

ALVECHURCH PARISH COUNCIL

FINANCE & SCRUTINY COMMITTEE MEETING – 2020/06/15 - 01

MINUTES OF THE FINANCE & SCRUTINY MEETING held via Zoom on Monday 15th June 2020 at 7.00 pm.

[The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020]

PRESENT: Councillor S Baxter (Chairman), Cllrs; Cypher, Helmore, Humphries, Wallis and Worrall.

In attendance: Mrs J Smailes – Parish Clerk/Minute Taker

AGENDA

1. **APOLOGIES**

None.

2. **DECLARATIONS OF INTEREST**

None.

3. **DISPENSATION REQUESTS**

None.

4. **MINUTES OF PREVIOUS MEETING**

Approval of the Finance & Resource Committee (*name change since applied*) Meeting Minutes, held on 20th January 2020, were proposed by Cllr Baxter. **Unanimous.**

Cllr Wallis queried the format that will be applied in relation to ‘internal in-house audits’ and whether the F&S Chair would be able to participate in such. The Clerk explained that when Covid restrictions were lifted she would circulate a copy of the councillor audit roster which required all members to actively participate in the internal audit process. **Action - Clerk.**

5. **QUARTER 1 - BUDGET SUMMARY**

Cllr Baxter drew members attention to ‘the bottom line’ which clearly identified the council’s current financial position in relation to its Earmarked/Free General Reserves which totalled £39826.70, this sum being below the recommend threshold.

Cllr Wallis stated that it had been hoped that between £70k - £50k would have formed the basis of council’s reserves, however; an additional £10,700 to date (*above that of the ‘approved’ budget – which was £181,000*) had been drawn down from ‘free’ General Reserves to date.

Cllr Baxter expressed her concern that in this exceptional year, and mindful of a possible Covid spike, it was imperative that the council’s ‘reserves’ were not further depleted; she also reminded those present that the anticipated income, acquired from hirer usage of the council’s facilities and which was usually in the region of £7000, was also likely to be significantly reduced thereby placing the budget under further strain.

Cllr Baxter requested that her concern as Finance and Scrutiny Chair be noted.

Chairman

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Cllr Baxter suggested that it was essentially that the council formulate a plan which identifies its intended future financial spends; that such would also assist with project work and grant submissions.

Cllr Worrall said that he was uncomfortable with events that had resulted in a decrease of the General Reserves and stated that the council's options were; *to tighten the belt, promote/increase revenue streams and/or increase the Precept.*

Cllr Baxter advised that council should look to ensure it has a minimum of £50k in 'free', non-earmarked General Reserves.

A lengthy discussion ensued concerning proposed project work improvements to three of the council's recreational sites, namely; Rowney Green Pavilion, The Wiggin Playing Field and Hopwood Community Centre and playing field.

Cllr Cypher stated that increasing the Precept significantly was not the correct route to take in his opinion and suggested council look toward transferring the sum of £10k that had been earmarked for proposed street lighting improvements to that of 'free' General Reserves, thereby by bolstering the General Reserve account, for he believed the street lighting project would be better addressed by means of a Public Works Loan.

The Clerk suggested that moving funds in such a manner did not achieve anything but instead distorted the budget and that in her opinion as RFO, it would be best to leave the budget as set, show /note overspends and virements between budget headers as this would enable the council to gain a clear picture of its 'spends', and therefore allow her to formulate a more representational budget year on year.

Cllr Humphries advised that each year the council was required to address one if not more of its lighting columns and whilst £10k was insufficient to address the lighting project per-say, the earmarked sum did ensure there were funds available to repair failed units. Cllr Humphries went on to suggest that the project could possibly be addressed via grants obtained.

Cllr Baxter felt that most grant providers expected an element of match-funding to be made available and suggested that the impact from the Covid pandemic was likely to result in the parish council needing to increase its Precept demand by at least 10%. and that such hikes in Precepts was likely to be mirrored across the County as a result of the Tax Base shrinking.

Cllr Humphries felt that if the Precept was to be increased then given the Covid pandemic, next March/April was probably a justifiable time to do so.

6. **PBP (POLICY, BUDGET, PRECEPT)**

Cllr Baxter invited the Clerk to explain the Policy, Budget, Precept process that would be applied moving forward and which involved each committee making an informed decision as to the financial sum it would require to address ongoing service provision and further projects aimed at increasing revenue streams.

Cllr Baxter suggested that the budget review process should also include an examination of the ways/manner in which the council operates; whether there was a necessity for APC to retain a parish office or whether a 'shared' community space would meet the council's desire to retain a presence in the parish? Whether allowing employees to work from home was more productive etc.

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Cllr Humphries reminded those present that there had been a prior conversation concerning dividing the office with use of partitions, and that he felt the current office provided a meeting space which the council lacked at its previous location.

Cllr Cypher reiterated his suggestion that there was merit in considering a Public Works Loan for large projects but that discussion on such should form part of a comprehensive financial review.

Cllr Worrall suggested that it may be advantageous to identify the term of the office lease/when it expires and whether there is a 'break clause' allowing the council a degree of flexibility.

Cllr Wallis queried why residents currently attended at the office? The Clerk explained this was mainly in relation to allotment queries/payments, with one/possibly two residents max. each week attending at the office over a 6 week period between 1st Feb – Mid March.

Cllr Baxter suggested that 'working practices'/use of office space etc be reviewed fully at the September F&S Meeting, ahead of budget deliberations. **Noted.** **Action - Clerk.**

Cllr Wallis suggested that there was a requirement to view a budget forecast as he believed the proposed Precept increase was likely to be closer to 20%. The Clerk explained that this was working backwards, that incremental budgeting was frowned upon and that council needed to follow the PBP process; that once it had formulated its budget then was the time to consider off-set income (*known and a percentage of probable*), identify the likely tax base and address the statutory calculation and then, in an informed manner, consider what council felt was an acceptable Precept sum.

At this point Cllr Cypher commented on the poor audio quality and stated that he felt the subject matter was better addressed at a 'face to face' meeting. Cllr Humphries agreed, saying to be able to study hard copies would make the process easier.

20.38 - Cllr Helmore left the meeting due to technical issues.

Cllr Humphries suggested 'face to face' meetings could possibly take place at Hopwood if social distancing measures were observed.

The Clerk advised guidelines were still in place re. public meeting attendance and that she would be reluctant, especially as no hotel accommodation would be available resulting in her having to drive home late from Alvechurch at a time when Central Government were still advocating 'work from home where possible'. **Noted.**

7. REVIEW OF HIRE/ FACILITY CHARGES

Members referred to the Spreadsheet that had been compiled/circulated by the Assistant Clerk and which listed all facility users and the charges applied to each, totalling income of approx £7k for 2019/20.

Cllr Worrall queried how the charging structure was applied and when it was last reviewed, suggesting that the charges levied were not 'commercial' and that the Parish Council were undervaluing its asset potential. Cllr Worrall went on to suggest that more should be done in respect to advertising the use of its assets in order to attract 'custom' from within and outside of the local area as this would result in increased revenue streams.

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Cllr Wallis advised the Hirer charges had been reviewed by YSR Committee; Cllr Humphries suggested that the last review had taken place 2-3 years prior.

Cllr Worrall enlightened members to the conversation he had been party to with a representative from a local sporting club who had advised they were prepared to pay Circa £1,200 per season; that he had also spoken to the football team he sponsored and they too had confirmed Circa of £1000.

Cllr Worrall also suggested there was a requirement to look at those businesses which used the facilities on a commercial basis for they were making money on the council's assets as the hirer charge was currently set too low.

Cllr Wallis led a discussion on the whether there needed to be a 'sliding scale', dependent upon what, if any, additional cleaning of facilities was required.

Cllr Cypher stated that now was the time to make the necessary changes and to improve the council's facilities and increase its revenue streams; that the hirer of Hopwood pitches was key to all of the council's plans.

Cllr Cypher went on to propose the Clerk sought local information concerning hirer charges locally and that council then consider compiling a brochure to promote its assets which could be considered at the next committee meeting, ahead of then being displayed on the council's website/FB page. The Clerk also suggested there may be merit in adapting the website to allow for 'on-line' booking of the facilities once the promotional material had been agreed. **Action – Clerk.**

Following a further short discussion on the appropriate level of percentage increase it was proposed by Cllr Worrall that a 25% blanket increase be applied across all hirer charges, this motion was not seconded.

Cllr Baxter suggested a counter motion, proposing a 10% blanket increase which was supported. **Unanimous.**

8. **GRANTS & DONATION POLICIES**

Cllr Baxter explained the advantages of electing to make a grant/donation in the same financial year as it then being paid as such then did not skew the budget figures.

Cllr Baxter proposed that given a sum of £8800 had already been paid out in grants this financial year that no further payments be made. **Unanimous.**

Members were then asked to consider each of the policies in turn;

Grant Policy

Cllr Humphries suggested that approving payment one financial year and then awarding the payment the following financial year was historic and that he felt not to pay a sum at the start of the financial year to The Lounge would result in the community Café struggling financially.

Cllr Baxter was quick to advise no one was suggesting payment to The Lounge ceased but that instead considerations to whether it was indeed a grant, a donation or could be deemed a payment to a 'partnership' organisation was more representational of the financial assistance provided by the council to The Lounge.

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Cllr Worrall stated that if each year a sum was given that was not necessarily for an indentified piece of equipment then the ‘award’ could be rebranded and even paid to The Lounge on a monthly basis.

Cllr Cypher suggested a ‘Donation’ more closely reflected what was currently paid to The Lounge as there was never a stipulation as to what the money was to be used for or a requirement placed on The Lounge in the past to evidence it’s work within the community.

Cllr Worrall reminded those present that the council now had a council liaison representative in the form of Cllr Freeman and he believed that such would strengthen the tie with the council. Cllr Worrall went onto to propose the Clerk contact The Lounge and explain the thought process concerning future payments and assure them the council’s support would continue, be it under a different title, seconded by Cllr Humphries. **Unanimous.** **Action Clerk.**

Cllr Humphries queried the necessity to invite grant payments twice a year rather than annually?

The Clerk explained it enabled council to better monitor its expenditure if it had budgeted to award a significant sum in grants/donations.

Cllr Worrall proposed that the two grant dates shown remain, however; Cllr Wallis and Cypher queried the logic in such a motion for if The Lounge was paid its sum under separate cover, this would result in a minimal grant/donation total being made available each year?

Cllr Baxter therefore put forward a further motion; that the two dates for submission of grant/donations request would remain as shown, with the second date being used at the council’s discretion. **Unanimous.**

Donation Policy

Acceptance proposed by Cllr Baxter. **Unanimous.**

Chairman’s Civic Award.

The Clerk explained the merits in adopting such a policy and how this ‘married’ with the Youth/Citizenship agenda item recently included on the Full Council Meeting Agendas.

Cllr Cypher felt that the criteria too closely matched that of the Grammar School Award and therefore felt its adoption unnecessary.

Cllr Baxter felt that it may increase Public Relations/the council’s profile.

Cllr Worrall suggested he would apply the criteria slightly differently to that of the Grammar School Award and proposed the policy be adopted, however; implemented next financial year. **Vote carried.**

Cllr Baxter suggested the use of FB/the council’s website to promote the aforementioned policies. **Action Clerk.**

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9. DOCUMENTATION/POLICY REVIEW

- ❖ Financial Regs (Adopted June 2020) **Noted.**
- ❖ Annual Processes – Proposed by Cllr Baxter. **Unanimous.**
- ❖ Parish Council Risk Assessment - Proposed by Cllr Baxter. **Unanimous**
- ❖ Risk Management Part 1 & 2 - Proposed by Cllr Baxter. **Unanimous**

Whilst understanding the reasoning and necessity to ensure the council adopted firm foundations, Cllr Worrall expressed his desire to conclude matters of protocol, to trust in one another's roles and to move toward delivery of projects aimed at improving the community/council assets.

Cllr Worrall stated that it had been a period of immense change and that the council was now in a stronger position to deliver on projects and actions identified. All were in agreement.

10. MEETING DATES

As per the Schedule. **Noted**

Meeting Closed at 9.02pm.

Chairman

Date