



Seaford Town Council

To the Members of the Finance & General Purposes Committee

A meeting of the **Finance & General Purposes Committee** will be held at **the Council Chamber, 37 Church Street, Seaford**, on **Thursday 19 December 2013**, at **7.00 pm**, which you are summoned to attend.

S. Shippen
Town Clerk
13 December 2013

Agenda

1. Apologies for Absence and Declaration of Substitute Members

2. Minutes

To approve the minutes of the meeting held on 24 October 2013.

3. Disclosure of Interests

To deal with any disclosure by Members of any discloseable pecuniary interests and interests other than pecuniary interests, as defined under the Seaford Town Council Code of Conduct and the Localism Act 2011, in relation to matters on the agenda.

4. Public Participation

To deal with any questions, or brief representations, from members of the public in accordance with Standing Order 1 and Seaford Town Council Policy.

5. Finance Report

a) To consider report 121/13 regarding receipts, payments and bank reconciliation for October and November 2013 (pages 3 to 10).

b) To consider report 122/13 regarding the Council budget position for the period 1 April 2013 to 30 November 2013 (pages 11 to 15).

6. Scale of Fees 2014-2015

To consider report 124/13 concerning proposed fee for the use of Council facilities during 2014-15 (pages 17 to 19).

7. Staff Salary Scales

To consider report 125/13 advising of existing Staff salary scales for 2014-15 (pages 21 to 22).

8. Budgets 2014-15

a) Finance & General Purposes Committee

To consider report 126/13 regarding the Finance & General Purposes Committee projected outturn for 2013-14 and draft budget for 2014-15 (pages 23 to 27).

b) Community Services Committee

To consider report 127/13 regarding the Community Services Committee draft budget for 2014-15 (pages 29 to 37).

c) Golf Committee

To consider report 128/13 regarding the Golf Committee draft budget for 2014-15 (pages 39 to 40).

9. Staff Matters

To consider report 123/13 on staffing matters (pages 41 to 43).

10. Tree Wardens

To consider report 129/13 concerning Tree Wardens (page 45).

11. Future of Local Audit Consultation

To consider report 130/13 concerning the Future Local Audit Consultation (pages 47 to 101).

For further information about items appearing on this agenda please contact Mrs S J Shippen, Town Clerk, 37 Church Street, Seaford, BN25 1HG. Telephone 01323 894870.

**Circulation:
Committee**

Councillor B Burfield (Chairman), Councillor M Brown (Vice Chairman),
Councillors S Adeniji, R Allen (ex-officio), P Franklin, S Gauntlet, T Goodman, A Hayder,
R Needham, B Warren, A White (ex-officio), and I White.

For information:

Councillors A Campbell, S Dunn, B Groves, P Heseltine, A Latham, S McStravick, R Scarfe and L Wallraven.



Seaford Town Council

Report 121/13

Agenda Item No: 5(a)
Committee: Finance & General Purposes
Date: 19 December 2013
Title: Receipts, Payments and Bank Reconciliation Reports for October and November 2013
By: Lucy Clark, Support Services Manager
Purpose of Report: To advise the Committee of receipts, payments and bank reconciliation for October and November 2013

Recommendations

You are recommended:

1. To approve the information contained in the report.
-

1. Information

- 1.1 Attached as Appendix A is a copy of the cashbook listing receipts and payments for October and November 2013 and the bank reconciliation for these months.
- 1.2 In accordance with Town Council procedures names relating to individuals have been blanked from the list of receipts and payments, as this document is public information.
- 1.3 The transactions listed in Appendix A have been reconciled to the relevant bank statements.

2. Financial Appraisal

The appendix comprises the bank account transactions for October and November 2013.

3. Contact Officer

The Contact Officer for this report is Lucy Clark, Support Services Manager

Support Services Manager

Town Clerk

Bank Reconciliation Statement as at: 30/11/2013 for Cash Book 1 Current/Deposit Account

<u>Bank Statement Account Name (s)</u>	<u>Statement Date</u>	<u>Page No</u>	<u>Balances</u>
Coop Community Direct Plus	29/11/2013	265	477,343.40
			<u>477,343.40</u>
<u>Unpresented Cheques (Minus)</u>			<u>Amount</u>
21/08/2013 202065	Mayors Charities (BHCC)		10.00
24/09/2013 202140	Mayors Charities		40.00
24/09/2013 202140	Mayors Charities		40.00
07/10/2013 202123	Poulton Remedial Services Ltd		420.00
07/10/2013 202123	Poulton Remedial Services Ltd		420.00
31/10/2013 202156	Lakes & Greens Ltd		4,293.60
12/11/2013 202168	Chris Hatcher & Son		48.00
15/11/2013 202170	RBL POPPY APPEAL		52.50
29/11/2013 202173	Blind Veterans Uk Ltd		197.04
			<u>4,601.14</u>
			472,742.26
<u>Receipts not Banked/Cleared (Plus)</u>			
31/08/2013			-0.02
27/11/2013			110.00
28/11/2013			24.00
29/11/2013			196.00
29/11/2013			120.00
29/11/2013			90.00
30/11/2013			174.00
30/11/2013			524.00
			<u>1,237.98</u>
			473,980.24
		Balance per Cash Book is :-	473,980.24
		Difference is :-	0.00

Date: 12/12/2013

Seaford Town Council 2013/14

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Cash Book 1

User : LC1

Current/Deposit Account

For Month No : 8

Receipts for Month 8

Nominal Ledger Analysis

Receipt Ref	Name of Payer	£ Amnt Received	£ Debtors	£ VAT	A/c	Centre	£ Amount	Transaction Detail
Balance Brought Fwd :		637,518.34					637,518.34	
Banked on : 01/11/2013		30.00						
PDQ	PDQ	30.00		5.00	120		25.00	PDQ-1/11/2013
Banked on : 02/11/2013		75.00						
PDQ	PDQ	75.00		12.50	120		62.50	PDQ-02/11/2013
Banked on : 03/11/2013		258.00						
PDQ	PDQ	258.00		43.00	120		215.00	PDQ-03/11/2013
Banked on : 04/11/2013		275.00						
02798		45.00			1075	135	45.00	One stall at Late night shop.
02799	Seaford Community Church	30.00			1075	135	30.00	one stall L/night shopping
02797		40.00			1075	135	40.00	One stall L/Night Shopping
02796	Many Tears	60.00			1075	135	60.00	x2 stalls L/night Shopping
02801	Seaford Baptist Church	30.00			1075	135	30.00	One stall L/night shopping
02802		40.00			1075	135	40.00	One Stall L/night shopping
02800	Seaford Twinning Association	30.00			1075	135	30.00	One stall L/night shopping
Banked on : 04/11/2013		4,169.63						
	Sales Recpts Page 593	4,169.63	4,169.63		101			Sales Recpts Page 593
Banked on : 04/11/2013		595.30						
	Sales Recpts Page 594	595.30	595.30		101			Sales Recpts Page 594
Banked on : 05/11/2013		157.62						
BACS	COOP	157.62			1190	201	157.62	BANK INTEREST NOV 13
Banked on : 05/11/2013		108.00						
BACS		108.00		18.00	1000	101	90.00	Green Fee
Banked on : 06/11/2013		32.00						
PDQ	PDQ	32.00		5.33	120		26.67	PDQ-06/11/2013
Banked on : 06/11/2013		-86.50						
Hedges		-86.50			1000	101	-86.50	Returned DD for Golf
Banked on : 06/11/2013		-152.50						
BACS		-152.50			1000	101	-152.50	Returned DD for Golf
Banked on : 07/11/2013		154.00						
PDQ	PDQ	154.00		25.67	120		128.33	PDQ-07/11/2013
Banked on : 08/11/2013		10.00						
PDQ	PDQ	10.00		1.67	120		8.33	PDQ-08/11/2013
Banked on : 10/11/2013		225.00						
PDQ	PDQ	225.00		37.50	120		187.50	PDQ-10/11/2013
Banked on : 10/11/2013		733.00						
GOLF	GOLF BANKING	733.00		122.17	120		610.83	GOLF BANKING-01/11 - 10/11/13
Banked on : 11/11/2013		48.00						

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Cash Book 1

User : LC1

Current/Deposit Account

For Month No : 8

Receipts for Month 8

Nominal Ledger Analysis

Receipt Ref	Name of Payer	£ Amnt Received	£ Debtors	£ VAT	A/c Centre	£ Amount	Transaction Detail
PDQ	PDQ	48.00		8.00	120	40.00	PDQ - 11/11/2013
	Banked on : 13/11/2013	1,186.50					
	Sales Recpts Page 585	1,186.50	1,186.50		101		Sales Recpts Page 585
	Banked on : 13/11/2013	70.00					
02808	The Frontiers Charitable Trust	30.00			1075 135	30.00	One Stall L/night shopping
02810	LJE Limited	40.00			1075 135	40.00	One stall L/night shopping
	Banked on : 13/11/2013	40.00					
PDQ	PDQ	40.00		6.67	120	33.33	PDQ - 13/11/2013
	Banked on : 13/11/2013	750.00					
	Sales Recpts Page 597	750.00	750.00		101		Sales Recpts Page 597
	Banked on : 14/11/2013	90.00					
PDQ	PDQ	90.00		15.00	120	75.00	PDQ - 14/11/2013
	Banked on : 15/11/2013	16.00					
PDQ	PDQ	16.00		2.67	120	13.33	PDQ - 15/11/2013
	Banked on : 16/11/2013	78.00					
PDQ	PDQ	78.00		13.00	120	65.00	PDQ - 16/11/2013
	Banked on : 17/11/2013	188.00					
PDQ	PDQ	188.00		31.33	120	156.67	PDQ - 17/11/2013
	Banked on : 17/11/2013	1,148.00					
Banking	Golf Banking	1,148.00		191.33	120	956.67	Golf Banking - 17/11/2013
	Banked on : 18/11/2013	48.00					
PDQ	PDQ	48.00		8.00	120	40.00	PDQ - 18/11/2013
	Banked on : 19/11/2013	32.00					
PDQ	PDQ	32.00		5.33	120	26.67	PDQ - 19/11/2013
	Banked on : 21/11/2013	30.00					
PDQ	PDQ	30.00		5.00	120	25.00	PDQ - 21/11/2013
	Banked on : 22/11/2013	245.70					
	Sales Recpts Page 586	245.70	245.70		101		Sales Recpts Page 586
	Banked on : 22/11/2013	130.70					
02812	Diella Bar & Ristorante	25.00			1065 135	25.00	Donation Christmas lights
02811		2.40			1059 201	2.40	Photocopying leaflets
02813		33.30			516	33.30	Mileage-Returned Oct payment
02816	Seaford Bonfire Society	30.00			1075 135	30.00	One stall L/night shopping
02815	Moon of India	40.00			1075 135	40.00	one stall L/night shopping
	Banked on : 22/11/2013	30.00					
PDQ	PDQ	30.00		5.00	120	25.00	PDQ - 22/11/2013
	Banked on : 22/11/2013	30.00					

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Cash Book 1

User : LC1

Current/Deposit Account

For Month No : 8

Receipts for Month 8

Nominal Ledger Analysis

Receipt Ref	Name of Payer	£ Amnt Received	£ Debtors	£ VAT	A/c Centre	£ Amount	Transaction Detail
BACS	Wave Leisure Trust	30.00			1075 135	30.00	Stall at Late Night Shopping
	Banked on : 22/11/2013	45.00					
BACS	French Revolution	45.00			1075 135	45.00	Stall at Late Night Shopping
	Banked on : 23/11/2013	296.00					
PDQ	PDQ	296.00		49.33	120	246.67	PDQ - 23/11/2013
	Banked on : 24/11/2013	192.00					
PDQ	PDQ	192.00		32.00	120	160.00	PDQ - 24/11/2013
	Banked on : 24/11/2013	992.00					
Banking	Golf Banking	992.00		165.33	120	826.67	Golf Banking - 24/11/2013
	Banked on : 25/11/2013	45.00					
		45.00			1075 135	45.00	Stall at Late Night Shopping
	Banked on : 25/11/2013	50.00					
	Sales Recpts Page 595	50.00	50.00		101		Sales Recpts Page 595
	Banked on : 26/11/2013	45.00					
PDQ	PDQ	45.00		7.50	120	37.50	PDQ - 26/11/2013
	Banked on : 26/11/2013	100.00					
	Sales Recpts Page 596	100.00	100.00		101		Sales Recpts Page 596
	Banked on : 27/11/2013	110.00					
PDQ	PDQ	110.00		18.33	120	91.67	PDQ - 27/11/2013
	Banked on : 28/11/2013	24.00					
PDQ	PDQ	24.00		4.00	120	20.00	PDQ - 28/11/2013
	Banked on : 29/11/2013	196.00					
	Sales Recpts Page 591	196.00	196.00		101		Sales Recpts Page 591
	Banked on : 29/11/2013	120.00					
02817		30.00			1075 135	30.00	Late night shopping stall
02820		30.00			1075 135	30.00	Late night shopping stall
02818	Last Minute Artists - Bill Bov	60.00		10.00	1050 113	50.00	Deposit for Arts@thecrypt
	Banked on : 29/11/2013	90.00					
PDQ	PDQ	90.00		15.00	120	75.00	PDQ - 29/11/2013
	Banked on : 30/11/2013	174.00					
PDQ	PDQ	174.00		29.00	120	145.00	PDQ - 30/11/2013
	Banked on : 30/11/2013	524.00					
Banking	Golf Banking	524.00		87.33	120	436.67	Golf Banking - 30/11/2013
Total Receipts for Month		13,747.45	7,293.13	979.99		5,474.33	
Cash Book Totals		651,265.80	7,293.13	979.99		642,992.68	

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Cash Book 1

User : LC1

Current/Deposit Account

For Month No : 8

Payments for Month 8					Nominal Ledger			
Date	Payee Name	Cheque	£ Total Amnt	£ Creditors	£ V A T	A/c Centre	£ Amount	Transaction Detail
31/10/2013	Action in Rural Sussex	202141	48.00	48.00		501		4089 - conf - cllr ian white
31/10/2013	Avoncrop Amenity Products	202142	442.00	442.00		501		4091 - grass seed mix
31/10/2013	BRIGHTON CITY COLLEGE	202143	852.00	852.00		501		4078- AAT 2 training -L/Clark
31/10/2013	PJC Consultancy	202144	1,428.00	1,428.00		501		4073- tree survey
31/10/2013	Collier Turf Care Ltd	202145	502.80	502.80		501		4042 - Kieserite 15% Magnesum
31/10/2013	THE CUPBOARD DOOR	202146	180.00	180.00		501		4069-Fit cupboards in mtngs rm
31/10/2013	Ernest Doe & Sons Ltd	202147	613.44	613.44		501		4044 - Ear Muffs & compressor
31/10/2013	Godfreys (Sevenoaks) Ltd	202148	135.71	135.71		501		4065 - Pin,80Grit B/Lap etc
31/10/2013	M J Herriot	202149	208.00	208.00		501		4068 - Engraving Lambs Bridge
31/10/2013	Hire-a-Loo	202150	92.52	92.52		501		4046 - 01/09/2013 - 30/09/2013
31/10/2013	IGF Invoice Finance Ltd	202151	234.00	234.00		501		4086 - advert in golf news
31/10/2013	Johnston Publishing Ltd	202152	402.50	402.50		501		4048 - Advert - Finance Admin
31/10/2013	John Shaw (Machinery) Ltd	202153	377.38	377.38		501		4050 - Slicing Tines
31/10/2013	Mr P S Kennard	202154	288.00	288.00		501		4047 - Sep Cleaning
31/10/2013	Kier MG Limited	202155	360.00	360.00		501		4072- removal of bollards
31/10/2013	Lakes & Greens Ltd	202156	4,293.60	4,293.60		501		4080 - supply & fit pump head
31/10/2013	Lewes District Council	202157	16,604.49	16,604.49		501		4074-freezer collection
31/10/2013	National Association of Local	202158	228.00	228.00		501		4052 - 27/11 Conf - Ian White
31/10/2013	PKF Little John	202159	1,920.00	1,920.00		501		4076-Ext. audit a/rtn 31.3.13
31/10/2013	Plumpton College	202160	425.00	425.00		501		4054 - S Lambert Apprenticeshp
31/10/2013	Seaford Head Golf Club	202161	649.20	649.20		501		4055 - April & May 13 Cleaning
31/10/2013	Society of Local Council Clerk	202162	45.95	45.95		501		4075 - clerks min. taking
31/10/2013	John Spicer	202163	815.00	815.00		501		4070-Sept works
31/10/2013	Telecom Services	202164	267.60	267.60		501		4081 - install & program tel
31/10/2013	Philip Thatcher	202165	50.00	50.00		501		4060 - Oct Cleaning
31/10/2013	Total Treecare	202166	250.00	250.00		501		4092 - dismantle trees
31/10/2013	Wynne's/Seaford Fencing	202167	10.77	10.77		501		4063 - Rat Trap & Killer
01/11/2013	Lewes District Council	Std Ord	226.00			4051 113	226.00	Rates 2013-14 Church St
01/11/2013	Lewes District Council	Std Ord	60.00			4051 108	60.00	Rates High & Over 2013-14
01/11/2013	Lewes District Council	Std Ord	310.00			4051 113	310.00	Rates Gallery 2013-

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Cash Book 1

User : LC1

Current/Deposit Account

For Month No : 8

Payments for Month 8

Nominal Ledger

Date	Payee Name	Cheque	£ Total Amnt	£ Creditors	£ V A T	A/c Centre	£ Amount	Transaction Detail
								14
01/11/2013	Lewes District Council	Std Ord	18.00			4051 118	18.00	Rent - Beach Hut 27
01/11/2013	Lewes District Council	Std Ord	18.00			4051 118	18.00	Rate - Beach Hut 28
01/11/2013	Lewes District Council	Std Ord	18.00			4051 118	18.00	Rates - Beach Hut 29
01/11/2013	Lewes District Council	Std Ord	18.00			4051 118	18.00	Rates - Beach Hut 52
01/11/2013	Lewes District Council	Std Ord	18.00			4051 118	18.00	Rates - Beach Hut 53
01/11/2013	Lewes District Council	Std Ord	18.00			4051 118	18.00	Rates - Beach Hut 54
01/11/2013	Lewes District Council	Std Ord	18.00			4051 118	18.00	Rates - Beach Hut 55
01/11/2013	Lewes District Council	Std Ord	18.00			4051 118	18.00	Rates - Beach Hut 56
01/11/2013	Lewes District Council	Std Ord	18.00			4051 118	18.00	Rates - Beach Hut 57
01/11/2013	Lewes District Council	Std Ord	18.00			4051 118	18.00	Rates - Beach Hut 58
01/11/2013	Lewes District Council	Std Ord	18.00			4051 118	18.00	Rates - Beach Hut 59
01/11/2013	Lewes District Council	Std Ord	18.00			4051 118	18.00	Rates - Beach Hut 60
01/11/2013	Lewes District Council	Std Ord	58.00			4051 105	58.00	Rates - The Base
01/11/2013	Lewes District Council	Std Ord	185.00			4051 101	185.00	Rates - Golf Club
01/11/2013	Lewes District Council	Std Ord	55.00			4051 205	55.00	Rates - TIC
01/11/2013	Lewes District Council	Std Ord	954.00			4051 205	954.00	Rates - 37 Church Street
01/11/2013	South East Water	0841X	1,189.40	1,189.40		501		4056 - 22/08/13 - 24/09/13
06/11/2013	Talk Talk Business	4470/882	87.36	87.36		501		4059 - TIC Sep 2013
06/11/2013	Materials petty cash	202139	496.78			201	496.78	Materials Float
06/11/2013	UK Fuels	46242	65.61	65.61		501		4144 - Diesel
11/11/2013	Barclaycard	39578590	115.68	115.68		501		4079 - 01/10/13- 31/10/2013
12/11/2013	Chris Hatcher & Son	202168	48.00	48.00		501		4067 - Bowling Club - Tank wrk
14/11/2013	Co-Operative Bank	4656	4.73	4.73		501		4101-oct salaries
14/11/2013	02 (UK) Ltd	725/001	8.95	8.95		501		4087 - mobile 31/10- 30/11/13
14/11/2013	Co-Operative Bank	9213	20.16	20.16		501		4100 - golf oct dd's
15/11/2013	RBL POPPY APPEAL	202170	52.50			4181 210	52.50	Poppy wreaths for 2013
15/11/2013	WAVE LEISURE	202140	1,181.00			4185 210	1,181.00	FUN DAY INCOME & BUDGET
15/11/2013		202169	25,000.00			107	25,000.00	
18/11/2013	British Gas Business	64289	89.61	89.61		501		4099-Gas
18/11/2013	Information Commisioners Offic	Z2414018	35.00	35.00		501		4121-Data Protect.18/11/13-14
20/11/2013	Talk Talk Business	3098/882	198.37	198.37		501		4113-1/11 - 30/11/2013
20/11/2013	Southern Water	4600017	973.54	973.54		501		4057 - 23/08/13 - 24/09/13

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Date: 12/12/2013

Seaford Town Council 2013/14

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Cash Book 1

User : LC1

Current/Deposit Account

For Month No : 8

Payments for Month 8

Nominal Ledger

Date	Payee Name	Cheque	£ Total Amnt	£ Creditors	£ V A T	A/c Centre	£ Amount	Transaction Detail
21/11/2013	J Cheesmur & Sons (Lewes) Ltd	202171	95,913.22	95,913.22		501		4108-Pay Cert Nr2 (Main wrks)
25/11/2013	Total Gas & Power	1026869	315.87	315.87		501		4119-31/7/13- 18/10/2013
25/11/2013	Fraser Morley	BACS	3,367.00	3,367.00		501		4143 - Nov 13 Salary
25/11/2013	CO-OP Bank	BACS	13,978.82			516	13,978.82	November Salaries
26/11/2013	Ben King	202172	158.95		26.49	4275 225	132.46	CRYPT - dehumidifier
29/11/2013	Blind Veterans Uk Ltd	202173	197.04			4195 135	197.04	Donations from AFD
03/12/2013	HMRC	202176	4,630.90			515	4,630.90	PAYE - Nov 13
03/12/2013	East Sussex Pension Fund	202175	3,589.48			517	3,589.48	Pension - Nov 13
Total Payments for Month			185,505.93	134,156.46	26.49		51,322.98	
Balance Carried Fwd			465,759.86					
Cash Book Totals			651,265.80	134,156.46	26.49		517,082.84	



Seaford Town Council

Report 122/13

Agenda Item No:	5 (b)
Committee:	Finance & General Purposes
Date:	19 December 2013
Title:	Finance Report
By:	Lucy Clark, Support Services Manager
Purpose of Report:	Inform Members of Income and Expenditure for the period 1 April 2013 to 30 November 2013 compared to budget.

Recommendations

You are recommended:

- 1. To approve the report.**
-

1. Information

- 1.1** Attached at Appendix A are the statements detailing income and expenditure for the period 1 April 2013 to 30 November 2013 compared to the annual budget.
- 1.2** **Variations** – most variations have been reported in previous meetings, but the following may require explanation:-
 - (a)** 4185 Fun Day & Tourney – this is showing an overspend which is offset by the income code (1056).
 - (b)** 4195 Community Services Events Expenditure – this relates to AFD as previously reported along with the Christmas Late Night Shopping event which is offset against their income codes (1070 and 1075).

2. Financial Appraisal

The financial implications of this report are detailed in Section 1 of the report.

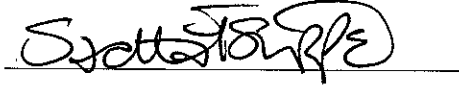
3. Contact Officer

The Contact Officer for this report is Lucy Clark, Support Services Manager.

Support Services Manager

A handwritten signature in cursive script, appearing to read "Lucy Clark", written over a horizontal line.

Town Clerk

A handwritten signature in cursive script, appearing to read "Scott Storppe", written over a horizontal line.

Detailed Income & Expenditure by Account 30/11/2013

Account Code Report

	Actual Last Year	Actual Year to Date	Current Annual Bud	Budget Variance	Committed Expenditure	Funds Available	% of Budget
<u>Expenditure Detail</u>							
4000 Salaries & Wages	233,960	141,270	246,772	105,502		105,502	57.2 %
4001 Employers NI	17,669	10,624	22,669	12,045		12,045	46.9 %
4002 Employers Superannuation	33,047	20,843	36,588	15,745		15,745	57.0 %
4009 Recruitment Costs	1,557	714	2,000	1,286		1,286	35.7 %
4010 Staff Training	1,617	3,207	3,600	393		393	89.1 %
4011 Staff Protective Clothing	678	518	720	202		202	71.9 %
4012 Staff Expenses	250	-78	400	478		478	-19.4 %
4013 Members Expenses	5	0	300	300		300	0.0 %
4014 Member Training	441	444	1,500	1,056		1,056	29.6 %
4041 Golf Professional Retainer	35,000	26,934	35,700	8,766		8,766	75.4 %
4045 Golf Course Player Costs	813	1,553	2,350	798		798	66.1 %
4050 Rent payable	15,000	15,000	17,500	2,500		2,500	85.7 %
4051 Rates	19,769	16,472	19,187	2,715		2,715	85.8 %
4052 Water & Sewerage	28,202	9,749	19,398	9,649		9,649	50.3 %
4055 Electricity	10,725	3,267	12,795	9,528		9,528	25.5 %
4056 Gas	4,303	1,850	5,785	3,935		3,935	32.0 %
4059 Church Street Service Charges	0	0	8,250	8,250		8,250	0.0 %
4060 Refuse	397	260	310	50		50	83.8 %
4100 Telecommunications	4,109	2,771	4,578	1,807		1,807	60.5 %
4105 Postage	1,775	1,182	2,620	1,438		1,438	45.1 %
4106 Stationery	2,427	2,239	3,050	811		811	73.4 %
4107 Photocopier	2,188	1,552	2,600	1,048		1,048	59.7 %
4110 Advertising & Publicity	3,021	845	3,893	3,048		3,048	21.7 %
4111 Office Equipment New	547	1,595	1,500	-95		-95	106.3 %
4112 Subscriptions	4,308	3,429	4,353	924		924	78.8 %
4113 Software Support	3,511	-1,441	3,815	5,256		5,256	-37.8 %
4114 Licence Fee	110	110	110	0		0	100.0 %
4115 Insurance	25,260	25,294	25,144	-150		-150	100.6 %
4116 Web Site	980	180	240	60		60	75.0 %
4155 Professional Fees	5,196	4,233	9,000	4,767		4,767	47.0 %
4156 Bank Charges	2,071	1,488	2,257	769		769	65.9 %
4157 Audit Fees	2,229	-100	3,600	3,700		3,700	-2.8 %
4181 Civic - Mayors Allowance	1,500	519	1,500	981		981	34.6 %
4182 Catering & Hospitality	777	0	1,150	1,150		1,150	0.0 %
4183 Civic - Awards	2,750	-808	2,000	2,808		2,808	-40.4 %
4184 Civic - other	155	250	250	0		0	100.0 %
4185 Fun Day & Tourney	690	1,190	450	-740		-740	264.4 %
4187 Young Mayors Awards	1,987	-515	0	515		515	0.0 %
4188 Town Crier Expenses	30	35	125	90		90	28.0 %
4189 Young Mayor	500	0	500	500		500	90.7 %

Time :- 12:51

Detailed Income & Expenditure by Account 30/11/2013

Month No : 8

Account Code Report

	Actual Last Year	Actual Year to Date	Current Annual Bud	Budget Variance	Committed Expenditure	Funds Available	% of Budget
4190 Election Costs	4,778	0	6,000	6,000		6,000	0.0 %
4195 Community Services Events Exp	232	836	200	-636		-636	417.9 %
4199 Other Expenditure	5,998	833	2,117	1,284		1,284	39.4 %
4201 Cleaning	6,002	2,035	5,750	3,715		3,715	35.4 %
4250 Public Seating	1,439	263	0	-263		-263	0.0 %
4251 Dog Bin Emptying	10,245	2,538	7,708	5,170		5,170	32.9 %
4252 Litter & Dog Bin Pch & Maint	1,084	383	1,150	767		767	33.3 %
4253 Shelters	1,909	1,072	1,848	776		776	58.0 %
4260 Grounds Maintenance Contract	162,020	82,897	161,591	78,694		78,694	51.3 %
4261 Grounds Maint non contract	39,172	22,452	45,005	22,553		22,553	49.9 %
4262 Tree Warden Expenses	1,656	694	2,310	1,616		1,616	30.0 %
4263 Bus Shelter Maintenance/Clean	258	126	750	624		624	16.8 %
4270 Vehicles & Equipment Maint	13,094	9,819	15,506	5,687		5,687	63.3 %
4271 Vehicle & Equipment Lease	20,996	20,996	20,996	0		0	100.0 %
4272 Equipment Purchase	4,876	6,290	15,000	8,710		8,710	41.9 %
4273 Christmas Lights	9,437	2,901	12,600	9,699		9,699	23.0 %
4274 Projects Expenditure	30,926	21,842	38,500	16,658		16,658	56.7 %
4275 Building Maintenance	5,337	4,248	10,660	6,412		6,412	39.8 %
4276 CCTV	8,947	7,916	12,267	4,351		4,351	64.5 %
4277 New Golf Club House	58,875	228,978	0	-228,978		-228,978	0.0 %
4280 Jubilee Event Expenditure	10,860	0	0	0		0	0.0 %
4281 Christmas Event Expenses	690	0	0	0		0	0.0 %
4290 Physical Activity Proj Expenses	0	2,444	9,569	7,125		7,125	25.5 %
4301 Public Works Loan Payment	33,091	25,590	83,623	58,033		58,033	30.6 %
4400 S137	455	0	0	0		0	0.0 %
4401 Grants	23,045	22,380	29,750	7,370		7,370	75.2 %
4402 Seaford in Bloom	7,867	2,901	0	-2,901		-2,901	0.0 %
4405 Grants in Kind	2,096	1,706	2,000	294		294	85.3 %
4410 Swimming Pool	390	0	10,000	10,000		10,000	0.0 %
4500 Nature Reserve Expenses	3,977	3,224	0	-3,224		-3,224	0.0 %
Total OverHead	939,304	772,040	1,003,459	231,419	0	231,419	76.9 %

Income Detail

1000 Golf Course Season Ticket	151,788	145,484	162,876	-17,392			89.3 %
1001 Golf Course Green Fees M-F	46,130	42,930	62,515	-19,585			68.7 %
1002 Golf Course Green Fees w/eb/h	46,879	31,899	60,515	-28,616			52.7 %
1003 Golf Course Specials	39,110	29,747	37,300	-7,553			79.8 %
1004 Golf Course Locker	2,059	0	0	0			0.0 %
1005 Golf Course Credit Card Charge	241	100	160	-60			62.6 %
1007 Golf Course Air Traffic	5,000	5,000	5,130	-130			97.5 %
1049 Income Postage Recharge	0	28	0	28			0.0 %

Time :- 12:51

Detailed Income & Expenditure by Account 30/11/2013

Month No : 8

Account Code Report

	Actual Last Year	Actual Year to Date	Current Annual Bud	Budget Variance	Committed Expenditure	Funds Available	% of Budget
1050 Income Rent	32,679	22,270	39,028	-16,758			57.1 %
1051 Income Insurance Recharge	2,949	2,804	2,833	-29			99.0 %
1053 Income Grants	11,165	2,460	7,638	-5,178			32.2 %
1054 Income Other	17,265	4,631	9,092	-4,461			50.9 %
1055 Income Seating	1,693	368	0	368			0.0 %
1056 Income Fun Day & Tourney	590	740	0	740			0.0 %
1057 Income Electricity Recharge	3,413	690	3,045	-2,355			22.7 %
1058 Income Water Recharge	2,025	0	2,161	-2,161			0.0 %
1059 Income Photocopying	153	4	100	-96			3.9 %
1060 Beach Huts Site Licence	14,000	14,400	14,400	0			100.0 %
1061 Beach Hut Annual Rent	10,320	10,239	10,860	-621			94.3 %
1062 Income Telephone Recharge	848	0	900	-900			0.0 %
1063 Income Gas Recharged	1,373	0	0	0			0.0 %
1064 Income Young Mayor/Personality	1,937	0	0	0			0.0 %
1065 Income Xmas Lights	909	-25	900	-925			-2.8 %
1066 Income Concession	56,725	56,985	56,985	0			100.0 %
1068 Income Stationery Re-Charge	22	2	0	2			0.0 %
1070 Income Community Serv Events	16	596	0	596			0.0 %
1071 Income Base Rent	0	197	0	197			0.0 %
1075 Income Christmas Event	1,567	1,110	0	1,110			0.0 %
1080 Income Jubilee Event	1,092	0	0	0			0.0 %
1090 Income Physical Activity Proj	1,569	0	0	0			0.0 %
1100 Income Advertising	0	431	1,550	-1,119			27.8 %
1176 Precept	509,629	523,720	523,720	0			100.0 %
1190 Interest Received	4,988	1,047	2,500	-1,453			41.9 %
1200 Income Nature Reserve	3,900	2,917	0	2,917			0.0 %
1301 CS Events Bin Hire	0	7	0	7			0.0 %
Total Income	972,035	900,782	1,004,208	-103,426			89.7 %
Total Expenditure	939,304	772,040	1,003,459	231,419	0	231,419	76.9 %
Total Income	972,035	900,782	1,004,208	-103,426			89.7 %
Net Expenditure over Income	-32,731	-128,742	-749	127,993			

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Seaford Town Council

Report 124/13

Agenda Item No: 6
Committee: Finance & General Purposes
Date: 19 December 2013
Title: Fees for use of Council Facilities
By: Lucy Clark - Support Services Manager
Purpose of Report: To propose new fee structure for the use of Council facilities during 2014-15

Recommendations

You are recommended:

1. To approve the fees proposed for the use of Council facilities during 2014-15 as shown in appendix A
-

1. Information

- 1.1 Attached as Appendix A is a proposed fee schedule for the use of Council facilities during 2014-15. VAT is included at 20%. Appendix B shows the current fee structure.

2. Financial Appraisal

These changes will not have any significant financial impact on the Council.

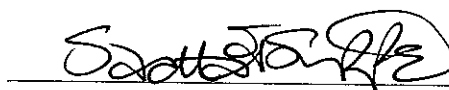
3. Contact Officer

The Contact Officer for this report is Lucy Clark, Support Services Manager

Support Services Manager



Town Clerk



Venue/facilities Hire Charges
Effective from 1 April 2014 until 31 March 2015
All figures are inclusive of VAT @ 20%

Venue/Facility	Concessions Voluntary Groups with Official Council Representation	Non Commercial Local Seaford Based Voluntary Groups	Commercial Outside Bodies or Voluntary Groups That Are Not Based in Seaford.
<u>Rooms</u>			
Council Chamber	£0	(9.00 - 16.00) £7.95 per hour	(9.00 - 16.00) 15.90 per hour
Day Rate - Council Chamber Offices, 37 Church Street	£0	£47.40	£94.80
Day Rate - Offices, 37 Church Street	£0	£5.85 per hour	£11.65 per hour
	£0	£27.50	£64.10
<u>Office Services</u>			
Photocopying	8p per sheet	8p per sheet	8p per sheet

Venue/facilities Hire Charges
Effective from 1 April 2013 until 31 March 2014
All figures are inclusive of VAT @ 20%

Venue/Facility	Concessions Voluntary Groups with Official Council Representation	Non Commercial Local Seaford Based Voluntary Groups	Commercial Outside Bodies or Voluntary Groups That Are Not Based in Seaford.
<u>Rooms</u>		(9.00 - 16.00)	(9.00 - 16.00)
Council Chamber	£0	£7.70 per hour	£15.40 per hour
Day Rate - Council Chamber Offices, 37 Church Street	£0	£46.00	£92.00
Day Rate - Offices, 37 Church Street	£0	£5.65 per hour	£11.30 per hour
	£0	£26.70	£53.40
<u>Office Services</u>			
Photocopying	8p per sheet	8p per sheet	8p per sheet
Sending Fax	13p per sheet	13p per sheet	13p per sheet

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Seaford Town Council

Report 125/13

Agenda Item No: 7
Committee: Finance & General Purposes
Date: 19 December, 2013
Title: Staff Salary Scales for 2014-15
By: Lucy Clark, Support Services Manager
Purpose of Report: To advise the Committee of existing Staff Salary Scales for 2014-15

Recommendations

You are recommended:

1. To approve the proposed salary scales for 2014-15 subject to staff members attaining a satisfactory annual appraisal.
-

1. Information

- 1.1 The table below indicates each individual's salary grade, current scale point and the proposed scale point for 2014-15 subject to receiving a satisfactory annual appraisal, as increments are otherwise contractual.
- 1.2 Those staff who commenced their employment after 1 November 2013 will receive their first increment after their six month probationary period.

Name	Grade	Existing Scale Point	Proposed Scale Point
S Shippen	SCP 56-60	59+1	60+1
Ben King	SCP 32-35	35	35
L Clark	SCP 32-35	23	24
G Hamilton	SCP 16-21	16	17
E Harvey	SCP 16-21	16	17
G Raeburn	SCP 16-21	16	17
Admin Apprentice	Apprentice Rate		

N Stephens	SCP 22-25	29	30
S Lambert	SCP 22-25	25	25
C Walsh	SCP 14-19	19	19
R Sewell	Apprentice Rate		

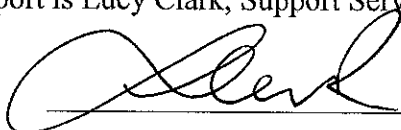
2. Financial Appraisal

The changes noted above will increase the salary cost by approximately £4,170.00.

3. Contact Officer

The Contact Officer for this report is Lucy Clark, Support Services Manager.

Support Services Manager



Town Clerk





Seaford Town Council

Report 126/13

Agenda Item No:	8(a)
Committee:	Finance & General Purposes
Date:	19 December 2013
Title:	Finance & General Purposes Budget 2014-15
By:	Sam Shippen, Town Clerk
Purpose of Report:	To present the draft projected outturn for the current financial year and the F&GP Committee Budget for the year 2014-15.

Recommendations

You are recommended:

- 1. To approve or amend the projected outturn for 2013/14 and the draft budget for 2014/15 for this Committee.**
 - 2. To delegate to the Chairman and Vice Chairman of this Committee the authority to agree a final Committee budget for 2014-15 with the Town Clerk and Support Services Manager, taking into account the comments of this Committee.**
-

1. Information

- 1.1** The projected outturn for the current financial year and the draft Finance & General Purposes Committee budget for 2014-15 is attached as Appendix A.
- 1.2** The following comments should be considered when reviewing this report. There are also some notes included in the budget sheets specific to the particular line item.
 - Salaries and Wages, NI and Superannuation* – reflects the revised structure and current grades of post holders also showing considerable savings due to some unfilled positions in the year to date.
 - Staff Training* – the budget has been increased in line with resolution of Personnel Sub Committee following staffing review.
 - Office Equipment* – Includes £1,000 to be taken from earmarked reserve as indicated at end of the budget spreadsheet.
 - Website* – increase in outturn and forward budget to allow for some re-profiling of new website and introduction of Town App.
 - Hurdis House* – income adjusted to reflect current position.

1.3 Items suggested by Members for inclusion in the budget will be presented to the Council meeting being held on 16 January 2014 to approve the Budget. Currently the following suggestions have been received:

- (a) The provision of condition survey for assets, approximate costs received in February 2011 were between £7,600 and £10,500.
- (b) The provision for bad debt write off.
- (c) The provision for long term investment/reserves.


2. Financial Appraisal

The detailed financial implications are detailed in Appendix A of this report.

3. Contact Officer

The Contact Officer for this report is Sam Shippen, Town Clerk.

Town Clerk



Account Number		2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Final Budget	2013-14 Actual to 30/09/13	2013-14 Projected Outturn	2013-14 Variance	2014-15 Proposed Budget
Administration									
Cost Centre 201									
4000	Salaries & Wages	153,226	156,006	157,991	166,644	71,322	147,063	19,581	162,149
4001	Employers NI	13,760	13,676	13,218	16,851	5,970	12,328	4,523	15,060
4002	Employers Superannuation	16,539	17,152	20,449	23,365	9,308	18,110	5,255	23,559
4009	Recruitment Costs	1,481	0	1,557	2,000	379	1,000	1,000	2,000
4010	Staff Training	1,618	991	1,617	2,000	1,839	5,000	-3,000	5,000
4012	Staff Expenses	57	206	250	400	0	400	0	500
4013	Members Expenses	9	0	0	0	0	0	0	0
4100	Telecommunications	7,794	3,978	3,502	4,250	1,686	3,995	255	4,250
4105	Postage	2,332	1,396	1,581	2,250	1,182	2,364	-114	2,375
4106	Stationery	2,591	2,437	2,263	2,750	1,434	1,868	882	2,500
4107	Photocopier	1,523	2,160	2,188	2,600	880	1,960	640	2,300
4110	Advertising & Publicity	132	333	213	200	20	200	0	200
4111	Office Equipment	9,184	159	547	1,500	1,445	2,695	-1,195	1,500
4112	Subscriptions	3,960	3,942	4,308	4,353	3,429	4,214	139	4,442
4113	Computer Support	0	2,895	3,246	3,520	-1,441	3,520	0	3,520
4114	Licence Fee	64	0	35	35	0	35	0	35
4115	Insurance	6,913	3,125	3,336	3,425	3,346	3,346	79	3,413
4116	Web Site	0	799	980	240	180	800	-560	1,800
4155	Professional Fees	5,298	3,580	2,267	9,000	1,767	9,000	0	12,000
4156	Bank Charges	124	110	83	100	113	100	0	100
4157	Audit Fees	6,057	8,750	2,229	3,600	-1,700	3,900	-300	3,900
4182	Catering & Hospitality	18	24	27	400	0	100	300	100
4190	Election Costs	5,506	20,307	4,778	6,000	0	6,000	0	9,000
4199	Other Expenditure	112	120	1,054	250	10	250	0	250
4201	Cleaning	0	7	0	0	0	0	0	0
4270	Vehicle & Equipment Maintenance	30	0	0	0	0	0	0	0
Administration Expenditure		238,328	242,153	227,719	255,733	101,169	228,248	27,485	259,953
1049	Income Postage recharge	194	35	0	0	0	30	-30	0
1054	Income Other	1,063	35	298	300	161	200	100	200
1059	Photocopying Income	426	234	153	100	1	25	75	25
1062	Income Telephone Recharge	1,256	779	848	900	0	852	48	858
1068	Income Stationery recharge	27	153	22	0	0	0	0	0
1190	Interest Received	1,306	2,008	4,988	2,500	744	2,500	0	2,500
Administration Income		4,272	3,244	6,309	3,800	906	3,607	193	3,583
Net Expenditure over Income		234,056	238,909	221,410	251,933	100,263	224,641	27,292	256,370
Premises - Church Street									
Cost Centre 205									
4050	Rent Payable	15,000	15,000	15,000	17,500	15,000	15,000	2,500	17,500
4051	Rates	8,880	9,288	9,815	10,070	6,056	10,092	-22	10,355
4059	Service Charge	6,350	6,756	0	8,250	0	8,250	0	8,500
4060	Refuse	160	191	96	0	0	0	0	0
4115	Insurance	126	0	0	0	0	0	0	0
4270	Vehicle & Equipment Maintenance	448	470	525	525	110	525	0	525
4275	Building Maintenance	0	30	0	2,500	0	2,500	0	500
4301	Public Works Loan Board	18,089	18,089	18,089	18,089	16,546	18,089	0	18,089
Premises - Church Street Expenditure		49,053	49,824	43,525	56,934	37,712	54,456	2,478	55,469
1050	Income Rent	1,436	1,321	664	1,500	174	600	900	600
1054	Income Other	1,513	5,600	5,600	6,525	4,200	5,600	925	6,525
Premises - Church Street Income		2,949	6,921	6,264	8,025	4,374	6,200	1,825	7,125
Net Expenditure over Income		46,104	42,903	37,261	48,909	33,338	48,256	653	48,344

Account Number		2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Final Budget	2013-14 Actual to 30/09/13	2013-14 Projected Outturn	2013-14 Variance	2014-15 Proposed Budget
<u>Premises - Hurdis House</u>									
Cost Centre 206									
4055	Electricity	0	66	0	45	0	0	45	0
4056	Gas	0	0	71	0	0	0	0	0
4115	Insurance	546	700	722	741	741	741	0	756
4270	Vehicle & Equip Maintenance	0	85	0	0	0	0	0	0
4275	Building Maintenance	2,917	15,195	950	0	0	0	0	0
4301	Public Works Loan Board	15,002	15,002	15,002	15,002	0	15,002	0	15,002
Premises - Hurdis House Expenditure		18,465	31,048	16,745	15,788	741	15,743	45	15,758
1050	Income Rent	15,000	14,844	8,000	20,000	4,000	8,000	12,000	8,000
1051	Income Insurance Recharge	601	721	517	741	0	706	35	741
1054	Income Other		60	0	0	0	0	0	0
Premises - Hurdis House Income		15,601	15,625	8,517	20,741	4,000	8,706	12,035	8,741
<u>Net Expenditure over Income</u>		2,864	15,423	8,228	-4,953	-3,259	7,037	-11,990	7,017
<u>Civic Expenses</u>									
Cost Centre 210									
4013	Members Expenses	0	59	5	300	0	150	150	150
4014	Members Training	0	609	441	1,500	154	1,000	500	1,500
4106	Stationery	0	379	53	150	0	100	50	100
4181	Civic - Mayor's Expenses	1,015	1,000	1,500	1,500	414	1,500	0	1,500
4182	Catering & Hospitality	59	215	750	750	0	200	550	750
4183	Civic - Awards	1,328	964	2,750	2,000	-808	2,000	0	2,000
4184	Civic - Other	120	268	155	250	250	300	-50	450
4185	Fun Day	630	1,270	690	450	0	1,190	-740	450
4188	Town Crier Expenses	100	69	30	125	35	125	0	125
4189	Young Mayor	0	0	500	500	0	500	0	500
4199	Other Expenditure	118	0	0	200	28	0	200	0
4274	Projects Expenditure	50	0	0	0	0	0	0	0
4280	Diamond Jubilee	0	0	10,860	0	0	0	0	0
Civic Expenses Expenditure		3,420	4,833	17,734	7,725	73	7,065	660	7,525
1054	Income Other	28	0	0	0	0	0	0	0
1056	Fun Day & Tourney	180	925	590	0	445	740	-740	0
1080	Jubilee Event Income	0	0	1,092	0	0	0	0	0
Civic Expenses Income		208	925	1,682	0	445	740	-740	0
<u>Net Expenditure over Income</u>		3,212	3,908	16,052	7,725	-372	6,325	1,400	7,525
<u>Grants Pool</u>									
Cost Centre 215									
4400	S137 Grants	450	850	455	0	0	0	0	0
4401	Grants Pool	10,740	19,587	23,045	29,750	17,344	29,750	0	29,750
		11,190	20,437	23,500	29,750	17,344	29,750	0	29,750
4405	Grants in Kind	1,209	2,492	2,096	2,000	0	2,000	0	2,200
Grants Expenditure		12,399	22,929	25,596	31,750	17,344	31,750	0	31,950
Grants Income		0	0	0	0	0	0	0	0
Net Expenditure over Income		12,399	22,929	25,596	31,750	17,344	31,750	0	31,950

Account Number	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Final Budget	2013-14 Actual to 30/09/13	2013-14 Projected Outturn	2013-14 Variance	2014-15 Proposed Budget
Seaford In Bloom Cost Centre 121								
4402	7,185	2,755	7,867	0	2,460	9,245	-9,245	0
Seaford In Bloom Expenditure								
	<u>7,185</u>	<u>2,755</u>	<u>7,867</u>	<u>0</u>	<u>2,460</u>	<u>9,245</u>	<u>-9,245</u>	<u>0</u>
1053	4,490	2,735	4,375	0	2,460	4,786	-4,786	0
1054	2,695	0	3,492	0	0	4,459	-4,459	0
Seaford In Bloom Income								
	<u>7,185</u>	<u>2,735</u>	<u>7,867</u>	<u>0</u>	<u>2,460</u>	<u>9,245</u>	<u>-9,245</u>	<u>0</u>
Net Expenditure over Income								
	<u>0</u>	<u>20</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-0</u>	<u>0</u>

SUMMARY

Administration	234,056	238,909	221,410	251,933	100,263	224,641	27,292	256,370
Premises Church Street	46,104	42,903	37,261	48,909	33,338	48,256	653	48,344
Premises Hurdis House	2,864	15,423	8,228	-4,953	-3,259	7,037	-11,990	7,017
Civic Expenses	3,212	3,908	16,052	7,725	-372	6,325	1,400	7,525
Grants	12,399	22,929	25,596	31,750	17,344	31,750	0	31,950
Seaford In Bloom	0	20	0	0	0	0	-0	0
Total Net Expenditure	<u>298,635</u>	<u>324,092</u>	<u>308,547</u>	<u>335,364</u>	<u>147,314</u>	<u>318,009</u>	<u>17,355</u>	<u>351,206</u>
Transfer to/(from) Earmarked Reserve						-1,000	-1,000	
Net Committee Requirement	<u>298,635</u>	<u>324,092</u>	<u>308,547</u>	<u>335,364</u>	<u>147,314</u>	<u>317,009</u>	<u>16,355</u>	<u>351,206</u>
Total Committee Expenditure	328,850	353,542	339,186	367,930	159,499	346,507	21,423	370,655
Total Committee Income	<u>30,215</u>	<u>29,450</u>	<u>30,639</u>	<u>32,566</u>	<u>12,185</u>	<u>28,498</u>	<u>4,068</u>	<u>19,449</u>
Transfer to/(from) Earmarked Reserve						-1,000	-1,000	
Net Committee Requirement	<u>298,635</u>	<u>324,092</u>	<u>308,547</u>	<u>335,364</u>	<u>147,314</u>	<u>317,009</u>	<u>16,355</u>	<u>351,206</u>

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Seaford Town Council

Report 127/13

Agenda Item No:	8(b)
Committee:	Finance & General Purposes
Date:	19 December 2013
Title:	Community Services Committee Budget 2014-15
By:	Sam Shippen, Town Clerk
Purpose of Report:	To advise of the Community Services Committee budget request.

Recommendations

You are recommended:

1. To agree that the Planning & Highways cost centre be transferred to the Community Services Committee budget.
 2. To approve the draft outturn Community Services Committee budget for 2013-14 of £190,664, subject to any changes agreed prior to that meeting in accordance with the Community Services Committee delegation.
 3. To approve the draft budget request of the Community Services Committee for 2014-15 of £218,747 be forwarded to Council on 16 January 2014, subject to any changes agreed prior to that meeting in accordance with the Community Services Committee delegation.
-

1. Information

- 1.1 At the Planning & Highways meeting held 12 December 2013, it was agreed to request that this Committee agree that budget items for Planning & Highways Committee be merged into the Community Services Budget commencing 1 April 2014.
- 1.2 At a meeting of the Community Services Committee held on 28 November 2013, the projected outturn for 2013/14 and the draft budget for 2014/15 was approved with a delegation of authority to the Chairman and Vice Chairman of the Committee to agree a final Committee budget for 2014-15 with the Town Clerk and Support Services Manager, taking into account the comments of the Committee. That budget has been amended to reflect the request of the Planning & Highways Committee and is attached at Appendix A.

2. Financial Appraisal

The detailed financial implications are set out in Appendix A of this report.

3. Contact Officer

The Contact Officer for this report is Sam Shippen, Town Clerk.

Town Clerk



APPENDIX A
REVISED.

Seaford Town Council

Budget 2014-15

Community Services Committee

Account Number	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Final Budget	2013-14 Actual to 30/09/13	2013-14 Projected Outturn	2013-14 Variance	2014-15 Proposed Budget
SUMMARY								
Net Expenditure								
Salts Recreation Ground	108,492		99,002	86,197	19,410	84,944	1,253	88,482
The Crouch Recreation Ground	55,695	54,367	56,120	50,159	21,449	53,935	-3,776	56,267
Martello Fields	4,393	2,589	5,533	5,594	56	5,163	431	5,734
Other Open Spaces	27,021	19,621	22,366	27,089	7,670	26,545	544	27,575
Crypt	-68,393	43,242	7,762	6,676	-905	3,524	3,152	5,702
South Street	0	0	1,110	0	0	0	0	0
Martello Tower	2,044	1,961	2,020	2,073	2,081	2,081	-8	2,123
Seaford Head Estate	-11,048	-12,591	-10,482	-12,904	-5,533	-2,150	-10,754	-1,368
Seafront	-24,638	-19,036	-20,841	-32,837	-34,919	-32,525	-312	-34,549
Beach Huts	-20,108	-19,856	-21,350	-22,131	-22,344	-21,480	-651	-22,831
Old Town Hall	-928	-1,180	-1,275	-1,310	-777	-1,275	-35	-1,275
Allotments	-778	533	3,037	652	860	556	96	-861
Other Recreation	10,000	10,000	390	10,000	0	4,000	6,000	10,000
CCTV	11,191	11,412	11,293	13,473	9,188	12,521	952	12,848
Community Service Other	12,749	9,275	7,557	22,342	4,191	22,347	-5	22,750
Community Services Major Project Pool	0	0	0	35,000	7,719	35,000	0	35,000
Community Services Building Maint Pool	0	0	0	6,000	492	6,000	0	6,000
Planning & Highways	5,063	3,048	291	4,650	90	1,150	3,500	1,150
Total Net Expenditure	110,755	103,385	162,533	200,723	8,728	200,336	387	212,747
Total Committee Expenditure	327,840	318,425	290,223	317,049	110,074	325,064	-8,015	333,712
Total Committee Income	217,085	127,312	127,690	116,326	101,346	124,728	-8,402	120,965
Total Net Expenditure	110,755	191,113	162,533	200,723	8,728	200,336	387	212,747
From Earmarked Reserve						-9,672	<u>9,672</u>	
Net Committee Outturn						<u>190,664</u>	<u>10,059</u>	

Seaford Town Council

Budget 2014-15

Community Services Committee

Account Number	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Final Budget	2013-14 Actual to 30/09/13	2013-14 Projected Outturn	2013-14 Variance	2014-15 Proposed Budget
Salts Recreation Ground								
Cost Centre 105								
4051 Rates	518	541	563	578	346	578	0	593
4052 Water & Sewerage	6,786	2,982	2,941	3,236	271	2,908	328	2,937
4055 Electricity	222	485	271	275	175	350	-75	350
4115 Insurance	1,224	2,322	2,724	2,795	2,823	2,823	-28	2,879
4199 Other Expenditure	2,020	0	0	0	0	0	0	0
4201 Cleaning	1,697	1,750	1,412	1,850	0	1,433	417	1,476
4250 Public Seating	1,864	687	640	0	0	0	0	0
4251 Dog Bin Emptying	1,780	657	1,643	1,830	381	1,526	304	1,572
4252 Litter & Dog Bin Pch & Maintenance	670	1,083	91	250	85	85	165	0
4260 Grounds Maintenance Contract	82,459	85,600	87,509	89,549	29,849	89,549	0	94,026
4261 Grounds Maintenance Non Contract	18,490	2,808	4,420	5,000	1,196	5,000	0	5,000
4272 Equipment Purchase	0	0	2,376	0	0	0	0	0
4274 Projects Expenditure	23,014	12,868	12,793	0	0	0	0	0
4275 Building Maintenance	443	1,611	1,037	0	0	0	0	0
Salts Recreation Ground Expenditure	141,187	113,394	118,420	105,363	35,126	104,252	1,111	108,833
1050 Income Rent	920	937	1,703	1,043	719	1,043	0	1,043
1051 Income Insurance Recharge	218	1,193	1,178	1,208	0	1,213	-5	1,237
1052 Income Projects	0	8,364	0	0	0	0	0	0
1053 Income Grants	12,500	0	0	0	0	0	0	0
1054 Income Other	2,010	678	0	0	0	0	0	0
1055 Income Seating	1,837	659	763	0	0	0	0	0
1057 Income Electricity recharge	2,281	127	0	0	0	0	0	0
1058 Income Water Recharge	929	1,850	1,974	2,115	0	1,952	163	1,971
1066 Concession Income	12,000	11,858	13,800	14,800	14,800	14,800	0	15,800
1071 Income Base Rent	0	0	0	0	197	300	-300	300
Salts Recreation Ground Income	32,695	25,666	19,418	19,166	15,716	19,308	-142	20,351
Net Expenditure over Income	108,492	87,728	99,002	86,197	19,410	84,944	1,253	88,482
Crouch Recreation Ground								
Cost Centre 106								
4052 Water & Sewerage	2,349	2,297	2,098	2,509	-79	2,098	411	2,119
4055 Electricity	234	342	260	341	97	280	61	289
4115 Insurance	541	1,768	1,557	1,598	1,621	1,557	41	1,654
4199 Other Expenditure	0	900	0	0	0	0	0	0
4250 Public Seating	0	577	0	0	0	0	0	0
4251 Dog Bin Emptying	1,113	569	1,081	1,045	318	1,272	-227	1,310
4252 Litter & Dog Bin Pch & Maintenance	0	429	0	400	227	227	173	0
4260 Grounds Maintenance Contract	52,797	46,181	47,172	44,066	16,090	48,271	-4,205	50,684
4261 Grounds Maintenance Non Contract	919	1,413	2,633	3,500	464	3,500	0	3,500
4270 Vehicles & Equipment Maint.	172	0	0	0	0	0	0	0
4274 Projects Expenditure	12,943	4,557	4,670	0	4,672	4,672	-4,672	0
4275 Building Maintenance	0	235	101	0	0	0	0	0
Crouch Recreation Ground Expenditure	71,068	59,268	59,572	53,459	23,410	61,877	-8,418	59,556
1050 Income Rent	1,834	2,288	2,635	2,425	1,961	2,425	0	2,425
1051 Income Insurance Recharge	459	792	687	705	0	705	0	719
1052 Income Projects	12,943	0	0	0	0	4,672	-4,672	0
1054 Income Other	20	1,081	0	0	0	0	0	0
1055 Income Seating	0	569	0	0	0	0	0	0
1057 Income Electricity Recharge	117	171	130	170	0	140	30	145
Crouch Recreation Ground Income	15,373	4,901	3,452	3,300	1,961	7,942	-4,642	3,289
Net Expenditure over Income	55,695	54,367	56,120	50,159	21,449	53,935	-3,776	56,267

Account Number		2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Final Budget	2013-14 Actual to 30/09/13	2013-14 Projected Outturn	2013-14 Variance	2014-15 Proposed Budget
<u>Martello Fields</u>									
Cost Centre 107									
4251	Dog Bin Emptying	890	456	1,017	1,047	254	1,016	31	1,047
4260	Grounds Maintenance Contract	5,349	5,541	5,664	5,797	1,932	5,797	0	6,087
4261	Grounds Maintenance Non Contract	1,464	1,317	1,689	2,000	236	2,000	0	2,000
4274	Projects Expenditure	0	0	1,328	0	0	0	0	0
Martello Fields Expenditure		7,703	7,314	9,698	8,844	2,422	8,813	31	9,134
1050	Income Rent	3,185	4,725	4,165	3,250	2,366	3,650	-400	3,400
1054	Other Income	125	0	0	0	0	0	0	0
Martello Fields Income		3,310	4,725	4,165	3,250	2,366	3,650	-400	3,400
<u>Net Expenditure over Income</u>		4,393	2,589	5,533	5,594	56	5,163	431	5,734
<u>Other Open Spaces</u>									
Cost Centre 108									
4051	Rates	538	563	585	601	361	601	0	617
4052	Water & Sewerage	46	119	24	134	11	70	64	71
4115	Insurance	104	0	0	0	0	0	0	0
4250	Public Seating	1,048	510	0	0	0	0	0	0
4251	Dog Bin Emptying	3,116	-185	1,780	1,827	381	1,526	301	1,572
4252	Litter & Dog Bin Pch & Maintenance	0	242	757	250	71	71	179	0
4260	Grounds Maintenance Contract	22,973	19,870	20,303	20,777	6,925	20,777	0	21,815
4261	Grounds Maintenance Non Contract	5,680	1,377	1,792	3,500	-79	3,500	0	3,500
Other Open Spaces Expenditure		33,505	22,496	25,241	27,089	7,670	26,545	544	27,575
1052	Income Projects	3,000	0	0	0	0	0	0	0
1055	Income Seating	609	0	0	0	0	0	0	0
1066	Concession Income	2,875	2,875	2,875	0	0	0	0	0
Other Open Spaces Income		6,484	2,875	2,875	0	0	0	0	0
<u>Net Expenditure over Income</u>		27,021	19,621	22,366	27,089	7,670	26,545	544	27,575
<u>Crypt</u>									
Cost Centre 113									
4051	Rates	1,671	5,023	5,220	5,356	3,215	5,359	-3	5,498
4052	Water & Sewerage	117	78	132	154	62	154	0	200
4055	Electricity	751	1,118	846	1,287	201	850	437	876
4056	Gas	1,161	2,144	1,486	2,255	628	2,050	205	2,214
4100	Telecommunications	194	310	306	0	77	77	-77	0
4105	Postage	12	12	3	50	0	10	40	10
4106	Stationery	66	211	111	100	0	100	0	100
4110	Advertising & Publicity	142	563	107	500	30	300	200	300
4115	Insurance	376	1,100	1,145	1,174	728	1,174	0	1,204
4155	Professional Fees	6,100	0	0	0	0	0	0	0
4199	Other Expenditure	0	0	0	50	240	240	-190	50
4201	Cleaning	32	9	274	500	122	250	250	500
4270	Vehicle & Equipment Maintenance	31	0	0	0	0	0	0	0
4274	Projects Expenditure	3,450	35,052	2,642	0	0	0	0	0
4275	Building Maintenance	2,389	414	456	0	0	0	0	0
Crypt Expenditure		16,492	46,034	12,728	11,426	5,303	10,564	862	10,952
1050	Income Rent	2,117	2,792	4,966	4,750	6,208	6,800	-2,050	5,250
1054	Income Other	848	0	0	0	0	240	-240	0
1067	LDC Contribution	81,920	0	0	0	0	0	0	0

Seaford Town Council

Budget 2014-15

Community Services Committee

Account Number	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Final Budget	2013-14 Actual to 30/09/13	2013-14 Projected Outturn	2013-14 Variance	2014-15 Proposed Budget
Crypt Income	84,885	2,792	4,966	4,750	6,208	7,040	-2,290	5,250
Net Expenditure over Income	-68,393	43,242	7,762	6,676	-905	3,524	3,152	5,702
South Street Toilets								
Cost Centre 114								
4275 Building Maintenance	0	0	2,050	0	0	0	0	0
South Street Expenditure	0	0	2,050	0	0	0	0	0
1054 Income Other	0	0	940	0	0	0	0	0
South Street Income	0	0	940	0	0	0	0	0
Net Expenditure over Income	0	0	1,110	0	0	0	0	0
Martello Tower								
Cost Centre 115								
4115 Insurance	2,044	1,961	2,020	2,073	2,081	2,081	-8	2,123
4274 Projects Expenditure	0	0	0	0	0	0	0	0
Martello Tower Expenditure	2,044	1,961	2,020	2,073	2,081	2,081	-8	2,123
1050 Income Rent	0	0	0	0	0	0	0	0
Martello Tower Income	0	0	0	0	0	0	0	0
Net Expenditure over Income	2,044	1,961	2,020	2,073	2,081	2,081	-8	2,123
Seaford Head Estate								
Cost Centre 116								
4115 Insurance	319	1,098	1,131	1,160	1,165	1,165	-5	1,188
4199 Other Expenditure	0	0	0	0	0	0	0	0
4250 Public Seating	0	0	678	0	0	0	0	0
4251 Dog Bin Emptying	890	456	1,017	1,044	0	1,017	27	1,048
4252 Litter & Dog Bin Pch & Maintenance	0	0	122	0	0	0	0	0
4261 Grounds Maintenance Non Contract	206	844	220	250	90	250	0	2,250
4274 Projects Expenditure	0	0	1,168	0	0	0	0	0
4275 Buildings Maintenance	0	349	0	0	0	0	0	0
4500 Nature Reserve Expenses			0	0	3,224	11,972	-11,972	10,500
Seaford Head Estate Expenditure	1,415	2,747	4,336	2,454	4,479	14,404	-11,950	14,986
1050 Income Rent	1,875	3,750	3,750	3,750	3,750	3,750	0	3,750
1053 Income Grants	7,638	7,638	6,534	7,638	0	6,534	1,104	6,534
1054 Income Other	0	650	83	0	0	0	0	0
1055 Income Seating	0	0	801	0	0	0	0	0
1066 Income Concession	2,950	3,300	3,650	3,970	3,970	3,970	0	4,070
1200 Income Nature Reserve			0	0	2,292	2,300	-2,300	2,000
Seaford Head Estate Income	12,463	15,338	14,818	15,358	10,012	16,554	-1,196	16,354
Net Expenditure over Income	-11,048	-12,591	-10,482	-12,904	-5,533	-2,150	-10,754	-1,368
Seaford								
Cost Centre 117								

Account Number	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Final Budget	2013-14 Actual to 30/09/13	2013-14 Projected Outturn	2013-14 Variance	2014-15 Proposed Budget
4052 Water & Sewerage	87	113	124	170	54	170	0	170
4055 Electricity	1,644	2,625	2,145	2,875	628	2,200	675	2,200
4115 Insurance	54	488	493	506	498	498	8	508
4201 Cleaning	76	23	0	150	0	50	100	50
4250 Public Seating	71	300	120	0	0	368	-368	0
4251 Dog Bin Emptying	4,229	1,152	2,817	0	694	694	-694	0
4252 Litter & Dog Bin Pch & Maintenance	85	1,028	114	250	0	0	250	0
4253 Shelters	2,075	1,440	1,909	1,848	832	1,848	0	1,848
4261 Grounds Maintenance Non Contract	788	2,374	2,065	2,500	958	2,500	0	2,500
4274 Projects Expenditure	0	7,408	8,245	0	0	0	0	0
4275 Building Maintenance	139	3,340	90	0	0	0	0	0
Seafront Expenditure	9,248	20,291	18,122	8,299	3,664	8,328	-29	7,276
1054 Income Other	0	2,715	238	0	0	0	0	0
1055 Income Seating	298	83	130	0	368	368	-368	0
1057 Income Electricity Recharge	1,777	2,562	2,144	2,875	0	2,200	675	2,200
1058 Income Water Recharge	51	17	51	46	0	70	-24	70
1066 Concession Income	31,760	33,950	36,400	38,215	38,215	38,215	0	39,555
Seafront Income	33,886	39,327	38,963	41,136	38,583	40,853	283	41,825
Net Expenditure over Income	-24,638	-19,036	-20,841	-32,837	-34,919	-32,525	-312	-34,549
Beach Huts								
Cost Centre 118								
4051 Rates	1,421	1,593	1,797	2,120	1,258	2,122	-2	2,417
4115 Insurance	422	887	983	1,009	1,041	1,041	-32	1,062
4199 Other Expenditure	6	0	0	0	0	0	0	0
4275 Building Maintenance	45	730	240	0	0	0	0	0
Beach Huts Expenditure	1,894	3,210	3,020	3,129	2,299	3,163	-34	3,479
1054 Income Other	101	221	50	0	4	4	-4	0
1060 Beach Hut Site Licence	12,877	13,238	14,000	14,400	14,400	14,400	0	14,880
1061 Beach Hut Annual Rental	9,024	9,607	10,320	10,860	10,239	10,239	621	11,430
Beach Huts Income	22,002	23,066	24,370	25,260	24,643	24,643	617	26,310
Net Expenditure over Income	-20,108	-19,856	-21,350	-22,131	-22,344	-21,480	-651	-22,831
Old Town Hall								
Cost Centre 119								
4115 Insurance	223	169	174	179	179	179	0	183
4275 Building Maintenance	0	120	0	0	0	0	0	0
Old Town Hall Expenditure	223	289	174	179	179	179	0	183
1050 Income Rent	956	1,275	1,275	1,310	956	1,275	35	1,275
1051 Income Insurance Recharge	195	194	174	179	0	179	0	183
Old Town Hall Income	1,151	1,469	1,449	1,489	956	1,454	35	1,458
Net Expenditure over Income	-928	-1,180	-1,275	-1,310	-777	-1,275	-35	-1,275
Allotments								
Cost Centre 125								
4199 Other Expenditure	938	941	4,689	967	393	943	24	967
4260 Grounds Maintenance Contract	0	1,340	1,370	1,402	467	1,402	0	0

Account Number		2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Final Budget	2013-14 Actual to 30/09/13	2013-14 Projected Outturn	2013-14 Variance	2014-15 Proposed Budget
4261	Grounds Maintenance Non Contract	0	0	2,500	0	0	0	0	0
4272	Equipment Purchase	0	438	0	0	0	0	0	0
4274	Projects	0	1,580	0	0	0	0	0	0
Allotments Expenditure		938	4,299	8,559	2,369	860	2,345	24	967
1050	Income Rent	777	807	833	750	0	846	-96	861
1054	Income Other	939	2,959	4,689	967	0	943	24	967
Allotments Income		1,716	3,766	5,522	1,717	0	1,789	-72	1,828
Net Expenditure over Income		-778	533	3,037	652	860	556	96	-861
Other Recreation									
Cost Centre 130									
4410	Swimming Pool	10,000	10,000	390	10,000	0	4,000	6,000	10,000
Other Recreation Expenditure		10,000	10,000	390	10,000	0	4,000	6,000	10,000
Other Recreation Income		0	0	0	0	0	0	0	0
Net Expenditure over Income		10,000	10,000	390	10,000	0	4,000	6,000	10,000
CCTV									
Cost Centre 134									
4055	Electricity	1,534	1,799	1,507	2,277	0	1,534	743	1,656
4115	Insurance	824	757	839	861	889	889	-28	907
4270	Vehicle & Equipment Maintenance	0	0	0	1,000	0	1,000	0	1,000
4276	CCTV	8,833	8,856	8,947	9,335	8,299	9,098	237	9,285
CCTV Expenditure		11,191	11,412	11,293	13,473	9,188	12,521	952	12,848
CCTV Income		0	0	0	0	0	0	0	0
Net Expenditure over Income		11,191	11,412	11,293	13,473	9,188	12,521	952	12,848
Community Service Other									
Cost Centre 135									
4115	Insurance	0	117	129	132	137	137	-5	140
4187	Young Mayors Awards Expenditure	1,473	1,100	1,987	0	-515	0	0	0
4195	Community Service Events Expenditure	0	552	232	200	181	795	-595	200
4262	Tree Warden Expenses	0	0	1,656	2,310	694	2,310	0	2,310
4273	Christmas Lights	13,188	8,496	9,437	12,600	2,151	12,600	0	13,000
4274	Projects Expenditure	992	2,157	80	0	0	0	0	0
4281	Christmas Event Expenditure	0	0	690	0	0	0	0	0
	Physical Activity Project	0	0	0	8,000	2,444	8,000	0	8,000
Community Service Other Expenditure		15,653	12,422	14,211	23,242	5,092	23,842	-600	23,650
1053	Income Grants	0	0	256	0	0	0	0	0
1054	Income Other	0	0	400	0	0	0	0	0
1064	Income Young Mayors Awards	1,404	1,100	1,937	0	0	0	0	0
1065	Income Xmas Lights	1,500	450	909	900	0	500	400	500
1070	Income Community Service Events	0	707	16	0	901	595	-595	0
1075	Christmas Event Income	0	890	1,567	0	0	400	-400	400
1090	Income Physical Activity Project	0	0	1,569	0	0	0	0	0

Account Number	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Final Budget	2013-14 Actual to 30/09/13	2013-14 Projected Outturn	2013-14 Variance	2014-15 Proposed Budget
Community Service Other Income	2,904	3,147	6,654	900	901	1,495	-595	900
Net Expenditure over Income	12,749	9,275	7,557	22,342	4,191	22,347	-5	22,750
Community Services Major Project Pool Cost Centre 140								
4274 Project Expenditure	0	0	0	35,000	7,719	35,000	0	35,000
Projects Pool Expenditure	0	0	0	35,000	7,719	35,000	0	35,000
Community Services Building Maint Pool Cost Centre 145								
4275 Building Maintenance	0	0	0	6,000	492	6,000	0	6,000
Building Maintenance Pool Expenditure	0	0	0	6,000	492	6,000	0	6,000
Planning & Highways Cost Centre 301								
4199 Other Expenses	9	125	131	400	0	400	0	400
4262 Tree Warden Expenses	4,914	2,345	0	0	0	0	0	0
4263 Bus Shelter Maintenance/Cleaning	356	818	258	750	90	750	0	750
4274 Projects Expenditure	0	0	0	3,500	0	0	3,500	0
Planning & Highways Expenditure	5,279	3,288	389	4,650	90	1,150	3,500	1,150
1053 Income Grants	216	240	98	0	0	0	0	0
Planning & Highways Income	216	240	98	0	0	0	0	0
Net Expenditure over Income	5,063	3,048	291	4,650	90	1,150	3,500	1,150

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Seaford Town Council

Report 128/13

Agenda Item No: 8(c)
Committee: Finance & General Purposes
Date: 19 December 2013
Title: Golf Committee Budget 2014-15
By: Sam Shippen, Town Clerk
Purpose of Report: To advise of the Golf Committee budget request.

Recommendations

You are recommended:

1. To approve the draft outturn Golf Committee budget for 2013-14 of -£39,931, subject to any changes agreed prior to that meeting in accordance with the Golf Committee delegation.
 2. To approve the draft budget request of the Golf Committee for 2014-15 of -£25,709 be forwarded to Council on 16 January 2014, subject to any changes agreed prior to that meeting in accordance with the Golf Committee delegation.
-

1. Information

- 1.1 At a meeting of the Golf Committee held on 3 December 2013, the projected outturn for 2013/14 and the draft budget for 2014/15 was approved with a delegation of authority to the Chairman and Vice Chairman of the Committee to agree a final Committee budget for 2014-15 with the Town Clerk and Support Services Manager, taking into account the comments of the Committee and is attached at Appendix A.

2. Financial Appraisal

The detailed financial implications are set out in Appendix A of this report.

3. Contact Officer

The Contact Officer for this report is Sam Shippen, Town Clerk.

Town Clerk

Account Number		2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Final Budget	2013-14 Actual to 30/09/13	2013-14 Projected Outturn	2013-14 Variance	2014-15 Proposed Budget
Cost Centre 101									
4000	Salaries & Wages	77,600	71,669	75,969	80,128	34,107	70,332	9,796	75,277
4001	Employers NI	5,400	4,192	4,451	5,818	2,077	4,297	1,521	4,599
4002	Employers Superannuation	8,890	11,423	12,597	13,223	6,331	12,662	561	13,244
4010	Staff Training	225	180	0	800	0	800	0	2,000
4011	Staff Protective Clothing	800	742	678	720	114	720	0	1,000
4041	Golf Professional Retainer	35,000	35,000	35,000	35,700	20,200	40,400	-4,700	41,006
4045	Golf Course Player Costs	767	2,316	813	2,350	1,553	2,000	350	2,350
4051	Rates	1,397	1,569	1,790	462	1,108	888	-426	1,250
4052	Water & Sewerage	7,998	8,407	22,884	13,195	6,461	10,461	2,734	10,962
4055	Electricity	6,053	5,170	5,695	5,695	761	5,067	628	9,050
4056	Gas	5,415	4,049	2,747	3,530	657	1,070	2,460	3,530
4060	Refuse	291	301	301	310	260	310	0	320
4100	Telecommunications	273	235	302	328	219	408	-80	1,000
4015	Postage	347	245	192	320	0	218	102	320
4106	Stationery	144	323	0	50	29	50	0	50
4110	Advertising & Publicity	2,209	2,303	2,701	3,000	600	3,000	0	4,000
4113	Computer Support	115	265	265	295	0	285	10	310
4114	Licence Fee	75	75	75	75	75	75	0	75
4115	Insurance	9,996	9,471	10,009	9,491	10,045	10,045	-554	12,346
4155	Professional Fees	0	1,250	2,929	0	0	0	0	0
4156	Bank Charges	1,562	2,092	1,988	2,157	1,006	2,103	54	2,157
4199	Other Expenditure	294	468	124	250	0	200	50	250
4201	Cleaning	6,127	6,250	4,316	3,250	1,102	5,454	-2,204	3,250
4250	Public Seating	0	542	0	0	0	0	0	0
4251	Dog Bin Emptying	668	596	890	915	509	1,017	-102	1,048
4252	Litter & Dog Bin Pch & Maintenance	0	0	0	0	0	0	0	0
4261	Grounds Maintenance Non Contract	23,733	24,224	26,353	25,078	10,657	22,078	3,000	25,589
4270	Vehicle & Equipment Maintenance	13,595	13,229	12,569	13,981	7,927	13,481	500	13,981
4271	Vehicle & Equipment Lease	28,022	20,996	20,996	20,996	20,996	20,996	0	20,996
4272	Equipment Purchase	33,614	15,500	0	15,000	6,290	15,000	0	20,000
4275	Building Maintenance	679	1,017	413	0	291	0	0	0
4277	New Clubhouse	0	0	58,875	0	1,525	0	0	0
4301	Public Works Loan Payment	47,510	24,750	0	50,532	0	0	50,532	75,798
	Clubhouse employee costs								54,664
	clubhouse cost of sales								54,022
Golf Course Expenditure		318,799	268,849	305,922	307,649	134,900	243,417	64,232	454,444
1000	Golf Course Season Ticket	141,914	147,884	151,788	162,876	145,092	145,967	16,909	194,615
1001	Golf Course Green Fees Mid week	65,569	64,654	46,130	62,515	37,120	48,503	14,012	53,352
1002	Golf Course Green Fees w/end b/holiday	61,861	63,491	46,879	60,515	28,206	40,840	19,675	44,883
1003	Golf Course Specials	39,577	32,596	39,110	37,300	25,751	39,081	-1,781	40,500
	Corporate								10,000
1004	Golf Course Locker	1,845	2,121	2,059	0	0	0	0	3,500
1005	Golf Course Credit Card Charge	145	223	241	160	96	146	14	160
1007	Golf Course Air Traffic Control	3,750	5,000	5,000	5,130	5,000	5,000	130	5,130
1010	Asset Sale/Part Exchange Value	1,000	3,000	0	0	0	0	0	0
1050	Income Rent	4,688	6,250	4,688	250	0	337	-87	600
1051	Income Insurance Recharge	287	707	393	0	0	0	0	0
1054	Income Other	1,430	1,967	1,377	1,300	225	1,300	0	1,300
1055	Income Seating	0	619	0	0	0	0	0	0
1057	Income Electricity Recharge	1,210	1,035	1,139	0	690	1,139	-1,139	0
1063	Income Gas Recharge	2,303	2,024	1,373	0	0	535	-535	0
1100	Income Advertising	1,031	1,550	0	1,550	431	500	1,050	2,000
	Clubhouse income								124,113
Golf Course Income		326,610	333,121	300,177	331,596	242,611	283,348	48,248	480,153
Net Income		-7,811	-64,272	5,745	-23,947	-107,711	-39,931	15,984	-25,709



Seaford Town Council

Report 123/13

Agenda Item No: 9
Committee: Finance & General Purposes
Date: 12 December 2013
Title: Staff Matters Update
By: Lucy Clark, Support Services Manager
Purpose of Report: To advise on staff matters.

Recommendations

You are recommended:

- 1. To approve the minutes of the Personnel Sub-Committee held on 11 November 2013.**
 - 2. To note that Miss Alice Alderton has now left her employment with Seaford Town Council.**
 - 3. To endorse the actions of the Support Services Manager in progressing the filling of the Apprentice Administration Assistant vacancy.**
 - 4. To endorse the appointment of Miss Rachel Beard as Apprentice Administration Assistant.**
 - 5. To endorse the appointment of Mrs Elizabeth Harvey as Administration Assistant (Finance & Administration).**
-

1. Information


- 1.1** The minutes of the Personnel Sub-Committee are attached as Appendix A of this report for approval.
- 1.2** The Apprentice Administration Assistant, Alice Alderton left her employment with the Council on 18 November 2013.
- 1.3** The Support Services Manager consulted with the Town Clerk and re-advertised the post with Sussex Downs College, on the Council's website and noticeboard. The interviews were held on 5 December 2013 and the position was offered to Rachel Beard who has accepted and will commence work on 2nd January 2014.
- 1.4** Following interviews held on 29 October 2013 for the post of Administration Assistant (Finance & Administration), the position was offered to Mrs Elizabeth Harvey who commenced work on 4 November 2013.

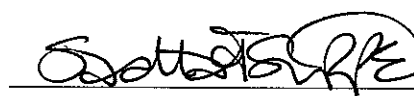
2. Financial Appraisal

All staffing costs will be within current salaries & associated costs budgets.

3. Contact Officer

The Contact Officer for this report is Lucy Clark, Support Services Manager.

Support Services Manager _____

Town Clerk _____



Seaford Town Council

Personnel Sub-Committee

Minutes of the **Personnel Sub-Committee** held at **the Council Chamber, 37 Church Street, Seaford** on **Monday 11 November 2013** at **4pm**.

Present:

Councillor I White (Chairman)
Councillors RE Allen, P Franklin, A White
Mrs S Shippen

PS 4 Exclusion of Press and Public

It was **AGREED** that in accordance with the Public Bodies (Admission to Meetings) Act 1960, the press and public be excluded from the meeting during the discussion on item 6 on the agenda as the matters concern personnel matters.

PS 5 Apprentice Administration Assistant

The Town Clerk circulated copies of two Probation Performance Review Forms relating to 1 October and 1 November 2013, a copy of the letter sent following a Formal Review Meeting on 8 November 2013 and a hand written statement from the Apprentice Administration Assistant.

The Sub-Committee considered the information and questioned both the Town Clerk and the Apprentice Administration Assistant.

It was **AGREED** that the Apprentice Administration Assistant's contract be **TERMINATED** with one week's notice as per her contract, due to unsatisfactory progress in the performance of her duties.

The meeting closed at 4.43pm

Councillor I White
Chairman

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Seaford Town Council

Report 129/13

Agenda Item No: 10
Committee: Finance & General Purposes
Date: 19 December 2013
Title: Tree Wardens Earmarked Reserve
By: Sam Shippen, Town Clerk
Purpose of Report: To advise on error in carry forward to earmarked reserve at end of 2012/13 financial year.

Recommendations

You are recommended:

1. To agree that £400 be transferred from the general reserve to the tree wardens earmarked reserve.
-

1. Information

- 1.1 At the meeting of this Committee held 20 June 2013, the budget balance of £671 in respect of underspend for tree wardens was agreed. Minute F&GP 4.2.18.
- 1.2 However, this did not take into account that £400 of income from residents had been received in the 2012/13 financial year, this appears to have been an error.
- 1.3 All year end balances not allocated are transferred to the general reserve, therefore it is requested that approval be given for an appropriate transfer now, especially given that this was unbudgeted income.

2. Financial Appraisal

The financial implication of this report would be to transfer £400 from general reserve.

3. Contact Officer

The Contact Officer for this report is Sam Shippen, Town Clerk.

Town Clerk

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Seaford Town Council

Report 130/13

Agenda Item No:	11
Committee:	Finance & General Purposes
Date:	19 December 2013
Title:	Future of Local Audit Consultation
By:	Sam Shippen, Town Clerk
Purpose of Report:	To advise on a consultation regarding local audit arrangements for smaller authorities.

Recommendations

There is no Officer recommendation, the Committee is requested to consider response to the questions as detailed in 1.5 of the report.

1. Information

- 1.1 The Department for Communities and Local Government (DCLG) are consulting on draft regulations relating to the Local Audit and Accountability Bill which is currently before Parliament.
- 1.2 The consultation seeks views on the draft regulations and asks some policy questions on developing further regulations. The consultation runs from 25 November until 20 December 2013.
- 1.3 The way in which our external auditor is appointed in future and what arrangements exist for carrying out such an audit, this is a fundamental change, there are also questions regarding timetable and options for inspection periods as catered for in the accounts and audit regulations.
- 1.4 The full consultation can be accessed at <https://www.gov.uk/government/consultations/future-of-local-audit-consultation-on-secondary-legislation> and is attached at Appendix A of this report.
- 1.5 Consideration should be given to respond to the questions on pages 48-49 of the consultation.

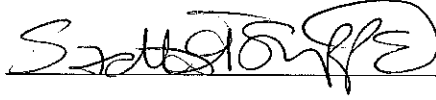
2. Financial Appraisal

There are no immediate financial implications as a result of this report.

3. Contact Officer

The Contact Officer for this report is Sam Shippen, Town Clerk.

Town Clerk





Department for
Communities and
Local Government

Future of Local Audit

Consultation on secondary legislation

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If you have any enquiries regarding this document/publication, email contactus@communities.gov.uk or write to us at:

Department for Communities and Local Government
Eland House
Bressenden Place
London
SW1E 5DU
Telephone: 030 3444 0000

November 2013

ISBN: 978-1-4098-4073-2

About this Consultation

Topic of this consultation:	The consultation sets out draft regulations relating to the Local Audit and Accountability Bill currently before Parliament. The proposed regulations set out some further detail of how the new system will work.
Scope of this consultation:	This consultation seeks views on the draft regulations and asks some policy questions on developing further regulations.
Geographical scope:	England
Impact Assessment:	A comprehensive Impact Assessment (for the local audit provisions) was published alongside the Local Audit and Accountability Bill ¹ . This Impact Assessment will be updated once the Bill is enacted by Parliament.

Basic Information

To:	We would welcome comments from organisations affected by the changes to the audit of local public bodies, and any other bodies or individuals. This document is available on the .gov website (www.gov.uk) and we will be drawing it to the attention of public bodies currently audited by the Audit Commission, relevant professional bodies and those involved in regulating audit in England.
Body/bodies responsible for the consultation:	This consultation is being run by the Department for Communities and Local Government.
Duration:	This consultation will run for four weeks from 25 November until 20 December.
Enquiries:	Please contact foia@communities.gsi.gov.uk
How to respond:	The consultation document is interactive and we are keen that the majority of people respond using the comments section for debate or online form. Any email responses should be sent to: foia@communities.gsi.gov.uk Or by post to: Future of Local Audit Team Department for Communities and Local Government

¹ See <https://www.gov.uk/government/publications/local-audit-and-accountability-bill-local-audit-impact-assessment>

	Zone 3/J5, Eland House Bressenden Place London, SW1E 5DU
Additional ways to become involved:	Should a particular group want to meet and discuss the proposed changes, this may be arranged by emailing the address above
After the consultation:	DCLG will analyse consultation responses and publish a summary of responses in 3 months from the close of the consultation.
Compliance with the Code of Practice on Consultation:	This consultation document and process adhere to the Government's consultation principles, that can be found at: https://www.gov.uk/government/publications/consultation-principles-guidance

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Section 1

1. Introduction

“The Audit Commission was born of good intentions, but in a different age. Local government has changed since the 1980s, in part due to the reforming legislation of that decade which helped stamp out corruption and jobs for the boys, but by the end of the century the Audit Commission was no longer the protector of the public purse under the new regime. It had become a top-down regulator of local government, micro-managing local services and imposing excessive and questionable red tape.”

Secretary of State for Communities and Local Government, 28 October 2013

Background

- 1.1 On 13 August 2010, the Secretary of State for Communities and Local Government announced the Government’s plans to disband the Audit Commission and re-focus local public audit - allowing local public bodies to appoint their own auditors from an open and competitive market, with appropriate safeguards to ensure the continuation of high standards of local public audit, whilst ensuring that local people will be able to hold local public bodies to account for local spending decisions.
- 1.2 Since the Secretary of State’s announcement in 2010, the Government has consulted widely and worked with a range of partners and bodies affected by these changes to develop and refine our proposals. Organisations involved in this process have included the Audit Commission, the National Audit Office, the Financial Reporting Council, accountancy professional bodies, local government, other local public bodies and Government departments with an interest, as well as interested members of the public.
- 1.3 Our reforms will achieve **£730 million** of savings over **five years** (2012-2017- the duration of the outsourced Audit Commission audit contracts) and an estimated **£1.2 billion**¹ over **10 years**. This is a result of ending top down inspection and assessment (Comprehensive Area Assessment); outsourcing the Commission’s in-house audit practice to the private sector (achieving a 40% reduction in audit fees) and cutting other costs, such as spend on consultants within the Commission, and abolishing the Audit Commission itself.

¹ Impact Assessment published alongside the Local Audit and Accountability Bill uses updated cost data and forecasts to 2019/2020; costs updated to reflect 2011/12 prices (increasing nominal savings) and represent a net present value figure. Savings from: ending routine assessment/inspections, reduction in running costs, reductions in direct audit costs from outsourcing the in-house practice and closure of the Audit Commission.

1.4 The Government introduced the Local Audit and Accountability Bill (the Bill) into Parliament on 9 May 2013. The Bill sets out our vision for the new local audit framework, and contains additional measures which are complementary to our existing initiatives to increase transparency and enable local scrutiny of public bodies. The Bill makes specific provisions for, and in connection with:

- the abolition of the Audit Commission and the existing audit regime for local public bodies;
- the transfer of the Audit Commission's residual functions to other bodies;
- the establishment of a new local audit framework, making provisions associated with the accounts of local public bodies and the arrangements for the auditing of those accounts;
- the processes involved in the appointment, functions and regulations of local public auditors, including their resignation or removal;
- aligning the regulatory framework for local public audit with that of private sector audits, with the Financial Reporting Council and accountancy professional bodies regulating and monitoring the quality of audit;
- the National Audit Office taking on the responsibility for preparing the code of audit practice and guidance, setting out what functions auditors need to undertake in relation to local public audit;
- economy, efficiency and effectiveness examinations by the Comptroller and Auditor General of groups of English local public bodies;
- the publication of information by smaller authorities;
- the transfer of the National Fraud Initiative, the Audit Commission's data matching powers and other counter fraud tools to another body;
- directions to comply with codes of practice on local authority publicity;
- council tax referendums; and
- other connected purposes.

1.5 The Bill successfully completed its passage through the House of Lords on 24 July 2013. The amended Bill was presented to the House of Commons on 29 August, where it is currently being considered.

1.6 More background on the policy and its development can be found in the papers that accompany the passage of the Local Audit and Accountability Bill at <http://services.parliament.uk/bills/2013-14/localauditandaccountability.html> .

What does the consultation cover?

1.7 If the Local Audit and Accountability Bill is enacted (subject to the will of Parliament), to give effect to the new local audit arrangements many

of the provisions contained in the Bill will require secondary legislation. This document sets out our proposals for the regulations regarding:

- i) **Part 2:** Modification of the Act in relation to smaller authorities (Clause 5, Part 1),
- ii) **Part 3:** Appointment of Auditors
 - o Constitution of auditor panels (Schedule 4, Para 2(9));
 - o Constitution of auditor panels (Schedule 4 Para 4);
 - o Application of local authority enactments to auditor panels (Schedule 4 Para 5); and
 - o Functions of auditor panels (Clause 10(8));
- iii) **Part 4:** Eligibility and Regulations of Auditors;
 - o Appropriate qualifications (Schedule 5, Para 8);
 - o Definition of "major local audits" (Schedule 5).

- 1.8 Although regulations have not yet been drafted in connection to Part 5 of the Bill, this document also includes policy questions on Account and Audit regulations and regulations on the consideration of Public Interest Reports and written recommendations.

Who are we consulting?

- 1.9 This consultation document seeks the views of all organisations affected by these changes (those organisations are listed in Schedule 2 of the Bill) and other interested parties about the content of a large subset of the proposed regulations. Your contribution will help us to refine those regulations following the enactment of the Bill, should it be the will of Parliament.
- 1.10 We propose a further consultation in the summer of 2014 which will discuss the detail of the remaining regulations.

Timing and how to get involved

- 1.11 This consultation runs for a period of 4 weeks, with responses invited by 20 December 2013. Please use the on-line consultation portal at <http://localaudit.readandcomment.com/>. The on-line portal will allow interested parties to comment broadly on specific sections, questions or the actual draft regulations. Each section has a dedicated message board, which will enable interested parties to share their views and engage in an on-line dialogue should they wish. Alternatively, you can email your response to:- foia@communities.gsi.gov.uk

- 1.12 Or, send a written submission to:

The Future of Local Audit Team
The Department for Communities and Local Government
Zone 3/J5, Eland House
Bressenden Place
LONDON SW1E 5DU

- 1.13** Please use the title “Response to the future of local audit consultation – secondary legislation”. It would also be helpful if you could make clear in your response whether you represent an organisation or group, and in what capacity you are responding.
- 1.14** Following this period, we will consider the responses received and where necessary, make any appropriate changes to the final regulations, which we intend to lay before Parliament later in 2014. Before then, it is also our intention to publish a summary of the responses received.
- 1.15** We outline in the following sections the draft regulations and provide summary notes.

Section 2

2. Smaller Authorities' Regulations

- 2.1** **Clause 5** of the Bill enables the Secretary of State to make provision in regulations for the audit of smaller authorities, defined as those with an annual income and expenditure not exceeding £6.5 million.
- 2.2** Proposed regulations under these powers will:
- i) enable a person, specified by the Secretary of State, to appoint auditors to smaller authorities. This will facilitate the development of a sector-led body, as proposed by the National Association of Local Councils and the Society of Local Council Clerks; and
 - ii) enable the creation of a less onerous framework, mirroring the current "limited assurance" arrangements in line with the smaller amounts of public money these authorities control.
- 2.3** The draft regulations cover core provisions relating to the specification of a "person" to appoint auditors to smaller authorities. These are summarised below, together with the Government's policy intentions for regulations to exempt smaller authorities with an income and expenditure below £25,000 from routine audit.

Draft regulations for a specified person to appoint auditors to smaller authorities

- 2.4** The draft regulations set out how the Secretary of State will confer duties on a specified person to appoint auditors and to set fees. These duties are required in order to create a legally-binding arrangement between the three parties: the specified person, the auditor firm and the smaller authority to whom the specified person appoints an auditor. The only contractual relationship that will exist will be between the specified person and the auditor firm.

Interpretation and opting for full code audit (regulations 2 and 3)

- 2.5** There are currently no smaller health service authorities. In the event that any should materialise, they would not be treated as smaller authorities under the regulations.
- 2.6** The specific person will not be required to appoint a local auditor to a smaller authority which opts to prepare accounts as a principal authority and undergo full code audit. The decision to account and undergo audit as a principal authority will be made in full council, and such authorities will be required to notify the specified person.

Specification procedure (regulations 4 and 5)

- 2.7 The Secretary of State may specify a “person” to appoint auditors to smaller authorities. The process will be in writing and the Secretary of State must publish the contact details for the specified person. The period of specification may be indefinite or subject to an expiry date.

Procedure for determining role of specified person in auditor appointment (regulation 6)

- 2.8 The specified person will be under a duty to appoint auditors to opted-in authorities. It must write to smaller authorities to ask them if they wish to use the specified person to appoint a local auditor, setting out fee scales, the proposed length of the contract of appointment for local auditors and a deadline for a response. The specified person must allow a minimum of eight weeks for a response from the smaller authority. It will write to smaller authorities once in relation to each contract period only. Smaller authorities are deemed to be opted-in at the point the offer is made.

Procedures for opting-out and opting-in (regulations 7 and 8)

- 2.9 An authority’s decision to opt-in or opt-out will apply to the whole of the proposed contract period. This will enable the specified person to set out contracts for audit service. It will give sufficient clarity to auditor firms regarding the size and composition of contracts to enable them to price their bids competitively. It will also ensure a predictable income to the specified person for the duration of any given contract so that they may manage those contracts effectively.
- 2.10 Authorities which do not opt-out in writing by the deadline will be automatically opted-in. An authority’s decision to opt-out must be made in full council. This provision safeguards against the situation where a smaller authority fails to make the necessary arrangements. Without such provision, the specified person would be unable to act on their behalf.
- 2.11 An authority which opts-out will be able to request in writing to opt-in during a contract period. The specified person must consider such a request and give its reasons for any decision to refuse in writing. The default presumption will be that the specified person would accept the authority’s request unless there were reasonable grounds for not doing so. The specified person would appoint an auditor to the authority for the remaining contract period on the fee scale applicable to opted-in authorities. The specified person may recover reasonable administrative costs from the authority.

Q1. The Government does not intend to provide for smaller authorities to opt-out during a contract period, for the reasons given above.

However, we would welcome comments on any circumstances under which a smaller authority should be able to opt-out of the specified person's regime once the deadline for opting-out of a contract period has expired.

Q2. We would like to understand if there are any circumstances in which the specified person should be able to forcibly opt-out a smaller authority. If this is allowed in any circumstances, what safeguards should there be to ensure that the authority is treated fairly and has sufficient time to appoint its own auditor in compliance with the law?

Authorities ceasing to qualify as a smaller authority (regulation 9)

2.12 Authorities which become aware that they will exceed the £6.5 million threshold for qualification as a smaller authority for a third consecutive year must notify the specified person as soon as practicable. In the event that such an authority fails to notify the specified person, the authority is liable for any costs incurred by the auditor appointed to it by the specified person.

Functions of specified person, fees and payments of fees (regulations 10-12)

2.13 The specified person will:

- i) appoint auditors to all opted-in authorities, set fee scales, and keep a record of authorities which are opted-in and opted-out;
- ii) consult each authority on its proposed auditor in order to ensure that there is no issue regarding the auditor's independence from the authority;
- iii) be required to have appropriate systems in place to set performance standards and monitor contract compliance; and
- iv) have a duty to consult representative bodies of smaller authorities and accountancy representative bodies before setting fee scales. Fees will be set in relation to the whole period of a proposed contract of appointment for auditors. Fees may take account of relevant auditor expenses, the functions conferred on the specified person and incidental, and supplementary and related functions, such as supporting the production of guidance.

2.14 Opted-in authorities must:

- i) provide information to the auditor / specified person to ensure that the specified person may determine fees payable; and
- ii) pay the determined fees to the specified person. The specified person will be able to vary fees, on the basis of evidence supplied by the auditor, if the audit work is significantly greater or less than envisaged in the relevant fee scale.

Q3. Should the specified person be required to publish the record of the names of opted-in and opted-out authorities, and, for opted-in authorities, to publish the names of the appointed auditors?

Ending specification and consequences of this (regulations 13 and 14)

- 2.15** The Secretary of State may end the specified person's specification and the specified person may request de-specification. Before de-specifying the specified person, the Secretary of State must consult opted-in authorities and relevant representative bodies. The Secretary of State must notify the specified person in writing of de-specification, setting out his reasons for de-specification and a date for the specification to end, and must publish a notice of de-specification. The Secretary of State must make arrangements for notifying opted-in authorities, and can require the specified person to do so.
- 2.16** In the event of de-specification, the Secretary of State will be able to exercise any functions of the specified person in the meantime and to transfer the specified person's rights and liabilities to the Secretary of State or to another specified person. This will ensure that any outstanding contracts continue to operate effectively on behalf of smaller authorities. This regulation is required because there would be no means of enforcing any contract novation on a third party (the auditor firms) in the absence of such provision.
- 2.17** In the event of a decision to de-specify, the specified person will be under a duty to disclose all relevant rights and liabilities and to co-operate with the Secretary of State and any other specified person to ensure that the audits are not adversely affected.

Functions of auditor panels in relation to opted-out authorities (regulation 15)

- 2.18** Smaller authorities which opt-in to the specified person's auditor appointment regime will not be required to appoint an auditor panel. The regulations will clarify that an auditor panel will have no functions in relation to an auditor appointed by the specified person after an authority has opted-in. This situation may arise where an authority

opts-out of the specified person's auditor appointment regime for one contract period and therefore appoints an auditor panel, and then opts-in for a subsequent contract period.

***Modification of the Local Audit and Accountability Act 2014
(regulation 16 and Schedule 1)***

- 2.19** The Schedule modifies and disapplies various provisions in the Bill for opted-in authorities. It currently covers modifications to the first 11 clauses and Schedule 3 to the Bill only. A consultation in May 2014 will look at the rest of the Bill based on comments on this consultation.

- Q4.** In the event that a smaller authority opts-out of the specified person's appointment regime but then fails to appoint an auditor, should the Secretary of State be able to order that the authority is opted-in and require the specified person to appoint an auditor?
- Q5.** Do you have any observations on the draft regulations for smaller authorities?

Statement on exemption policy

- 2.20** Clause 5(6) allows regulations to make provision to exempt specified smaller authorities from specified audit requirements, and to set out where the exemption will not apply.
- 2.21** The policy intention is to specify exempt authorities by reference to the higher of the authority's gross income and gross expenditure in a given year. The threshold will be £25,000. The threshold will apply in a given year, i.e. the three-year smoothing provision for the £6.5 million threshold set out in clause 6(1) will not be applied to this threshold. The smaller authority will be responsible for correctly classifying itself.
- 2.22** The exemption will apply to the ("limited assurance") form of audit that will be set out in the Code of Audit Practice that the Comptroller and Auditor General will prepare in relation to smaller authorities.
- 2.23** The Government will take a risk-based approach to the proposed exemption to ensure that the circumstances which trigger audit are appropriate and proportionate to risk. The exemption will not apply where:
- i) a smaller authority is newly established, for the first three years;
 - ii) a public interest report has been made in the previous year; or
 - iii) an item in the accounts has been declared unlawful in the previous year.

- 2.24** Smaller authorities which would otherwise qualify for the exemption may choose to have an audit.
- 2.25** All smaller authorities, including those which are exempt, will be required to appoint a local auditor (or have an auditor appointed on their behalf by the specified person). This is to ensure that local government electors will be able to ask questions of the auditor, raise an objection to an item of account, etc.
- 2.26** The regulations may also set out the process that will underpin the exemption. This is likely to place a duty on the:
- i) smaller authority to apply in writing to its appointed local auditor for the exemption;
 - ii) smaller authority to supply its appointed local auditor with the necessary information for the local auditor to determine whether or not the authority qualifies for the exemption;
 - iii) appointed local auditor to certify in writing that the authority qualifies for the exemption (or not), subject to the supply of appropriate information from the smaller authority; and
 - iv) smaller authority to display the certificate publicly with the notice setting out arrangements for electors to inspect documents.

Q6. Are these the right criteria for suspension and the right process for exemption?

STATUTORY INSTRUMENTS

2014 No. ****

LOCAL GOVERNMENT

The Local Audit (Smaller Authorities) Regulations 2014

<i>Made</i> - - - -	2014
<i>Laid before Parliament</i>	2014
<i>Coming into force</i> - -	2014

The Secretary of State, in exercise of the powers conferred by sections 5(1) to (3), (4)(a) and (b), (5)(a), (7) and 6(4) of the Local Audit and Accountability Act 2014^(a), makes the following Regulations:

Citation, commencement [and application?]

1.—(1) These Regulations may be cited as the Local Audit (Smaller Authorities) Regulations 2014 and come into force on ****.

(2) Regulations 1, 2, 3(1), and (3) 4, 5, 6(1) to (4), 9(1), 10(1)(c) to (e), 13 and 14 apply to all smaller authorities, other than health service bodies.

(3) Regulations 6(5), (6), 7, 8(5) to (9), 9(2), 10(1)(a), (b), 11, 12, 15, 16 apply to opted in authorities.

(4) Regulations 6(7), 7(4), 8(1) to (4), (10) and 15 apply to opted out authorities.

(5) Regulation 3(2) applies to full audit authorities.

Interpretation

2. In these Regulations—

“the Act” means the Local Audit and Accountability Act 2014;

“full audit authority” means a smaller authority, other than a health service body, which has decided to [prepare accounts and be audited under the regime for relevant authorities which are not smaller authorities in accordance with regulation 3];

“opted in authority” means a smaller authority other than—

- (a) a health service body,
- (b) an opted out authority, or
- (c) a full audit authority;

“opted out authority” means a smaller authority which has decided not to use the specified person to appoint its local auditor in accordance with regulation 7, other than—

^(a) 2014 c.

- (a) a health service body, or
- (b) a full audit authority.

Procedure for deciding to be subject to full audit

3.—(1) A smaller authority may decide to prepare accounts and be audited under the regime for authorities which are not smaller authorities in accordance with this regulation.

(2) The authority must inform the specified person in writing of its decision as soon as practicable, specifying the date of the decision.

(3) This regulation is subject to Schedule 3 to the Act [and provision made under it].

Appointment of specified person to appoint auditors

4.—(1) The Secretary of State may, in accordance with regulation 5, specify a person to appoint local auditors to audit the accounts of opted in authorities.

(2) [The person appointed must be a [legal person][body corporate]].

Procedure for specifying a person to appoint local auditors

5.—(1) The specification must be in writing.

(2) The specification may be of infinite duration or subject to an expiry date.

(3) The Secretary of State must publish relevant details of the specified person—

- (a) on a publicly accessible website;
- (b) in the London Gazette.

(4) Relevant details are—

- (a) the person's name;
- (b) its registered address;
- (c) its address for correspondence.

Procedure for determining role of specified person in auditor appointment

6.—(1) The specified person is responsible for appointing a local auditor to opted in authorities only.

(2) The specified person must serve by post a written offer on all smaller authorities other than health service bodies, setting out the relevant details, asking if they wish to use the specified person to appoint a local auditor.

(3) The relevant details are—

- (a) the length of contract proposed for the appointment of local auditors;
- (b) the proposed scale or scales of fees for audit for authorities;
- (c) the date by which written notice from authorities giving their response must be received (and that date must allow at least 8 weeks for a response from the date of receipt of the notice).

(4) Where the specified person proposes to appoint local auditors for more than one financial year, it must—

- (a) send a written offer in respect of that period of appointment, and
- (b) only send a subsequent written offer in respect of the next proposed period of appointment.

(5) In relation to each written offer made by the specified person under paragraph (2), all authorities other than full audit authorities are opted in authorities at the point at which the offer is made, whether as regards a first or a subsequent written offer.

(6) An opted in authority may decide not to use the specified person to appoint a local auditor (decide to “opt out”) in accordance with regulation 7.

(7) An opted out authority may request that the specified person appoint a local auditor (decide to “opt in”) in accordance with regulation 8.

Procedure for opting out

7.—(1) An opted in authority may, in accordance with this regulation, decide it does not want to use the specified person to appoint a local auditor (decide to “opt out”).

(2) An opted in authority must inform the specified person by written notice of its decision to opt out—

- (a) before the date referred to in regulation 6(3)(c),
- (b) specifying the date of the decision to opt out,
- (c) confirming that the decision complied with the required procedure under Schedule 3.

(3) The specified person is entitled to rely on the authority’s confirmation under paragraph 7(2)(c).

(4) An opted in authority becomes an opted out authority on the date on which the specified person receives valid notice under paragraph (2).

(5) The decision to opt out only relates to the written offer to which it was a response, and lasts for the duration of the contract between the specified person and local auditors (subject to the specified person agreeing to a request by the authority to opt in by way of regulation 8).

Right to request to opt in

8.—(1) An opted out authority may, in accordance with this regulation, decide to request that the specified person appoint its local auditor (decide to request to “opt in”).

(2) An opted out authority must inform the specified person by written notice of its decision to request to opt in—

- (a) specifying the date of the decision to request to opt in,
- (b) confirming that the decision complied with the required procedure under Schedule 3.

(3) The specified person is entitled to rely on the authority’s confirmation under paragraph 8(2)(b).

(4) The specified person must—

- (a) consider the authority’s request to opt in,
- (b) agree to the request unless the specified person has reasonable grounds for refusing it,
- (c) notify the authority of the decision in relation to the request as soon as practicable, and
- (d) provide reasons if the specified person has refused the request.

(5) An opted out authority becomes an opted in authority on the date on which the specified person agrees to the authority’s request to opt in.

(6) An authority who becomes an opted in authority by virtue of this regulation must have a local auditor appointed to it by the specified person.

(7) The local auditor appointed to an authority under paragraph (5) must be appointed for the remaining period of the contract between the specified person.

(8) The scale of fees applicable to the audit must be the scale of fees applicable to other opted in authorities.

(9) The specified person may recover its reasonable administrative costs for making arrangements to appoint a local auditor to an authority under this regulation from the authority concerned.

(10) This regulation is subject to Schedule 3 to the Act [and provision made under it].

Authority ceasing to qualify as a smaller authority

9.—(1) A relevant authority, which was a smaller authority, which becomes aware that it will not qualify as a smaller authority for a financial year, must notify the specified person as soon as practicable after becoming so aware.

(2) An opted in authority which fails to notify the specified person as required by paragraph (1) is liable to pay to the specified person an amount equal to any costs incurred by a local auditor appointed to the authority by the specified person.

Functions of specified person [not an exhaustive list, a drafting marker]

10.—(1) The specified person has the following functions—

- (a) to appoint an auditor to each opted in authority in accordance with [the requirements in regulation[]];
- (b) to consult each opted in authority in respect of the local auditor which the specified person proposes to appoint to audit the accounts of that authority;
- (c) to keep a record of which smaller authorities are opted in and which are opted out authorities[, and to publish that record];
- (d) to design and implement appropriate systems to—
 - (i) set what is an acceptable standard of performance for a local auditor;
 - (ii) monitor compliance by a local auditor against the contractual obligation to carry out an audit of the accounts of an opted in authority;
- (e) to specify a scale or scales of fees in respect of the audit of the accounts of opted in authorities in accordance with regulation 11.

Fees for audit

11.—(1) The specified person must specify a scale or scales of fees in respect of the audit of the accounts of opted in authorities.

(2) Before specifying a scale or scales of fees, the specified person must consult—

- (a) such representative associations of smaller authorities as appear to the specified person to be concerned, and
- (b) such bodies of accountants as appear to the specified person to be appropriate.

(3) A scale or scales of fees may take account of the costs [and anticipated costs] of—

- (a) functions of the specified person imposed by or under the Act;
- (b) functions of the specified person which are incidental and supplementary to the functions mentioned in paragraph (a);
- (c) activities which are closely related to the functions of the specified person in paragraphs (a) and (b), [such as][including] supporting the production of relevant guidance;
- (d) costs and expenses which auditors can recover under the Act [from authorities][from the specified person].

(4) A scale or scales of fees must be set in relation to the proposed period for contracts of appointment between the specified person and local auditors.

(5) For the purpose of determining the fee payable for an audit, an opted in authority whose accounts are being audited must—

- (a) complete a statement containing such information as the specified person may require and submit it to the auditor, and
- (b) provide the specified person with such further information as it may at any time require.

(6) The auditor must send the statement mentioned in paragraph 11(5)(a) to the specified person on the conclusion of the audit with a certificate that the statement is correct to the best of the auditor's knowledge and belief.

Payment of fee

12.—(1) Subject to paragraph (2), an opted in authority must pay to the specified person the fee applicable for the audit in accordance with the appropriate fee scale.

(2) If it appears to the specified person, on the basis of evidence supplied by the auditor, that the work involved in a particular audit was substantially more or less than that envisaged by the appropriate scale, the specified person may charge a fee which is larger or smaller than that referred to in paragraph (1).

Ending specification

13.—(1) The Secretary of State may end the specification of the specified person in accordance with this regulation.

(2) The specified person may make a written request that its specification be ended.

(3) Before ending the specification of the specified person, the Secretary of State must—

- (a) consult such smaller authorities as the Secretary of State considers have an interest;
- (b) consult such associations of opted in authorities or relevant authorities as appear to the Secretary of State to be concerned.

(4) The Secretary of State must—

- (a) give notice in writing to the specified person of the ending of specification, giving—
 - (i) the date on which specification is to end,
 - (ii) reasons for ending the specification;
- (b) publish notice of the ending of specification—
 - (i) on a publicly accessible website, and
 - (ii) in the London Gazette;
- (c) make arrangements for notifying opted in authorities of the ending of specification.

(5) The Secretary of State may make arrangements under paragraph 13(4)(c) by requiring the specified person to notify opted in authorities.

Consequences of end of specification

14.—(1) If the Secretary of State gives notice in writing to the specified person under regulation 13(4)(a), the Secretary of State may, both before and after the specification ends—

- (a) exercise the functions of the specified person arising by virtue of these regulations;
- (b) transfer rights and liabilities of the specified person arising by virtue of these regulations to—
 - (i) the Secretary of State; or
 - (ii) another specified person.

(2) The Secretary of State may transfer some rights and liabilities under paragraph 14(1)(b) to the Secretary of State and some to another specified person.

(3) The specified person on whom notice is served under regulation 13(4)(a) must—

- (a) disclose all its rights and liabilities arising by virtue of these regulations to the Secretary of State;
- (b) co-operate with the Secretary of State and any other specified person for the purpose of ensuring audits of opted in authorities are not adversely affected.

Functions of auditor panels

15.—(1) *[Drafting marker – need to make provision re. auditor panel functions when an authority goes from being an opted out authority which has an auditor panel to an opted in*

authority, or vice versa – we need to clarify that the panel will have no functions in relation to an auditor appointed by the specified person during any period when there is a time of overlap between the two auditors, e.g when an authority-appointed auditor is dealing with objections or legal proceedings for the previous financial year.]

Modification of the Local Audit and Accountability Act 2014

16. The Act applies to an opted in authority subject to the modifications set out in the Schedule to these Regulations.

SCHEDULE

Regulation 16

[To be completed]

Modification of the Local Audit and Accountability Act 2014

- 1.**—(1) Part 2 (basic concepts and requirements) is modified as follows.
- (2) In section 4—
- (a) in subsection (1)(b), omit “by that authority”;
 - (b) [the reference to Schedule 3 is to Schedule 3 [as modified by these Regulations]].
- 2.**—(1) Part 3 (appointment etc of local auditors) is modified as follows.
- (2) In section 7—
- (a) references to relevant authority or authority are to be construed as references to the specified person;
 - (b) in subsections (1) and (2) for “its accounts” substitute “the accounts of each opted in authority”;
 - (c) [the reference to Schedule 3 is to Schedule 3 [as modified by these Regulations]].
- (3) In section 8—
- (a) subsection (1) is omitted;
 - (b) references to a relevant authority are to be construed as references to an opted in authority;
 - (c) in subsection (2)—
 - (i) after “appointment is made” is inserted “by the specified person”;
 - (ii) in paragraph (a), omit “it” and insert “the specified person”;
 - (iii) omit paragraphs (c) and (d);
 - (d) in subsection (4)—
 - (i) in paragraph (a) the words from “in the case” to “health service body,” are omitted;
 - (ii) paragraphs (b) and (c) are omitted;
 - (e) [in subsection (6) the reference to Schedule 3 is to Schedule 3 [as modified by these Regulations]].
- (4) Section 9 and Schedule 4 are omitted.
- (5) In section 10—
- (a) references to a relevant authority’s auditor panel or to an auditor panel are to be construed as references to the specified person;
 - (b) in subsection (1) for “the authority” substitute “an opted in authority”;
 - (c) subsections (2) to (4) are omitted;
 - (d) in subsection (5)—

- (i) omit “or (4)”;
- (ii) in paragraph (a) for “A relevant authority” substitute “An opted in authority”;
- (e) in subsection (6), for “advise the authority” substitute “advise the opted in authority”;
- (f) in subsection (8), omit paragraph (c);
- (g) in subsection (9), for “relevant authority” substitute “opted in authority”;
- (h) in subsection (10)—
 - (i) at the beginning, for “A relevant authority” substitute “An opted in authority”;
 - (ii) in paragraph (a), omit “in the case of a relevant authority other than a health service body,”;
 - (iii) omit paragraphs (b) and (c);
- (i) omit subsection (13).
- (6) In section 11—
 - (a) references to a relevant authority’s auditor panel or to an auditor panel are to be construed as references to the specified person;
 - (b) in subsection (1), for “A relevant authority other than a health service body” substitute “An opted in authority”;
 - (c) in subsection (2), omit “, other than the auditor panel of a health service body,”;
 - (d) omit subsections (6) and (7);

3.—(1) The modifications to Schedule 3 (further provisions about appointment of local auditors) are as follows. [*Sch 3 will be amended so that it applies to all the decisions which are to be made by full council or full Board etc, as indicated in these Regulations*]

Section 3

3. Independent Auditor Panels and the Resignation and Removal of Auditors

Auditor panel and auditor panel independence regulations

- 3.1** Under the new framework, relevant authorities will be required to have an independent auditor panel to oversee and advise on the maintenance of an independent relationship between the relevant authority and their auditor.
- 3.2** The Bill sets out the need to have a panel, the requirement for a majority of independent members and independent chair, and the core functions of the panel. **Clause 10 and Schedule 4** give the Secretary of State the power to make further provision in regulations about the constitution and operation of independent auditor panels.
- 3.3** Proposed regulations under these powers will:
- i) add to the definition of “independence” for auditor panel members, to ensure it addresses any commercial links between an individual and a relevant authority or any links between an individual and the appointed or prospective audit firm. The regulations also deal with the independence of members of entities connected to a relevant authority and, in the case of the GLA, of members of functional bodies (such as Transport for London);
 - ii) require panels to have a minimum of three members, and that at least three members (and a majority of independent members) need to be present for the panel to be quorate. The regulations also make clear that a relevant authority may choose to pay their panel members, if necessary;
 - iii) require that independent members of the panel are appointed via an open process, similar to that required for the appointment of the “independent person” in the local government standards regime. Relevant authorities will also be required to put in place a policy around the removal or resignation of panel members;
 - iv) give the auditor panel one additional function, to advise the relevant authority on the adoption of and content of any policy in relation to awarding “non-audit” work to their appointed auditor; and
 - v) apply three existing local authority enactments to auditor panels – these address public access to meetings, political balance amongst any councillors serving on auditor panels, and the application of the local government standards regime to auditor panels.

- 3.4** The approach set out in the draft regulations reflects the Government's aim to implement auditor panels in way that protects independence, while minimising any bureaucratic burden on relevant authorities and providing them with as much flexibility as possible in developing local arrangements.
- 3.5** The approach also reflects the provision at clause 10 that enables the Secretary of State to issue further guidance on the operation of auditor panels. The Government believes that certain detailed matters, such as the appropriate skills and experience of independent panel members and the panel's precise role in the appointment process, are better set out in guidance. The Government intends to work closely with the sector in developing any guidance to ensure it is both helpful and addresses key issues around auditor independence.

Auditor resignation and removal

- 3.6** **Clause 16** of the Bill gives the Secretary of State the power to make regulations on the resignation or removal of an auditor, including the processes that need to be followed by the relevant authority, the auditor and the independent auditor panel.
- 3.7** Although resignation or removal of an auditor is expected to be a very rare occurrence, a process needs to be in place that is transparent, fair and provides for appointment of a replacement auditor in a timely manner.
- 3.8** These draft regulations set out the process to be followed in the case of a relevant authority wishing to remove its auditor, or an auditor themselves wishing to resign:
- i) in the case of removal, a relevant authority must give 28 days notice to the auditor of any proposal to remove them. The auditor will be able to respond to that proposal, and any response will be shared with the independent auditor panel. The auditor panel will then advise the relevant authority on the proposal, taking into account any response from the local auditor. The relevant authority must take that advice into account. The auditor, and a member of the auditor panel are entitled to attend and speak at any meeting of the relevant authority taking the decision on their removal. If they go ahead with the removal of the auditor, the relevant authority must publish a notice of that decision. That notice will include the auditor's response, the advice of the panel and, if the relevant authority has not followed that advice, the reasons why. The relevant authority must then give written notice of the removal to the recognised supervisory body;
 - ii) in the case of a resignation the auditor will be required to give 28 days written notice of resignation, including a statement on the circumstances of their resignation, to the relevant authority, who must forward it to the auditor panel. Within 28 days of receiving

the resignation notice, the relevant authority must respond in writing to the auditor's notice. The auditor's notice and relevant authority's response must then be published by the relevant authority and sent to the auditor panel. The auditor must notify the recognised supervisory body on their departure. Following a resignation, the regulations require that the auditor panel must investigate the circumstances leading to the resignation and issue a statement, which the relevant authority must publish, giving a view on the circumstances of the resignation and explaining any action it considers required of the relevant authority to address issues raised; and

- iii) in both cases, the relevant authority will be required to make a new appointment within three months of the departure of the previous auditor. This is intended to give the relevant authority sufficient time to make the appointment, whilst ensuring that a replacement auditor is in place as soon as possible.

Q7. Do you have any comments on the draft regulations about auditor panels and/or the resignation and removal of auditors?

Q8. On the resignation and removal of an auditor, does three months give a reasonable period for relevant authorities to make a new appointment?

STATUTORY INSTRUMENTS

2014 No. ****

LOCAL GOVERNMENT

The Local Audit (Auditor Panel) Regulations 2014

<i>Made</i> - - - -	<i>2014</i>
<i>Laid before Parliament</i>	<i>2014</i>
<i>Coming into force</i> - -	<i>2014</i>

The Secretary of State, in exercise of the powers conferred by section 10 of, and Schedule 4 to, the Local Audit and Accountability Act 2014⁽¹⁾, makes the following Regulations:

Citation, commencement and interpretation

- 1.—(1) These Regulations may be cited as the Local Audit (Auditor Panel) Regulations 2014 and shall come into force on ****.
- (2) In these Regulations, “the Act” means the Local Audit and Accountability Act 2014.
- (3) In these Regulations a “relevant authority” means a relevant authority other than a health service body.

Members of auditor panels

- 2.—(1) The following provisions apply to an auditor panel of a relevant authority.
- (2) An auditor panel must have a minimum of three members.
- (3) A person may not be appointed as an independent member of the auditor panel unless—
- (a) the vacancy for an independent person has been advertised in such manner as the relevant authority considers is likely to bring it to the attention of the public,
 - (b) the person has submitted an application to fill the vacancy to the relevant authority, and
 - (c) the person’s appointment has been approved by a majority of the members of the relevant authority.
- (4) The relevant authority must adopt a set of rules with regard to the removal or resignation of members of an auditor panel, or of its chair, and may from time to time revise any of those rules.

Allowances of auditor panel members

3. The relevant authority may pay the members of the panel such allowances or expenses as the relevant authority may determine.

⁽¹⁾ 2014 (c. X)

Proceedings of auditor panels

4. At any meeting of the auditor panel the quorum shall be three, and a majority of those present at the meeting must be independent members of the panel.

Further functions of auditor panels: non-audit services

5.—(1) The auditor panel must advise the relevant authority on whether to adopt a policy about the purchasing, from the authority's local auditor, of services ("non-audit services") that are not part of the carrying out of that local auditor's functions under the Act, and on the contents of any such policy.

(2) Where the relevant authority proposes to adopt such a policy, the auditor panel must advise on the contents of such a policy and make a recommendation as to whether it should be adopted.

(3) The policy may include, in particular, the circumstances or manner in which the relevant authority will or will not purchase non-audit services from the authority's local auditor, and the circumstances or manner in which the authority will ask the auditor panel for advice.

Application of local authority enactments to auditor panels

6.—(1) The following enactments shall apply to a relevant authority's auditor panel in so far as they apply to the relevant authority itself—

- (a) sections 100A and 100E of, and Schedule 12A to, the Local Government Act 1972⁽²⁾ (access to meetings of certain authorities, committees and sub-committees);
- (b) section 15 of the Local Government and Housing Act 1989⁽³⁾ (duty to allocate seats to political groups), if the auditor panel has two or more members who are not independent;
- (c) Chapter 7 of Part 1 of the Localism Act 2011⁽⁴⁾ (standards) and the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012⁽⁵⁾.

(2) The enactments mentioned in paragraph (1)(a) shall also apply to the auditor panel of any relevant authority to which the Public Bodies (Admission to Meetings) Act 1960⁽⁶⁾ applies.

(3) Section 104 of the Local Government Act 1972 (disqualification for membership of committees and joint committees) shall apply to any relevant authority's auditor panel, except that a person shall not be disqualified from membership of the panel only by virtue of being an officer of the relevant authority or an officer or employee of an entity connected with the authority.

(4) The enactments mentioned in paragraphs (1) to (3) shall apply as if—

- (a) the functions of the panel were functions of the relevant authority;
- (b) the panel were a committee of the relevant authority appointed for the purpose of discharging those functions;
- (c) any independent member of the panel were serving on such a committee and entitled to vote on any question that falls to be decided at a meeting of the committee; and
- (d) any other member of the panel were serving on such a committee in their capacity as a member of the relevant authority.

Signed by authority of the Secretary of State for Communities and Local Government

Date

Parliamentary Under Secretary of State
Department for Communities and Local Government

⁽²⁾ 1972 (c. 70).
⁽³⁾ 1989 (c. 42).
⁽⁴⁾ 2011 (c. 20).
⁽⁵⁾ S.I. 2012 / 1464.
⁽⁶⁾ 1960 (c. 67).

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make provision about auditor panels established under Part 3 of the Local Audit and Accountability Act 2014 by “relevant authorities” (see Schedule 2 to the Act).

Regulations 2 to 5 make provision about members of auditor panels, allowances payable to members, proceedings of meetings of panels, and functions. Regulation 7 applies certain local government enactments to auditors panels as if they were committees of the relevant authority.

No impact assessment has been prepared in relation to these Regulations because no impact on the private or voluntary sectors is foreseen.

Draft Regulations prepared for the purposes of consulting on provisions to the Local Audit and Accountability Bill.

*Draft Regulations laid before Parliament under section *** of the Local Audit and Accountability Act 2014, for approval by resolution of each House of Parliament.*

DRAFT STATUTORY INSTRUMENTS

2014 No. ****

LOCAL GOVERNMENT

**The Local Audit (Auditor Panel Independence) Regulations
2014**

Made - - - - 2014

Laid before Parliament 2014

Coming into force in accordance with regulation 1

The Secretary of State, in exercise of the powers conferred by paragraph 2(9) of Schedule 4 to the Local Audit and Accountability Act 2014⁽¹⁾, makes the following Regulations:

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Local Audit (Auditor Panel Independence) Regulations 2014 and shall come into force on the day after the day on which they are made.

(2) In these Regulations a “relevant authority” means a relevant authority other than a health service body.

Definition of independence

2.—(1) Paragraph 2 of Schedule 4 (further provisions about auditor panels) to the Local Audit and Accountability Act 2014 is amended as follows.

(2) After sub-paragraph (2)(b) omit “and”.

(3) After sub-paragraph (2)(c) insert—

“, and

(d) the panel member has no relevant interest in the authority.”

(4) After sub-paragraph (8) insert—

“(8A) For the purposes of sub-paragraph (2)(d), a person has a relevant interest in the relevant authority if at any given time—

(a) any contract has been made between the person (or a body in which the person has a beneficial interest) and the relevant authority—

(i) under which goods or services are to be provided or works are to be executed,
and

⁽¹⁾ 2014 (c. X).

- (ii) which has not been fully discharged;
- (b) the person—
 - (i) is a person (“a current auditor”) who is appointed to act as the relevant authority’s local auditor,
 - (ii) is a person (“a prospective auditor”) who has made a bid, which has not been declined or withdrawn, for a contract of appointment as the relevant authority’s local auditor,
 - (iii) is an employee of a current or prospective auditor or a partner in a current or prospective auditor that is a firm, or
 - (iv) has, within the period of five years ending with that time, been an employee of a current or prospective auditor or a partner in a current or prospective auditor that is a firm;
- (c) the person is, or has been within the period of five years ending with that time, a member or officer of an entity connected with the relevant authority, where that entity is itself a relevant authority;
- (d) the relevant authority is itself an entity connected with another relevant authority and the person is, or has been within the period of five years ending with that time, a member or officer of that other relevant authority;
- (e) in the case of a functional body’s auditor panel, the person is, or has been within the period of five years ending with that time, a member or officer of the Greater London Authority; or
- (f) in the case of the Greater London Authority’s auditor panel, the person is, or has been within the period of five years ending with that time, a member or officer of a functional body.”

Signed by authority of the Secretary of State for Communities and Local Government

Date

Parliamentary Under Secretary of State
Department for Communities and Local Government

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make provision about auditor panels established under Part 3 of the Local Audit and Accountability Act 2014. Auditor panels need a majority of independent members. Members and officers of the relevant authority, and certain other people, cannot be independent.

These Regulations apply to “relevant authorities” (see Schedule 2 to the Act) other than health service bodies, in respect of which separate provision is made under Schedule 4 to the Act.

Regulation 2 amends the definition in paragraph 2 of Schedule 4 to the Act of who is independent, by inserting new sub-paragraphs (2)(c)(d) and (8A). People with certain “relevant interests” in the relevant authority, as set out in new sub-paragraph (8A), cannot be independent panel members.

No impact assessment has been prepared in relation to these Regulations because no impact on the private or voluntary sectors is foreseen.

STATUTORY INSTRUMENTS

2014 No. ****

LOCAL GOVERNMENT

The Local Audit (Auditor Resignation and Removal)
Regulations 2014

<i>Made</i> - - - -	2014
<i>Laid before Parliament</i>	2014
<i>Coming into force</i> - -	2014

The Secretary of State, in exercise of the powers conferred by section 16 of the Local Audit and Accountability Act 2014⁽¹⁾, makes the following Regulations:

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Local Audit (Auditor Resignation and Removal) Regulations 2014 and shall come into force on ***.

(2) In these Regulations, “the Act” means the Local Audit and Accountability Act 2014.

Application to chief constables

2. Anything required to be done under these Regulations by or in relation to the relevant authority is required, in the case of the resignation or removal of a chief constable’s local auditor, to be done by or in relation to the police and crime commissioner who appointed that local auditor, except that in relation to the relevant authority’s accounts, it means the chief constable’s accounts.

Removal of local auditor

3.—(1) Subject to the remainder of these Regulations, a relevant authority may remove a local auditor from office at any time.

(2) If a relevant authority is a local authority operating executive arrangements, the function of removing a local auditor from office is not the responsibility of an executive of the authority under those arrangements.

(3) If the relevant authority is a local authority within the meaning of section 101 of the Local Government Act 1972⁽²⁾ (arrangements for discharge of functions), that section does not apply to the authority’s function of removing a local auditor from office.

(4) If the Greater London Authority is removing a local auditor from office, the local auditor must be removed by the Mayor of London and the London Assembly acting jointly on behalf of the Authority.

⁽¹⁾ 2014 (c. X)
⁽²⁾ 1972 (c. 70)

Procedure for removal of local auditor from office

4.—(1) A relevant authority must consult and take into account the advice of its auditor panel on any proposal by the authority to remove a local auditor from office before the expiry of the local auditor's term of office.

(2) Not less than 28 days before the relevant authority is to consider a proposal to remove a local auditor from office, the relevant authority must give notice in writing of the proposal to—

- (a) the members of the relevant authority,
- (b) the chair of the relevant authority's auditor panel, and
- (c) the local auditor.

(3) Not later than the end of the period of 14 days beginning with the day on which the local auditor receives notice under paragraph (1), the local auditor may give a response in writing to the proposal to the authority.

(4) The relevant authority must as soon as practicable give a copy of any such response to the chair of the auditor panel.

(5) Not later than the end of the period of 28 days beginning with the day on which they receive notice under paragraph (1), the auditor panel must advise the relevant authority on the proposal, and that advice must take account of any response from the local auditor that is received by the panel within the period mentioned in paragraph (2).

(6) So far as practicable, the relevant authority must consider the proposal to remove the local auditor, and the advice on that proposal from the auditor panel, in the same manner as that in which the authority would consider a public interest report under Schedule 7 to the Act.

(7) Where the proposal and advice are to be considered at a meeting of the relevant authority—

- (a) the local auditor or a representative of the local auditor has a right to attend and speak at that meeting, and
- (b) a member of the relevant authority's auditor panel has a right to attend and speak at that meeting on behalf of the auditor panel.

(8) Where a relevant authority has decided to remove a local auditor from office, the relevant authority must, not later than the end of the period of 28 days beginning with the date of the decision, publish a statement of that decision—

- (a) if the relevant authority has a website, on its website;
- (b) otherwise, in such manner as it thinks is likely to bring the advice to the attention of persons who live in its area.

(9) The statement must include—

- (a) any response received from the local auditor under paragraph (3);
- (b) any advice received from the auditor panel under paragraph (1) or (5); and
- (c) if the relevant authority has not followed that advice, the reasons why it has not done so.

(10) Where a relevant authority has decided to remove a local auditor from office, the relevant authority must give notice in writing of that fact to the local auditor's recognised supervisory body, not later than the end of the period of 28 days beginning with the date of the decision.

Resignation of local auditor

5.—(1) A local auditor may resign their office by giving notice in writing to the relevant authority.

(2) The relevant authority must as soon as practicable give a copy of such a notice to the chair of the auditor panel.

(3) That notice is not effective unless accompanied by the statement referred to in regulation 6.

(4) An effective notice of resignation operates to bring the local auditor's term of office to an end as of the such date as may be specified in it, which must not be less than 28 days after the notice is given to the relevant authority.

Statement by local auditor on ceasing to hold office

6.—(1) Where a local auditor ceases for any reason to hold office before the expiry of the local auditor's term of office, the local auditor must send to the relevant authority a statement in writing of the circumstances connected with the local auditor ceasing to hold office.

(2) The statement required by paragraph (1) must be sent—

- (a) in the case of resignation, along with the notice of resignation under regulation 5;
- (b) in the case of removal from office, not later than the end of the period of 14 days beginning with the date on which the local auditor ceases to hold office.

(3) The relevant authority must, not later than the end of the period of 28 days beginning with the date of receiving the statement—

- (a) send a response to the local auditor and to the relevant authority's auditor panel; and
- (b) publish the statement and the response—
 - (i) if the relevant authority has a website, on its website;
 - (ii) otherwise, in such manner as it thinks is likely to bring the advice to the attention of persons who live in its area.

(4) The departing local auditor must give notice of the local auditor ceasing to hold office to the local auditor's recognised supervisory body, not later than the end of the period of 14 days beginning with the date on which the local auditor ceases to hold office.

Functions of the auditor panel following resignation of a local auditor

7.—(1) Not later than three months after a local auditor ceases to hold office as a result of resigning it before the expiry of their term of office, the relevant authority's auditor panel must—

- (a) investigate the circumstances connected with the local auditor ceasing to hold office;
- (b) consider whether any action is required to be taken by the relevant authority to address any matters raised by the resignation; and
- (c) give a statement to the relevant authority of the panel's views about the circumstances and which explains any action the panel considers to be required.

(2) The relevant authority must, not later than the end of the period of 28 days beginning with the date of receiving that statement, publish it—

- (a) if the relevant authority has a website, on its website;
- (b) otherwise, in such manner as it thinks is likely to bring the advice to the attention of persons who live in its area.

Appointment of a local auditor following removal or resignation

8. Where a local auditor resigns or is removed from office before the expiry of that term of office, the relevant authority must, not later than three months after the departing local auditor ceases to hold office, appoint a new local auditor to audit its accounts.

Signed by authority of the Secretary of State for Communities and Local Government

Date

Parliamentary Under Secretary of State
Department for Communities and Local Government

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make provision about the resignation and removal of a local auditor appointed under Part 3 of the Local Audit and Accountability Act 2014.

Regulations 2 and 3 set out the requirements for a “relevant authority” (see Schedule 2 to the Act) to remove a local auditor from office; regulation 4, the requirements for a local auditor to resign; and regulation 5, the requirements for a statement by a local auditor on ceasing to hold office. Regulation 6 requires the authority’s “auditor panel” (see section 9 of and Schedule 4 to the Act) to investigate following the resignation of a local auditor. Regulation 7 requires a relevant authority to appoint a new local auditor within three months.

No impact assessment has been prepared in relation to these Regulations because no impact on the private or voluntary sectors is foreseen.

Section 4

4. Eligibility and Regulation of Auditors

- 4.1** Clause 17 and Schedule 5 to the Bill cover the proposed new regulatory regime for local audit and contain a number of regulatory and order making powers.
- 4.2** The powers to make regulations to recognise a qualification for local audit and define the parameters for a relevant authority's audit to be considered a "major local audit" are contained in a single set of regulations the Local Audit (Professional Qualifications and Major Local Audit) Regulations 2014.

Qualifications

- 4.3** Local auditors will need to hold an appropriate qualification to undertake local audit. This can be either a qualification recognised under Part 42 of the Companies Act 2006, or another qualification recognised under the Bill. Part 2 of the draft regulations sets out the minimum requirements that another qualification will need to meet in order to be recognised for local audit.
- 4.4** Included in this part of the draft regulations are –
- i) the steps a body is required to take for a qualification it offers to be recognised;
 - ii) the minimum academic standards that a person must have attained before they can attempt to gain the professional qualification;
 - iii) the examination subjects to be passed; and
 - iv) the minimum amount of practical training required to be awarded the qualification.

Major Local Audit

- 4.5** One or more professional accountancy bodies will be authorised as "recognised supervisory bodies". The responsibilities of recognised supervisory bodies will include monitoring the quality of local audits undertaken by their member firms. There will be an additional level of oversight and monitoring for audits of significant local bodies, with the Financial Reporting Council taking responsibility for monitoring the quality of these "major local audits".
- 4.6** The thresholds in Part 3 define which bodies will have their audits defined as "major local audits". We are proposing that these cover the audits of bodies whose income or expenditure exceeds £500 million or,

in the case of pension funds, that they have over 20,000 members or that the fund holds assets of over £1,000 million. The Financial Reporting Council will also be able to decide if the audits of any other local bodies should be subject to additional monitoring.

- 4.7** The provisions regarding qualifications in these draft regulations largely mirror those set out in the Companies Act 2006 and regulations issued by the Financial Reporting Council. We have also been guided by the thresholds of defining major audits in the companies sector which are also set by the Financial Reporting Council. The draft has already been subject to some consideration by interested parties.

- Q9.** Do you have any comments on the draft regulations on auditor qualifications and major local audits?
- Q10.** Do the requirements in Part 2 of the regulations ensure a robust and appropriate qualification for local audit?
- Q11.** Do the thresholds in Part 3 seem appropriate to capture the audits of significant local bodies?

Register of eligible persons

- 4.8** In order to be eligible for local audit, firms will need to be registered with a local audit recognised supervisory body which will be required to maintain a register of eligible firms. As in the statutory audit regime, we intend for this regulation making power to be delegated to the Financial Reporting Council and respondents may wish to look at the current regulations² drafted by the Financial Reporting Council on the statutory regime, which the local audit regulations are likely to follow closely. These regulations set out information that must be included on the register, including the auditor's name and address and the name of the relevant supervisory body for the auditor.

Information to share with public

- 4.9** In line with firms' obligations under the Companies Act 2006, audit firms undertaking at least one major local audit are required to make information including their ownership, governance, and internal controls with respect to quality and independence of audit work available to the public. Again it is intended for this power to be delegated to the Financial Reporting Council, given that it already sets out the equivalent obligations for statutory audit firms in regulations³.

² See [http://www.frc.org.uk/FRC-Documents/POB/Statutory-Auditors-\(Registration\)-Instrument-2008.aspx](http://www.frc.org.uk/FRC-Documents/POB/Statutory-Auditors-(Registration)-Instrument-2008.aspx)

³ See [http://www.frc.org.uk/FRC-Documents/POB/Statutory-Auditors-\(Transparency\)-Instrument-2008.aspx](http://www.frc.org.uk/FRC-Documents/POB/Statutory-Auditors-(Transparency)-Instrument-2008.aspx)

Q12. Do you have any comments about these delegated regulations?

Order to delegate functions of the Secretary of State to the Financial Reporting Council

4.10 The intention is for the local audit regime to follow the approach to delegation set out for statutory audit under the Companies Act 2006. It is therefore the Government's intention that, as for statutory audit, the Financial Reporting Council will become the overall supervisor for local audit and many of the powers in the Bill will be delegated to it by an order made under the Companies Act as applied to local audit by Schedule 5 of the Bill. For example, the Financial Reporting Council will have the delegated power to authorise professional accountancy bodies to act as recognised supervisory bodies for local audit. The Financial Reporting Council will also be responsible for recognising the qualifications set out in the regulations in this consultation document – a role it carries out for statutory audit – as well as responsibility for monitoring the quality of “major local audits” (as defined through the attached regulations), through its Audit Quality Review team.

STATUTORY INSTRUMENTS

2014 No. ****

LOCAL GOVERNMENT

The Local Audit (Professional Qualifications and Major Local Audit) Regulations 2014

<i>Made</i> - - - -	2014
<i>Laid before Parliament</i>	2014
<i>Coming into force</i> - -	2014

The Secretary of State, in exercise of the powers conferred by section 1219 of and paragraph 13 of Schedule 10 the Companies Act 2006⁽¹⁾, as they have effect by virtue of section 17 of and Schedule 5 to the Local Audit and Accountability Act 2014⁽²⁾, makes the following Regulations:

PART 1

General

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Local Audit (Professional Qualifications and Major Local Audit) Regulations 2013 and shall come into force on **** 2014.

(2) In these Regulations—

“the Act” means the Local Audit and Accountability Act 2014; and

“the Financial Reporting Council” means the Financial Reporting Council Limited⁽³⁾.

PART 2

Local Audit Qualifications

Application for recognition of professional local audit qualification

2.—(1) A qualifying body may apply to the Financial Reporting Council for an order (“a recognition order”) declaring a qualification offered by it to be recognised for the purposes of section 1219 of the Companies Act 2006 (appropriate qualifications) as it has effect by virtue of Schedule 5 to the Act (eligibility and regulation of local auditors).

⁽¹⁾ 2006 (c. 46).

⁽²⁾ 2014 (c. X).

⁽³⁾ Functions of the Secretary of State for the purposes of these Regulations are delegated to the Financial Reporting Council under section 1252 of the Companies Act 2006 as it has effect by virtue of Schedule 5 to the Act: see SI XXXX.

(2) Any application must be—

- (a) made in such manner as the Financial Reporting Council may direct; and
- (b) accompanied by such information as the Financial Reporting Council may reasonably require for the purposes of determining the application.

(3) At any time after receiving an application and before determining it the Financial Reporting Council may require the applicant to furnish additional information.

(4) The directions and requirements given or imposed under paragraphs (2) and (3) may differ as between different applications.

(5) The Financial Reporting Council may require any information to be furnished under this regulation to be in such form or verified in such manner as it may specify.

(6) In the case of examination standards, the verification required may include independent moderation of the examinations over such a period as the Financial Reporting Council considers necessary.

(7) Every application must be accompanied by—

- (a) a copy of the applicant's rules, and
- (b) a copy of any guidance issued by the applicant in writing.

(8) The reference in paragraph (7)(b) to any guidance issued by the applicant is a reference to any guidance or recommendation—

- (a) issued or made by it to all or any class of persons holding or seeking to hold a qualification, or approved or seeking to be approved by the body for the purposes of giving practical training,
- (b) relevant for the purposes of Part 4 of and Schedule 5 to the Act, and
- (c) intended to have continuing effect,

including any guidance or recommendation relating to a matter within paragraph (9).

(9) The matters within this paragraph are—

- (a) admission to or expulsion from a course of study leading to a qualification,
- (b) the award or deprivation of a qualification, and
- (c) the approval of a person for the purposes of giving practical training or the withdrawal of such an approval,

so far as relevant for the purposes of Part 4 of and Schedule 5 to the Act.

Grant and refusal of recognition

3.—(1) The Financial Reporting Council may, on an application duly made in accordance with regulation 2 and after being furnished with all such information as it may reasonably require under that paragraph, make or refuse to make a recognition order in respect of the qualification in relation to which the application was made.

(2) The Financial Reporting Council may make a recognition order only if it appears to it, from the information furnished by the applicant and having regard to any other information in its possession, that the requirements of Chapter 2 are satisfied in relation to the qualification.

(3) The Financial Reporting Council may refuse to make a recognition order in respect of a qualification offered by a body if it considers that the qualification's recognition is unnecessary having regard to the existence of one or more other qualifications which have been or are likely to be recognised in accordance with these Regulations.

(4) Where the Financial Reporting Council refuses an application for a recognition order it must give the applicant a written notice to that effect specifying which requirements, in its opinion, are not satisfied.

(5) A recognition order must state the date on which it takes effect.

Revocation of recognition

4.—(1) A recognition order may be revoked by a further order made by the Financial Reporting Council if at any time it appears to it—

- (a) that any requirement of Chapter 2 is not satisfied in relation to the qualification to which the recognition order relates, or
- (b) that the qualifying body has failed to comply with any obligation imposed on it by or by virtue of these Regulations.

(2) An order revoking a recognition order must state the date on which it takes effect which must be after the period of three months beginning with the date on which the revocation order is made.

(3) Before revoking a recognition order the Financial Reporting Council must—

- (a) give written notice of its intention to do so to the qualifying body,
- (b) take such steps as the Financial Reporting Council reasonably considers practicable for bringing the notice to the attention of persons holding the qualification or in the course of studying for it, and
- (c) publish the notice in such manner as it thinks appropriate for bringing the notice to the attention of any other persons who are in its opinion likely to be affected.

(4) A notice under paragraph (3) must—

- (a) state the reasons for which the Financial Reporting Council proposes to act, and
- (b) give particulars of the rights conferred by paragraph (5).

(5) A person within paragraph (6) may, within the period of three months beginning with the date of the service or publication or such longer period as the Financial Reporting Council may allow, make written representations to the Financial Reporting Council and, if desired, oral representations to a person appointed for that purpose by the Financial Reporting Council.

(6) The persons within this paragraph are—

- (a) the qualifying body on which a notice is served under paragraph (3),
- (b) any other person holding the qualification or in the course of studying for it, and
- (c) any other person who appears to the Financial Reporting Council to be affected.

(7) The Financial Reporting Council must have regard to any representations made in accordance with paragraph (5) in determining whether to revoke the recognition order.

(8) If in any case the Financial Reporting Council considers it essential to do so in the public interest it may revoke a recognition order without regard to the restriction imposed by paragraph (2), even if—

- (a) no notice has been given or published under paragraph (3), or
- (b) the period of time for making representations in pursuance of such a notice has not expired.

(9) An order making a recognition order may contain such transitional provision as the Financial Reporting Council thinks necessary or expedient.

(10) A recognition order may be revoked at the request or with the consent of the qualifying body and any such revocation is not subject to—

- (a) the restrictions imposed by paragraphs (1) and (2), or
- (b) the requirements of paragraphs (3) to (5) and (7).

(11) On making an order revoking a recognition order the Financial Reporting Council must—

- (a) give notice of the making of the order to the qualifying body,
- (b) take such steps as the Financial Reporting Council considers reasonably practicable for bringing the making of the order to the attention of persons holding the qualification or in the course of studying for it, and

- (c) publish a notice of the making of the order in such manner as it thinks appropriate for bringing the notice to the attention of any other persons who are in its opinion likely to be affected.

Entry requirements

5.—(1) The qualification must be open to persons who—

- (a) have attained university entrance level, or
- (b) have a sufficient period of professional experience.

(2) In relation to a person who has not been admitted to university or a similar establishment in the United Kingdom, “attaining university entrance level” means—

- (a) being educated to such a standard as would enable the person to be considered for such an admission on the basis of—
 - (i) academic or professional qualifications obtained in the United Kingdom and recognised by the Financial Reporting Council to be of an appropriate standard, or
 - (ii) academic or professional qualifications obtained outside the United Kingdom which the Financial Reporting Council considers to be of an equivalent standard, or
- (b) being assessed, on the basis of written tests of a kind appearing to the Financial Reporting Council to be adequate for the purpose (with or without oral examination), as of such a standard of ability as would entitle the person to be considered for such admission.

(3) The assessment, tests and oral examination referred to in paragraph(2)(b) may be conducted by—

- (a) the qualifying body, or
- (b) some other body approved by the Financial Reporting Council.

(4) The reference in paragraph (1)(b) to “a sufficient period of professional experience” is to not less than seven years’ experience in a professional capacity in the fields of finance, law and accountancy.

Requirement for theoretical instruction or professional experience

6.—(1) The qualification must be restricted to persons who—

- (a) have completed a course of theoretical instruction in the subjects prescribed for the purposes of regulation 7, or
- (b) have a sufficient period of professional experience.

(2) The reference in paragraph (1)(b) to “a sufficient period of professional experience” is to not less than seven years’ experience in a professional capacity in the fields of finance, law and accountancy.

Examination

7.—(1) The qualification must be restricted to persons who have passed an examination (at least part of which is in writing) testing—

- (a) theoretical knowledge of the subjects prescribed for the purposes of this regulation in paragraph (4) and
- (b) ability to apply that knowledge in practice,

and requiring a standard of attainment at least equivalent to that required to obtain a degree from a university or similar establishment in the United Kingdom.

(2) The qualification may be awarded to a person without his theoretical knowledge of a subject being tested by examination if the person has passed a university or other examination of equivalent standard in that subject or holds a university degree or relevant qualification in it.

(3) The qualification may be awarded to a person without the person's ability to apply their theoretical knowledge of a subject being tested by examination if the person has received practical training in that subject which is attested by an examination or diploma recognised by the Financial Reporting Council for the purposes of this regulation.

(4) The subjects prescribed for the purposes of paragraph (1)(a) are—

- (a) general accounting theory and principles;
- (b) legal requirements and standards relating to the preparation of financial statements for relevant authorities as defined by legislation from time to time;
- (c) international accounting standards;
- (d) financial analysis;
- (e) cost and management accounting;
- (f) risk management and internal control;
- (g) auditing and professional skills relevant to local audit;
- (h) legal requirements and professional standards relating to local audit and local auditors;
- (i) international auditing standards;
- (j) professional ethics and independence; and
- (k) those aspects of the following which are relevant to auditing—
 - (i) legislation (primary and secondary) relating to relevant authorities;
 - (ii) corporate governance;
 - (iii) tax law;
 - (iv) public finance, including law and regulations relating to local taxation and revenue raising in the public sector;
 - (v) civil and commercial law;
 - (vi) social security and employment law;
 - (vii) information technology and computer systems;
 - (viii) general and financial economics;
 - (ix) relevant statistical and sampling techniques; and
 - (x) basic principles of financial management.

Practical training

8.—(1) The qualification must be restricted to persons who have completed at least three years' practical training of which—

- (a) part was spent being trained in local audit work, and
- (b) a substantial part was spent being trained in—
 - (i) local audit work;
 - (ii) statutory audit work for the purposes of the Companies Act 2006⁽⁴⁾; or
 - (iii) other audit work relating to any body whose accounts form part of the group for which the Treasury prepares accounts under section 9(1)(a) of the Government Resources and Accounts Act 2000⁽⁵⁾.

⁽⁴⁾ 2006 (c. 46).
⁽⁵⁾ 2000 (c. 20).

(2) For the purposes of paragraph (1), “statutory audit work” and “local audit work” include equivalent work on the audit of accounts under the law of an EEA state, or part of an EEA state, other than the United Kingdom.

(3) The training must be given by persons approved by the body offering the qualification as persons whom the body is satisfied, in the light of undertakings given by them and the supervision to which they are subject (whether by the body itself or some other body or organisation) will provide adequate training.

(4) At least two-thirds of the training must be given by a person—

- (a) eligible for appointment as a local auditor,
- (b) eligible for appointment as a statutory auditor for the purposes of the Companies Act 2006, or
- (c) eligible for a corresponding appointment as an auditor under the law of an EEA State, other than the United Kingdom.

Supplementary provision with respect to a sufficient period of professional experience

9.—(1) Periods of theoretical instruction in the fields of finance, law and accountancy may be deducted from the required period of professional experience, provided the instruction—

- (a) lasted at least one year, and
- (b) is attested by an examination;

but the period of professional experience may not be so reduced by more than four years.

(2) The period of professional experience together with the practical training required in the case of persons satisfying the requirement in regulation 6 by virtue of having a sufficient period of professional experience must not be shorter than the course of theoretical instruction referred to in that regulation and the practical training required in the case of persons satisfying the requirement of that regulation by virtue of having completed such a course.

The body offering the qualification

10.—(1) The body offering the qualification must have—

- (a) rules and arrangements adequate to ensure compliance with the requirements of regulations 7 to 9, and
- (b) adequate arrangements for the effective monitoring of its continued compliance with those requirements.

(2) The arrangements must include arrangements for monitoring—

- (a) the standard of the body’s examinations, and
- (b) the adequacy of the practical training given by the persons approved by it for that purpose.

PART 2

Major Local Audit

Definition of major local audit

11.—(1) For the purposes of Schedule 10 to the Companies Act 2006 (recognised supervisory bodies) as it has effect by virtue of Schedule 5 to the Act, a local audit of the accounts of a relevant authority is a “major local audit” if one or both of the following conditions apply—

- (a) the higher of the relevant authority’s gross income for the year and its gross expenditure for the financial year exceeds £500 million;

- (b) the relevant authority is required to maintain a pension fund under regulations under section 1 of the Public Service Pensions Act 2013⁽⁶⁾ as they relate to local government workers (within the meaning of that Act), and either—
 - (i) more than 20,000 members of a scheme established under those regulations, in relation to local government workers within the meaning of that Act, have rights relating to that fund, whether or not any of those members also have rights relating to a different fund;
 - (ii) the fund has gross assets of £1,000 million or more.
- (2) For the purposes of this regulation, a person is a member of the scheme if one or more of the following conditions apply—
- (a) there are presently arrangements made under the scheme for the accrual of benefits to or in respect of the person;
 - (b) the person is entitled to the present payment of benefits under the pension scheme;
 - (c) the person has accrued rights under the scheme;
 - (d) the person has rights under the pension scheme which are attributable (directly or indirectly) to pension credits, and if a person dies having become entitled to pension credits but without having rights attributable to them, the person is to be treated as having acquired, immediately before death, the rights by virtue of which the liability in respect of the pension credits is subsequently discharged.

Signed by authority of the Secretary of State for Communities and Local Government

Date

Parliamentary Under Secretary of State
Department for Communities and Local Government

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make provision about professional audit qualifications under the Local Audit and Accountability Act 2014, which requires “relevant authorities” (see Schedule 2 to the Act) to appoint their own “local auditors”. Schedule 5 to the Act applies, with modifications, provisions of the Companies Act 2006 in relation to the eligibility and monitoring of local auditors.

Part 1 contains general provisions. Part 2 makes provision about “appropriate qualifications” for local audit: in particular, how a qualification is to be “recognised” for the purposes of local audit (making it a type of appropriate qualification for the purposes of the Act). Functions of the Secretary of State in relation to recognition of qualifications are delegated to the Financial Reporting Council. Part 3 defines “major local audit” for the purpose of monitoring of audits.

No impact assessment has been prepared in relation to these Regulations because no impact on the private or voluntary sectors is foreseen.

⁽⁶⁾ 2013 (c. 25).

Section 5

5. Conduct of Local Audit

Consideration of Public Interest Reports or written recommendations by a relevant authority

- 5.1** Clause 23, Schedule 7 places a duty on local auditors to consider whether they need to issue a report in the public interest and a power to make a written recommendation. It also makes provisions for the processes by which auditors issue these and relevant authorities consider and publicise them.
- 5.2** Paragraph 5 requires most relevant authorities to consider a report or recommendation at a meeting within one month of receiving it and to decide what action needs to be taken. There are separate requirements for health service bodies (to consider as soon as reasonably practicable); the Greater London Authority (the Mayor must attend the meeting); and police and crime commissioners and the Mayor's Office of Policing and Crime (to consider within one month but not at a public meeting).
- 5.3** Paragraph 5(9) sets out the Secretary of State's regulation making powers to modify these arrangements for relevant authorities to consider a report or recommendations. We propose to make regulations which will modify the requirements for Port Health Authorities, Internal Drainage Boards and the persons or bodies referred to in paragraph 29 of Schedule 2 to consider a report or recommendation to "as soon as is practicable". We consider that this is appropriate because these bodies are not currently required to hold public meetings.
- 5.4** Paragraph 5(10) provides a further power for the Secretary of State to make regulations which apply (with or without modifications) the existing legislation which govern how bodies which are required to have meetings must hold these meetings, how the meetings must be publicised and what documents they can consider. The relevant pieces of legislation are: the Public Bodies (Admission to Meetings) Act 1960, Part 5A of the Local Government Act 1972 (access to meetings and documents) and Schedule 12 to the Local Government Act 1972 (meetings and proceedings of local authorities). These require the admission of the public to meetings of relevant authorities, prevent the meeting from excluding reports or recommendations, require the agenda to be published before the meeting, and require that the documents, including reports and recommendation are open for public inspection before the meeting.

- 5.5 The majority of relevant authorities subject to audit under this Bill are already subject to the provisions within this legislation. We propose that the regulations will extend these requirements - to the extent that they do not already apply – to all relevant authorities that are required to consider public interest reports and recommendations at meetings. We believe these to be the London Waste and Recycling Board, a parish meeting of a parish which does not have a separate parish council, and Charter Trustees.

Q13. Do you have any comments on the arrangements for Public Interest Reports?

Accounts and audit regulations

- 5.6 The Accounts and Audit (England) Regulations 2011 set out important provisions on financial management, internal control, internal audit, the content of published accounts and procedures affecting the published accounts, public rights and the audit. Under clause 31 of the Local Audit and Accountability Bill new Accounts and Audit Regulations will be made, which will play a similar role in the new audit framework. This consultation asks for views on some of the key aspects of the content of the new regulations, to assist in the preparation of a draft set of regulations which we propose to issue for consultation later in 2014. The 2011 regulations are available at:
<http://www.legislation.gov.uk/ukxi/2011/817/contents/made>
- 5.7 The 2011 regulations do not apply to health service bodies, and the same will be true of the new regulations. Sections (1) to (5) below deal with the regulations as they apply to relevant authorities that are not smaller authorities, and section (6) discusses regulations for the smaller authorities.

Financial management, internal control and internal audit

- 5.8 The aim of this part (regulations 4, 5 and 6 in the 2011 Regulations) is to set down the key duties of local bodies in maintaining effective financial management, internal control and internal audit, together with the processes that ensure compliance with those duties. Successive sets of Accounts and Audit Regulations since 1974 have developed these provisions, to ensure that local bodies keep in line with best practice in the private sector and other parts of the public sector. The provisions of the regulations are supplemented by codes and good practice advice published by professional bodies, and we would wish this combination of legislative and professional elements to continue.
- 5.9 The Government would welcome suggestions for changes to the regulations that would enable them better to fulfil the role outlined above. Our provisional view on the current regulations is as follows:

- i) Regulation 4 (Responsibility for financial management) – does not appear to be in need of updating;
- ii) Regulation 5 (Accounting records and control systems) – Parts of this regulation have been taken into clause 3(2) of the Bill and can be removed. Other parts may be over-specific for the high level provisions appropriate to the regulations. We would welcome comments on the form of this regulation, and in particular on whether a more principles-based specification of duties relating to records and controls could be taken; and
- iii) Regulation 6 (Internal audit) – We would welcome views on whether the current wording “undertake an adequate and effective internal audit of its accounting records and of its system of internal control” properly reflects the role of a modern internal audit function. Other aspects of the regulation do not appear in need of updating.

5.10 In addition clause 31 (at subsection (1)(c)) gives a new power to make regulations on the preservation of accounting records and statements of accounts. We are not aware of any difficulties caused by the lack of such provisions, and so do not see a need at present to exercise this power.

Q14. Do you have any comments about the provisions for financial management, internal control and internal audit?

Statements of accounts – content

- 5.11** Regulation 7 of the current Regulations requires the statement of accounts of a larger authority to be prepared in accordance with proper practices in relation to accounts, and to include a number of specific statements and notes set out in the regulation.
- 5.12** The mention of proper practices activates the definition of that term in section 21 of the Local Government Act 2003, and, through regulations made under section 21, applies the *Code of Practice on Local Authority Accounting in the United Kingdom* to the larger authorities. The Code is prepared and published by professional accountancy bodies and comes under the supervision of the Financial Reporting Advisory Board, which also oversees the central government accounting code. The specific requirements in regulation 7 comprise only statements and notes not forming part of general accounting requirements. They include items which the Government wishes to see included in the published accounts to enhance accountability and transparency to the public.
- 5.13** This combination of a professional code, overseen by an authoritative supervisory board, and supplemented by additional requirements in the regulations, has served local government well for over twenty years.

The Government believes that it safeguards the standing of the published accounts of local authorities and other local bodies, and would wish to see it continue. The Bill includes provisions (in Schedule 12) to apply the definition of proper practices in the 2003 Act to all relevant authorities as defined in the Bill (other than health service bodies) to ensure that there is a clear framework for the accounts of all these authorities. We have no current proposals to alter the list of special statements and notes included in the regulation.

Statements of accounts – process

- 5.14** Regulation 8 of the current Regulations sets out the process by which the statement of accounts must be prepared and published, including certification by the responsible financial officer and approval by a committee or a full meeting of the authority. The current regulation incorporates significant reforms made in 2011 designed to ensure that members were not asked to approve accounts until the findings of the audit were available. Our provisional conclusion is that these changes are working well and should be retained. However, we are considering some further ways in which transparency could be improved:
- i) addition of a requirement that the statement, as certified by the responsible financial officer, should be put on the authority's website (labelled clearly to show that it has not been audited) and laid before a committee or a full meeting of the authority. We are aware that many authorities already do this; and
 - ii) addition of clarification of what should be done if the audit is completed after the 30 September publication deadline. We envisage that this would involve re-publication with the audit opinion and certificate. We understand that this is already the practice in the few cases where the circumstances arise, but the current regulation leaves the position uncertain.

<p>Q15. Do you have any comments on the content of statements of accounts and the process for producing them?</p>
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Statement of accounts – timetable

- 5.15** Current regulation 8 also sets out the timetable for the production of statements of accounts. The responsible financial officer is required to certify that the statement gives a true and fair view no later than 30 June, and the statement must be published no later than 30 September. The expectation is that the published statement will contain the auditor's opinion and certificate, and this is achieved in the great majority of cases.
- 5.16** This timetable means that local authority publish their audited accounts later than most other parts of the public sector. NHS Foundation Trusts must publish their audited accounts by late June, and

Government Departments are expected to lay their audited accounts in Parliament before the summer recess (generally mid to late July).

- 5.17** Earlier publication of the accounts would enhance authorities' accountability to local residents, and assist their own financial management by providing earlier assurance on the previous year's financial outturn. Local authorities are a significant component of the Government's Whole of Government Accounts, and the current local government timetable is one barrier to bringing forward the publication date of those accounts.
- 5.18** We are aware that some authorities publish substantially earlier than the deadline. Oldham Council published its 2012-13 statement of accounts on 31 May 2013, and Transport for London on 29 July. But other authorities would need to make significant changes to their systems and processes to move the publication date forward.
- 5.19** The disparity between the timetables for local government and other parts of the public sector justifies a reconsideration of the current dates. We would welcome views on this issue and information of the practical issues that would be raised by a change. If any change is to be made local authorities would be given definite notification at least 12 months before the beginning of the first year to which the new timetable would apply (that is, more than two years before the accounts for the year have to be published).

Q16. Do you have any comments on the bringing forward of the local government accounts timetable, or the practical issues a change would raise?

Public rights and audit processes

- 5.20** Part 6 of the current Regulations (regulations 21 to 28), together with regulations 9 to 11, set out the process for local residents exercising the right to inspect a local authority's detailed accounting records and supporting documentation while the annual audit is being undertaken. For example, the regulations specify that principal bodies' inspection periods must last twenty working days and be preceded by a two week notice period (with a notice on their website and in a local newspaper); and followed by a period when local electors can raise questions and objections with the auditor.
- 5.21** We consider that some changes to this might be appropriate and seek views on the options described below. This consultation also seeks some information about how these rights are exercised.

The inspection period

- 5.22** We consider that it would be beneficial for local bodies to set the inspection period so far as possible for the same period, and seek views on two alternative options:
- i) **Option 1: encourage authorities to start the inspection period of twenty working days between mid June and end July.** This would continue to be preceded by a fourteen day notice period via a notice on the website and in the newspaper, and followed by a questions and objections period; or
 - ii) **Option 2: set a default inspection period of twenty working days, but amalgamate it with the period for questions and objections.** The authority could bring forward or defer the period but this would be considered an exception. The inspection period would continue to run for twenty days, but questions and objections could be made until the audit was closed. It would be preceded by a fourteen day notice period via a notice on the website and in the newspaper. This would allow local electors who make use of the right of inspection to raise matters immediately with the auditor by question or objection.

Q17. Do you have any comments about Options 1 and 2, or any other options for that matter which would align inspection periods more closely?

Q18. What is the level of take up of these rights? What information do local electors access through these rights? What use is made of this information?

Publicity for the inspection period

- 5.23** We also want to seek views on the required publicity around these inspection rights. Authorities are currently required to publish a notice of these rights in a newspaper and on their website for fourteen days before the inspection period opens. We are considering making additional requirements to require authorities to publicise these; for example, in the council tax bill or leaflet; or in the unaudited statement of accounts.

Q19. Do you have any comments about additional publicity for the inspection period?

Q20. Do you have any other comments on the Accounts and Audit regulations for principal bodies?

Smaller bodies

- 5.24** New Accounts and Audit Regulations will also be necessary for the smaller authorities. The points raised above for larger authorities will also be relevant to them, but we would also expect to maintain many of the current provisions for smaller bodies. For instance we would expect smaller authorities to continue:
- i) to have the option to prepare accounts on the same basis as larger authorities; and
 - ii) where their annual expenditure / income is no greater than £200,000 to have the option to prepare accounts on a receipts and payments basis.
- 5.25** We would also expect the right of inspection to continue to be exercisable by prior appointment. And we would not at present wish to consider any change in the timetable for the preparation and publication of the year end accounts for the smaller authorities.

<p>Q21. Do you have any comments on the content of Accounts and Audit Regulations for smaller authorities?</p>

Section 6

6. List of Consultation Questions

Smaller authorities' regulations

1. The Government does not intend to provide for smaller authorities to opt-out during a contract period, for the reasons given above.

However, we would welcome comments on any circumstances under which a smaller authority should be able to opt-out of the specified person's regime once the deadline for opting-out of a contract period has expire.

2. We would like to understand if there are any circumstances in which the specified person should be able to forcibly opt-out a smaller authority. If this is allowed in any circumstances, what safeguards should there be to ensure that the authority is treated fairly and has sufficient time to appoint its own auditor in compliance with the law?
3. Should the specified person be required to publish the record of the names of opted-in and opted-out authorities, and, for opted-in authorities, to publish the names of the appointed auditors?
4. In the event that a smaller authority opts-out of the specified person's appointment regime but then fails to appoint an auditor, should the Secretary of State be able to order that the authority is opted-in and require the specified person to appoint an auditor?
5. Do you have any observations on the draft regulations for smaller authorities?
6. Are these the right criteria for suspension and the right process for exemption?

Independent auditor panels and the resignation and removal of auditors

7. Do you have any comments about the draft regulations on auditor panels and/or the resignation and removal of auditors?
8. On the resignation and removal of an auditor, does three months give a reasonable period for relevant authorities to make a new appointment?

Eligibility and regulation of auditors

9. Do you have any comments about the draft regulations on auditor qualifications and major local audits?

10. Do the requirements in Part 2 of the regulations ensure a robust and appropriate qualification for local audit?
11. Do the thresholds in Part 3 seem appropriate to capture the audits of significant local bodies?
12. Do you have any comments about these delegated regulations?

Conduct of local audit

Consideration of report or recommendation – Public Interest Reports

13. Do you have any comments on the arrangements for Public Interest Reports?

Accounts and audit regulations

14. Do you have any comments about the provisions for financial management, internal control and internal audit?
15. Do you have any comments on the content of statements of account and the process for producing them?
16. Do you have any comments on the bringing forward of the local government accounts timetable, or the practical issues a change would raise?
17. Do you have any comments about Options 1 and 2, or any other options for that matter which would align inspection periods more closely?
18. What is the level of take up of these rights? What information do local electors access through these rights? What use is made of this information?
19. Do you have any comments about additional publicity for the inspection period?
20. Do you have any other comments on the Accounts and Audit regulations for principal bodies?
21. Do you have any comments on the content of Accounts and Audit Regulations for smaller authorities?