

**Minutes of the Meeting of  
CHURCH CROOKHAM PARISH COUNCIL  
FINANCE & POLICY COMMITTEE**

**Date and Time:** Monday 19<sup>th</sup> January, 2015. 7.35pm

**Place:** Willis Hall, Church Crookham

**Present:**

Councillors: Nick Harris (NH) (Chair), Michael Burford (MB), Pat Lowe (PL)

Also present: Sally du Gay deputy clerk/RFO

There was 1 member of the public present – Mark Davis, CCLA

*Action*

**01/15 Apologies for Absence**

No apologies for absence were received

**02/15 To approve minutes of the meeting held on Thursday 6th November 2014**

The meeting minutes were reviewed and were approved as a true reflection of the meeting.

**03/15 Dispensations – To receive any written requests for disclosable pecuniary interest dispensations from members.**

There were no requests for dispensations.

**04/15 Declarations of Interest**

No declarations of interest were made.

**05/15 Chairman's Announcements:**

The Chairman made the following announcements:

- The committee now has only 3 members following the resignation of Cllr Whibley, this should be brought to the attention of Full Council to encourage members to join.
- The bank mandates for the community centre construction accounts have been updated to include Cllr Butler; Barclays have confirmed the change, still waiting for confirmation from Lloyds Banks.

**06/15 Public Session**

This is an opportunity for members of the public to bring matters to the attention of the Finance Committee.

There were no comments from members of the public.

**07/15 Presentation (30mins)**

To receive a presentation from Mark Davies of CCLA.

Mark gave a presentation on the investment opportunities available to the parish council with CCLA i.e. the Public Sector Deposit Fund (PSDF) and the Local Authority Property Fund (LAPF).

CCLA Investment Management Limited (Registered in England No. 2183088) and CCLA Fund Managers Limited (Registered in England No. 8735639) are authorised and regulated by the Financial Conduct Authority. Registered address: Senator House, 85 Queen Victoria Street, London, EC4V 4ET.



CCLA stands for Churches, Charities and Local Authorities and is owned by these clients and manages a range of funds on their behalf.

PSDF was introduced following the collapse of the Icelandic banks, specifically to offer low risk, instant access cash deposits. The funds are deposited on the basis of security, liquidity and yield, a requirement of the Department for Communities and Local Government guidance on local government investments. The funds are deposited in money market accounts across a range of appropriately rated financial institutions, the diversity offers low risk. HSBC bank plc acts as a custodian of the money; CCLA is the appointed manager of the fund, overseen by its trustees. The funds never sit with CCLA and CCLA only earns from its management fees. The fund is AAA rated and allows daily access to funds. The Joint Practitioners' Advisory Group (JPAG) accepts money deposited in this fund as cash funds for Annual Return reporting purposes.

LAPF was created in 1972 originally as a pension fund. It has now been re-launched with a minimum entry deposit of £25,000. CCLA purchase commercial properties across 3 sectors – office, retail and industrial which entitle the investor to the future income streams from rent and any capital growth from that land or building, as well as the rights associated with owning a physical asset. The fund's objective is to generate long-term growth in capital and income over time. Income is paid on a quarterly basis and fees are an annual management charge of 0.65% plus VAT. It is intended as a long-term investment, at least 2 years in order to ensure the return of the full value of the original investment. Local authorities tend to use the fund for the investment of S106 funds. For Annual return accounting purposes the fund has been given an exemption, and does not count as capital expenditure.

#### **08/15 Actual vs budget**

To review the updated actual vs. budget figures for April to December 2014 and the likely reserves at the end of the financial year.

Circulated

The actuals vs budget is on track at the end of this quarter. It appears that there may be no need to move any money from general reserves at year end to cover the expense of the Rhino Mulch or the CUV storage. This is due to the budget of £9500 for allotment maintenance not being required, £600 has been allowed for the last quarter, plus the budget of £1800 for electricity is largely unused due to the accrual at the start of the year plus the overbilling by Npower earlier this year, causing the account to still be in credit.

#### **09/15 Debtors report**

Circulated

The debtors report was reviewed:

Total outstanding debt of £11,204 of which:

- £1000 is the Parish Lengthsman scheme which Hants CC erroneously paid to Fleet Town Council; Fleet TC will transfer the money to CCPC this month.
- £3980 is grass pitch fees due to be paid at the end of January.
- The remaining balance is due for payment before the year end.

Admin assistant has reminded all relevant teams of their outstanding debt.

#### **10/15 2015 2016 Budget**

To consider whether any amendments are required to the budget for 2015 2016 now that the tax base has been agreed and to resolve to recommend the budget to Full Council

Circulated



The draft has been reviewed and the precept adjusted for confirmed tax base.  
Some contingency has been allowed.

Suggested additions to EMRs:

- £20k to the Community Youth EMR for the skate park – at 2014 2015 year end there will be £50k in EMR, plus a potential £30K transfer from general reserve, this would give a total of £100k for the project allowing it to be completed in 2015. If the Council is successful in applying for grants and the skate park contribution from the 100 houses is received, excess funding could be used on other projects.
- £2k to allotment shed maintenance/repair EMR.

It was **resolved** to recommend the budget for 2015 2016 to Full Council for approval  
Proposed MB/PL all in favour

#### 11/15 **Precept**

To receive an update on the tax base for next year and to agree a recommendation to be taken to the Parish Council meeting for the precept request for 2015 -2016.

Hart DC have confirmed that the tax base for 2015/2016 is **3465.80** which with a band D of 53.80 will provide a precept of **£186,460.04**.

The Council Tax Support Grant is confirmed to be 33% of the original figure i.e. **£2640.28** giving a total to be received from Hart DC of **£189,100.32** for 2015-2016.

It was **resolved** that the Finance & Policy committee recommend that the Parish Council request a precept of **£186,460.04** from Hart DC and that the band D remains the same at £53.80.

Proposed NH/PL all in favour

#### 12/15 **Ear marked reserves**

To review existing ear marked reserves and general reserves to ensure that they are adequate and not excessive.

To agree to any new ear marked reserved to be created at the end of the year if there are funds available.

Current ear marked reserves:

**Precept:**

Community Youth Projects: £50K

Peter Driver Improvements: £25K

Play Equipment replacement: 14K

3G surface replacement: 9K

Green Energy Projects: £25K

Community Centre Running Costs: £20K

Highways: £3K

**S106:**

Sandy Lane Car Park: £20.22K

Sang and Allotment car park £128.92K

Community Centre Construction: £1,075,778

S106 interest received: £2,518

Total Ear Marked Reserves: £1,373,772

Total General Reserves: 120K

It was **resolved** that any general reserves in excess of £90K at year end are moved from general reserves to the following Ear Marked Reserves:

- Up to £30k to Community Youth EMR for the skate park
- Anything else above £30K further to be moved to Community Centre running costs
- S106 interest EMR to be created (see Internal Audit report)

Proposed NH/PL all in favour

### 13/15 **Quarterly bank reconciliations**

To receive confirmation that the previous quarters bank reconciliations have been examined by a Council member who is not a signatory on any of the Council's bank accounts

It was reported that Cllr Newbigin has examined and signed the bank statements and reconciliations for the quarter October to December 2014 for all the Council's bank accounts.

### 14/15 **Grants**

To consider any grant request and make appropriate recommendations to Full Council.  
Circulated

The Council has received a grant application from Aldershot Town FC Football in the Community Trust for £2505 which covers the Trust's usage of the five-a-side pitch at Peter Driver Sports Ground, for Soccer at Six and school holiday training sessions.

It was **resolved** to recommend the FITC grant to Full Council for payment  
Proposed PL/NH all in favour

The deputy clerk was asked to check that insurance cover is in place for these sessions.

**Deputy  
clerk**

### 15/15 **Interim Audit summary**

To receive the Interim Audit summary prepared by Kevin Rose, IAC and to agree any actions and recommendations to be made to Full Council

Circulated

Summary and Actions report circulated

To agree the actions detailed in the action report and to recommend to Full Council :

- That the interest earned on all S106 funds should be credited to Council income and set aside in an Earmarked reserve for S106 interest.
- That the interest earned on the allotment deposits should be credited to allotment income and used in the budget for allotment expenditure, and that the allotment rules and regulations should be amended accordingly.
- That the allotment deposits remain in a separate deposit account for the sake of clarity.

In addition the internal auditor suggested that the Council should consider changing the institutional financial limits and that these should be based on counter party risk i.e. the limit should be per institution based on overall reserves split over 5 or 6 banks, therefore not more than 25 % in each bank, regardless of the type of account, this would alleviate the need to open and administer so many bank accounts.

An amendment to the Treasury & Investment policy is included in item 19/15

It was **resolved** to accept the actions recommended in the interim audit summary and action report and to recommend the action report to Full Council.

Proposed NH/PL all in favour

#### 16/15 **Internal audit**

To review the effectiveness of internal audit and to agree any changes.

- Scope of internal audit – covers all financial records, Parish council and committee minutes, policy documents.
- Independence of internal auditor – Totally independent no links to the Parish Council other than for internal audit.
- Competence of internal auditor - Kevin Rose of IAC audit is very well qualified and works for a subsidiary of DCK Beavers.
- Relationships – not related to any member of the Parish Council.
- Audit planning and reporting – audit is carried out following advice originally set out by the audit commission. IAC have been appointed as internal auditors and have carried out an interim audit in December 2014.

It was **agreed** that the internal audit is effective.

#### 17/15 **Review of the effectiveness of internal controls**

To conduct a review of internal controls and to decide if the processes and procedures that are in place are adequate

The Parish Council should decide whether they have adequate controls in place. This is an annual requirement and has to be done by the Parish Council. The financial regulations and standing orders are reviewed annually, and updated following advice from NALC or the internal auditor if necessary. An annual review of the risk assessment and asset register is carried out, an internal auditor is employed to annually audit our books and procedures and RBS are employed each year to finalise the year end in Omega and prepare the Annual Return.

It was **agreed** that the internal controls are adequate and should be recommended to Full Council.

#### 18/15 **Local Government Transparency Code**

To receive a report on the Local Government Transparency code and to agree the actions required by Church Crookham Parish Council

Circulated

The Code is recommended and not mandatory for parish council with gross annual incomes or expenditures between £200K and £6.5m.

The main requirements for CCPC are:

- to publish expenditure exceeding £500 – this is already published monthly on the website,
- procurement information – propose that this be added to the new website, when applicable in the future,
- Local authority land – proposes that the asset register, once approved at Full Council in January, is added to the new website.
- Grants – already published on the website.

It was **resolved** to accept the recommendations.

Proposed NH/MB all in favour.

#### 19/15 **Treasury & Investment policy**

To review changes to the policy and recommended that it be taken to Full Council for approval

Changes:

1. Section B 11 removal of reference to imprest account and specific limit on Unity Bank deposit account to meet criteria tabled below. Changed to :

Church Crookham Parish Council currently has a current account and two deposit accounts with Unity Trust Bank.

- Payments from precept funds are made from the current account with refunding from the HSBC deposit account. Banking is free with Unity Trust Bank therefore the Council's current account is used to make all cheque payments.
- One deposit account is used to hold the Allotment Deposits.
- The other may be used to hold S106 funds to a maximum limit as detailed below

2. Based on the premise that no more than 25% should be placed with any one financial institution regardless of the type of bank account, the Council would need to use up to 5 institutions to accommodate the S106 funds, plus additional banks to accommodate the precept funds.

**TREASURY ACCOUNTS:**

		<b>Institutional Financial limits</b>	<b>Other constraints</b>
<b>NON S106 FUNDS</b> ( i.e. precept, grants and other)	Current accounts	Maximum £40K	Credit rating should meet minimum required rating as per ratings table when opening account
	Deposit accounts	Maximum £250K or 50% of annual precept base	
<b>S106 FUNDS</b>	any type of account	Maximum 25% of total S106 funds or £400,000 whichever is the greater	
<b>COMMUNITY CENTRE FUNDS</b>	Current accounts	Maximum likely identified monthly expenditure	
	Deposit accounts	£700,000	

It was **resolved** to accept the changes to the Treasury and Investment policy  
Proposed NH/PL all in favour

**20/15 Financial institution credit ratings**

To receive a report on the credit ratings of all the financial institutions currently used by the Council and if necessary to make a recommendation to Full Council.

Circulated

The report was reviewed; no changes are currently required to the parish council's bank accounts.

**21/15 Risk assessment**

To review the risk assessment and agree any changes

Circulated

Summary of changes:

Amended Dec 2014 to include:

- War Memorial and commemoration bench at Sian close in physical assets,
- Pyracanthus hedge at Sian Close added to Health & Safety section.
- Changes to lone workers controls and comments.
- Height barriers – Peter Driver Sports Ground, Sandy Lane car park - Annual check of height of barriers

It was **resolved** to accept the changes to the risk assessment and recommend it to Full council for approval.

Proposed PL/NH all in favour

#### **22/15 Asset register**

To review the asset register and agree any changes.

Updated Asset Register circulated.

It was **resolved** to accept the asset register and recommend it to Full Council for approval.  
Proposed MB/PL all in favour.

#### **23/15 Code of conduct**

To review the Code of conduct, agree any changes and recommend to Full Council for approval.

Circulated.

The code of conduct was reviewed and no changes were required.

It was **resolved** to accept the Code of Conduct.

Proposed PL/MB all in favour.

#### **24/15 Data Protection policy**

To review the Data Protection policy and agree any changes and to recommend to Full Council for approval.

Circulated.

The Data Protection policy was reviewed and no changes were required.

It was **resolved** to accept the Data Protection policy.

Proposed PL/MB all in favour.

#### **25/15 Direct debits and standing orders**

To review direct debits and standing orders.

Direct debits:

- British Telecom – office telephones & broadband
- British Gas – Peter Driver hot water
- HSBC – bank charges

Standing order:

Upper Bridge – website hosting

The direct debits and standing orders were reviewed and agreed.

#### **26/15 Parish Plan**

To review the progress of the parish plan.

NH had no progress to report.



**27/15 Agenda items for next meeting**

To agree agenda items for the next meeting:

1. Year-end
2. Discuss and agree officer and councillor training for 2015 2016
3. Draft medium-term investment strategy

**28/15 Date of next meeting**

Date of next meeting – 20<sup>th</sup> April 2015

There being no further business, the meeting closed at 9.45pm

**Signed**.....

**Date**.....