



RESOURCES AND GENERAL SERVICES COMMITTEE

Members of the Resources and General Services Committee
are summoned to attend a Meeting at 7.45pm on
Wednesday 5 October 2016
at 1 Buckingham Court, Rectory Lane, Loughton
to transact the business shown in the agenda.

Enid K Walsh
Town Clerk
29 September 2016

Councillor S Pewsey (Chairman)
Councillor J Angold-Stephens (Vice Chairman)

Councillors

M Dalton
S Murray

J Jennings
A Omer

J Mahoney

Note to Councillors:
If you are unable to attend the meeting,
please phone your apologies to the office on 020 8508 4200.

A G E N D A

1 Apologies

To RECEIVE any apologies for absence.

2 Declarations of Interest

Councillors to declare any pecuniary or non-pecuniary interest in any items on the agenda.

3 Confirmation of Minutes

To CONFIRM the minutes of the meeting held on 6 July 2016.

4 Public Representations

To hear any representations from members of the public who have registered a request to address the Committee in accordance with no 5, Appendix C, of the Standing Orders.

5 Matters for Report

To REPORT any further significant information on matters which have been previously discussed, in addition to those which may already be included on the agenda.

5.1 Insurance – Annual Review – Min no RG5.4

For information: Further to the decision at the last meeting, the revised valuations have been applied to the Council's properties and a refund of £401.48 received from WPS Insurance Brokers. A low claims bonus rebate of £108.84 has also been received for the financial year 2015/16.

5.2 Salary Payments – Min no RG7.5

For information: At its last meeting, the Committee agreed to transfer the responsibility for the monthly BACS payments of staff salaries and the members' parish basic allowances and expenses where claimed, to its current payroll service provider, Acumen Wages Service, at a monthly net fee of £20. As NatWest Bank wished to charge a £200 fee to provide the specific account reference number for this service transfer, officers have taken no further action at the present time.

5.3 Annual Town Meeting

The 2017 Annual Town Meeting is scheduled for Wednesday 15 March 2017 commencing at 8pm in the Murray Hall. Whilst this is not a council meeting, all town councillors are expected to attend.

The Committee is asked if it wishes to continue with the usual format for the meeting by inviting local organisations and voluntary groups, particularly those in receipt of Financial Assistance from the Council, to mount displays at the event to attract more public interest. The organisations successful in their grant applications for 2017/18 would also be presented with a certificate by the Town Mayor.

The Committee is also asked if it wishes to invite a guest speaker and make suggestions in this regard.

The meeting is usually concluded with refreshments and an opportunity for members of the public to speak informally with their councillors. Local businesses which have supported the local community would also be invited.

5.4 Remembrance Service

In 2015, the Council made a donation of £100 to the Royal British Legion in support of the Poppy Appeal and towards the cost of the wreath laid by the Town Mayor at the annual Remembrance Service held in November. The Committee is asked to confirm that it wishes to make a similar donation this year. Payment will need to be approved under Section 137 of the Local Government Act 1972.

5.5 Binding of Minutes

For information, arrangements are in hand for the binding of the 2012-16 council and committee minutes at a net cost of £480. The volumes will be bound in burgundy leather with gold embossed details, the same style as that used previously.

5.6 Christmas & New Year Opening Times

For information, the Town Council offices will close on Friday 23 December at 12 noon, reopening as normal from 9am on Wednesday 28 December until Friday 30 December at 4pm; then close on Monday 2 January 2017 with normal opening hours resuming on Tuesday 3 January 2017.

6 Financial Assistance

The following requests for financial assistance have been received. A copy of the application form and supporting information is attached. The accounts provided are the best available.

Members wishing to examine the complete set of the supporting papers are asked to contact the office. Information about the person making the application is supplied to the Council but not reproduced on the agenda for reasons of data protection.

For information, there is currently a balance of £548.00 in the 2016/17 Financial Assistance budget.

Organisation	Amount requested £	Item	Power
Broadway Town Centre Partnership	170.00	Brochure printing	LGA 1972, S144
Spark	296.40	Signage	LGA 1972, S137

* See attached report on pages 6 – 14.

7 Finance and Audit

7.1 Accounts and Audit 2015/16 – Min no 285 (Council, 21 April 2016)

Confirmation has been received from PKF Littlejohn, the Council’s external auditors, that they have completed the audit of the Annual Return for Loughton Town Council for the year ended 31 March 2016. Under the regulations this will need to be reported to full Council at its meeting on 19 October 2016.

For information, the notice of conclusion of audit and the audited accounts are available to view on the Council’s website at

http://www.loughton-tc.gov.uk/Finance_and_Transparency_2580.aspx

The notice has also been displayed on the noticeboards around the town as required by the legislation.

The certificate confirms that, in their opinion, "*the information in the annual return is in accordance with proper practices and no matters had come to their attention giving cause for concern that relevant legislation and regulatory requirements had not been met*".

However, members' attention is drawn to a comment made by the external auditor which reads:

Other matters not affecting our opinion which we draw to the attention of the smaller authority:

- As a result of incorrect information supplied to the Council by the precepting authority, Section 1, Box 2, the annual precept, does not agree to the figure notified to us by the precepting authority. The figures in Boxes 2 and 3 should read £586,599 and £200,102 respectively. Please ensure that the correct figures are used in next year's Annual Return when completing the comparatives. (NB: As notified in our letter of 14 March 2016, all the precept figures published by the precepting authorities each year are available for checking on our website prior to completion of the Annual Return).

The Town Clerk was contacted by the external auditor regarding this matter in July and kept the Chairman and Vice Chairman fully informed whilst investigations were made.

There can be no doubt that the full amount of precept demanded by and paid to the Town Council by the District Council was £587,100, as stated on the Annual Return. However, following a late change in the tax base, the District Council chose to finance the shortfall in the precept through an internal grant from the District Development Fund. Unfortunately, it did not take the necessary steps to notify the Town Council and the ten other affected parish and town councils in the district of this decision resulting in a comment on the audit certificate.

7.2 Internal Audit

For information, the next visit by the internal auditor is booked for Monday 17 October 2016. The auditor will follow the previously agreed 5-year work plan, but the Committee is asked if there is anything in particular it would like the auditor to inspect.

7.3 Internal Financial Check

Cllr Omer visited the offices on 20 September 2016 to carry out the first of his financial checks. His inspection included an overview of the accounts and a check of a sample of entries on the NatWest current and imprest accounts. He also viewed the monthly reconciliations and transfers between accounts and the Precept and Local Council Tax Support Grant income. Other items inspected included the petty cash and a selection of chip and pin payments, hall hire bookings, lease income, staff wages and on costs. Officers also explained the procedures used for purchase orders, receipts and VAT.

Cllr Omer reported that everything was satisfactory with all audited items correct and that the staff were very helpful.

7.4 Investments

To note the following changes in interest rates notified to the Council:

- Santander 180 day notice account from 1.15% to 0.90% wef 1.9.16;

- Nationwide business instant saver account 0.75% to 0.50% wef 12.9.16;
- NatWest business reserve account 0.40% to 0.15% wef 1.9.16.

As the funds in the Santander 180 Day Notice Account will be available for reinvestment on 8 December 2016, a report on alternative options will be presented to the Committee at its next meeting.

7.5 Reserves Policy Review

- * A copy of the Council's reserves policy is provided on pages 15 – 16, together with a report on the key issues to be considered in the review.

7.6 Local Government Finance Settlement Consultation 2017/18

- * See attached report on page 17.

7.7 Financial Position

- * The current financial report is attached together with details of the movements in the Committee's earmarked reserves (see pages 18 – 19).

A note of the Council's current bank balances and most recent reconciliations will be circulated at the meeting.

7.8 Accounts Paid

Payments totalling £252,397.66 as detailed on payments schedules nos 214 – 222 have been made since the report to the meeting on 6 July 2016. The schedules and accompanying invoices will be available at the meeting for inspection.

For information, details of all Council payments in excess of £250 are provided on the Council's website on the Finance and Transparency page.

8 Staffing

8.1 CiLCA

For information: The Planning Clerk, Vivienne Messenger, has been awarded a Certificate in Local Council Administration. The Town Mayor will be presenting the certificate to Vivienne at a Planning and Licensing Committee meeting.

8.2 Jury Service

The Committee is asked to NOTE that the Town Clerk has refunded to the Council the loss of earnings payment received from the Court Service for the period of her jury service in July 2016 in the sum of £584.55.

9 Office Accommodation

- * See attached report on page 20.

10 Legal Matters

10.1 Illegal Encampment on Hillyfields

This current incident, commenced on Wednesday 14 September 2016. Notice to Vacate letters were issued to the persons on site by the Town Clerk within the first hour of occupation but did not have a successful outcome. As previously notified directly to members, a solicitor experienced in such matters, Mr Richard Gordon of Foskett Marr, was appointed to assist with the necessary legal process to remove the trespassers. His fees are likely to be in the region of £1,000 plus VAT and disbursements.

Mr Gordon recommended the appointment of a barrister, Mr David Alteras of Bedford Row, to issue court proceedings. Mr Alteras has kindly capped his fees at £3,000 net of VAT. The court fee for issuing proceedings is £355.

A payment on account of £1,000 plus VAT has been made to Foskett Marr Gadsby & Head.

The court proceedings were issued to the occupants on Hillyfields on Saturday morning 24 September 2016 with the court hearing set for 10am on Friday 30 September 2016 in Edmonton County Court. The Town Clerk and Services Manager will attend.

A further update will be provided at the meeting.

10.2 Insurance Claim

10.2.1 Exclusion of the Press and Public

The Committee is asked to RESOLVE to exclude the press and public from the next item under the Public Bodies (Admission to Meetings) Act 1960, as it contains confidential information relating to an insurance claim.

10.2.2 Defence Statement

The Committee is asked to authorise the Town Clerk to sign the Council's defence statement regarding an incident alleged to have occurred on Jessel Green on 31 July 2013.

* See attached report on pages 21 – 26.

11 Future Work of the Committee

The opportunity for members to suggest topics to be considered by the Committee at a future meeting, subject to the Committee's agreement.

Note: No substantive discussion may take place under this item as the required statutory notice of the topics will not have been given.

Members are reminded that as part of its overall plan and to compliment the budget making process, at its next meeting the Committee will be asked to review its priority list and agree Estimates for 2017/18.

Enid K Walsh
TOWN CLERK
29 September 2016

**Agenda item 6
Financial Assistance**

SCHEME OF GRANTING FINANCIAL ASSISTANCE

APPLICATION FORM

**Please complete the form clearly in black ink and keep the writing within the boxes.
Continue on another sheet of paper if necessary.**

YOUR ORGANISATION	
Name of organisation (please give location, if different from correspondence address on back page)	The Broadway Town Centre Partnership
Summary of aims and objectives To ensure the Broadway is maintained and enhanced as an attractive place to visit, work, shop and live.	
Age groups specifically catered for, if any	All
Is the organisation a non-profit making body?	Yes
Is the organisation a Registered Charity? (if so, please give registration number)	No
Number of members in the organisation	Working towards membership system, open to all interested parties
Number of members resident in Loughton	Approx 90%
Is membership restricted in any way?	No, so long as agree with aims and objectives
Do you charge a membership fee, or charge for access to your activities? Please give details	No
DETAILS OF GRANT APPLIED FOR	
Purpose for which the grant is required including how your organisation will benefit together with details of the proposed expenditure (include copies of quotations/estimates where appropriate). The Town Centre Partnership has worked with Loughton Town Council to design and produce a map of The Broadway shops to promote the local area. This will benefit the partnership in enabling us to fulfil our aims, particularly for those wishing to work in the area and increasing footfall from other areas of Loughton. The grant will pay the shortfall in the costs of design printing and distribution.	

<p>Explain how Loughton residents will benefit from this project?</p> <p>Loughton residents who receive the 'Think Loughton' magazine will be better informed of the range of shops and services available in The Broadway. Local business will be promoted, and interesting architecture highlighted.</p>			
<p>Are you making this application as part of the annual round of grant applications? (closing date 31 December).</p> <p>No.</p> <p>If No, please explain the circumstances requiring this emergency application (please see point 2 of the scheme before completing this section).</p> <p>This project from inception to completion fell after the deadline date</p>			
Total cost of project		£2,843.01	
Amount of grant requested		£170	
Funds available from organisation's own resources		£82.04	
Funds granted from other bodies (please give details)		EFDC – £1,421.51 LTC (delivery) – £1,169.46	
If there is a shortfall in these figures, how do you propose to fund the deficiency?			
PREVIOUS APPLICATIONS			
<p>Please give details of all grant applications made by your organisation to the Town Council, whether successful or not, in the last five years.</p>			
Financial Year	Amount	Purpose	Successful
1.4.15 – 31.3.16	£605.00 £120.00	LiberTeas (Marquee Hire) Debden Sheep Trail	Yes
1.4.14 – 31.3.15	£2,000.00	Debden Day	Yes
1.4.13 – 31.3.14	£4,000.00 £1,600.00	Xmas Lights Debden Day	Yes
1.4.12 – 31.3.13	£4,000.00 £1,500.00	Xmas Lights Debden Day	Yes
1.4.11 – 31.3.12	£4,000.00	Xmas Lights	Yes
1.4.10 – 31.3.11	£4,000.00 £1,050.00	Xmas Lights Debden Day	Yes

Broadway Shop plan insert - costs

Costs

Sketch graphic	950		
Micropress	573.55		
Roy Strutt - estimate, awaiting invoice	150		
Door to door	<u>1169.46</u>		
Expected total	2843.01	Previous estimate	2957.72
50% grant EFDC	1421.51		1478.46
Contribution LTC	<u>1169.46</u>		<u>1169.46</u>
	2590.97		2647.92
Balance	252.04	Expected balance	309.80
But if EFDC still give £1478.46	1478.46		
Contribution LTC	<u>1169.46</u>		
	2647.92		
Balance	195.09		

Loughton Broadway Town Centre Partnership
Income and Expenditure Account

	<i>1 Nov 2015 - 30 Jun 2016</i>
<u>Income</u>	
Grants received	1,000.00
	<u>1,000.00</u>
<u>Expense</u>	
Training	50.89
Membership	12.00
	<u>62.89</u>
<u>Funds</u>	
Balance at 1 November 2015	616.10
add: Total income	1,000.00
deduct: Total expenditure	62.89
Balance at 30 June 2016	<u>1,553.21</u>

Loughton Broadway Town Centre Partnership
Income and Expenditure Account

	<i>1 Oct 2014 - 31 Oct 2015</i>
<u>Income</u>	
Grants received	3,173.50
Donations received	450.00
Pitch Hire	235.00
	<u>3,858.50</u>
<u>Expense</u>	
Debden day	4,157.49
Secretarial allowance	370.00
Christmas expenditure	2,771.71
Catering expenses	1,584.00
Staging purchase	3,369.78
Hire of hall	200.00
Insurance	498.08
Other various	374.65
	<u>13,325.71</u>
<u>Funds</u>	
Balance at 1 October 2014	10,083.31
add: Total income	3,858.50
deduct: Total expenditure	13,325.71
Balance at 31 October 2015	<u>616.10</u>

SCHEME OF GRANTING FINANCIAL ASSISTANCE

APPLICATION FORM

**Please complete the form clearly in black ink and keep the writing within the boxes.
Continue on another sheet of paper if necessary.**

YOUR ORGANISATION	
Name of organisation (please give location, if different from correspondence address on back page)	Spark (a branch of Worth Unlimited)
<p>Summary of aims and objectives: Spark is our Loughton based youth project. Spark aims to provide young people with a nurturing and supportive environment where they can develop life and learning skills, and prepare them for the world beyond compulsory school. Started in November 2009, the centre originally offered primarily an alternative education service to schools in the area, targeting in particular young people who are having significant difficulties attending mainstream school. Spark's provision now includes a mentoring scheme, post 16 support and guidance, a counselling programme as well as continuing to provide an alternative education programme to local secondary schools. Spark is launching an after a school youth club based at the Youth Centre from 31 October 2016, in partnership with Essex County Council. Developed out of needs identified in a local church based youth group, the centre is mainly funded through service level agreements with schools, but also relies on volunteers, fundraising and local community support.</p>	
Age groups specifically catered for, if any	15-19
Is the organisation a non-profit making body?	Yes
Is the organisation a Registered Charity? (if so, please give registration number)	Yes - 1068782
Number of members in the organisation	5 part time members of staff at Spark 3 students accessing Alternative Education 12 young people are accessing Post 16 6 young people are accessing Mentoring
Number of members resident in Loughton	1 member of staff lives in Loughton 3/3 Alternative Education students live in Loughton 6/6 Mentoring young people are at school Loughton 12/12 Post 16 young people live in Loughton
Is membership restricted in any way?	Only by age
Do you charge a membership fee, or charge for access to your activities? Please give details	Schools pay for Alternative Education referrals Mentoring is paid for by schools if they are referring. Private mentoring is partly or fully subsidised by Spark if needed. No charge for Post 16 access Local businesses and churches have donated funds for the counselling project

DETAILS OF GRANT APPLIED FOR
<p>A Frame Stand To put on the forecourt or pavement (in a location to be agreed with LTC and ECC) so that young people visiting the POST 16 support sessions know where we are based; so that the Youth Club can be effectively advertised; so that passing public can see where we are and what we offer.</p> <p>2 Posters To go inside the A frame stand</p> <p>Roller Banner To go in the foyer of the Youth Centre advertising what we do and publicly thanking the various bodies who are supporting us with funding. Also to be used at roadshows, fayres, events in schools/colleges etc.</p> <p>Stickers Stickers with the Spark logo to go on the white ECC signage by the front door of the Youth Centre. This has been suggested by the Youth Commissioner, Louisa Stirling who we are working closely with. Again, making it clear to the public that we are working in partnership with ECC and LTC. Any graphics and the location of the stickers would first be approved by LTC and ECC.</p> <p>Display Board A mobile table top display board to allow us to better promote our services.</p>
<p>Explain how Loughton residents will benefit from this project? We are keen that the Loughton community know where we are and what we do. We have created flyers and we are building links with the local community, but we would like to make it clear that we are in the Youth Centre. By having an A frame, the passing public will see more clearly where we are based.</p>
<p>Are you making this application as part of the annual round of grant applications? (closing date 31 December).</p> <p>No</p> <p>If No, please explain the circumstances requiring this emergency application (please see point 2 of the scheme before completing this section).</p> <p>When the original application was submitted in 2015, Spark was planning to stay at Valley Hall and refurbish the building. Since then, with the support of Loughton Town Council and Essex County Council, Spark has moved to the Loughton Youth Centre. The need for additional signage was not foreseen. Whilst we are aware of the next round of grant applications that we can apply to Loughton Town Council, we would like to have the signage in place as soon as possible so that people can be more aware that we are in the Centre. We will be holding an official opening and fundraiser on 23rd November which the Mayor will be attending, and we would like to have it in place by that date.</p>

Total cost of project	<p>A frame stand = £53 2 poster for A frame = £24 Roller Banner = £95.40 10 large stickers = £20 Display board = £84 Delivery = approx. £20</p> <p>Total = £296.40</p> <p>This quote was obtained over the phone from discount displays.co.uk</p>
Amount of grant requested	£296.40
Funds available from organisation's own resources	0
Funds granted from other bodies (please give details)	0
If there is a shortfall in these figures, how do you propose to fund the deficiency?	Fundraising activity/donations

PREVIOUS APPLICATIONS

Please give details of all grant applications made by your organisation to the Town Council, whether successful or not, in the last five years.

Financial Year	Amount	Purpose	Successful
1.4.16 – 31.3.17	£700	Post 16 Project	Yes
1.4.15 - 31.3.16	£2,000	2 x laptops. Youth Worker salary for Post 16 Project	Yes
1.4.14 – 31.3.14			Yes / No
1.4.13 – 31.3.13			Yes / No
1.4.12 – 31.3.12			Yes / No

THE WORTH FOUNDATION LIMITED
(A Company Limited by Guarantee)

BALANCE SHEET
At 31 August 2015

	Notes	Unrestricted Funds £	Restricted funds £	31.8.15 Total funds £	31.08.14 Total funds £
FIXED ASSETS					
Investments	12	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>
CURRENT ASSETS					
Debtors: amounts falling due within one year	13	12,646	996	13,642	29,965
Cash at bank		95,265	52,888	148,153	167,393
		<u>107,911</u>	<u>53,884</u>	<u>161,795</u>	<u>197,358</u>
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	14	(7,803)	(5,056)	(12,859)	19,702
		<u>100,108</u>	<u>48,828</u>	<u>148,936</u>	<u>177,656</u>
NET CURRENT ASSETS					
		<u>100,108</u>	<u>48,828</u>	<u>148,936</u>	<u>177,656</u>
NET ASSETS					
		<u>100,109</u>	<u>48,828</u>	<u>148,937</u>	<u>177,657</u>
FUNDS	15/16/17				
Unrestricted funds				100,109	102,630
Restricted funds				<u>48,828</u>	<u>75,027</u>
TOTAL FUNDS				<u>148,937</u>	<u>177,657</u>

The Financial Statements on pages 8 to 18 were approved on behalf of the Trustees by

[Signature]

A D Boul - Trustee

Dated:

9/4/16

THE WORTH FOUNDATION LIMITED
(A Company Limited by Guarantee)
STATEMENT OF FINANCIAL ACTIVITIES
(Including Income and Expenditure Account)

For the Year Ended 31 August 2015

	Notes	Unrestricted funds £	Restricted funds £	Year ended 31.8.15 Total funds £	Year ended 31.8.14 Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	27,408	169,884	197,292	196,527
Incoming resources from charitable activities	3	230,267	12,133	242,400	331,499
Investment income	4	247	-	247	237
Total incoming resources		<u>257,922</u>	<u>182,017</u>	<u>439,939</u>	<u>528,263</u>
RESOURCES EXPENDED					
Charitable activities	5	275,699	189,309	465,008	525,576
Governance costs	8	3,651	-	3,651	7,161
Total resources expended		<u>279,350</u>	<u>189,309</u>	<u>468,659</u>	<u>532,737</u>
Net incoming/(outgoing) resources being net expenditure for the year		(21,428)	(7,292)	(28,720)	(4,474)
Transfers between funds		18,907	(18,907)	-	-
Net movement in funds		<u>(2,521)</u>	<u>(26,199)</u>	<u>(28,720)</u>	<u>(4,474)</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>102,630</u>	<u>75,027</u>	<u>177,657</u>	<u>182,131</u>
TOTAL FUNDS CARRIED FORWARD	15	<u>100,109</u>	<u>48,828</u>	<u>148,937</u>	<u>177,657</u>

Agenda item 7.5
Reserves Policy Review

This policy was originally agreed by the Council in 2005:

- 1 *The amount of money held in General and Earmarked Reserves shall be identified at the end of each financial year and reported to Finance and General Policy Committee at the same time as the statutory Statements of Accounts. Where Earmarked Reserves include Capital Reserves and Unspent Loans, they will be specifically identified.*
- 2 *Earmarked Reserves*
The council will keep such sums in earmarked reserves as shall be considered necessary to support future expenditure on specific projects or as funds built up towards significant future revenue expenditure or to meet anticipated liabilities.
- 3 *General Reserves*
 - 3.1 *The council shall maintain a prudent level of general reserves sufficient to ensure it can meet its on-going commitments, respond to any need for emergency or unplanned expenditure, and overcome any cash flow difficulty which might arise.*
 - 3.2 *The council will normally aim to maintain general reserves at around 75%, within the range 70 to 80%, of net budgeted annual running costs, excluding growth items and items on which expenditure will be met by use of earmarked reserves.*

“Net budgeted annual running costs” means the expenditure which each committee has estimated it will spend on its on-going services in the following year, less the income it expects to receive, after any adjustments to the budgets have been made by the Finance and General Policy Committee for any reason.

“Growth items” are additional discretionary items specifically identified by spending committees.

Notes:

It is the responsibility of the Town Council and its Responsible Financial Officer (the Town Clerk) to maintain a sound financial position and review this annually.

The **three main purposes of reserves** are to provide:

- a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves;
- a contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves;
- a means of building up funds, often referred to as earmarked reserves, to meet known or predicted requirements; earmarked reserves are accounted for separately but remain legally part of the General Fund.

Audit guidance from Governance and Accountability for Local Councils, A Practitioners' Guide, points out that councils have no legal powers to hold revenue reserves other than those for reasonable working capital needs or for specifically earmarked purposes. Hence,

whenever a council's year-end general reserve is significantly higher than the annual precept, an explanation should be provided to the auditor. However, the amount of general reserve should annually be risk assessed and approved by the council.

General Reserves

In considering the level of general reserves, the Council should, when preparing its budget for the forthcoming financial year, take account of the strategic, operational and financial risks facing the authority. These will be both external and internal risks.

Budget assumptions

- Inflation and interest rates
- Estimates for the timing and level of capital receipts
- Financial risks in new partnerships and major capital expenditure
- The general financial climate

Pressures include

- striving to constrain council tax increases with particular reference to the outcome of the consultation on the 2017/18 Local Government Finance Settlement;
- reductions of income;
- any new service demands and responsibilities;
- severe weather and floods.

If in extreme circumstances general reserves were exhausted due to unforeseen spending pressures within a particular financial year, the Council would be able to draw down from its earmarked reserves to provide short-term resources.

The level of general reserves

- May be expressed as a cash figure or as a percentage of the budget.
- Should take account of the risk register and the council's medium and long term plans and should not focus exclusively on short-term considerations.
- Balancing the annual budget by drawing on general reserves may be viewed as a legitimate short-term option. However, reserves can only be used once and so should not be held to fund ongoing expenditure.
- The wide-ranging view held by the local council sector is that a value of between 3 months and a year of turnover should be used as a guide for the amount of reserves held.

The Chairman and Vice Chairman met with the Town Clerk and Deputy Town Clerk to discuss this review.

Noting that the current policy controls the over-use of general reserves to offset the precept increases, their **RECOMMENDATION** is that the percentage figures in point 3.2 should be amended to read:

- 3.2 The Council will normally aim to maintain general reserves at around 65%, within the range 60 to 70%, of net budgeted annual running costs, excluding growth items and items on which expenditure will be met by use of earmarked reserves.

Agenda item 7.6

Local Government Finance Settlement Consultation 2017/18

The government is consulting on the following proposals:

- 1 that referendum principles are introduced for town and parish councils whose Band D precept is higher than that of the lowest charging district council for 2016/17 (£75.46), and which have a total precept for 2016/17 of at least £500,000, while taking account of transfers of responsibilities.**

Exclusions:

- increases of less than 2% or up to and including £5 (whichever is higher) could be set without triggering a referendum.
- where a council has agreed to take over responsibility for a service from a principal authority and the costs have been agreed between the authorities.

Based on these thresholds, the Government expects this new principle to affect around 120 of England's 8,800 local precepting parishes.

- 2 A large proportion of parishes are modest in size – for example, around 4,000 parishes have precepts of £25 or less (sic – it is not clear whether this should read a precept of £25,000 or a Band D charge of £25). However, the Government is aware that increases in these precepts continue to concern local tax payers and is therefore prepared to consider extending referendums to all parishes.**

The full document may be viewed at <https://www.gov.uk/government/consultations/local-government-finance-settlement-2017-to-2018-technical-consultation>

At the Annual General Meeting of the Essex Association of Local Councils held in Great Dunmow on 22 September 2016, the meeting unanimously voted against the principle of capping the precept of parish and town councils with the following resolution:

This meeting is resolutely opposed to proposals by the government to extend council tax referendum principles to some or all local councils; and calls upon all local councils in Essex to respond to the government consultation stating their opposition to the proposals.

The Committee is asked if it wishes to support this view and prepare a response to the consultation and in particular the following questions posed in the document:

Question 4: Do you agree that referendum principles should be extended to larger, higher-spending town and parish councils in 2017/18 as set out in paragraphs 3.3.3 to 3.3.4?

Question 5: Do you agree with the proposed approach to take account of the transfer of responsibilities to town and parish councils as outlined in paragraph 3.3.5?

Question 6: Do you agree with the suggestion that referendum principles may be extended to all local precepting authorities as set out in paragraph 3.3.6? If so what level of principle should be set?

Question 7: Do you have views on the practical implications of a possible extension of referendum principles to all local precepting authorities as set out in paragraph 3.3.7?

Summary Income & Expenditure by Budget Heading 29/09/2016

Month No: 6

Resources & General Services Committee Report

		Actual Last Year	Actual Year To Date	Current Annual Budget	Variance Annual Total	Funds Available	% of Budget
<u>Resources and General Services</u>							
Communication	Expenditure	20,174	7,203	21,800	14,597	14,597	33.0 %
Office Expenses	Expenditure	10,261	3,937	12,800	8,863	8,863	30.8 %
	Income	31	37	0	37		0.0 %
Audit (1)	Expenditure	2,830	-1,600	2,900	4,500	4,500	-55.2 %
Central Personnel	Expenditure	278,869	125,621	297,300	171,679	171,679	42.3 %
Council Expenses (2)	Expenditure	11,676	9,961	12,500	2,539	2,539	79.7 %
	Income	200	609	0	609		0.0 %
Other Services (3)	Expenditure	3,274	21,789	53,750	31,961	31,961	40.5 %
Members' Expenses	Expenditure	2,072	72	2,900	2,828	2,828	2.5 %
Buckingham Court (4)	Expenditure	54,399	27,049	39,714	12,665	12,665	68.1 %
	Income	8,199	8,476	10,310	-1,834		82.2 %
Service Re-charge (5)	Expenditure	-241,400	0	-251,000	-251,000	-251,000	0.0 %
Library	Expenditure	0	0	8,000	8,000	8,000	0.0 %
Grants (6)	Expenditure	36,886	14,750	35,500	20,750	20,750	41.5 %
<u>INCOME - EXPENDITURE TOTALS</u>							
	Expenditure	179,042	208,782	236,164	27,382	27,382	88.4 %
	Income	8,430	9,121	10,310	-1,189		88.5 %
	Net Expenditure over Income	170,612	199,661	225,854	26,193		

Notes

- (1) This negative figure relates to the outstanding 15/16 external audit fee.
- (2) The income relates to legal fees paid by Roding Valley High School for its licence to use the Roding Valley Recreation Ground (£500) and a low claims insurance refund (£108.84).
- (3) The Other Services budget includes Election expenses (£36,000), Civic Service (£250), Citizenship Awards (£1,000), Future Accommodation (£15,000), QE11 90th birthday (£500) & Contingency (£1,000).
- (4) The income of £8,476 relates to the hire of the Council Chamber as a training venue.
- (5) The annual Re-charge is £251,000. Position as at 30.9.16 is £125,500.
- (6) Some of the grants awarded in 16/17 are yet to be claimed. An amount of £548 remains in the general grants budget.

Agenda item 7.7

Earmarked Reserves:

A summary of the Committee's reserves showing the end of year transfers and the amounts available from reserves in this current financial year is provided below:

Resources and General Services Committee	31.3.16
Elections	31,000
Noticeboards	2,000
Office expenses	3,570
Communication	0
Council expenses	1,907
Accommodation	13,450
Buckingham Court maintenance fund	2,000
Honours board	700
Staff costs	0
Grants	0
Total	54,627

Agenda item 9

Office Accommodation

The Committee is asked to NOTE the following items:

- i. The draft lease offered by Essex County Council meets the Heads of Terms previously agreed by the Council. However, the final details are being resolved by the solicitors. The Town Council, at its meeting on 19 October 2016, will be asked to authorise the signing of the lease once it is completed.
- ii. In August 2016, the Council's architect, Martyn Pattie, completed the drawings for the repositioning of the partitioning in the Library to create a larger office space. Building Regulations Approval was sought and gained from Epping Forest District Council at a cost of £192.10. Once the works are underway a sequence of site inspections will need to be carried out by EFDC at a net cost of £254.45. The architect's costs amounted to £1600.90 net of VAT.
- iii. At its meeting on 21 April 2016 the Council agreed to delegate decisions connected with the move to the Town Clerk in discussion with the Strategy and Staff Group (SSG) so that matters may be progressed.

On 16 September 2016, the Town Clerk contacted the members of SSG to advise we were in a position to appoint a contractor to undertake the necessary works to reposition the partitioning.

From the five invitations issued, three fixed price quotations were received for the works with all three companies able to undertake the works in October/November. The quotations ranged from £14,140 to £21,768. Under Best Value, it was agreed with SSG to offer the contract to the company offering the lowest price.

NB: The appointment of the contractors for the building works is now currently delayed until the Lease has been signed.

The Committee is asked to consider

- iv. whether the Architect should be engaged in a project management role. This work would include:
 - a. pre-contract meeting with Town Council representatives and contractor.
 - b. Preparing a JCT standard Building Contract.
 - c. Carrying out four site inspections, valuations and contract administration for the contract period.
 - d. Carrying out final End of Defects Liability visit 3 months after the completion of the contract to undertake snagging and a final inspection and to complete the Final Account.

The total fee for project management would be £1,950 plus VAT and travel expenses. Under the Financial Regulations, as the value of this contract is less than £2,000 the Council is required to obtain value for money. Given the Architect's previous involvement in this project, this appointment would be the most effective way forward. Whilst this is a relatively small contract, the appointment of a project manager would free up office time for other matters.