



LEOMINSTER TOWN COUNCIL

FULL COUNCIL

Tuesday 19th June 2018

To: All Members:
Councillors Bartlett (Mayor), Thomas (Deputy Mayor), Davies, Egan, Herschy, Lacey, Marsh, Norman, Preece, Rosser, Rumsey and Sutcliffe. (4 vacancies)

NOTICE OF MEETING

You are hereby summoned to attend a special meeting of the Leominster Town Council to be held on **Monday 25th June 2018** commencing at **19:00 hours** in the Council Offices, 11 Corn Square, Leominster HR6 8YP.

Paul Russell
TOWN CLERK

AGENDA

1. APOLOGIES FOR ABSENCE

Schedule 12 of the Local Government Act 1972 requires a record 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 Town 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 acceptable.

2. DECLARATIONS OF INTEREST

Under the Localism Act 2011 (sections 26-37 and Schedule 4) and in accordance with the Council's Code of Conduct, members are required to declare any interests which are not currently entered in the member's register of interests or if he/she has not notified the Monitoring Officer of it.

3. REQUESTS FOR DISPENSATIONS

To consider requests for dispensations (must be notified in writing).

4. END OF YEAR ACCOUNTS 2017/18

(a) **Annual Governance Statement** – To consider the formal adoption of the Annual Governance Statement for 2017/18. Please see attachment.

(b) **Annual End of Year Accounts** – To approve the Council's 2017/18 End of Year accounts. Please see attachment.

5. CO-OPTION UPDATE

To formally adopt the attached co-option timetable.

LEOMINSTER TOWN COUNCIL

ANNUAL GOVERNANCE STATEMENT

1. **Scope of Responsibility**

- 1.1 Leominster Town Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.
- 1.2 In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs and for ensuring that there is a sound system of internal control which facilitates the effective exercise of its functions and which includes arrangements for the management of risk.
- 1.3 This Statement explains how the Council has complied with the requirements under the Governance and Accountability for Smaller Authorities in England, A Practitioners' Guide to Proper Practices to be applied in the preparation of statutory annual accounts and governance statements dated March 2017.

2. **The Purpose of the Governance Framework**

- 2.1 The governance framework comprises the systems and processes for the direction and control of the council and its activities through which it accounts to and engages with the community.
- 2.2 The governance framework has been in place at the Council for the year ended 31st March 2018 and up to the date of approval of this new statement. The Accounts and Audit Regulations 2015 require smaller authorities, each financial year, to conduct a review of the effectiveness of the system of internal control and prepare an annual governance statement in accordance with proper practices in relation to accounts.
- 2.3 The publication of this new Annual Governance Statement confirms that Leominster Town Council has undertaken a review of governance arrangements in order to satisfy itself that all appropriate processes and procedures are in place.

3. **Purpose of the System of Internal Control**

- 3.1 The system of internal control is a significant part of the governance framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives but aims to identify and prioritise risks and the likelihood of them being realised and the impact thereof and to manage them efficiently, effectively and economically.
- 3.2 A system of internal control has been in place at Leominster Town Council for the year ended 31st March 2018.

4. The Governance Environment

4.1 Governance mechanisms are in place for the following purposes:-

- Focusing on the purpose of the Council and establishing and monitoring the achievement of the Council's objectives and assessing performance;
- Facilitating policy and decision making;
- Ensuring compliance with established policies, procedures, laws and regulations;
- Embedding risk management as an activity of the Council, including how leadership is given to the risk management process, and how staff are trained or equipped to manage risk in a way appropriate to the Council and their duties;
- Seeking to ensure that continuous improvement occurs in the way the Council exercises its functions including regular training sessions for members and officers;
- Ensuring Value for Money - the Council is constantly seeking to ensure that its resources are used economically, effectively and efficiently;
- Utilises staff and management innovations and the findings of external agencies and inspections to help drive improvements;
- Members and officers working together to achieve a common purpose with clearly defined functions and roles;
- Continuing improvement in the way in which its functions are exercised having regard to a combination of economy, efficiency and effectiveness as required when seeking to achieve value for money;
- Arrangements are in place to research residents views and consult on policies and proposals of the Council;
- Promoting values for the Council and demonstrating the values of good governance through upholding high standards of conduct and behaviour. The behaviour of councillors in particular is regulated through a Code of Conduct. In addition, Herefordshire Council has the duty of maintaining high standards of conduct in public office through its Monitoring Officer and Standards Committee roles, and arranging training on ethical matters for parish and town councils.
- Ensuring employees comply with Council policies on conduct and behaviour;
- Ensuring policy and decision making are facilitated by a clear framework of delegation set out in the Council's Standing Orders;
- Dealing with comments and complaints relating to service;
- Ensuring the financial management of the Council and reporting on financial management and in particular integrating the following financial management principles within the system of internal control:
 - Compliance with Standing Orders and Financial Regulations which are regularly reviewed.
 - Compliance with budgetary procedure requirements
 - Segregation of financial responsibilities
 - Management supervision
 - Accountability of staff as budget holders
 - Monitoring of budgets for over and underspends.
 - Regular periodic reviews and financial reports

- Regular reports showing actual expenditure and income against forecasts for reporting on and reviewing financial performance
- Clearly defined budget setting and capital expenditure guidelines
- Regular monitoring of reserves/balances
- Compliance with formal project management disciplines
- Compliance with risk management procedures
- A robust approach to insurance and claims management.

4.2 Risk Management and Internal Audit:

- Management of risk: The Council has an established Financial Risk Management Policy.
- During the year the Internal Auditor reported to the Town Clerk. All reports are considered by the Finance Committee.
- The Council has a health and safety policy, which includes the carrying out of risk assessments and provides an on-going training programme to ensure continuous improvement of its practices and procedures.
- The Council also retains the services of an independent internal auditor.
- The Council takes fraud, corruption and maladministration seriously.

5. Review of Effectiveness

- 5.1 The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control.
- 5.2 The review of effectiveness is guided by the work of the Town Clerk who has responsibility for reviewing the effectiveness of the development and maintenance of the governance environment. The Council is also equally guided by the work of their independent Internal Auditor and comments made by their external auditors.
- 5.3 The process agreed by the Council which is applied in maintaining and reviewing the effectiveness of governance arrangements, including the system of internal control includes:-
- Distribution of monthly schedule of payments to the Finance Committee for scrutiny and comment.
 - The Finance Committee receives all internal and external audit reports.
 - Reporting on any issues relating to value for money to ensure use of resources in an economical, effective and efficient way.
 - Approval through the relevant Standing Committees of budget plans, the subsequent collation of comments for policy guidance at the Town Council meeting on the setting of the budget and any Precept requirements for the following year.
 - Responsibility through the Finance Committee for receiving regular reports on work in progress and to be programmed for the future on internal audit and external audit functions.
 - Where any recommendations are made either by the Internal Auditor or the external auditor suggesting improvements to the effectiveness of the systems of governance and internal control, a plan of action will be agreed

with the Town Clerk within a reasonable period to address weaknesses and to ensure agreed action is undertaken.

- 5.5 Having implemented risk management as part of their corporate governance arrangements the Council will continue during 2017/18 to develop these risk management arrangements to ensure they are sufficiently embedded and effective.
- 5.6 The Council will also co-operate during 2017/18 with any internal or external audit work and will address any weaknesses and also consider implementation of any recommendations which may affect improvements within these areas of activity.

6. Significant Governance Issues

- 6.1 Should the Council receive from their independent Internal Auditor or from their external auditors or any other agency a report on any matter which is considered to be one of significant corporate governance and/or internal control, such matters will be reported to and will be personally investigated by the Town Clerk who will submit a report to the Finance Committee as soon as practicable on the implications thereof to seek guidance and instruction on any action to be taken.

7. Annual Governance Statement 2017/18

- 7.1 Leominster Town Council has ensured there is a sound system of internal financial control and has taken the following actions:

	Yes	No	Actions taken
1. We have put in place arrangements for effective financial management during the year, and for preparation of the accounting system	<input checked="" type="checkbox"/>		Accounts have been prepared according to the Accounts and Audit Regulations 2015. Bespoke accounting software has been used (Rialtas RBS) A quarterly financial healthcheck has been carried out by Microshade Business Consultants Ltd. Monthly financial reports have been submitted to the Finance & General Purposes Committee and Full Council for scrutiny. Two internal audits have been undertaken during the financial year.
2. We maintain an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness	<input checked="" type="checkbox"/>		A financial Risk Register was reviewed, updated and adopted on 26 th March 2018.

AGENDA ITEM: 4(a)

<p>3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and proper practices that could have a significant financial effect on the ability of this smaller authority to conduct its business or on its finances.</p>	<input checked="" type="checkbox"/>		<p>All Council activities and expenditure have been delivered through the powers and duties held by Local Councils and the relevant statutory provision.</p>
<p>4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.</p>	<input checked="" type="checkbox"/>		<p>All Council meetings are open to the public.</p> <p>Members of the public are encouraged to attend Council and Committee meetings and there is an opportunity to ask questions on all aspects of Council business.</p> <p>All agendas are published in full on the Council's website.</p> <p>The Town Council developed a Corporate Strategy for 2017/18 financial year and each Committee has received updates on progress.</p> <p>The monthly financial reports presented to Full Council and the Finance & General Purposes Committee are published on the website as part of the relevant agenda.</p>
<p>5. We carried out an assessment of the risks facing this smaller authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required</p>	<input checked="" type="checkbox"/>		<p>A Financial Risk Register was adopted in March 2018.</p> <p>An Internal Controls document was adopted by Council on 22nd February 2016 and is reviewed as required.</p> <p>Insurance cover was reviewed and updated in 2016. The final year of the 3 year agreement is 2018/19.</p>
<p>6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems</p>	<input checked="" type="checkbox"/>		<p>Quarterly financial healthchecks were undertaken by Microshade Ltd.</p> <p>Internal audits carried out by Iain Selkirk.</p>
<p>7. We took appropriate action on all matters raised in reports from internal and external audit.</p>	<input checked="" type="checkbox"/>		<p>An action plan was developed following the 2016/17 internal and external audit and that plan was formally considered by the Finance & General Purposes Committee along with an update.</p>
<p>8. We considered whether any litigation, liabilities or commitments, events or</p>	<input checked="" type="checkbox"/>		<p>Council received one insurance claim during the</p>

transactions, occurring either during or after the year end, have a financial impact on this smaller authority and, where appropriate have included them in the accounting statement			year which was being dealt with by the Council's insurer, Zurich Municipal. This claim had no financial impact on the Town Council.
9. The Town Council is not sole manager of any Trust Funds	<input checked="" type="checkbox"/>		Not applicable.

8. Approval of Statement

8.1 This statement is to be approved by the Full Council on Monday 25th June 2018 when authority was granted for the Mayor and Town Clerk to sign.

Town Mayor

Town Clerk

On behalf of Leominster Town Council

LEOMINSTER TOWN COUNCIL

END OF YEAR ACCOUNTS 2017/18

Leominster Town Council

Balance Sheet (Unaudited)

as at 31 March 2018

2017		2018
£		£
	Current Assets	
8,163	Stock	11,155
40,095	Debtors	10,512
247,050	Cash at Bank and In-hand	272,568
295,308		294,235
	Current Liabilities	
96,435	Creditors and accrued expenses	9,814
198,873	Net Current Assets	284,421
	 Financed by:	
	Reserves available to the Council	
110,575	Earmarked Reserves	110,575
-	Capital Receipts Reserve	78,488
88,298	General Reserve	95,358
198,873		284,421

LEOMINSTER TOWN COUNCIL

END OF YEAR ACCOUNTS 2017/18

Leominster Town Council

Income and Expenditure Account (Unaudited)

for the year ended 31 March 2018

2017		2018 £ Gross Expenditure	2018 £ Income	2018 £ Net Expenditure
DIRECT SERVICES TO THE PUBLIC				
(30,983)	Public Buildings	(60,815)	12,456	(48,358)
(27,949)	Tourist Information Centre	(55,895)	24,743	(31,152)
(13,654)	Public Toilets	(14,707)	-	(14,707)
(77,395)	Open Spaces	(90,206)	27,203	(63,003)
1,601	Allotments	(3,928)	5,574	1,646
12,640	Market and Events	(4,712)	15,968	11,256
(26,916)	Economic Development	(31,000)	580	(30,420)
(1,172)	Planning	(1,392)		(1,392)
DEMOCRATIC, CIVIC AND CENTRAL COSTS				
(140,711)	Central and Corporate Costs	(177,255)	(4,144)	(181,399)
(40,076)	Community Grants	(42,838)		(42,838)
(5,473)	Civic and Democratic	(7,129)		(7,129)
(9,765)	Capital Projects	(97,603)	168,500	70,897
(359,854)		(587,480)	250,879	(336,600)
	Annual Precept			422,148

AGENDA ITEM: 4(b)

386,070

35,986	Precept Support Grant	-
(56,075)	Transfer to Earmarked Reserves	(78,488)
<u>6,126</u>	Net Surplus for the year	<u>7,060</u>

Reserve Movements

	Balance April 2016	Movement for Year	Balance March 2017
General Fund	88,298	7,060	95,358
Earmarked Reserves	110,575		110,575
Capital Receipts Reserve		78,488	78,488
	<u>198,873</u>	<u>85,548</u>	<u>284,421</u>
	Box 1		Box 7

LEOMINSTER TOWN COUNCIL

END OF YEAR ACCOUNTS 2017/18

	2017	2018	Variance £	Variance %	Explanation
Box 2	386,070	422,148	36,078	9.34%	Under 15% No Explanation required
					Public Works Loan to finance purchase and Renovation of Corn Square Taken out in 2017 -500,000
					Council Tax Support Grant withdrawn -35,986
					Capital Receipt - Sale of West street 168,500
					Net Movement across other income -572
Box 3	618,936	250,878	-368,058	-59.47%	-368,058
					Additional cost of Environmental Team 6,515
					Additions to administration staff required to service expansion of council activities 31,531
Box 4	173,470	211,516	38,046	21.93%	38,046
					Additional loan repayments for New PWLB loan 14981
Box 5	21,596	36,577	14,981	69.37%	
					Reduced cost of Corn Square renovation -415,030
					Reduction in TIC rent Increase in Cost of sales at TIC -11,068
					10,730
					Bi-election Costs 3,008
					Net movement in all other cost headings 4,006
Box 6	747,739	339,385	-408,354	-54.61%	-408,354

AGENDA ITEM: 4(b)

Box 9	899,863	786,232	-113,631	-12.63%	Under 15% no explanation required	
						0
Box 10	499,594	475,000	-24,594	-4.92%	Under 15% no explanation required	

LEOMINSTER TOWN COUNCIL

END OF YEAR ACCOUNTS 2017/18

RESERVES RECONCILIATION

Leominster Town Council

Reserves Reconciliation 31 March 2018

Reserves At 31.3.2017	Box 7	284,421
Plus Creditors		
<hr style="width: 25%; margin-left: 0;"/>		
Creditors	4,271	
Other Creditors and Accruals	2,500	
Income in Advance	3,043	
	<hr style="width: 25%; margin-left: 0;"/>	9,814
		<hr style="width: 25%; margin-left: 0;"/>
		294,235
Less Debtors		
Debtors	2,700	
Vat Due	5,716	
Prepayments	2,096	
Stock	11,155	
	<hr style="width: 25%; margin-left: 0;"/>	21,667
		<hr style="width: 25%; margin-left: 0;"/>
Cash and Short Term Investments	Box 8	<u><u>272,568</u></u>

LEOMINSTER TOWN COUNCIL

END OF YEAR ACCOUNTS 2017/18

RESERVES

	Balance 1st April 2017	Added During Year	Spent During Year	Balance 31st March 2018
Elections	9,500			9,500
CCTV	4,500			4,500
Town Centre Enhancement	20,000			20,000
Equipment Rolling Programme	8,775			8,775
Play Equipment	16,000			16,000
Priory Churchyard	0			0
Public Convenience	51,800			51,800
Capital Receipts Reserve		168,488	90,000	78,488
	110,575	168,488	90,000	189,063

LEOMINSTER TOWN COUNCIL

END OF YEAR ACCOUNTS 2017/18

	31-Mar-17	31-Mar-18	Variance	Variance
				%
1 Balances brought forward	£136,672	£198,873	£62,201	46%
2 (+) plus Precept or Rates and Levies	£386,070	£422,148	£36,078	9%
3 (+) plus total other receipts	£618,936	£250,878	-£368,058	-59%
4 (-) Staff costs	£173,470	£211,516	£38,046	22%
5 (-) Minus loan interest/capital payments	£21,596	£36,577	£14,981	0%
6 (-) All other payments	£747,739	£339,385	-£408,354	-55%
7 (=) Balances carried forward	£198,872	£284,421	£85,549	43%
8 Total cash and short term investments	£247,050	£272,568	£25,518	10%
9 Total fixed Assets plus other long term investments	£899,863	£786,232	-£113,631	-13%
10 Total borrowing	£499,594	£475,000	£24,594	5%

LEOMINSTER TOWN COUNCIL

PROPOSED CO-OPTION TIMETABLE

To consider the formal adoption of the following timetable to fill the vacancy created by the resignation of Mr Burke, West Ward (Please note that some actions are being considered retrospectively):

Date	Action	Progress
18 th June 2018	Updated website with draft timetable and invite prospective applicants to apply for the current vacancy using the co-option form uploaded onto the website.	Completed
25 th June 2018	Formal adoption of the co-option timetable including interview date.	Pending adoption
20 th July 2018	Closing date for receipt of applications	TBC
25 th July 2018	Interviews to take place on Wednesday 25 th July 2018 commencing at 6pm. All applicants will be invited to interview.	TBC
30 th July 2018	Appointment by Council of successful candidate(s)	TBC

Three further vacancies are currently being advertised for North, South and East Wards as outlined below. Closing date for the call for an election is Wednesday 27th June 2018. If no election is called then there will be **FOUR** vacancies to fill by co-option at the Full Council meeting to be held on Monday 30th July 2018.

Rule 5 of the Local Elections (Parishes and Communities) (England and Wales) Rules 2006, provides that on a casual vacancy occurring in the office of **Parish Ward** councillor, an election to fill the vacancy shall be held if within fourteen days* after the date of this notice (i.e. no later than **Wednesday, 27th June 2018**) has been given in accordance with section 87(2) of the Local Government Act 1972, notice in writing of a request for such an election has been given to the proper officer of the council of the district within which the **Parish Ward** is situate by **TEN** electors for the **Parish Ward**. If a request for an election is not received by the above deadline then **Leominster Town Council** will co-opt a person to fill the vacancy as soon as practicable in accordance with the Local Elections (Parishes and Communities) Rules 1986.