

COLDEN COMMON PARISH COUNCIL
MINUTES OF THE FINANCE AND ADMINISTRATION COMMITTEE
HELD ON FRIDAY, 27TH MARCH 2015 AT 10.00AM. IN THE
RECREATION GROUND PAVILION, MAIN ROAD, COLDEN COMMON

Present Cllr John Carry (Chair)
Cllr Val Evans

Cllr Maggie Hill
Cllr Izard

Apologies Cllr Paul Bryant
In attendance Debbie Harding (Clerk)
0 members of the public

FA49/14 APOLOGIES FOR ABSENCE

Cllr Bryant gave his apologies for this meeting.

FA50/14 DECLARATIONS

No declarations of interest were made.

FA51/14 TO APPROVE THE MINUTES OF THE LAST MEETING HELD ON
16th DECEMBER 2015

It was resolved to approve the minutes of the meeting held on the 16th December 2015. Proposed by Cllr John Carry, seconded by Cllr Maggie Hill and carried.

FA52/14 UPDATE ON MINUTES FROM THE LAST MEETING

The PWLB loan application has been approved and the money has been received by the Parish Council.

FA53/14 TO RECEIVE QUESTIONS FROM MEMBERS OF THE PUBLIC

No members of the public were present

FA54/14 TO CONSIDER THE LEVEL OF THE PARISH COUNCILS FIDELITY
INSURANCE

The current bank balances for Colden Common Parish Council as of 26th March 2015 stands at £241,363.

The first instalment of the precept hasn't been paid yet and when it does the bank balance is likely to increase to £310,776 which is outside our current fidelity insurance level of £250,000.

The street lighting bill should be received in April which will be approx. £89,000, so the bank balances will reduce below the fidelity guarantee quite quickly.

The Parish Council has good internal control and triple authority internet banking. Cllr Carry checks all invoice before they are paid. The fidelity guarantee is invalid if controls are found to be insufficient.

It was resolved that due to internal controls the risk of theft is considered to be low. Given the controls and that fact that the parish bank balance will reduce below the level of fidelity insurance quite quickly It was therefore resolved to outline the low risk to the Parish Council and level of cover and recommend that the fidelity insurance remains at £250K for review at the next Finance Meeting. Proposed by Cllr John Carry, seconded by Cllr Val Evans and carried.

FA55/14 TO DISCUSS THE AGREEMENT WITH COLDEN COMMON COMMUNITY CENTRE IN RELATION TO THE CCTV CHARGES

It was resolved to split ALL costs for replacement, damage, maintenance and repairs 50/50 with the Community Centre, regardless of the outlook of the CCTC camera. Energy costs of not more than £450.00 per year will also be split 50/50.

Proposed by Cllr John Carry, seconded by Cllr Richard Izard and carried.

FA56/14 TO REVIEW THE YEAR END FORECAST FOR THE FINANCIAL YEAR 2014-15 AND AGREE ACCRUALS, TO INCLUDE THE GRANT REQUIREMENT FROM THE RECREATION GROUND CHARITY

The Clerk presented the forecast for the Parish Council income and expenditure for 2014-2015. The forecast is for income to total £251,683, expenditure of £264,182. This leaves a deficit of £12,499 to be funded by reserves. The original budget made was to fund a £7,681 deficit from reserves. The use of reserves was agreed to increase at the Parish Council meeting in December. When it was resolved to go ahead with the play equipment installation on the recreation ground the resolution was as follows

It was resolved that the Parish Council release an additional £8,189 from reserves (Total for the year end to be increased to £14,889) to finance the project, subject to reserves being replaced with a retrospective application to the open space fund for the Apex contributions once they are paid and subject to written confirmation from WCC as to the amount due.

The year-end forecast includes all the street lighting income and expenditure as well as expenditure for the new play equipment on the recreation ground and both the income and expenditure for the relaying of the bowling green apron and footpath to the pavilion. The clerk has sought both the internal auditor and external auditor's approval in relation to the 2014-15 year end accounts.

The year-end forecast also includes a provision for a grant of £1,800 to be paid to the Recreation ground charity.

It was resolved that Finance Committee recommend to the Parish Council a grant payment of no more than £2,000 to be paid to the Recreation ground charity to cover their forecasted share of the shortfall of income to expenditure for the financial year 2014-2015. Proposed by Cllr John Carry, seconded by Cllr Maggie Hill and carried.

57/14 **TO REVIEW THE ASSET REGISTER AND COMMENCE DISCUSSION ON THE PARISH COUNCIL RESERVES POLICY AND BALANCES**

The Clerk has revised the asset register and insurance to add in the new play equipment on the recreation ground and the green.

The street lighting will be insured via the PFI agreement.

The Parish Council need to consider two policies

- 1) Ear marked reserves
- 2) Free reserves

The Governance and Accountability guide (March 2014) a practitioner's guide gives the following guidance:-

2.25 As councils have no legal powers to hold revenue reserves other than those for reasonable working capital needs or for specifically earmarked purposes, whenever a council's year-end general reserve is significantly higher than the annual precept, an explanation should be provided to the auditor.

2.26 Earmarked reserves, which are set aside for specific purposes and for savings for future projects, should be realistic and approved by the council. However, the amount of general reserve should annually be risk assessed and approved by the council

The year-end forecast is that the Parish Council will start 1st April 2015 with £132K in reserves.

It was resolved to recommend to the Parish Council that ear marked reserves are kept no lower than 70% of proposed expenditure for replacement of assets replacement identified within the next 5 years and projects. As of 2015-16 this stands at £126,000K (or 70% £88,200)

That free reserves is limited to no less than 1/4 of the annual precept and no more than 1/2. 1/4 of the annual precept is currently £34,706.

Proposed by Cllr John Carry, seconded by Cllr Maggie Hill and carried.

FA58/14 **TO AGREE THE PROCESS FOR BUDGET MONITORING**

The following process was agreed for budget monitoring reports:-

April, May, June will be reported in July

July, August, Sept will be reported in October

Oct, Nov and Dec will be reported in January

Jan, Feb and March will be reported as a year-end forecast in March.

FA59/14 TO AGREE ITEMS FOR THE NEXT AGENDA

The following items were put in priority order.

- 1) DCK Beavers advice and actions required on VAT
- 2) Review Recreation charity agreement and management of the accounts.
- 3) Staffing costs in relation to charities
- 4) Little Wizards lease review
- 5) Review of investments
- 6) Review of the bowling green lease
- 7) Draft tennis club lease
- 8) Transparency code

As item 4 is awaiting input from item 1, a special meeting might be called to deal with this item before the next planned meeting on the 27th May 2015

The meeting closed at 10.45am