

Finance & Administration Committee 13 June 2019

Agenda Item FA1451/19

Updating the Budget and Management Accounts Reporting Structure

Background

As one of the recommendations of a working party focused on the ways the council works, the Council revised its standing orders in January 2019 to increase the delegated authority of its standing committees enabling decisions within budget to be made by the committees. The revised standing orders include amended terms of reference for committees reflecting the delegation. Such delegation is expected to reduce discussion of non contentious expenditure previously conducted at full Council meetings, and thereby to fewer meetings to be held.

Discussion

Committee structure

The four standing committees of Council are Finance & Administration ("F&A"), HR & Compliance ("HR&C"), Planning & Development ("P&D") and Leisure, Events & Environment ("LE&E").

Broadly – the full Terms of Reference are appended –

F&A is responsible for general and financial management, including financial oversight; the Council's objectives and priorities; grant giving under S137 of the LGA and any activities not dealt with by other committees.

HR&C deals with staff matters including performance appraisals and discipline and acts as the grievance panel for staff and councillors;

P&D is responsible for planning oversight, including monitoring compliance with the Neighbourhood Plan, road safety, public transport and street signage; and

LE&E is responsible for managing 'green space', facilitating or sponsoring events and activities, and funding facilities for community use.

Budget structure

The budget for 2019/20 was set by the council in December 2018. At that point, although much discussion had taken place about the ways in which the council should work in future the revised standing orders had not been promulgated or approved. Therefore the budget structure, to which the management accounts conform, correctly remained unchanged as follows:

Finance & Administration		Expenditure budget
101	General Administration	100,340
102	Local Democracy	18,070
103	Groundworks	76,950
107	Grants	17,700
199	Capital & Projects	36,148
	Total F&A	249,208
Leisure, Events & Environment		
202	The Green	550
203	Open Spaces & Trees	16,760
211	Events & Projects	20,505
221	MSC	1,000
299	Capital & Projects	11,700
	Total LE&E	50,515
Planning & Development		
301	Roads & Street Furniture	
302	Community Bus	6,900
399	Capital & Projects	1,500
	Total P&D	8,400
	Total expenditure	308,123

HR&C does not have an expenditure (or income) budget.

While there is a certain amount of cross over between the committees (for example F&A is responsible for grants, even if the recipient of a grant provides services to the community that are more appropriate to LE&E or P&D) for the most part the management accounts fairly reflect the committee structure which is aligned with the services provided to residents, with one significant exception and a few anomalies.

The significant exception is the 'cost centre' 103 described as Groundworks, currently assigned to the F&A committee. This includes all the salary and overhead costs of the Ranger team, the vehicle running, tools and equipment used in maintain the parish's open spaces, footpaths and verges, and associated other costs. The detailed budget for the cost centre is appended.

The anomalies are located in cost centre 199 – F&A Capital and Projects – where accounts 4823, 4824, 4843, 4873, 4874, 4901 are used for capital (or leasing) expenditure on the Kubota and related equipment used by the Rangers to maintain the community's open spaces.

Based on the terms of reference and in accordance with the principles of delegation for the LEE Committee, Groundworks and the specified accounts in F&A Capital and Projects actual and budgeted expenditure should be a part of that committee's remit. This can be achieved by virements of the related budgets (in accordance with standing order 4.2 – appended below) and by journals (financial transfers) of actual expenditure against the budget lines. Making this change will not impact the overall budget for the Parish Council.

Recommendations

- 1 That this committee approves the principle set out in this paper that expenditure be allocated to the standing committees of the council aligned to the committees' terms of reference.
- 2 That the budget expenditure for 2020/21 be allocated to the council's standing committees in accordance with the principles of this paper.

- 3 That the RFO investigates, and seeks advice as may be required, the actions required to reallocate the budgeted and actual expenditure for the current financial year (2019/20) within the Council's financial systems in accordance with the principles of this paper.
- 4 That the RFO, subject to being comfortable that the changes may be made with minimum risk to the 'health' of the financial systems, makes the changes in sufficient time that the September 2019 cumulative management accounts are prepared in the revised format.

Nigel Cole
June 2019

Appendix 1

Terms of Reference of Standing Committees

The functions of each Standing Committee shall be to consider matters referred to it by Agenda or otherwise and to determine and agree what actions, if any, should be taken. The area of policy allocated to each Committee is set out below but is not an exclusive list. The Standing Committees have delegated responsibilities from Council in respect of all the areas of the Council business for which they are responsible including their budget and reserves with the exception that the Precept may only be set by full Council.

Finance and Administration

- a. To advise the Council in formulating its objectives and priorities and in establishing programmes. To recommend such steps as are necessary to achieve objectives.
- b. Without detracting from the duties and responsibilities of the other Committees, to review the effectiveness of the whole of the Council's organisation, its standards and levels of service.
- c. To consider and make recommendations to the Council on the policies of all Committees and, where appropriate, to make recommendations thereon to the Council.
- d. To consider and make recommendations on any matters referred to it by the Council or other Committees.
- e. To consider and submit to the Council budget proposals for each financial year after considering proposals submitted by other Committees.
- f. To consider all matters relating to property owned by the Council.
- g. To consider and make recommendations to the Council on policy in respect of asset replacement.
- h. To consider and advise on write off irrecoverable monies
- i. To consider any proposed expenditure or reduction in income for which no provision has been made in the approved budgets.
- j. To consider and advise on all matters relating to Council personnel.
- k. To deal with any matter not specifically allocated to another Committee.
- l. To consider and make recommendations to the Council on policy in respect of Police Community Support Officers within Croxley Green.
- m. To approve the payment of Accounts and to monitor the level of income/expenditure.
- n. To authorise the virement of funds from unspent and available amounts from the Council's budget or to and from general and earmarked reserves.

HR and Compliance Committee

- a. Recruitment of Proper Officer, Responsible Finance Officer and other staff as required.
- b. Recruitment and selection procedures.
- c. To undertake the Proper Officer's appraisal and review staff appraisal and development
- d. Review of staff contracts, grievance and discipline policies every two years
- e. Monitor staff and accommodation requirements.
- f. Review the management of rights in relation to leave, time off and illness
- g. To ensure that the Proper Officer has everything required for managing other staff.
- h. To oversee the health and safety of all staff and review risk assessments.
- i. By input from the Proper Officer, to be kept up to date with developments in employment law.
- j. The HR and Compliance Committee will serve as the disciplinary or grievance panel for staff and councillors.
- k. To agree the members to sit on an appeals panel to hear appeals against a decision on a grievance.
- l. Review of updates to the Staff Manual.
- m. Oversee the implementation and co-ordination of a councillor training programme.

Planning and Development

- a. Town Planning:
 - Considers and comments upon planning applications submitted to the District Council
 - Reviews decisions made by the District Council on planning applications
 - Responds to any consultation documents on planning matters
- b. Public Transport
- c. Road Safety
- d. Neighbourhood Planning/Village Appraisal
- e. Sign Posting.

Leisure, Events & Environment Committee

Committee purpose

- To maintain Croxley Green as a place to live, work and flourish
- To protect and maintain the open spaces and woodland within the parish boundary
- To ensure that the use of land enhances Croxley Green and protects the environment
- To maintain the parish's semi-rural character by protecting and improving the green spaces and keeping rights of way
- To keep the community 'family friendly'
- To enhance community wellbeing by facilitating events and projects that improve life in Croxley Green
-

The committee's responsibilities:

- Manages and enhances community assets in the ownership or under the control of the Parish Council;
- Reviews work programmes planned to be carried out by parish rangers;
- Offers services and funding that enhance community wellbeing
- Makes budget proposals, oversees its budget, has delegated authority to spend the budget within the approved total and has indirect responsibility for parish resources used in delivering the services above; and
- Monitors and progresses the successful delivery of budgeted projects and events.

Community assets means:

- All current and potential village greens, parks, recreation grounds, allotments, public
- open spaces, ponds and other community land;
- Automated External Defibrillators; and
- Street furniture including, as appropriate, litter bins, dog waste bins, salt bins, bus shelters, notice boards and Council signage.

Enhancing community wellbeing means:

- Delivering community events;
- Making possible, subscribing to, sponsoring, funding or partially funding community events and community assets and other leisure and environmental projects;
- Community and environmental enforcement work, including for example, illegal tipping and litter picking in areas owned, controlled or managed by the parish council; and
- Encouraging councillors, staff and members of the public to make suggestions for new and improved services and amenities within the committee's scope to be provided by the council.

The Committee

- Recommends to the Council the budget and resources required for the provision of existing and proposed services;
- Reviews its own work and recommends improvements or reductions in services;
- Makes transfers (virements) within the committee's budget as the community's needs vary;
- Seeks F&A approval for funding for any projects outside its agreed budget if this cannot be resourced from within its existing budget;
- Establishes service policies, approves programmes of work, monitors performance
- and takes decisions in respect of budgeted costs; and
- Provides reports on its work to the Council.

Appendix 2
The detailed budget for Groundworks

	£
Salaries & Wages	58,900
Protective Clothing	400
Training	2,000
Travel	100
Misc Staff Costs	750
Water Rates	720
Janitorial	0
Health & Safety	510
Refuse/Green Waste Disposal	200
Property Maintenance	510
Grounds Maintenance	4,000
Maintenance Contracts	2,000
Equipment Hire	450
Equipment Maintenance	1,500
Equipment Purchased	1,300
Vehicle License & Insurance	1,950
Fuel & Oil - LS08 WCP	1,300
Fuel & Oil - Groundworks	860
Maintenance - LS08 WCP	1,000
Maintenance - Tractor	250
Maintenance - Ride on Mower	250
Tfr from Reserves ex Maintenance contracts	(2,000)
Total	76,950

Appendix 3

Extract from Standing Orders

4. Budgetary Control and Authority to Spend

4.1. Expenditure on revenue items may be authorised up to the amounts included for that class of expenditure in the approved budget. This authority is to be determined by:

- The council for all items over £25,000;
- The council or duly delegated committee of the council for items under £25,000.
- Delegated authority to the Clerk for items under £2,000;
- Delegated authority to the Administrative Officer for items under £500.
- In the absence of the Clerk only and for business continuity the Administrative Officer shall have the limit of £2,000.
- Contracts may not be disaggregated to avoid controls imposed by these regulations.

4.2. No expenditure may be authorised that will exceed the amount provided in the revenue budget for the committee to which spending authority has been delegated other than by resolution of the Finance and Administration Committee or the council.

During the budget year each committee with delegated spending authority may, having considered fully the implications for public services, move unspent and available amounts to different budget headings or to an earmarked reserve as appropriate ('virement') provided the total expenditure does not exceed the budget set for the financial year. During the budget year and with the approval of council or the Finance and Administration Committee having considered fully the implications for public services, unspent and available amounts may be moved to supplement the revenue budgets of other committees or to an earmarked reserve as appropriate ('virement') provided the total expenditure does not exceed the budget set for the financial year