

AGENDA PACK
Finance, Legal and Administration committee
Tuesday 30th April 2019

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, Recreation ground, Lambs Lane, Cottenham on:

Tuesday 30th April 2019 at 7.30pm

AGENDA

All Parish Council Meetings are open to the Public and Press

19F/047. Chairman's Introduction and Apologies for absence – *(Schedule 12 of the Local Government Act 1972 requires a record to be kept of the members present and that this record form part of the minutes of the meeting. Members who cannot attend a meeting should tender apologies to the Parish Clerk as it is usual for the grounds upon which apologies are tendered also to be recorded. Under Section 85(1) of the Local Government Act 1972, members present must decide whether the reason(s) for a member's absence are accepted.*

19F/048. To accept Declarations of Interest and Dispensations – *i. To receive disclosures of pecuniary and other interests from Councillors on matters to be considered at the meeting. ii. To receive written requests for dispensation. iii. To grant requests for dispensation as appropriate. (NB this does not preclude any later declarations).*

19F/049. Minutes – To resolve that the minutes (circulated to members) of the Finance Committee meeting held on Tuesday 26th March 2019 be signed as a correct record.

19F/050. Public Participation – *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 to allow other people to also speak without the public session exceeding its allotted time. Questions not answered at this meeting will be answered in writing to the person asking the question or may appear as an agenda item for the next meeting. Photographing, recording, broadcasting, or transmitting the proceedings of a meeting by any means is permitted. A person may not orally report or comment about a meeting as it takes place if he is present at the meeting of a parish council or its committees but otherwise may film, photograph or make an audio recording of a meeting; use any other means for enabling persons not present to see or hear proceedings at a meeting of the parish council as it takes place or later; report or comment on the proceedings in writing during or after a meeting or orally report or comment after the meeting. However, anyone wishing to do so must speak to the clerk prior to the meeting as there is a policy which must be followed.*

19F/051. Review the Management Accounts for March 2019 – RFO

19F/052. Review of the monthly bank reconciliation (to 31st March 2019) – RFO & Cllr McCarthy

19F/053. Consider the DRAFT Year-end accounts – RFO & Cllr Morris

19F/054. Update on capital projects (Car park, Village Hall and Nursery) – Cllr Morris

19F/055. Village Hall and Nursery Tender feedback – Cllr Morris

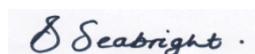
19F/056. Consider how we develop a 5-year outline budget to include key capital programmes and operational expense lines – Cllr Morris

19F/057. Review feedback from Internal Audit - RFO

18F/058. Matters for consideration at the next meeting

18F/059. Date of next meeting –

18F/060. Close of meeting –



Debbie Seabright – RFO

Right Side Entrance, Community Centre

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23/04/19

19F/049.

DRAFT Finance, Legal and Administration Committee (FLAC) Minutes

Meeting held in the Village Hall, Recreation ground, Cottenham on Tuesday 26th March 2019 at 7.30pm

Present: Cllr Collinson, Morris, Smith (Chair), Wilson, RFO

19F/032. Chairman's Introduction and Apologies for absence – Cllrs Bolitho (Work), McCarthy (Work), Young (Work)

19F/033. To accept Declarations of Interest and Dispensations – None given

19F/034. Minutes – There was no record of those present which was amended. Resolution that the minutes of the Finance Committee meeting held on Tuesday 26th February 2019 be signed as a correct record. **RESOLVED.**

19F/035. Public Participation – None present.

19F/036. Review the Management Accounts for February 2019 – The committee were satisfied that the management accounts are an accurate record.

19F/037. Review of the monthly bank reconciliation (to 28th February 2019) – The RFO and Cllr McCarthy completed a bank reconciliation earlier on in the month (15th March 2019). The committee were satisfied that the bank reconciliation is an accurate record.

19F/038. Year End Accounts - Green and Purple Ltd have been appointed to do our Year-end accounts. The committee are satisfied that the presentation of our End of Year accounts paperwork is compliant and clear. Some areas for consideration when drafting this year's document are to include our updated Asset List. Some small heading amendments and the table under Closing Reserves needs updating. The Neighbourhood Plan line is no longer needed. We need to add "Environment Fund" from Cambridge Environment Audit Group. We also have the option to vire our current year surplus and other reserve into Hall/Nursery Fund. The commentary can be written once the draft accounts are available.

19F/039. Review proposed contract terms for capital projects - The employer for the capital projects is Cottenham Parish Council. The Architect and Consulting Engineers assess whether the builder's detailed proposals comply with the contract specification, approving any necessary variations, after referring back to the employer if necessary. The Quantity Surveyor, usually monthly at or shortly after an all-party progress meeting issues a certificate that tracks the work being delivered, assessing it against the Bill of Materials and labour estimates. This legally-binding certificate authorises the builder to issue an invoice for payment within the contract terms. The Contract Documentation Manager maintains and checks the database of documentation underpinning the contract, including H&S etc. The people involved: Cllr Morris will be the employer's Representative, supported by Clerk and RFO. Wilby & Burnett's (W&B) Lianne Toothill will be the Architect in charge, supported by Gala Bejar. W&B's Trevor Vincent will be the Quantity surveyor. W&B's Sean Kelleher will be the Contract Documentation Manager. Cambridge Van Leyden are the Mechanical & Electrical Engineers. Peter Dann Ltd are the Structural Engineers. The builders arrange insurance cover for the building and a bond intended to cover the consequences of failure during the contract. A long list of 16 builders has been prepared following invitations to "express interest" on Contracts Finder; these have been invited to answer several Pre-Qualification Questions regarding H&S, DBS checking and financial viability. Six of these companies will be invited to tender on 25th March or thereabouts with tenders to be returned in sealed envelopes by 26th April. Tenders will be opened by our Clerk in the presence of a Councillor and our Quantity Surveyor. The Quantity Surveyor will prepare a summary tender report and make a recommendation. A detailed cash-flow forecast will be prepared for Council once the contract price is established.

19F/040. Review proposed financing model for capital projects - We are in the process of obtaining borrowing approval for the necessary finance. Our application has been screened successfully by CAPALC and passed to MHCLG who have asked some clarification questions to help put our borrowing case forward. Cllr Morris has gone back to MHCLG to answer these questions. Once CPC has approved the procurement, possibly on 4th June, arrangements will be made to draw down the necessary cash and place the contract(s). Annuity repayments of capital and fixed-rate interest become due after 6 months; the repayments will come mostly from the supplementary precept of around £62,000 per 6 months “topped-up” by around £6,000 from up to say £200,000 from our reserves; this “top-up” will decline as new houses are occupied and increase our tax-base. This arrangement should be sufficient to clear the debt in full over 30 years from that £1/week/Band D home. Should no new houses be occupied, and we run out of accessible reserves and in the absence of any net revenue from the Village Hall and Nursery or s106 income, there is a risk that the precept would have to be increased by around 3% to maintain repayments. Much more likely is that at least some of the new houses will be occupied, increasing our tax-base, to close the gap and, in addition, s106 contributions received to allow earlier repayments to be made to reduce the scale and duration of the supplementary precept by as much as 2/3rds. A detailed cash-flow projection will be prepared once the project cost and likely payment profile is better known. This will include several supplementary income scenarios for developer contributions and facility income.

19F/041. Consider how we develop a 5-year outline budget to include key capital programmed and operational expense lines - Currently, our approach to budget preparation has focused on reviewing our estimates of income/expenditure during the current year, line by line, taking account of any special circumstances and the income/expenditure in the previous financial year. After several iterations this gets us to a budget which is presented at a full council meeting. The committee agreed that we format our Management accounts to start with the Expenditure lines, followed by Income and then capital projects and use groupings which are reflected in the annual form for SCDC. These categories are: Cultural, Environmental and Planning, Highways, Footpaths and Lighting, Democratic Representation, Corporate Management and Capital Projects. This may then help us to develop a 5-year forecast. The committee are keen to take this back to the full council and get views on what our community might look like and ideas for a 5-year forecast.

19F/042. Summer reading grant request – Resolution that FLAC recommends to full council a donation of £250 towards this year’s Summer Reading Challenge at Cottenham library (to come from our Cottenham Chest) - **RESOLVED**

19F/043. Review amended Internal Controls document – Small amendments made but otherwise the committee were satisfied with the document. Resolution to accept the Internal Control Document - **RESOLVED**

19F/044. Matter for consideration at the next meeting –
Management Accounts
Bank reconciliation
Update on Capital projects
5-year budget forecast

19F/045. Date of next meeting - Tuesday 30th April 2019

19F/046. Close of meeting – 9.14pm

Signed _____ (Chair) Date _____

19F/050. Management accounts for March 2019 sent out separately.

19F/051.

Bank Reconciliation

Reviewed 15th April 2019 by RFO and Cllr McCarthy

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

In summary:

£80,657.41	Bank account 1
£157,231.21	Bank account 2
£462,419.55	Bank account 3
£700,308.17	Total Cash at Bank (as of the 31st March 2019)
- £53,708.96	Creditors (of which £282 is the Multipay card)
+ £8919.35	Debtors
£655,518.56	Net balance on bank reconciliation

+ VAT owed £7876

Minus £40,248 remaining accruals

Minus PAYE: £966

Net assets: £622,180.56

Creditors

- AJ King - £3800 (30/03/19) contract cost
- A Mappedorum - £144 (30/03/19) bulbs in pavilion
- Barton Oil Burner services - £251.82 (21/03/19) work on boiler
- Browns of Burwell - £823.93 (4th and 6th of March 19) Oil deliveries
- BCS - £56.76 (28/02/19) payroll/pension
- Calor gas - £1010.77 (08/03/19) gas delivery
- Cambridge Van Leyden - £24,950.40 (2 x 06/03/19 & 2 x 26/03/19) VH and Nursery design work
- Cambridge Water - £34.18 water bill for the memorial site
- Connections Bus - £2992.80 (30/03/19) youth bus costs
- CSA - £82.91 (28/03/19) cleaning materials for the pavilion
- CUSSC - £1080 (30/03/19) contract services
- RFO - £10.37 (01/03/19) Sim card at pavilion
- Chairman - £44.46 (01/03/19) new batteries for the pavilion
- Green and Purple – £60 (01/03/19) monthly invoice
- Nick west - £1177.88 2 months cleaning costs for VH
- Old West Internal Drainage Board - £870.98 Work on BGW
- Peter Dann - £10,895.00 (08/03/19 and 2 x 27/02/19) work on VH and Nursery (engineering)
- PHS - £24 (28/04/19) admin charge
- Staples - £78.68 (19/03/19) stationary and print cartridges
- Travis Perkins - £18.73 (03/03/19)
- WAVE - £3093.29 (22/03/19) Sewerage costs for the rec ground
- Will Cook - £180 (27/03/19) work on tennis courts

Multipay card - £282 for battery for defibrillator.

TOTAL £53,708.96

Debtors

- Baby Clinic - £124.20 (31/03/19) hire of pavilion
- Bowls Club - £180 (31/03/19) rent and water
- Cottenham Colts - £1993.20 (31/03/19) annual charge
- Cottenham United Football Club - £1680 (31/03/19) annual charge
- Cottenham United Sports and Social Club - £3120 (31/03/19) quarterly rent charge
- Aerobics teacher - £207 (28/03/19 & 31/03/19) for hire of village hall
- Village Hall hire - £60 (21/03/19) for birthday party
- Ladybirds - £1554.95 (31/03/19) quarterly payment

TOTAL £8919.35

19F/053. Year-end DRAFT accounts – copy sent out to committee

19F/054. Capital Projects update

- Invitations to tender issued on 25th March to six contractors following visits to example sites
- Request for additional time granted due to Easter “time loss” so tender closes on 10th May
- Most potential contractors have visited site with help from Jo.
- Formal approval to borrow up to £2.8 million over 30 years granted by MHCLG.
- Tender report (confidential) to be prepared asap after 10th May
- Preliminary report to CALF on 21st May (will indicate value engineering approach if needed)
- Updated financing approach to FLAC on 28th May
- Project recommendation to CPC provisionally on 4th June.

19F/055. Tender process feedback

- Hopefully at least four bidders will respond
- Tenders will be opened on 10th May and preliminary Tender Report prepared.

19F/056. 5 Year Budget Plan

- Key principles are:
- Regroup the management accounts with expense, income, reserve and capital project sections
- Divide each section into smaller groups covering e.g. open spaces, community facilities, staff etc.
- Allocate actual recent income expenditure data to the plan
- Project expense groups at say 5%pa, income groups at say 2% pa and capital groups at say 10%pa (excluding Village Hall and Nursery “megaprojects”.)
- Assess the effects on likely precept demands
- Assess net revenue expectations from Village Hall and Nursery etc.

19F/057. Internal Audit Feedback

The Internal Audit is due to take place on Tuesday 30th April so feedback not possible until the day

