

AGENDA PACK
Finance, Legal and Administration committee
Thursday 26th November 2015

To: Members of the Finance, Legal and Administration Committee (FLAC)

You are hereby summoned to attend a Committee meeting

To be held in the Village Hall, Lambs Lane, Cottenham on **Thursday 26th November 2015 at 7.15pm**

AGENDA

The Public and Press are invited to attend

15F/205. Chairman's Introduction and Apologies

15F/206. Any Questions from the Public or Press – Standing orders to be suspended

Public question time is dealt with prior to the start of the meeting and doesn't form part of the formal business of the Council. Time is limited to 30 minutes and each member of the public is entitled to speak once only in respect of business itemised on the agenda and shall not speak for more than 3 minutes in order to allow other people to also speak without the public session exceeding its allotted time. NB: Councillors will not be able to respond on items on the agenda, but will take notice of the views put forward.

15F/207. Declarations of Interest - To receive disclosures of pecuniary and non-pecuniary interests from Councillors on matters to be considered at the meeting.

The disclosure must include the nature of the interest. If you become aware, during the course of a meeting, of an interest that has not been disclosed under this item you must immediately disclose it. You may remain in the meeting and take part fully in discussion and voting unless the interest is pecuniary. An interest is pecuniary if a member of the public with knowledge of the relevant facts would reasonably regard it as so significant that it is likely to prejudice your judgement of the public interest and it relates to a financial or regulatory matter.

15F/208. Minutes – to resolve that the minutes (circulated to members) of the Committee meeting held on Tuesday 10th November be signed as a correct record.

15F/209. Update on the Pavilion – Cllr Morris & Mudd

15F/210. Review of monthly management accounts (to 31st October 2015) – RFO

15F/211. Review of monthly bank reconciliation (to 31st October 2015) – RFO

15F/212. Budget planning for 2016-17 -

15F/213. Banking arrangements for savings accounts – Cllr Bolitho/RFO

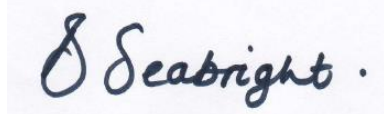
15F/214. Review potential underspend for this year and strategic use of funds - Cllr Morris/RFO

15F/215. Consider requirement of a 28 day public notice period requirement needed before council can adopt a pension scheme for its staff – Cllr Morris

15F/216. Matters for consideration at the next meeting

15F/217. Date of next meeting –

15F/218. Close of meeting



Debbie Seabright – RFO

19th November 2015

DRAFT MINUTES of FLAC Meeting

Held in the Village Hall, Recreation Ground, Cottenham
On **Tuesday 10th November 2015**

Present: Cllrs: Bolitho, McCarthy, Morris, Mudd, Young, RFO (Debbie Seabright)

15F/189. Chairman's introductions and Apologies – None

15F/190. Standing orders to be suspended- Any Questions from the Public or Press – Standing orders to be suspended

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15F/191. 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
The disclosure must include the nature of the interest. If you become aware, during the course of a meeting, of an interest that has not been disclosed under this item you must immediately disclose it. You may remain in the meeting and take part fully in discussion and voting unless the interest is pecuniary. An interest is pecuniary if a member of the public with knowledge of the relevant facts would reasonably regard it as so significant that it is likely to prejudice your judgement of the public interest and it relates to a financial or regulatory matter – Cllr Bolitho requested that item 15F/198 be moved to the end of the meeting so he could leave the meeting and not be part of the discussion.

15F/192. Minutes – Resolution that minutes from the committee meeting held on the Thursday 1st October are a correct record – **RESOLVED**

15F/193. Update on the changing rooms project – Financially the project remains within budget and, technically, "practically complete". Durman Stearn have completed all their work on-site and have invoiced to 97.5% point. Murfitt are working through various snag lists. We have a few signage and other issues to finish. The Pavilion is generally safe and usable, especially following the appointment of a Caretaker. Negotiations are in hand over partnership agreements with key club users.

15F/194. Review of monthly management accounts (to 30th September) – The committee reviewed the management accounts to 30th September 2015 to the committees' satisfaction.

15F/195. Review of monthly bank reconciliation (to 30th September) – Cllr McCarthy and RFO completed the bank reconciliation earlier on in the month (to September 30st 2015), the committee accepted the report given by Cllr McCarthy and RFO. An additional suggestion was that as part of the bank reconciliation we highlight any debts of more than 90 days.

15F/196. Review of the External audit report – Summary of the External audit indicates that the annual return is in accordance with proper practices and no matters have come to the attention of the auditors giving cause for concern or that relevant legislation and regulatory requirements have not been met. They did wish to draw our attention to Section 1, Box 2 in which the annual precept did not agree to the figure notified to us by the precepting authority. The figures in Boxes 2 and 3 should read £237,641 and £155,295. We will endeavour to make sure that the figure is recorded correctly when submitting the 2015-16 Annual return.

15F/197. Sports clubs Agreements – to consider wording and fees for the use of pitches and the new Pavilion – Cllr Morris and Mudd have met with the Cricket and Football clubs to discuss their use of Pavilion, pitches and fees. Sports clubs agreements/fees needs to be agreed by full council and the contracts to be signed by the sports clubs before April 2016.

15F/198. Consider office space requirements for the parish council – Cllr Bolitho left the meeting at 21.25. A visit was made to the Royal British Legion (RBL) by Cllrs Morris and Mudd with Clerk and RFO to assess transfer costs. Subject to agreement by Council and RBL, indications are that we could transfer our office to the upstairs space in RBL and save money, we could also expand storage space within this budget and transfer all our office operations and public meetings to RBL at nominal extra cost. Cllrs Morris and Mudd to go back to the RBL to establish the rental costs and then this needs to go to full council.

15F/199. To consider contributing to the laying of turf or re-seeding the 2 CCC patches of land outside Icení new homes on Histon Road – Lynda Harford has asked Streetworks at County to investigate this but no further details at present. To be considered at the Highways committee.

15F/200. Consider how spending from the Sponsorship fund can be accelerated if FLAC is not readily available to agree resolutions – To review the Terms of reference document(TORs) in relation to the spending powers of the CALF committee with a view to CALF being able to use donations in addition to 10% line item per quarter. Recommendation to carry out an annual review of donations by CALF.

15F/201. Budget planning for 2016-17 – the budget process is ongoing. S137 applications were considered and recommendations will be taken to full council. CALF will present their project/budget plans at the next FLAC meeting.

15F/202. Matters for consideration at the meeting

- Update on Changing room's project
- Review of monthly management accounts (standard item) Cllr Young
- Bank reconciliation (standard item) – Cllr McCarthy
- Budget planning
- Review potential underspend for this year and strategic use of funds.

15F/203. Date of next meeting – Thursday 26th November

15F/204. Close of meeting – 21.40

Signed _____ (Chair) Date _____

15F/211 Bank reconciliation (to the end October 2015)

Council's Bank Accounts at end of September were reconciled to our Sage system and are in order.

In summary:

£487,861.12	Cash at Bank
-£97,669.03	creditors
+ 6820.70	Debtors
£397,012.79	Net balance on bank reconciliation

For management accounts

VAT owed £25,698

Minus £2100 Accruals and £94 PAYE

NET ASSETS £420,516.79

15F/213 Banking arrangements for savings accounts

Savings Accounts:

Britannia/Cooperative bank/GE Capital direct bank/Coventry Building society/Tesco bank/ Norwich and Peterborough/ Yorkshire/Post office only have high interest rates on Personal savings accounts. For these establishments a Parish Council is classified as a business and therefore interest rates offered are very low.

Cambridge County Bank:

They have two savings accounts:

- 60 day notice account: Interest 1%
- (Absolutely no withdrawals can be made on these accounts before the notice periods)

The application form is on their website – for RFO to have basic access i.e. check balances/make enquiries a letter signed by the signatories with RFO address and date of birth would need to be sent along with the application form. Can use telephone to contact them/Online banking

We would need to nominate one account (Current account) from which funds could be transferred to and fro.

Barclays Bank:- Community account?? Base rate reward account

- Instant access to funds if needed
- No Minimum balance

- Earns Bank of England base rate in interest in any month where you do not make a withdrawal. No interest in any month where a withdrawal is made.
- Two free BACS payments each calendar month.
- *Application process (to meet with a business manager) this advice given by Nicole who felt that a face to face meeting might be better*
- *Banking done in branch*

Scottish Widows saving account:- Charity Deposit account

- Charity accounts with instant access to funds
- Minimum amount £500
- Transfers can be made to nominated accounts
- Interest rate (0.4%)
- *Telephone or postal account*

Scottish Widows 1 year fixed term deposit account

- Fixed rate of interest earned on your money for 12 months and paid to your organisations account at maturity.
- Minimum deposit of £10,000 maximum £5,000,000
- Available to new and existing Scottish Widows bank customers
- Interest rate (£10,000 – 5,000,000) is 0.80%

Nationwide Building Society:-

- Business account
- 95 day notice period
- Postal account
- Interest rate 1.05%
- *Contact 0800 665511, the application form is online*

15F/214 Review potential underspend for this year and strategic use of funds

Situation at April 2015

For the last several years we have budgeted and precepted significantly more than we spent on our operational expenses. Those surpluses were £60,000 and £154,000 in the most two recent years. That led to our reserves reaching £513,000 by April 2015, allowing us to commit some £333,000 as a Capital Fund for the construction of the Pavilion and Skatepark, leaving around £80,000 in a Loan Fund and £100,000 in our General Reserve.

Events of 2015/6

While we have invested around £293,000 in the new buildings, around £40,000 will remain in the Capital Fund and the General Reserve has an untouched £100,000 - **£140,000** in total.

We have also received (or will receive) considerable funds towards Community Facilities (£25K), Open Space (£120K) and Public Art (£30K) and, although we have committed about £20,000 of these

funds to the Community Centre and Primary School, these three funds still contain about £12,000, £120,000 and £22,000 respectively – **£154,000** in total.

With a precept set at a reduced £200,000 and income approaching £50,000, it is likely that we will underspend on operational expenses, including minor capital outlays, by about £50,000. This effectively increases the Loan Fund to **£130,000**.

So, our balances will increase to around **£424,000**, although some is tied to certain types of expenditure.

We have reviewed our 2016/7 anticipated income and expenditure line by line based on estimates and Committee “wish-lists” with a net figure of around **£250,000** plus major capital projects such as the Village Hall or land acquisition or the possible grant to the Dissenters’ cemetery.

Complication

Our current budget projection is likely, given our track record, to be an over-estimate by as much as **£50,000**. In addition, despite a considerable increase, we have – as yet - recorded few reasons for increased allocations of funds and there are (new Village Hall), or could be (land acquisitions, Road Closures for Remembrance service), or might be (Parking enforcement staff) items for which we have made no provision. In addition, the Neighbourhood Plan survey could challenge some or all of the expenditure assumptions in our Committee “wish-lists”.

In addition, we cannot rely on windfalls from developments nor should we waste those we have.

Implication

We need to separate provisions for things we must do (for which we must have funds) from things we would like to do (for which we must know where to raise funds), keeping open the possibility that what we actually do might change or not happen at all (for which we could take a view on how big a pot would be enough to match reality).

Once we have the results of the Neighbourhood Plan survey, we will need to begin looking at some scenarios that we may have to fund, even if we decide there is no likely cost implication next year. This is not about elective choices related to, say, mending roads but more about longer-term capital and operational choices we might make.

Need (FLAC on 26th)

In principle, any “unqualified” budget increase over and above estimated expenditure this year should be regarded as discretionary and should be funded from a reserve rather than being built into the precept demand. In addition, some of our “qualified” expenditure qualifies for funding from our s106 funds. Estimating this discretionary proportion falls to FLAC as does a “group” provision for possible major capital expenditure or grants.

15F/215 Consider requirement of a 28 day public notice period requirement needed before council can adopt a pension scheme for its staff

As this is an enduring commitment for the Council, we must give at least 28 days formal public notice of our intention to introduce a pension scheme, together with key details (who qualifies etc).

There is a form of words that must appear on our Notice Boards (and, for consistency, our website) for at least 28 days before the Council meeting 9in January?) that formally approves details of the scheme.

Details are in:

Local Government Pension Scheme Regulations 1995