

SANDBACH TOWN COUNCIL

Finance, Policy and Governance Committee

Minutes for the meeting held on Thursday 1st February 2018 at 7.30pm at the Sandbach Literary Institution, Hightown.

In Attendance:

Cllr Gill Merry
Cllr Steve Kirkham
Cllr Mike Muldoon
Cllr Barry Moran
Cllr Carolyn Lowe
Cllr Sam Corcoran
Cllr Alan Smith
Cllr Martin Forster
Cllr Richard Hovey

Also present were the Responsible Finance Officer, the Finance Officer, members of the public and the Press.

1. APOLOGIES FOR ABSENCE

Apologies were received from: Cllr Mike Benson
Cllr Sue Ashcombe- Hurt

2. DECLARATIONS OF INTEREST

The Finance Officer declared an interest in item 6.2

The Chairman of the meeting adjourned the meeting to allow questions from members of the public.

Mr Green: Mr Green highlighted the VAT report, item 10, in particular section 22 of this report where it comments on VAT relating to Market Stall holders. He requested that we bear this in mind when making a decision about the VAT position.

Mr Williams: Mr Williams made comments with regards to a meeting that was held prior the this FPG meeting at 6.00pm and that the public were informed that the meeting was not being held in public. He had some questions regarding compliance with Public Procurement Regulations and suggested he may put in a written request about this, he was invited to do so.

After the questions the Chairman will reconvened the Meeting, both members of the public were thanked for their comments and questions.

Item 6.2 was brought forward by agreement of the Committee, minutes follow below

3 TO APPROVE THE MINUTES OF THE FINANCE, POLICY AND GOVERNANCE COMMITTEE MEETING HELD 2ND NOVEMBER 2017.

RESOLVED: That the minutes be approved.

4 FINANCIAL STATEMENT – THIRD QUARTER 2017-2018

[Attached: Simplified Accounts Summary, Detailed Income and Expenditure Cost Centre Report, Bank Reconciliation and Variance Report]

A query was made regarding Catering costs as it had been previously requested that this nominal code would be split to show income and costs separately. The Finance Officer updated the committee that this was in action and would be complete by year end. It was noted that it was nice to see the variance sheet, but a request was made to the Finance Officer to look at the layout as the wording was too small.

RESOLVED: That the third quarter results be received.

5 PAYMENTS MADE

RESOLVED: That the payments made between 1st October and 31st December be approved.

6 APPLICATIONS FOR DONATIONS

6.1 CHESHIRE BORDER GUIDES

They made a request for a grant towards a trip that a number of Sandbach Guides have been chosen to attend.

RESOLVED: That a grant of £500 be awarded, with a letter being issued to note that this does not set a precedent and is a one-off grant but is a recognition of achievement for the Guides chosen to represent Sandbach. The award is made under the General Power of Competence.

6.2 SANDBACH LITERARY INSTITUTION

They made a request for a grant of £5000 to source and prepare funding bids.

It was noted that a £10,000 budget had been approved at the last Council Meeting on 25th January 2018 for the year 2018-2019, and that this may override this application, it was confirmed that it did not as this was an application for Community Funds, although it was noted that there is insufficient fund available in the current year to grant the whole £5000 and it was asked if the Trustees could wait until the next financial year for the amount, as Mr Lea was in attendance he confirmed this would be satisfactory.

RESOLVED: the £5000 would be paid to the SLI Trustees from the new budget line 'SLI Support' in the financial year 2018-2019.

7 INTERNAL AUDIT

The interim Internal Audit report was presented. It was noted that although the report pointed out recommendations it did not show any follow up or any implemented actions to carry out actions recommended.

RESOLVED: That that the Finance Officer and the Responsible Finance Officer update the report to show all actions taken against the recommendations and that the RFO agrees with the recommendations being made. The report to be brought back to the committee.

8 NOTIFICATION OF EXTERNAL AUDITOR APPOINTMENT

The letter of notification of the new external auditor was presented, a suggestion was made that all Councillors should be asked if there is a conflict of interest with the new auditor.

RESOLVED: That the letter be noted

9 PAYMENT APPROVAL

9.1 JOHN GREENHALL & CO

RESOLVED: That invoice 829, John Greenhall & Co, for £1680.00, (£1400.00 plus £280.00 VAT) which relates to the 2016-2017 Accounting Services, is approved for payment from budget code 101/4114.

9.2 SANDBACH LITERARY INSTITUTION

RESOLVED: That invoices for Rent for £2136.00 each. Invoice 6 for the period September- November 2017 and invoice 7 for the period December 2017 to February 2018, a total of £4272 (£3560 plus £712 VAT, are approved for payment from budget code 101/4121.

10 VAT REPORT (PARKINSON PARTNERSHIP)

A report compiled by the Parkinson Partnership was presented. There was no clear conclusion, as long-term running costs would need to be factored; these will have an influence on whether opting to tax would be beneficial for the Council.

The report was not as members had expected, it did not contain a financial spreadsheet showing how assumptions and conclusions had been calculated, and more importantly did not show any clear recommendations.

A number of business aspects were highlighted as issues, where VAT had not been charged. These need to be further considered and if it is felt that VAT should have been charged, it may also have to be applied retrospectively for up to 4 years.

Concern was expressed regarding the impact that the addition of VAT may have against hire fees and stall charges; this will need to be a consideration as a decision is made.

The Clerk was asked to seek further information from the Parkinson Partnership and to prepare a report to be presented to Council on 22 February to enable members to decide whether it should opt to tax.

RESOLVED: that the matter be re-presented to Council on 22 February with further supporting information.

11. 2016/17 YEAR END AUDIT AND MATTERS RAISED

The Annual Audit Report 2016/17 was presented to the FPG Committee when it met on 2 November 2017. The report was not accepted due to limited information regarding the qualified status being available, with the Clerk being asked to make further enquiries and to report back.

The Clerk and the past Chair of F, P&G have both made enquiries, through which the main External Auditors remarks are about the way in which Working Groups operate and that they should not be making decisions.

The past Chair of FPG referred to his communication with the External Auditor, in which the Auditor had said that the qualification was due to breaches of legislation and proper practices, mainly related to the LLR, as referred to by Internal Auditor. He went on to read emails from the External Auditor, which stated that under the Local Government Act 1972, decisions can only be delegated to a Committee or Officer and specified that Working Groups cannot be used to run events which will inevitably make decisions.

The Clerk read an email she had received from the External Auditor which did not explicitly state that legislation had been breached, but did state that Working Groups could not make decisions and recommended seeking advice from ChALC. She stated that in no correspondence she has received, has the External Auditor said that legislation has been breached, additionally the Internal Auditor has stated that he has not referred to any breach in legislation, although did report some irregularities brought about via the LLR report.

The Clerk reported that following consultation with both ChALC and the Internal Auditor a report had been prepared which provided options to address concerns about Working Groups. The Clerk had made recommendations in relation to the twelve live Working Groups and how they may be managed to avoid decisions being made, members agreed to change four of the twelve recommendations.

RESOLVED: that

- i. The Audit and Working Group Report is noted.
- ii. The Annual Return and External Audit Report for the year 2016/17 is recommended to Council for approval.
- iii. The use of Working Groups is reviewed, with the following changes:
 - a. Events WG becomes a Sub-Committee
 - b. Market Hall Project Team becomes a Sub-Committee
 - c. Market Hall Steering Group becomes a Sub-Committee
 - d. Website Group to Option 2, Working Group with Officer delegated to make decisions.

(The schedule is attached to the minutes)

- iv. It is noted that future Working Groups will have to identify which option is appropriate within its Terms of Reference.
- v. It is noted that this decision may have an impact on resources and to refer this factor to the Personnel Committee for further consideration.

12 GRANT FEEDBACK FORM

There was none.

13 LETTERS OF THANKS

RESOLVED: That the letter received from the Footpath Group thanking Sandbach Town Council for a grant be received.

14 CORRESPONDENCE

There was none.

15 ITEMS FOR THE NEXT MEETING

There were none, members were invited to forward any items on should any arise.

16 UNDISCHARGED RESOLUTIONS

RESOLVED: That the report be noted, and the Finance Officer update the members that the Aged Debtors will be presented to Council in 22nd February 2018.

17 DATE, TIME AND PLACE OF NEXT MEETING

The date of the next meeting of the Finance, Policy and Governance Committee will be 3rd May 2018 at 7.30pm at the Sandbach Literary Institution.

Cllr G Merry

Chair of Finance, Policy and Governance

WORKING GROUP – WAYS OF WORKING

OPTION EVALUATION

		PROS	CONS
Option 1	<u>Working Groups</u> - Continue with the use of Working Group where further 'investigation' is required, in order to make recommendations to Council or a Committee.	<ul style="list-style-type: none"> • Makes best use of formal meeting time, with much of the preparatory work being undertaken ahead of the meeting. 	<ul style="list-style-type: none"> • Can only be used to investigate ideas and report back. • Could sleepwalk into making decisions without realising.
Option 2	<u>Working Groups with Officer Delegated to Make Decision</u> - Continue with the use of Working Groups for delivery of projects or events, with an Officer being delegated responsibility to make decisions in consultation with Working Group members. Any conflict to be resolved by the commissioning body (Council, Committee or Sub-Committee)	<ul style="list-style-type: none"> • Enables delivery of projects and events, without the need to convene regular formal meetings. • Moves projects forward more quickly. • Wider involvement with the community. 	<ul style="list-style-type: none"> • May place an Officer in difficult position, when Councillors or other interested bodies have different views, although this can be resolved by referring to commissioning body.
Option 3	<u>Sub Committees</u> - Replace Working Groups with Sub-Committees. This removes any confusion, and providing the Sub-Committee keeps within its scheme of delegation there should be no problem.	<ul style="list-style-type: none"> • Formalised process, open, transparent and accountable. • Easy to follow paper-trail • A Sub-Committee will receive administrative support by Officers in facilitating meetings and delivering outcomes. 	<ul style="list-style-type: none"> • Not currently enough administrative staff to service additional Sub-Committees. Staff would need to be recruited or the number of such groups reduced, possibly by amalgamation. • Having enough members interested and in attendance (to meet the current quorum of 4).
Option 4	<u>Partnership Working</u> - Set up a 'Partnership' to deliver projects or	<ul style="list-style-type: none"> • Completely removes detailed decision making. 	<ul style="list-style-type: none"> • Based on past experience and knowledge, when a partnership

	<p>events and provide them with a grant to deliver, thus removing the detailed decision making completely from the Town Council. Good examples of this are already in place, with the Transport Festival and Christmas Lights Committees. It should also be noted that Sandbach already has a Partnership, this could become the means of future event delivery.</p>	<ul style="list-style-type: none"> • Enables delivery of events, without the need for paid staff to support. • Councillors/Officers could sit on such a partnership and influence activities. 	<p>group makes decisions that are unpopular, this can create tensions within the Council over future funding of regular events.</p> <ul style="list-style-type: none"> • Personality conflicts can cause problems. • Lack of direct control or influence by the Council, which may be the principal funder.
Option 5	<p><u>No Working Groups</u> – Council or standing Committees make decisions and delegate to officers to investigate, prepare reports with recommendations and deliver all projects/activities.</p>	<ul style="list-style-type: none"> • Removes any opportunity for volunteers to be criticised. • Empowers officers to get on with the job. • Removes individual member involvement. 	<ul style="list-style-type: none"> • Long-winded – formal meetings will need to be convened for steer. • Insufficient resources (at present)

Current Working Groups and Option to be applied:

GROUP	Task and Finish?	Tangible outcome	RESPONSIBILITY	OPTION-WAY OF WORKING
Air Quality WG	Y	N	REPORT	Option 1
Conservation WG	N	Y	DELIVER	Option 2
Events WG	N	Y	DELIVER	Option 3
Market Project Team	Y	Y	DELIVER	Option 3
Market Steering Group	Y	Y	REPORT	Option 3
NDP	N	N	REPORT	Option 1
Office	Y	Y	DELIVER	Option 3
Cycling Strategy	Y	Y	DELIVER	Option 1
Skateboard Viability	Y	N	REPORT	Option 1
Staff Review	Y	N	REPORT	Option 1
VISSIM	Y	N	REPORT	Option 1
Website	Y	Y	DELIVER	Option 2