

COLDEN COMMON PARISH COUNCIL
MINUTES OF THE FINANCE AND ADMINISTRATION COMMITTEE
HELD ON WEDNESDAY 10TH SEPTEMBER 2014 AT 7.00PM. IN THE
BERT STRATTON LOUNGE, COLDEN COMMON COMMUNITY CENTRE

Present Cllr Paul Bryant (left the meeting at 7.02pm) Cllr John Carry
Cllr Val Evans
Cllr Richard Izard

Apologies Cllr Maggie Hill (Holiday)
In attendance Debbie Harding (Clerk)
0 members of the public

FA14/14 APOLOGIES FOR ABSENCE

In capacity of current Vice-Chair of Finance, Cllr Bryant took the Chair.
Apologies were received and noted as above.

FA15/14 DECLARATIONS

No declarations of interest were made.

**FA16/14 TO RECEIVE NOMINATIONS FOR THE CHAIR OF THE
COMMITTEE AND ACCEPT THEIR DECLARATION OF
ACCEPTANCE OF OFFICE**

Cllr Bryant requested nominations for Chair of the Finance and Administration Committee.

Cllr Val Evans nominated Cllr Carry for Chair of the Committee, seconded by Cllr Izard and carried.

Cllr Carry signed the declaration of acceptance of office and took the Chair.

**FA17/14 TO RECEIVE NOMINATIONS FOR THE VICE-CHAIR OF THE
COMMITTEE AND ACCEPT THEIR DECLARATION OF
ACCEPTANCE OF OFFICE**

Cllr Bryant left the meeting. It was agreed to not nominate a Vice-Chair at this time.

**FA18/14 TO APPROVE THE MINUTES OF THE LAST MEETING HELD ON
21ST MAY 2014**

It was resolved to approve the minutes of the meeting held on the 21ST May 2014. Proposed by Cllr Val Evans seconded by Cllr Richard Izard. Cllr Carry abstained.

FA19/14 UPDATE ON MINUTES FROM THE LAST MEETING

The Clerk gave an update on the actions from the last meeting.

The triple authority signatories' process on the Lloyds Bank internet banking should be in place by the end of the month. Lloyds bank have awarded compensation of £110 to the Parish Council following the Clerk's complaint over the call handling processes.

All other outstanding matters are either on the agenda for this evening, or to be prioritised in agenda item 27/14.

FA20/14 TO RECEIVE QUESTIONS FROM MEMBERS OF THE PUBLIC

No members of the public were present

FA21/14 TO REVIEW THE STREET LIGHTING CONTRACT WITH HCC AND MAKE AN RECOMMENDATION TO THE FULL PARISH COUNCIL TO ENTER THIS CONTRACT AND HOW TO FUND THE INVESTMENT REQUIRED TO PURCHASE THE NEW STREET LIGHTING

The Clerk presented a paper which outlines the rationale for the replacement of the Parish Council owned street lighting and an overview of the costs versus the benefits. This is attached to end of these minutes.

HCC and the Clerk believes the Parish owns 101 lights to replace, however, if any others come to light during the replacement ownership would have to be agreed and may have cost implications.

The Committee worked through a high level projection of the impact on reserves up to and including 2018-19. The Committee projected forward income and expenditure on running costs (without inflation) and made adjustments for any potential loss of income and indeed additional expenditure for example of staff restructuring costs. This enabled the Committee to run scenarios on the financial implications of the approx. £77K investment required to purchase new street lighting and show how the capital investment was likely to affect the Parish Council reserves. A copy of the document is attached to this minutes.

The reserves illustration shows that using £17K of reserves and a £40K loan reserves could drop to £105K in 2015-16, £84K in 2016-17 and £73K in 2017-18, but would start to recover in 2018-19 with new housing stock in the village contributing to the Precept and other potential revenue streams.

With above scenario, at the projected lowest point in 2017-18 reserves could potentially drop to £73K. The asset register shows a forecasted requirement for replacement asset values to be £50K up to 2019/2020.

It was agreed to project reserves forward another year to show the affect for the entire life of the loan and present to the Full Parish Council will the recommendations.

The illustration does not consider at this stage raising the precept.

A Public Works Loan of £40K over 5 years based on 2.08% would be approx. £8,500 annually, the total interest repayable being under £2,500.

Subject to taking legal advice as advised within our financial regulations, It was resolved to recommend to the Parish Council to waive the current financial regulations (10.1,b vi) and enter into the street lighting contract with SSE Contracting using the benefit of the HCC PFI Contract to replace the Parish Council owned street lighting in the village with a approx. capital cost of approx. £77K, funded by £17,238k contained in projects in the 2014-15 budget, reduction of reserves of £19,762K and £40K being funded through the Public Works Loan over 5 years currently at 2.08%

Proposed by Cllr Carry, seconded by Cllr Val Evans and carried.

It was resolved to recommend to the Full Parish Council to waive the current financial regulations (10.1, b vi) and enter into the street lighting maintenance and energy contract with HCC up to 31st March 2035 the current costs being approx. £33.86 per unit for maintenance plus 8% management fee and £15.00 per unit on energy plus an administration charge of 3% to HCC. The costs will be subject to an annual indexation increase (RPIX)

Proposed by Cllr Carry, seconded by Cllr Val Evans and carried.

It was resolved to recommend to the Parish Council to apply for borrowing approval for a Public works Loan via the Hampshire Association of Local Councils.

Proposed by Cllr Carry, seconded by Cllr Izard and carried

It was resolved to recommend to the Parish Council to apply for a £40,000 Public works Loan over 5 years.

Proposed by Cllr Carry, seconded by Cllr Izard and carried

FA22/14 TO REVIEW THE PARISH COUNCIL RESERVES AND DISCUSS OPTIONS FOR INVESTMENT AND MAKE AN RECOMMENDATION TO THE FULL PARISH COUNCIL

It was considered that as interest rates are low currently a short term investment may be suitable at this stage.

The Finance Committee recommend to the Full Parish Council to invest £25k over maximum of 2 years. The Clerk to research options and present to Full Parish Council for final decision on savings provider and terms. Clerk

Proposed by Cllr John Carry, seconded by Cllr Val Evans and carried.

FA23/14 TO RECEIVE A BUDGET MONITORING STATEMENT AND DISCUSS THE PROCESS FOR SPLITTING THE INCOME AND EXPENDITURE FOR THE RECREATION GROUND WHICH IS ATTRIBUTED TO THE RECREATION GROUND CHARITY

The process for transferring the income and expenditure of the attributed to the Recreation Ground Charity was discussed.

It was resolved to set up the Recreation Ground Charity as a debtor in sage to facilitate the necessary transfer of income and expenditure which is charitable income / expenditure.

JC
Clerk

Cllr Carry to work with the Clerk on the sage process.

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

FA24/14 TO CONSIDER A REVISED BUDGET FOR 2014-15 AND MAKE AN RECOMMENDATION TO THE FULL PARISH COUNCIL FOR ITS ADOPTION

The Clerk has produced a revised budget which removes all income and expenditure which relates to the Allotment Charity, and removes 50% of the income and expenditure for the Recreation ground Charity and adds £87.50 to grants which is the budgeted shortfall in income to expenditure for the Recreation ground charity.

It was resolved to recommend to the Full Parish Council a revised budget for 2014-15 income of £205,833 expenditure of £213,515 which reflects the above changes. Proposed Cllr Izard, seconded by Val Evans and carried.

It was noted that changes in the location in which the football teams are playing and the loss of CCFC second team, may mean that the Recreation ground income may be lower than the expenditure at the year end, resulting in the requirement for a further grant.

FA25/14 TO REVIEW THE PARISH COUNCIL INSURANCE QUOTATION FROM CAME AND COMPANY FOR THE FINANCIAL YEAR 2014-15 AND RECOMMEND TO THE FULL PARISH COUNCIL FOR ADOPTION

The Clerk circulated two quotations sourced from the broker Came and Company for Parish Council insurance.

Our current insurance levels does not match our asset register. The 2014-15 quote on this basis received from Aviva was an annual premium of £4,301.28 with an LTA premium of £4,086.22.

A quote from Hiscox insured a higher levels of buildings sum insured (as per our asset register) and gives an annual premium of £4,651.83 with a LTA premium (3 years) of £4,419.24. The budget contains £5k for insurance.

Discussion took place on possibility of not insuring fencing, picnic benches etc. Low cost, low risk items and the savings that this could generate. The cost of insuring items except buildings is .46p per £100.00. If CCPC join the HCC street lighting contract, Insurance for the street lighting can be removed from the policy as insurance is contained in the HCC contract for both damage and public liability.

Discussion also took place on the fact that any malicious damage to the Bowling Green is covered by Colden Common Bowls Club insurance. No insurance cover is currently in place for the cricket square or football pitches.

It was noted that Aviva have better key man cover than Hiscox. Both companies are offering a higher fidelity guarantee at £200,000 which is considered adequate at this time, but reviewed via the financial risk assessment.

After discussion and debate on the risk and premium implications it was resolved to increase the sums insured to the figures contained in the asset register and in additional insure the cricket square against damage to the wickets for £35,000.

The Clerk is to obtain a new quote with the above changes from Aviva with a potential for a mid-term adjustment to remove the street lighting from the insurance should the Full Parish Council approve the street lighting contract with HCC. The policy to be in place by the 1st October, with ratification at the Full Parish Council meeting on the 6th October as to whether to enter into an annual or 3 year contract.

Proposed by Cllr Carry, seconded by Cllr Evans and carried.

It was noted that due to its specialist nature a Parish Council insurance broker has searched the market and offered two suitable providers of policies. Obtaining 3 quotations was not possible at this time.

FA26/14 TO RECOMMEND ADVICE AND DIRECTION TO THE COMMITTEES FOR THE BUDGET SETTING PROCESS FOR 2015-2016

The budget setting principals remain unchanged from 2014-15 in terms of an operational budget with little growth and separate projects listed to be considered and prioritised by the Full Parish Council. Projects will be carefully considered and prioritised in light the major expenditure recommended for street lighting and subsequent forecasted reduction in reserves.

FA27/14 TO CONSIDER A LIST OF TASKS AND PRIORITISE THEIR IMPORTANCE FOR THE NEXT AGENDA

A list of the topics which the Committee need to consider was circulated at the meeting. It was agreed that priorities for the next meeting should include review of the risk assessment, financial regulations and standing orders and the Committee should make recommendations to the Full Parish Council for them to be re-adopted or revised where appropriate.

FA28/14 TO AGREE ITEMS FOR THE NEXT AGENDA

It was agreed to schedule an additional F&A Committee meeting to be held on

Tuesday 21st October during the day at 10.00am to be held in the Pavilion, at the Colden Common Recreation ground.

The meeting closed at 9pm.

Report To F&A Committee
Date 8th September 2014
By Clerk
Title of report Street lighting
Agenda Item FA21/14



**Colden Common
Parish Council**

The Parish Council owned street lighting is old and requires replacement. The lights within CCPC ownership are the developments prior to 1990 in the village. We are in contract with SEC until October 2014 for a yearly inspection and clean of the street lights in our ownership which costs £2280.00 a year, plus repairs.

Traditionally with the clocks going back, the Parish receive reports of street lighting issues and the costs associated with those repairs commence.

Repairs bills have been low in the past, but are forecasted to rise with aging equipment.

Energy costs are fixed at £965 a quarter.

Yearly cost is therefore £6,140 plus repairs based on 101 units.

HCC has looked at the list of our inventory, compared against their own and has priced the replacement of 101 lights at £74,674.75. If CCPC decide to go ahead, these prices may change slightly.

If there are others, which we don't know about, we'll have to determine ownership as and when they come to light.

In additional to the capital cost of £74,674, we would enter a contract with HCC to manage our street lighting for us for approx. 20 years.

Current costs are approx. £33.86 per unit maintenance £3,419.00 plus 8% management (£273) cost to HCC

£15.00 per unit on energy £1,515 plus an administration charge of 3% (£45) to HCC. The costs would increase yearly in line with inflation.

Maintenance through HCC would have the following benefits:-

- All faults reported via one company

- **No two tier lighting in the village, all areas will have the same standard of lighting**
- **Can be dimed during the early hours of the morning by up to 25%**
- **Improved visibility white light**
- **Quicker response to faults through centrally controlled systems**
- **Lighting shines on the pavement / roads reducing impact on the night sky.**

Approx. cost of maintenance and energy of the lighting a year would be £5253.89, £6k in included in this year budget.

The 2014-15 budget contains a provision of £17,238 for street lighting capital cost.