

## TWYFORD PARISH COUNCIL

### Minutes of a meeting of the Finance Committee

held on **Thursday 16<sup>th</sup> March 2017** at 7.30 p.m. in the Pavilion at Hunter Park

<b>Members present</b>	<b>Members Absent/Apologies</b>	<b>In attendance</b>
Councillor Watson (Chair)	Councillor Mitchell	T. Bronk - Clerk
Councillor Corcoran		
Councillor Forder-Stent		
Councillor Lawton		
Councillor Sellars		

<b>Item</b>	<b>Business transacted</b>
33/16	<b>To note absences and consider apologies for absence</b>
	The apology of Councillor Mitchell was accepted.
34/16	<b>To receive declarations of interest relevant to Agenda Items</b>
	Personal Interests were disclosed as follows: Cllr Watson: Parish Council appointee as a Trustee of the Parish Hall Cllr Sellars: Parish Council appointee as a Trustee of the Parish Hall
35/16	<b>Public Participation - To receive questions from the members of the public</b>
	No member of the public attended the meeting.
36/16	<b>To approve and sign as a true record the minutes of the meeting held on 10<sup>th</sup> October 2016</b>
	The previously circulated minutes of the Finance Committee Meeting dated 10 <sup>th</sup> October 2016 were considered. Resolved: "The Minutes of the meeting held on 10th October 2016 are approved as an accurate record of the meeting". Proposed by Cllr Watson, seconded by Cllr Lawton and carried unanimously.
37/16	<b>Update on matters arising from the minutes of the meeting held on 10<sup>th</sup> October 2016</b>
	The table at Annex 1 was reviewed. The status of actions not agenda items was noted. The end date for establishing an appropriate insured value for the Pavilion was moved to September 2017.
38/16	<b>To review receipts and payments for the financial year to date, the forecast to the year-end; and the comparison against budget and previous year's outturn.</b>
	It was reported that a Grant from the South Downs National Park Authority for £500 for the Twyford Neighbourhood Plan had not been received as expected. Enquiries had been made and the grant should be received by 23rd March. Invoices for regular use of the Pavilion had

	<p>also been issued to enable income for 1026/17 to be reflected in this year's accounts. The forecast receipts (net of VAT) for 2016/17 are therefore £130,000. However, due to postponements from January and February, football bookings for early 2017 extend into April and payment at the end of season will mean the income of approximately £840 is reflected in next year's accounts.</p> <p>Taking into account the known payments for March, and assuming that all s137 grants are paid, the forecast payment total for 2016/17 is approximately £129,500. Some invoices for services received in 2016/17 will, however, be received after the year end. The most significant outstanding payments will be for streetlighting which may cost in the region of £1,500 (the accounts do, nonetheless, show 12 months of costs due to the invoice for 2015/16 being paid in the current year); emptying of dog poo bins (£325), the costs for March of the administrator of the Twyford Neighbourhood Plan (estimated £600) and use of the Gilbert Room (£150) for Parish Council meetings.</p> <p>Comparisons to budget show significant variation because total receipts were approximately £86,000. The difference of £44,000 is largely explained by a contribution of nearly £27,000 for the Parish Hall exterior works; grants totalling approximately £9,500 from Winchester City Council reimbursing expenditure on sports and play equipment and grants for the Twyford Neighbourhood Plan totalling approximately 4,500. These all contributed to payments exceeding budget. Other variations were explained as follows: the Parish Council made a substantial payment towards the parish hall refurbishment, salary was paid to the former and current Clerk during a one month handover in April, administration costs include purchase of a new computer (and software) a projector and phone; the budget did not adequately anticipate hall hire costs or s137 grants. Underspending was mainly on Hunter Park (including the pavilion), Northfields and the Allotments; and training costs were less largely because the Clerk did not commence CiLCA training. The forecast and comparisons is at Annex 2.</p> <p><u>Action</u> – The Clerk is to write to Winchester CC and the SDNPA to enquire into CIL payments for which the Council may be eligible.</p>
39/16	<p><b>To review receipts and payments attributable to the Twyford Neighbourhood Plan for the financial year to date, the forecast for year-end and its comparison against its budget; the budget for 2017/18 and any revised forecast prepared by the Twyford Neighbourhood Plan Advisory Group for 2017/18.</b></p>
	<p>The total receipts to date, plus £500 grant to be received in the current year, bring 2016/17 receipts to £4,240. Total payments in the year to date, plus payments scheduled to be made in March, are £11, 237.53, giving a net figure of £6,997.53. The budget for 2016/17 was £8,000, giving an underspend of approximately £1,000. This variance can be explained as follows: administration costs were higher than anticipated but slippage resulted in "pre-submission" publicity costs of £2,000 budgeted for 2016/17 not yet being incurred (however, this slippage was not identified in September when the budget was proposed and so these are not provided for in the budget for 2017/18).</p>

40/16	<p><b>To consider and agree, for recommendation to the Full Council, any Reserves to be made against 2016/17 bank balances.</b></p>
	<p>It was noted £62.00 that will be held in the bank balance at the year-end is attributable to an overpayment by £12 of an allotment fee (which will be deducted from the invoice issued in April for 2017/18) and a refundable deposit of £50 paid by Fair Oak Cricket Club for their hire of pitches for the 2017 season.</p> <p>The Committee considered whether any other bank balances should be earmarked as a Reserve for specified expenditure purposes in future financial years.</p> <p>It was noted that a 'retention' of 2.5% or £966.63 is payable for completion of the contract for the external repairs and redecoration of the Parish Hall. It was agreed to recommend to the Full Council that a reserve is made for that sum, which is payable in 2017.</p> <p>It was noted that the 2016/17 budget for the Twyford Neighbourhood Plan had been underspent due to slippage in the timetable and the costs were not provided for in the 2017/18 budget. However, following discussion it was decided not to recommend the making of a Reserve of £1,000 towards pre-submission publicity costs that would be incurred in 2017/18.</p> <p>It was noted that applicants for s137 grants had been asked to provide evidence of their expenditure before the 31<sup>st</sup> March, to date two applicants had done so, but several had not. The Chair undertook to contact applicants that had not yet submitted evidence to enable payment of the grant to proceed. The Committee decided to draw the attention of the Full Council to the outstanding claims, so that it could determine whether any Reserve should be made.</p> <p>The grant funded expenditure on new play and sports equipment during 2016/17, which totalled approximately £9,500; and the underspend of approximately £5,000 on Hunter Park and Pavilion maintenance during 2016/17 was noted. The Committee referred to the need to finance major repair and replacement programmes for Hunter Park and Northfields. It was therefore decided to recommend to the Full Council that it reserve £10,000 for the replacement of items in Hunter Park and Northfields.</p>
41/16	<p><b>To review the Asset Register changes for 2016/17, to agree any further changes and to approve an asset disclosure statement for the Parish Council website.</b></p>
	<p>The Committee reviewed the Asset Register and noted Internal Audit reports for 2014/15 and 2015/16 which recommended that the purchase costs and dates of acquisition of all assets are identified and recorded in the Register; and that the Register is published online.</p> <p>The Chair reported that despite looking back to 2011 it had not been possible to identify all dates and costs, or even to obtain an analysis of items making up totals for example:</p>

	<p>“Playground Equipment – Hunter Park”. It was clear that in successive years the totals used for the publish accounts had used updated values reflecting insurance replacement values and not the original purchase costs as required by the accounting regulations and guidelines. The Asset Register values also included items insured by the Parish Council but not owned by it, for example the tennis court surface and fencing around it, which should therefore be written off. In order to record an appropriate value for existing assets the Clerk (as Responsible Financial Officer) suggested that each existing item should be listed and a value attributed to it, with the balance also being written off. The Committee agreed that the value of Hunter Park play equipment at £64,360 could not be supported by the Parish records and therefore some write off was required, in particular, the basketball court was no longer usable as such. The same process should be undertaken for the £40,000 attributed to Northfields play equipment.</p> <p>Having agreed the need to write off values from the Asset Register it was also agreed it was inappropriate to publish a detailed summary of assets on the Parish website until the approach taken was reviewed and accepted by the Internal Auditor. Concerns also existed that values attributed to machinery might lead to its theft. It was further noted that legislation requiring local authorities to publish certain details of assets did not apply directly to councils the size of Twyford’s. Therefore the Twyford Parish Council Website disclosure should merely refer to two categories of Parish Council assets: “Hunter Park and Northfields land, buildings and equipment”, and to “Other Parish Council land at Twyford Meads and Berry Meadow”.</p> <p><b>Resolved</b> “Twyford Parish Council’s Clerk shall restate its Asset Register, the Full Council shall be asked to approve the write-off of values that cannot be attributed to existing assets owned by the Parish Council; and the Parish Council shall publish its 2016/17 assets as “Hunter Park and Northfields land, buildings and equipment” and “Other Parish Council land at Twyford Meads and Berry Meadow” both without attributable values.</p> <p>Proposed by Councillor Watson, seconded by Councillor Lawton and carried unanimously.</p> <p><u>Action</u> – Clerk to amend the Asset Register</p>
42/16	<p><b>To consider action taken to address internal audit reports for 2014/15 and 2015/16 and to agree any further steps.</b></p>
	<p>The Internal Audit Report for 2014/15 was reviewed.</p> <p>It was noted that there was a reference to production of a bank reconciliation and statement of bank balances for every meeting (of the Full Council). Due to the adoption in 2016/17 of an accounting spreadsheet that produced a template for quarterly accounts with a bank reconciliation the Full Council had no longer been provided with a monthly bank balances and reconciliations. It was noted, however, that the Clerk received bank statements monthly and it was therefore agreed that if the Internal Auditor considered the risk to the Council necessitates that the Full Council must receive monthly bank reconciliations this shall be reinstated.</p>

	<p>It was noted that the 2014/15 Report referred to the budget for the next year being included in the minutes when the precept is agreed and that it should be published on the website. It was agreed that the budget presented to the December 2016 Full Council meeting should therefore be added to the approved minutes and be added to the Full Council website page. It was noted that another requirement related to the Asset Register, which could not be prepared as recommended; but that action was being taken.</p> <p>The final recommendation related to VAT which had been comprehensively reviewed and was now believed to be correctly accounted for.</p> <p>The 2015/16 Internal Audit Report was then reviewed. It was noted the recommendation to use the HALC accounting spreadsheet had been implemented; historic control account balances had been written off as recommended; and VAT had also been dealt with as referred to above. However, the Asset Register had not been resolved, as referred to above and it was also noted that the Council had not filled every vacancy there being 11 of 13 places filled (and one will become vacant in May); nonetheless the quorum for the Council had as a result of the Internal Audit Report been increased from 3 to 4.</p>
43/16	<p><b>To review the effectiveness of internal audit and the Council's financial systems and internal controls throughout 2016/17.</b></p>
	<p>The Committee discussed the effectiveness of Internal Audit and the Council's financial systems and controls throughout 2016/17. Aspects of Internal Audit were considered using a circulated template of good practice published by BDO and a guidance note for such reviews. It was concluded that although some weaknesses existed, these were not considered material, they have been or are being resolved and therefore the systems of control overall have been effective throughout 2016/17.</p>
44/16	<p><b>To consider Governance Statements required for 2015/16 and to agree whether the Council's positive responses can be repeated for 2016/17 or any steps required.</b></p>
	<p>The previously circulated Governance Statements were referred to. The Committee agreed that there were no known reasons for it to report any adverse conclusion, therefore no remedial steps were required and the Committee can recommend that the Full Council's response to each Statement is positive.</p>
45/16	<p><b>To note an Internal Audit is booked for 8<sup>th</sup> May and to agree the actions to be taken (and timeframe) in preparation for both the internal audit and subsequent external audit.</b></p>
	<p>It was noted that the Internal Audit is scheduled for 8<sup>th</sup> May and an oral report, if not a written report, will be provided to the Finance Committee at its meeting on 11<sup>th</sup> May. The year-end accounts and bank reconciliation will have been submitted to the Full Council on 20<sup>th</sup> April and any adjustments arising from the Internal Audit will be made before the final accounts are approved on 18<sup>th</sup> May for public inspection and External Audit.</p>

46/16	<p><b>To note Twyford Parish Council responded to the 2017/18 Local Government Finance Settlement Consultation and to note the Government’s summary of responses by Parish Councils.</b></p>
	<p>It was noted that the Department for Communities and Local Government had issued a summary of responses to the 2017/18 Local Government Finance Settlement Consultation. There were 1750 responses to the consultation from a range of organisations including 1390 from Town and Parish Councils and 36 from Town or Parish Councillors. Two Committee members confirmed they had submitted comments in addition to those submitted on behalf of the Council. Of 1141 responding parishes, 92% objected to principles for larger town and parish councils being applied to all parish councils. The arguments focused on proportionality, local knowledge and consent, and the protection of valued services. The document stated: “a small number [8% or less] of respondents welcomed the possibility of <u>some</u> parish precepts being subject to limits. This was on the basis of treating the sector the same way as other types of authorities, and protecting council tax payers.”</p> <p>It was noted that there has been no announcement of a cap on precept increases or the adoption of a referendum requirement for parish councils of the size of Twyford.</p>
47/16	<p><b>To discuss Twyford Parish Councils Compliance with Pension regulations and to agree any steps to be taken.</b></p>
	<p>The Chair referred to correspondence received from the Pensions Regulator and the requirement to offer a stakeholder or other pension to any employee earning more than a threshold amount. Confirmation of compliance as at 1<sup>st</sup> April 2017 must be submitted by the Chair shortly into the new financial year.</p> <p>It was confirmed that the Cleaner’s salary is below the threshold. The Clerk is already a member of a pension scheme offered by the Parish Council. The Council is therefore able to confirm its compliance as at 1<sup>st</sup> April.</p>
48/16	<p><b>To raise any items for the next agenda and agree the date of the next meeting [scheduled for 11 May].</b></p>
	<p>It was agreed that the results of the Internal Audit shall be an item for the agenda of the next meeting, which shall be held on 11 May 2017 in the Pottinger Pavilion.</p> <p>The meeting closed at 10.00pm.</p>

<b>Table of outstanding actions</b>				
<b>Owner</b>	<b>Action to be taken</b>	<b>Target Date</b> <i>[Revised]</i>	<b>Action Taken</b> <i>[Update]</i>	<b>Status after meeting of 10<sup>th</sup> October</b>
Clerk	Prepare a Financial Risk Assessment as at 30 September 2016 for submission to the Finance Committee in October.	6 October  <i>31 Jan</i>	Review and amendment of existing Financial Risk Assessment has commenced  <i>Revised assessment approved by the Full Council</i>	Closed
Clerk & Finance Chair	The asset register is to be reviewed by the Clerk, with the assistance of Councillors, and its status is to be reported to the Finance Committee in September.	15 Sept  <i>March 2017</i>	In progress and on the Agenda for September meeting  <i>To be reviewed by the Finance Committee in March</i>	<i>Agenda Item</i>
Cllr Watson	Seek an estimate for future insurance purposes of the replacement cost the Pavilion	31 Oct. <i>March 17</i>	In progress	<i>In progress</i>
<b>Actions added by the meeting on 10<sup>th</sup> October 2016</b>				
27.2/16 Clerk	Agree the timeframe for the internal and external audit of accounts for the year ended 31 March 2017.	31 Dec.	Internal Audit scheduled for 8 May. Proposed accounts submission date submitted for external auditor	<i>Agenda Item</i>
27.3/16 Clerk	Complete and submit to BDO LLP the Client Satisfaction Survey for the 2015/16 audit.	31 October	Submitted	Closed
31/16 Clerk	Prepare and circulate a draft response to the 2017/18 Local Government Finance Settlement Consultation	14 October	Draft circulated and agreed version subsequently submitted	Closed

**Table of outstanding actions carried forward from the Finance Committee Meeting of 16<sup>th</sup> March 2017**

<b>Owner</b>	<b>Action to be taken</b>	<b>Target Date</b> <i>[Revised]</i>	<b>Action Taken</b> <i>[Update]</i>	<b>Status as at</b> <b>[DATE]</b> <b>2017</b>
Cllr Watson	Seek an estimate for future insurance purposes of the replacement cost the Pavilion	31 Oct. <i>March 17</i> <i>Sept 2017</i>	In progress	
<b>Actions added by the meeting on 16<sup>th</sup> March 2017</b>				
Clerk 38/16	Write to Winchester CC and the SDNPA to enquire into CIL payments for which the Council may be eligible	10 May		
Clerk 41/16	Restate the assets held as at the year end and write off assets values that cannot be confirmed	23 <sup>rd</sup> March		



## Forecast for the year end

TWYFORD PARISH COUNCIL						
SUMMARY RECEIPTS & PAYMENT ACCOUNT						
YEAR ENDED 31 MARCH 2017						
Annual Budget	Actual-v-Budget	RECEIPTS Finance	Figures shown exclusive of VAT			
			£			£
73,250.00	97%	Precept	71,101.69			
250.00	29%	Bank Interest	72.53			
500.00	6601%	Grants & Donations	33,003.94			
74,000.00						104,178.16
		<u>Recreation</u>				
3,500.00	121%	Hunter Park Pitches	4,244.33			
2,700.00	99%	Hunter Park Pavilion	2,675.00			
522.50	89%	Allotments	464.00			
6,722.50						7,383.33
		<u>Other</u>				
		Twyford Neighbourhood Plan	4,240.00			
		Water Meadows	4,964.99			
5,100.00	181%	Open Space Funding	9,244.57			
						18,449.56
		<b>Total receipts before VAT</b>				<b>130,011.05</b>
0.00		VAT reclaimed	9,652.83			
0.00		VAT charged	386.67			10,039.50
85,822.50		<b>TOTAL RECEIPTS including VAT</b>				<b>140,050.55</b>

## Forecast payments for the Year End

<b>PAYMENTS</b>				
<b>Finance</b>				
12,360.00	106%	Clerk's employment costs inc. allowances	13,136.51	
600.00	9%	Clerk's Expenses	53.69	
375.00	413%	Administration	1,548.42	
0.00	NA	External Advice	120.00	
800.00	43%	Training	342.85	
2,500.00	96%	Insurance Premium	2,407.45	
14,000.00	30%	Grants & Donations:	4,260.13	
3,000.00	152%	Section 137	4,547.28	
420.00	180%	Hall Hire	756.00	
500.00	0%	Legal Fees	-	
650.00	100%	Audit Fees	650.96	
400.00	110%	Subscriptions & Publications	439.00	
3,500.00	72%	Street Lighting	2,524.94	
700.00	83%	SLR	580.00	31,367.23
<b>39,805.00</b>				
<b>Recreation</b>				
23,250.00	82%	Hunter Park Grounds	19,069.39	
3,150.00	62%	Hunter Park Pavilion	1,958.45	
2,500.00	117%	Repairs & Maintenance	2,923.60	
5,000.00	191%	New assets	9,547.07	
5,484.00	79%	Other Open Spaces	4,343.04	
2,066.00	91%	PwLB	1,877.25	
1,000.00	17%	Allotments	166.14	39,884.94
<b>42,450.00</b>				
<b>Other</b>				
8,000.00	140%	Neighbourhood Plan	11,237.53	
5,700.00	91%	Water Meadows	5,204.34	
0.00		Miscellaneous (Note 1)	41,835.70	58,277.57
<b>13,700.00</b>				
<b>Total payments excluding VAT</b>			<b>129,529.74</b>	
-		VAT on payments	14,587.34	14,587.34
<b>TOTAL PAYMENTS</b>			<b>144,117.08</b>	
<b>RECEIPTS &amp; PAYMENTS SUMMARY</b>				
BALANCE BROUGHT FORWARD on 01/04/16			75,266.95	
ADD Total Receipts (as above)			140,050.55	
LESS Total payments (as above)			144,117.08	
<b>Balance Carried forward 31/03/17</b>			<b>71,200.42</b>	

These cumulative funds are represented by: