



# Yeovil Town Council

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## Policy, Resources and Finance Committee

The Meeting... **Policy, Resources and Finance Committee**

The Time... **7.00pm**

The Date... **Tuesday 27 May 2008**

The Place... **Town House, 19 Union Street, Yeovil**

*The Committee will be discussing all the items listed overleaf*

If you need this information in large print, Braille, audio or another language, please ring 01935 382424



QUALITY  
TOWN  
COUNCIL

*Alan Tawse*

Alan Tawse  
Town Clerk

19 May 2008

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Please contact Alan Tawse at the Town House for more information about this meeting

To All Members of the Policy, Resources & Finance  
Committee:

Philip Chandler (Ex-officio)

Clive Davis

Bridget Dollard

Tony Fife

Dave Gooding

John Grana

Dave Greene

Steve Hawker

Andrew Kendall

Tony Lock (Chairman)

Pat Martin (Vice-Chairman)

Tom Parsley

Wes Read (Ex-officio)

David Recardo

Alan Smith

# **A G E N D A**

Public Comment (15 minutes)

1. **MINUTES**

To confirm as a correct record the Minutes of the previous meetings held on 25 March and 13 May 2008.

2. **APOLOGIES FOR ABSENCE**

3. **DECLARATIONS OF INTEREST**

4. **CORRESPONDENCE**

5. **APPLICATIONS FOR GRANT AID**

(Circulated separately)

**PAGES**

6. **CAPITAL FUND**

7. **MONMOUTH HALL**

8. **LOCAL GOVERNMENT PENSION SCHEME**

9. **CHEQUE SIGNATORIES**

10. **FINANCIAL STATEMENT - FEBRUARY/MARCH 2008**

Public Comment (15 Minutes)

**Policy, Resources and Finance Committee Meeting – 27 May 2008**  
**Summary of Grant Applications Received**

Name of Applicant	Amount sought	Purpose of Grant sought	Last Grant by Town Council/Comments	Page Nos
Yeovil Football and Athletic Club Ltd	<b>£1000</b>	Towards cost of medical and training equipment for community project scheme	New Applicant (Deferred from previous meeting) See page 11	1 - 11
Good Fellowship Club	<b>£250</b>	To help fund transport costs	2007 £200 2006 £200 2005 £200 2004 £200	12 - 22
Octagon Theatre Summer School	<b>£1000</b>	Assist with the cost of mounting the annual summer school  (Full set of accounts available at Town House)	2007 £800 2006 £750 2005 £750 2004 £500 2003 £750	23 - 27
Age Concern Somerset	<b>£800</b>	Towards general expenses of volunteers	2006 £750 (To meet the costs of reimbursing mileage expenses incurred by volunteers carrying out work in Yeovil)	28 - 57
Gryphon West Gym Club	<b>£3500</b>	To purchase a portable air track	New Applicant	58 - 80
Somerset Polish Community Association	<b>£5000</b>	Towards multi-cultural sports festival/General office running costs	2006 £1000	81 - 98
Groovy Tots	<b>£832</b>	Hiring of hall	New Applicant	99 - 103
Yeovil Division Girl guiding Bright Sparks	<b>£1000</b>	Towards Bright Sparks theatre production at the Octagon	2008 £850 (Headquarters) 2007 £350 (Senior Section) 2006 £750 (Brightsparks) 2004 £500 (Brightsparks) 2003 £500	104 - 112

- Unallocated revenue budget in 2008/2009      **£24,700**
- Unallocated Capital Funds                              **£6,095**  
(Excluding other agenda items)

In the interest of economy the supporting papers for the above grant applications have been circulated to members of the committee only. Additional copies are available on request.

## 6. **CAPITAL FUND**

A copy of the updated Capital Fund statement is attached at page xx. The sum of £6,095 is available for allocation to new capital schemes.

### **Future Sources of Funding**

Potential sources of funding include the proceeds arising from the sale of surplus land at the former Goldcroft Allotment Site. As explained below, it is anticipated that funds will be available from this source within the coming months.

As previously reported, outline planning permission has been granted by the Planning Authority for general housing development on this site with a 35% affordable housing element.

The draft S.106 agreement has been checked by the Town Council's Solicitor, in consultation with the Town Clerk and the Chairman of the Committee and, following a meeting with the Solicitor to the District Council, various comments on this document and on a number of related matters were forwarded to the Solicitor of the District Council for consideration.

Following further discussions and negotiations, a final agreement has now been drawn up and approved by both Authorities. A contaminated land survey has been undertaken ahead of the site being marketed in accordance with the terms of the agreement, and this has not identified any problems that would prevent its development along the lines proposed.

The site has now been revalued in line with this agreement and, following a recent decision by the District Council not to exercise an option to purchase the land at the revised open market value; Humberts have been instructed to market the land with a view to its unencumbered disposal on the open market.

Another potential source of funding is the former ski and activity centre should the Town Council decide to dispose of the freehold as part of the redevelopment proposals.

Alder King have been instructed to market this site on behalf of the Town Council and, following a meeting between the appointed representatives of the Town Council and Alder King, arrangements have been made for a revised draft development brief to be produced and submitted to the July meeting of the Town Council for consideration - with a view to the site being advertised shortly thereafter in accordance with the adopted brief.

### **Other Sources**

Any funding beyond these sources will need to be in the form of a loan from the Public Works Loan Board (PWLB), applications for which are considered on their individual merits and subject to funding availability.

### **Existing and Future Commitments**

The Capital Fund includes the £2,500 commitment towards the estimated costs of completing the removal/replanting of diseased hedge at Preston Park – as agreed during the last cycle of meetings. The Fund also includes the £9,000 grant awarded last year by the Big Lottery to the Town Council under the Breathing Places

programme, which is being used to help rejuvenate Ninesprings wooded valley in Yeovil Country Park.

At the request of the District Council and with the support of the Big Lottery, completion of the project has been delayed until November 2008 to enable tree planting works to be undertaken during the forthcoming autumn.

Impending commitments on the Capital Fund include pledged contributions towards the upgrading of the play area at Yew Tree Recreation Ground (£80,000) and the provision of replacement public toilets in the Town Centre (£100,000).

Having regard to the anticipated timing of these two projects, the Town Council's contributions are unlikely to be required to be paid until late November 2008 at the earliest.

The Town Council has agreed that these contributions be met from the anticipated capital receipt arising from the disposal of the former Goldcroft Allotment site and, that should this be delayed beyond the required payment dates, approval in principle be given to the contributions being met instead by a loan from the Public Works Loan Board (PWLB) – the amount and duration of which to be considered by the Policy, Resources and Finance Committee and determined by the Town Council.

The Committee is **RECOMMENDED** to

- (1) note the current position concerning the Capital Fund;
- (2) note the further developments regarding the impending disposal of the former Goldcroft Allotment site and the marketing of the former Ski and Activity Centre.

*(Alan Tawse, Town Clerk – 01935 382424)*

## CAPITAL FUND (as at 28 May 2008)

<b>Balance of Capital Fund as at 31 March 2007</b>		<b>£17,479</b>
<b>Plus Capital Receipts:</b>		
Breathing Places Project - Big Lottery Grant		<u>£9,000</u>
<b>Sub-total</b>		<b>£26,479</b>
<b>Less Capital Expenditure:</b>		
Yew Tree Park - Interim Play Area Upgrade	<u>£3,000</u>	
<b>Sub total</b>		<u>£3,000</u>
<b>New Balance of Capital Fund</b>		<b>£23,479</b>
<b>Less Commitments:</b>		
Yeovil Country Park - contribution to signage	£180	
Sunningdale Doorstep Green (Phase 3)	£5,704	
Preston Park - Removal/Replanting of Diseased Hedge	£2,500	
Yeovil Country Park - Breathing Places Project	<u>£9,000</u>	
<b>Total</b>		<u>£17,384</u>
<b>New Balance (unallocated)</b>		<b>£6,095</b>
<b>Notes</b>		
1 YTC Sunningdale Doorstep Green contribution totals £20,820 as follows:		
Phase 1 - £6,860 (£3,360 to be met from capital and the remaining £3,500 to be met from the reimbursement for the feasibility study costs) (Phase 1 commitment includes £11,580 contribution from SSDC)		
Phase 2 - £6,980 - to be met as a capital contribution from revenue (2004/05)		
Phase 3 - £6,980 - to be met as a capital contribution from revenue (2005/06)		
2 All future Cemetery capital improvements to be met from revenue contributions to capital by the Joint Burial Committee		
3 Glenthorne Avenue Traffic Calming Scheme contribution of £9,000 set aside in the General Fund.		
4 Essential play area repair work beyond routine maintenance budgets to be charged to capital (subject to matching contributions from SSDC)		
5 Contribution to interim play area upgrade at Yew Tree Park subject to matching contribution from SSDC		
6 Breathing Places Project to be completed by November 2008		
7 Capital commitments totalling £180,000 (£80,000 towards the upgrade of Yew Tree Park Play Area and £100,000 towards replacement public toilets in Yeovil Town Centre) agreed. Costs involved to be met from proceeds of sale of former allotment land at Goldcroft or, if sale delayed, from PWLB loan.		

## 7. MONMOUTH HALL

The District Council is seeking the Town Council's views on the possible disposal of the freehold of a storage unit located to the rear of the Monmouth Hall Car Park.

The plan (attached at page xx) highlights the location of the unit, which is currently leased to the Boy's Brigade - who have approached the District Council requesting that consideration be given to the sale of the premises.

The freehold of the car park was transferred to the Town Council by the District Council in 1992 along with the Hall itself. However, the District Council retained the ownership of the storage unit and, by way of covenant, maintained a vehicular right of access over the car park for the tenants of the unit along with the allocation of three parking spaces for use by the tenants.

Whilst there would appear to be no reason to oppose the disposal of the unit, the transfer of the freehold possession of the three parking spaces would result in a permanent loss of control over the use of this part of the car park, and could restrict options for the future redevelopment of the Hall.

Further enquiries have revealed that the Boys Brigade are not seeking to purchase these parking spaces, but to carry on with the present access arrangements – which are covered by a separate licence.

To protect the Town Council's interests, it is **RECOMMENDED** that no objection be raised to the disposal of the storage unit, subject to the three allocated car parking spaces being excluded from the sale.

*(Alan Tawse, Town Clerk – 01935 382424)*

# Monmouth Road Store



Monmouth  
Road Store,  
Yeovil

## 8. LOCAL GOVERNMENT PENSION SCHEME

The Town Clerk and the Finance Administrator, along with officers from other local authorities across Somerset, have attended a seminar arranged by the Superannuation Authority (Somerset County Council) which was organised to ensure that adequate local arrangements were in place in member authorities for the national transfer of the existing Local Government Pension Scheme (LGPS) over to the new system – which came into place on 1 April 2008.

Details of the new Scheme are set out in the leaflet attached at pages xx to xx.

The bulk of the new arrangements are enshrined in law, and local authorities participating in the LGPS are required to comply with the new provisions. However, there is some discretion in how member authorities calculate the whole-time equivalent (WTE) salary for the purpose of determining their employee's contribution rates.

Under the new Scheme, an annual review needs to be undertaken. The Superannuation Authority have recommended that this be carried out by all authorities on 1 April each year, and that the WTE salary on that date be used until the next annual review falls due irrespective of any changes in the FTE salary which may otherwise result in a change to the contribution banding rate – the only exception being where a compulsory downgrading occurs, in which case the contribution band will be re-assessed.

This approach will minimise the additional cost of administering the new scheme and make reconciliation much easier.

The Department for Communities and Local Government (DCLG) stated intention is that the band, once set, at the beginning of the year, should not change during the rest of the year whilst remaining with that employer. Furthermore, there should be no change as a result of changes in pay during the year arising from pay awards etc.

Existing manual workers who pay contributions at the protected 5% contribution rate will be brought into line with all other Scheme members from April 2011. In the meantime, their contributions will rise each year by an agreed increment unless they would pay a lower rate when the standard table is applied.

All Town Council staff were advised of the changes to the LGPS ahead of their introduction, and provided with information about the new Scheme - including their new banding contribution rate. The Council's payroll system has been adjusted to deduct contributions at the relevant rates.

The Superannuation Authority has further advised that the Employer's contribution rate has been increased from 16.5% to 17.0% of payroll from 1 April 2008.

The Committee is **RECOMMENDED**:

- (1) to note the above-outlined developments; and
- (2) to consider supporting the proposal recommended by the Superannuation Authority and endorsed by the Government for carrying out an annual review of each employee's contribution band.

*(Alan Tawse, Town Clerk - 01935 382424)*

# How will my benefits be calculated?

This example shows how your benefits will be calculated. Gary retires at age 65 on 31st March 2015 with 14 years service and a final pay of £30,000. 7 years of his service are based on the old rules and 7 years on the new rules as follows:

$7 \times 1/80 \times £30,000 = £2,625$  pa pension  
 $7 \times 3/80 \times £30,000 = £7,875$  lump sum  
(a larger lump sum can be taken by giving up some pension)

$7 \times 1/60 \times £30,000 = £3,500$  pa pension  
(of which 25% can be commuted to provide a lump sum as follows)

less 25% = £875  
gives lump sum  $£875 \times 12 = £10,500$   
reduced pension = £2,625 pa

As you can see, your benefits will effectively be based on two calculations, one for your service prior to 31st March 2008 and one for your service post 1st April 2008 and then added together. The new rules also allow for a larger lump sum to be taken.

This document is also available in Braille, large print, on tape and on disc and we can translate it into different languages. We can provide a member of staff to discuss the details.



RNID typetalk



## Case Studies

The following case studies illustrate how different scheme members will be affected from 1st April 2008.

**Sally is 27 and works part-time, earning £6,750 pa.**

She lives with her long-term partner. Her service accrued up to 31st March 2008 will be fully protected, but service accrued from 1st April 2008 will be actuarially reduced if she retires before age 65. However, from April 2008 her contributions will reduce to 5.8% instead of 6% and she will enjoy better benefits such as the higher accrual rate and a survivor's pension for her partner.

**Ken is 56 and earns £50,000 pa.** He plans to retire when he is 60 in 2011 when he will have 30 years service. His benefits won't be reduced for early payment as he falls into the period of full protection to 2016 (his age and service mean he meets the 85-year rule by 2016). Ken's pension contributions will increase from 6% to 7.2% but he will benefit from the improved pension package as well as an unreduced pension at age 60.

**Kate is 49 and earns £20,000.** She wants to retire at age 60, in 2018 when she will have 27 years service. Her service accrued to 31st March 2008 will be fully protected, but service accrued from 1st April 2008 will have a partial reduction for early payment as she falls into the band of tapered protection which runs from 2016 – 2020. Her contributions will increase from 6% to 6.5% but she will benefit from the higher accrual rate and more flexible options regarding the lump sum.



# Pensions News

## Changes to your Pension





From 1st April 2008 the new-look LGPS regulations come into force.

This newsletter explains the changes that are being made and how these will affect you.

These changes are being made to ensure that the LGPS remains viable, fair and affordable. Final salary schemes like the LGPS

are becoming more expensive to run due to increasing longevity, and these changes ensure that the LGPS can continue as a final salary scheme without increasing the burden on taxpayers.

All employees will automatically become part of the new-look LGPS from 1st April 2008, although service up to 31st March 2008 will be 'banked' under the current rules.

Contact:

The Pensions Section  
County Hall  
Taunton  
Somerset TA1 4DY

Telephone: 01823 355547 or 356924  
Email: [pensions@somerset.gov.uk](mailto:pensions@somerset.gov.uk)  
website: [www.lgps.org.uk](http://www.lgps.org.uk)

# Main Changes

- Accrual rate has improved from 1/80ths to 1/60ths. This means that for every year's pensionable service you accrue you will earn 1/60th of your final year's pensionable pay, rather than 1/80th. This means that your annual pension should be bigger.
- There will no longer be an automatic tax-free lump sum for service after 1st April 2008 – instead you have the option to give up up to 25% of your pension to provide a lump sum (£1 pension given up will provide £12 lump sum).
- All benefits accrued from 1st April 2008 will be actuarially reduced if brought into payment before age 65 EXCEPT for those members who are protected against the removal of the 85-year rule.
- Contribution rates are changing – currently everyone pays 6% (except manual workers with a protected right to pay 5%). In future your contribution rate will depend on your full-time equivalent salary as follows:

Full-time equivalent salary	Contribution rate
£0 - £12,000	5.5%
£12,000.01 - £14,000	5.8%
£14,000.01 - £18,000	5.9%
£18,000.01 - £30,000	6.5%
£30,000.01 - £40,000	6.8%
£40,000.01 - £75,000	7.2%
£75,000.01 or more	7.5%

If you have two jobs each will be assessed separately so you may pay different contribution rates for each job. For manual workers with a protected right to pay 5%, contribution rates will be gradually increased on a stepped basis over the next three years to bring contributions in line with the pay bands above.

- Currently your benefits are generally calculated on the average pay over your last year of employment. From 1st April 2008 we can use the best pay of the last three years or the average of any consecutive three years over the ten years before retirement. This extends the period we can take into account when determining your best pay.
- There are changes to ill-health benefits – a two-tier system has been introduced and the amount of enhancement added to your benefits will depend on which tier you fall in to.
- From 1st April 2008 survivors pensions can now be paid to unmarried partners. To qualify you will need to meet certain criteria and jointly sign a declaration form, which will be available from the pensions section from March 2008. Partner's pensions will be payable in respect of service from 1st April 1988 only.
- Benefits on death have been improved – for death in service the lump sum has been increased from two times salary to three times salary, and for death in retirement the pension guarantee period has increased from 5 years to 10 years.
- It will no longer be possible to purchase additional years of service in the scheme – in future you will be able to enter a contract to buy a specific amount of extra pension, from £250 up to £5,000 a year. However, any contracts to buy extra service entered into before 31st March 2008 will be valid and honoured – you will continue paying the additional contributions and receive the service you're purchasing.

## 9. CHEQUE SIGNATORIES

The Town Council has designated the following five members as cheque signatories:

*J Vincent Chainey*

*John Cruddas*

*Tony Fife*

*Pat Martin*

*Alan Smith*

A previous town councillor, who did not seek re-election last May, was also authorised for this purpose. In the circumstances, the Chairman of the Committee has offered to undertake this role.

The role involves checking invoices in respect of purchased goods and services, and acting as a co-signatory in signing cheques to make payments - from time to time - from the Town Council's current account to settle such invoices.

To ensure that sufficient flexibility is maintained, it is **RECOMMENDED** that Tony Lock be authorised to act as a cheque signatory.

*(Alan Tawse, Town Clerk – 01935 382424)*