Hall Repair Fund
£12,506	Clerks accumulated gratuity
£550	Jubilee Hall Key Deposits
£719	Donation from former East Peckham Youth Club; to be used on youth project in East Peckham
£284	Proceeds from the 2012 Jubilee Event; to be used towards youth project in East Peckham
£2,250	Provision towards purchase of allotment land

THE PRECEPT: The recommended precept for the financial year 2014/2015 is £109,110. An increase of just over 1.5%. Based on the number of Band D properties i.e.1, 233.90 the effect a precept of £109,110 would have on Council Tax charges per band is as follows:

Year	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Precept	£71,542	£73,295	£129,525	£100,877	£107,440	109,110
Band D	1,344.99	1,345.95	1,356.93	1,341.35	1,241.22	1233.90
Band A (6/9)	£32.95	£35.46	£63.64	£50.14	£57.71	£58.95
Band B (7/9)	£38.44	£41.37	£74.24	£58.49	£67.32	£68.78
Band C (8/9)	£43.93	£47.28	£84.85	£66.85	£76.94	£78.60
Band D (9/9)	£49.46	£53.19	£95.45	£75.21	£86.56	£88.43
Band E (11/9)	£60.45	£65.01	£116.66	£91.92	£105.80	£108.08
Band F (13/9)	£71.44	£76.83	£137.88	£108.63	£125.03	£127.73
Band G (15/9)	£82.43	£88.65	£159.09	£125.34	£144.27	£147.38
Band H (18/9)	£98.92	£106.33	£190.91	£150.41	£173.12	£176.86

INCOME: Income has been planned on known issues at the time of preparation of the budget, and so provision has been made for grants and contributions in the normal way.

Recommendations:

- (a) The above report be adopted and the PC's gross budget be set at £118,554.
- (b) The Precept be increased by £1,670 to £109,110 for 2014/2015 to support planned expenditure and provide for future years reserves as set out. This is considered prudent, entirely reasonable and is in accordance with parish council policies currently in place.

KAREN BELL, DECEMBER 2013



EAST PECKHAM PARISH COUNCIL – FINANCIAL ESTIMATES FOR THE YEAR 2014/2015

Expenditure 2012/2013	Income 2012/2013	No	Item	Original Est. 2013/2014	Exp at 30.09.13	Revised estimate for 2013/14	Rec. Estimate for 2014/15
£	£			£	£	£	£
5,585	5,585	1	Village halls/playing fields	4,990	1,560	4,990	4,925
2,894	3,869	2	Churchyards	3,408	1,704	3,408	3,382
1,302	1,302	3	Footway Lighting	1,146	573	1,146	1,137
			Financial Arrangements	9,544	3,837	9,544	9,444
			With TMBC, S136				
30,644	20,237)	4	Jubilee Hall Grant) 13,500	1,344*	5,000	4,400 (*net, income £13,660)
)	5	Playing Field Maintenance)	4,239	8,500	8,600
7,361	0	6	Jubilee Hall Maintenance	13,000	6,957	13,000	13,000
5,860	0	7	PWLB Loan Repayments	5,861	2,930	5,861	5,861
5,400	3,054	8	NNDR	5,750	3,973	3,974	4,200
6,943	0	9	Footway lighting (additional to TMBC)	8,654	3,484	8,654	12,563
0	0	10	Election Expenses	0	0	0	0
1,016	0	11	Village Grass Cutting	930	695	930	930
0	0	12	Holy Trinity Churchyard (additional to TMBC)	1,500	920	1,500	1,526
12,757	84	13	Administration	10,300	5,301	10,300	10,700
18,388	0	14	Staff Costs	18,500	10,344	18,500	18,900
1,604	0	15	S137 Free Resource	3,000	1,131	3,000	3,020
848	1,291	16	Contingency Fund	5,500	1,414	5,500	10,000
0	0	17	War Memorial	300	0	300	300
2,872	0	18	CCTV	2,150	488	2,150	2,150
148	622	19	Allotments	0	121	600*	2,500 (*exp incl site security)
480	0	20	Garden of Remembrance	480	480	480	480
75	0	21	Community & Police Working Group	165	75	100	100
100	0	22	Chairman's Allowance	500	15	500	250
229	0	23	Members Expenses	1,000	575	1,000	1,030
290	0	24	Training	1,500	120	750	1,000
1,653	560	25	Christmas Lighting	2,750	0	2,750	2,850
6,481	6,533	26	Village Projects	110	0	110	13,289
0	50	27	Centenary Book Sales	0	0	0	0
9,248	9,272	28	VAT	0	0	0	0
		29	Contribution to reserves	20,192	20,192	20,192	0
122,178	100,877		Gross Parish Council Charge	115,632	68,675	113,651	117,649
			Less CTAX Support Grant	(8,192)	(8,192)	(8,192)	(8,539)
			Net Parish Council Charge	107,440	60,483	105,459	109,110
			Plus TMBC Allowance (S136)	9,544	9,544	9,544	9,444
			TOTALS	116,984	70,027	115,003	118,554