

**COTTENHAM PARISH COUNCIL**

**AGENDA REPORTS PACK**

**Finance, legal and administration committee  
24<sup>th</sup> September 2014**

# DRAFT MINUTES

## Cottenham Parish Council Finance, Legal and Administration Committee Minutes

Held in the Parish Office, Community Centre, 250a High Street, Cottenham  
On Tuesday 29<sup>th</sup> July at 7.15

**Present: Cllrs Young (Chair), Bolitho, Heydon, Morris, Mudd and Debbie Seabright (RFO)**

**14F/001. Chairman's introductions and Apologies** - Cllr Leeks and Jo Brook (Clerk)

**14F/002. Standing orders to be suspended- Any Questions from the Public or Press** – One member of the public present. Discussion regarding changing rooms and the role of the Finance, Legal and Administration Committee and the Communities and Leisure facilities committee role with regards to this. Member of the public interested to hear the outcome regarding the Primary School Grant application.

**14F/003. Standing Orders re-instated- Declarations of interest** – To receive disclosures of pecuniary and non-pecuniary interests from Councillors on matters to be considered at the meeting – None

**14F/004. Update on the review of banking arrangements** – Agreement to apply for the following savings accounts in addition to the one that we already have with the Cambridge Building society:

- Cambridge County Bank 95 day notice account- investing approx. 80K
- Barclays Base rate reward account (instant access)- investing approx. 100k
- Nationwide Building society 95 day notice account.- investing approx. 80K

Following this, there was agreement for the Parish Council to apply for a current account with Unity Trust. These decisions will be presented for information purposes to the full council meeting on the 5<sup>th</sup> August. It was noted that any substantial future expenses need to be flagged up in advance so that notice can be given on savings accounts and monies transferred as required.

**14F/005. To consider the Auditors report** – The committee went through the 2013/14 internal audit report and the following actions are to be taken:

- To review Parish Council risk assessment documents. Current document to be circulated to committee members for comment and review at next committee meeting.
- Financial Regulations document to be reviewed by next committee meeting by Cllr: Heydon and Cllr: Morris for adoption at the next committee meeting.
- To hold hard copies of insurance documents, contracts and quarterly budget reports in the Parish Council office.

**14F/006. Review of changing rooms project** – Draft report, written by Cllr: Young regarding the review of the changing rooms project, presented to Finance, Legal and Admin committee (as requested by Cottenham Parish Council); to then be taken to the full council meeting on 5<sup>th</sup> August 2014.

Action: To establish the substance of the contract with Wilby and Burnett (Cllr Mudd and Cllr Morris), then to report to full council with a view to having an early meeting with Wilby and Burnett regarding high costs and amendments that can be made as a possible route forward through open discussion. Cllr: Young to make amendments to his report suggested by the committee and present to full council next week

**14F/007. Skate park project** – Cllr: Morris presented his findings with regard to the Skate Park. Committee agreement to spend 80K plus VAT (reclaimable) with possible additional costs of professional services (CDM) and Contract administrator (approx. 10K). To be presented to the full council at the next meeting.

If agreed grants to be applied for:

- Amy Cespa
- Big Lottery fund

- Wren. (Cllr: Morris) deadline 20<sup>th</sup> August.

**14F/008. Grant application from Primary School** – Application from the primary school seeking funding towards the costs involved with the Tour de Cottenham event. The contribution asked for is regarding road closure costs (signage etc). Cllr: Morris abstained from the discussion. Four councillors in favour of issuing grant. The committee approved a grant of £500. A note for the future is that grant applications should be made in advance rather than after the event.

**14F/009. Exclusion of public** – To exclude the public from the meeting because of the confidential nature of the business to be discussed.

**14F/010. Contract for grounds maintenance (closed item)**

**14F/011. Matters for consideration at the next meeting –**

- Risk Assessment review,
- Financial Regulations review
- Grant/S137 applications
- Review of Nick West contract
- Update on Skate Park
- Update on changing rooms
- Update on banking arrangements
- Calendar of events for the year

**14F/012. Date of next meeting – 24<sup>th</sup> September 2014**

**14F/013. Close of meeting – 9.50pm**

Signed \_\_\_\_\_ (Chair) Date \_\_\_\_\_

## Item 14F/023 and Item 14F/026

### Cottenham Parish Council Changing Rooms & Skate Park - Procurement Strategy

Frank Morris & David Mudd 18<sup>th</sup> September 2014

#### Situation

The CR project has a specification, design and planning permission but procurement stalled.  
The SP project approved in principle but awaits WREN funding decision.

#### Complications

Earlier CR bid rounds failed to attract a build price within expectations and processes and not all costs have been formally budgeted.

Suggested re-phasing has raised concerns about interlocking of phases, overall costs and financing to ensure project completion, probably alongside the new SkatePark, without raising the precept.

CR Finance is only partly secured and some grants are under threat if the project does not start soon.

- ☐ CPC has grant offers totalling over £400K (including FA, SE, SCDC and Football Club)
- ☐ CPC has allocated capital funds of £125K from reserves and £25K from 2014/5 CapEx
- ☐ CPC has budgeted for an amenity loan at £36Kpa and CR running costs (part year) of £12K
- ☐ CPC has not yet addressed VAT recovery by registration.

SP Finance is also only partly secured with a WREN decision on £45K not due until end November.

#### Phasing

CPC has approved a re-phasing of the CR project to facilitate an early start "on-site" and provide time for a design rework to reduce costs, especially on the fit-out. Anticipated 6m build time.

#### Interlocking

Sufficient progress has been made on the CR building design review to enable preferred suppliers of lots#2 and #3 to be identified before work is started in November on lot #1, provided Council approval of the invitations to bid is given at the latest by end September. There will be lead-time to negotiate further specification and price changes, especially on lot #3.

#### Budget

The SP budget is agreed at £90K+VAT; key WREN grant decision in late November.

Detailed review of an earlier CR bid has led to substantial revisions, especially of the "fit-out" specification but also exposed some unbudgeted items. Combined with an "at-cost" offer for some £85K of the work by Durman-Stearns, these changes, including replacement of mains gas supply by LPG, simplification of the internal fit-out and increased flexibility on suppliers, are expected to yield savings relative to that earlier bid.

The current goal is to set budgets by main lot:

- ☐ Lots #1a, #1b: groundworks/sub-structure - about £110K+VAT depending on scope
- ☐ Lot #2: shell - about £110K plus overheads/profit and contingency, say £135K+VAT
- ☐ Lot #3 fit-out - about £250K plus overheads/profit and contingency, say £300K+VAT
- ☐ Contract administration & CDM Co-ordination, quoted by W&B at approx. £7k5+VAT
- ☐ White Goods and furnishings, say £10K+VAT

## Finance

Previous assumptions involved financing a £560K+VAT project from reserves, grants and a long-term Public Works Loan costing some £36Kpa plus £12K+ operating charges less charges to users. A £650K+VAT (or even higher) CR project could be financed within the same envelope provided VAT is recovered by registration, the same grants stay in place and any necessary “working capital” is financed as short-term loans, partly internally and partly from the Public Works Loan Board. Care is needed to leave sufficient reserves/funds for other projects, including the SkatePark if s106 funds are inadequate or the WREN application fails and the fall-back AmeyCespa grant succeeds. Irrespective of overall CR project cost between £515K+VAT to £650K+VAT, the project is fundable. There need be no risk of having to raise the precept, within acceptable regulatory limits, and there are no long-term financial obligations beyond running and, eventually, maintenance costs. Even at an overall CR project cost of £650K alongside a £90K SP project (both + VAT), a Public Works Loan of £170K over 8 months would keep the Council finances within Financial Regulations, assuming our grant sources are dependable.

### Current Steps (approved by full Council)

- ☑ Wilby & Burnett are providing revised design specifications, phasing and timetable
- ☑ Invitation to Durman-Stearns to bid non-competitively for two lots:
  - Groundworks and sub-structure up to damp-proof course + access road etc
- ☑ Invitation via SourceCambridgeshire website for Expressions of Interest Pre-Qual Qs in two lots:
  - Main structure of Changing Rooms + Internal fit-out of Changing Rooms

### Next Steps

September (CALF, FLAC, then extraordinary CPC)

- ☑ Review recharging/absorption policy for VAT (approved in CALF)
- ☑ Review VAT /Financing Strategy (FLAC – this note plus spreadsheets)
- ☑ Approve Procurement / budget envelope / financing plan (extraordinary CPC meeting)
- ☑ Approve ITTs to 6 bidders (reps, end September)
- ☑ Advise funders of tender opening date (reps, end September)

October (ordinary meeting)

- ☑ Note arrangements for (early November) receipt, opening and review of tenders (reps/clerk)

November (ordinary meeting)

- ☑ Review Tender Report on lots #2 and #3; revise cash-flow projections
- ☑ Approve procurement lots #2 and #3 (CPC resolution, subject to funder clearance)
- ☑ Apply for VAT registration (needs CPC resolution, early November)
- ☑ Apply for short-term PWL, if required (needs CPC resolution, early November)
- ☑ Kick-off Durman-Stearns contract (may need CPC resolution, early November)
- ☑ Award contract on lot #2 (needs CPC resolution in early November)
- ☑ Negotiate scope/terms on lot #3 (reps); award lot #3 contract (may need CPC resolution)

**Item 14F/024**

**List of annual reviews for the Finance, Legal and Administration committee**

**JANUARY**

Risk assessment review- January  
Financial regulations document - January  
Standing orders document- January

**FEBRUARY/MARCH**

End of year preparation- Feb  
Audit preparation – Feb/March  
Review of asset register- Feb  
Town Ground Rent – March or September for implementation the following period

**JUNE/JULY**

Insurance review and cover – June/July  
Review of staff wages- June  
Review of cleaning contract for the village hall – June  
Review of maintenance contract for the Moat – June

**SEPTEMBER/OCTOBER**

Budgeting and S137 grants- Start Sept/October  
Direct Debits and Standing orders - Sept

Review of Groundsman contract – NB may not be yearly