



# LEOMINSTER TOWN COUNCIL

## FINANCE COMMITTEE

Tuesday 16<sup>th</sup> February 2016

To: All Members of the Finance Committee:  
Councillors Bartlett, Barton, Davies, Evans, Gibson, Marsh, Norman, A  
Pendleton, R Pendleton, Rosser and Rumsey.  
(Copies to other Councillors for information)

### NOTICE OF MEETING

You are hereby summoned to attend a meeting of the **Finance Committee** to be held on **Monday 22<sup>nd</sup> February 2016** commencing at **19:00 hours** in the Council Offices, 17 West Street, Leominster HR6 8EP.

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. QUESTIONS FROM THE PUBLIC (maximum 15 minutes)**  
To receive questions and statements from members of the public as provided for in Standing Orders
- 5. MINUTES OF PREVIOUS MEETING**  
To receive and approve as a correct record the minutes of the Finance Committee meeting held on 18<sup>th</sup> January 2016 (**attached**).



## LEOMINSTER TOWN COUNCIL

### FINANCE COMMITTEE

#### 6. FINANCIAL MATTERS

- (a) **Financial Report** – Please see the attached financial report for January 2016.
- (b) **Outstanding Accounts for Payment** – A list of outstanding accounts for payment for February 2016 to date will be presented to the meeting.
- (c) **New Audit Regime** – To note that NALC has set up a company to procure audit services on the Council's behalf. An invitation to opt in has been received and this will happen automatically unless Council wishes to opt out.

#### 7. CONFIDENTIAL ITEMS

Certain items are expected to include the consideration of exempt information and the Finance Committee is, therefore, recommended to resolve "That, in accordance with Section 100A(4) of the Local Government Act 1972, the public be excluded during the discussion of the matters referred to in the items listed below, on the grounds that they involve the likely disclosure of exempt information, as defined in the respective paragraph of Part 1 of Schedule 12A of the Act, and the public interest in maintaining the exemption outweighs the public interest in disclosing the information".

- (a) **Council & Staffing Review** – To receive an update on the progress of this project. Please see the attached report.

#### 8. DATE OF NEXT MEETING

The Next Finance Committee meeting will be held on Monday 14<sup>th</sup> March 2016 at 19:00 at the Council Offices, 17 West Street, Leominster HR6 8EP.

# LEOMINSTER TOWN COUNCIL

## FINANCE COMMITTEE

Minutes of the Finance Committee meeting held on Monday 18<sup>th</sup> January 2016 commencing at 19:00 hours in the Council Offices, 17 West Street, Leominster HR6 8EP.

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**MEMBERS PRESENT:** Councillors Norman (Chair), R Pendleton (Vice Chair), Bartlett, Barton, Marsh, Rosser and Rumsey.

**ALSO PRESENT:** One member of the public and one member of the press.

**OFFICERS PRESENT:** Town Clerk.

**F49 APOLOGIES FOR ABSENCE**

Apologies were received and accepted from Cllrs Davies, Evans, Gibson and A Pendleton.

**F50 DECLARATIONS OF INTEREST**

There were no Declarations of Interest made.

**F51 REQUESTS FOR DISPENSATIONS**

No requests for dispensations had been received.

**F52 QUESTIONS FROM THE PUBLIC**

A resident asked whether members of the Council that were not Leominster Parish residents were allowed to vote on the setting of the Town Council's budget and precept. He was informed that the Town Council was a corporate body and elected and co-opted members of that body had full rights to vote on any matter under consideration except those in which they had registered an interest under the Localism Act 2011.

A resident asked why 17 West Street, Leominster was no longer fit for purpose to deliver Town Council services. He was informed that the Town Council was taking on many additional services and responsibilities from Herefordshire Council as well as reviewing the way existing services such as the Tourist Information Centre were delivered. Following lengthy consideration the Town Council had agreed that it could achieve savings and improve service delivery by purchasing 11 Corn Square.

The Town Council had undertaken a public consultation on its proposed budget to ensure that it was meeting the needs of the local community.

**F53 MINUTES OF PREVIOUS MEETING**

It was **RESOLVED** that the minutes of the Finance Committee meeting held on 7<sup>th</sup> December 2015 be agreed and signed as a correct record subject to the amendment agreed.

**F54 FINANCIAL MATTERS**

- (a) **Financial Report** – Committee considered the financial report for December 2015 and, following discussion, it was **RESOLVED**:
- That the report be noted;
  - That the payments made in December 2015 amounting to £26,639.59 inclusive of VAT be ratified;
  - That income received in December amounting to £1,585.44 be ratified;
  - That Petty Cash transactions for December amounting £76.31 be ratified;
  - That the current balance as at 31<sup>st</sup> December 2015 of £242,894 be ratified;
  - That the projected budget underspend for 2015/16 of £2,426 be noted.

Committee considered the budget monitoring report and noted that although certain cost codes were overspent the main cost centre headings were not overspent.

Committee **NOTED** that a revised asset register was currently being drawn up and a full report would be submitted to Committee at its next meeting on 22<sup>nd</sup> February 2016.

Committee **NOTED** the Audit Report update outlining progress to date. The following items would be presented to Committee in February 2016:

- A draft Internal Controls document for approval;
- Revised asset register for approval;
- A report on the staff and Council review currently being undertaken;
- Lone Worked Policy.

- (b) **Outstanding Accounts for Payment** – Following consideration Committee **RESOLVED** to pay all the outstanding accounts to date for January 2016 amounting to £13,119.86 inclusive of VAT.

Committee **RESOLVED** to request a 50% reduction of the invoice received from Gala Lights due to the poor level of service received including the number of festive lights which had not worked. In addition the Certificate of the Stress Testing undertaken would be requested.

It was noted that the Festive Lights contract had come to an end and it was agreed to review the way the Town Council delivered the lights in the future including the possibility of undertaking the erection of the lights in-house.

- (c) **Consultation Report** – Committee considered the Final Consultation report presented and **RESOLVED**:
- That the report be noted;
  - That the results of the consultation be used to help direct future funding requirements and commitments;
  - That the results of the consultation be published in full on the website.

- (d) **Budget and Precept 2016/17** – Committee considered the Draft budget and precept report for 2016/17 in detail. Following discussion it was **RESOLVED**:
- That the report be noted;
  - That a grant allocation of £10,000 be recommended for inclusion for the Community Centre which would be dependant on the LDCA working with the Town Council's Task & Finish Group to develop a new business plan for the centre;
  - That an allocation of £9,000 be recommended for inclusion to fund youth provision in Leominster;
  - That additional grant funding from Awards for All and the Troubled Families funding be pursued for youth provision;
  - That projected income from 11 Corn Square be reduces to £20,000 in 2016/17 as it would not be available to let for the entire year;
  - That the recommended annual expenditure of £55,000 per annum submitted by the Estates, Markets and Environment Committee be agreed and out forward to Full Council for adoption;
  - It was proposed by Cllr Norman, seconded by Cllr Rosser and agreed that a sum of £10,000 be included in the 2016/17 budget to help fund innovative travel solutions

It was confirmed that the final proposals for the management, maintenance and upgrade of the public conveniences would be developed by the Trask & Finish Group and that proposals would be submitted to Full Council for agreement and adoption.

It was **NOTED** that no income or expenditure had been included under the P3 and Lengthsman Scheme for budgeting purposes. However, once confirmation had been received regarding the funding allocation from Herefordshire Council this would be included in the budget monitoring report information.

It was proposed by Cllr Rosser, seconded by Cllr R Pendleton and **RESOLVED** to propose to Full Council that a precept of £404,062 be requested from Herefordshire Council for 2016/17. This would result in a Band D charge of £114.60.

A recorded vote was requested, the result being:

For: Cllrs Norman, R Pendleton, Bartlett, Marsh, Rosser and Rumsey.  
Against: Cllr Barton.

- (e) **11 Corn Square** – Committee **NOTED** that the instruction notice to dispose of the building by Herefordshire Council had been agreed but as yet the Town Council's solicitor had not received any paperwork.

A meeting with the Solicitor had been held and it had been agreed to contact Herefordshire Council for the relevant paperwork and to instruct a surveyor to carry out a survey of the premises as soon as possible.

It was agreed to request Full Council to consider drawing down £350,000 of the £500,000 loan from the Public Works Loan Board at its meeting on 25<sup>th</sup> January 2016.

- (f) **Ellis Whittam** – Committee considered the proposal received from Ellis Whittam to provide employment law, human resources and Health & Safety support. This included unlimited support for a fixed fee, the development of a Staff Handbook and relevant up to date HR and Health & Safety policies.

It was noted that the only potential change to the £2,500 fee might be the cost of legal expenses insurance per employee at £7.50 and legal expenses Insurance (Health & Safety prosecution) at £3.00 per employee.

It was proposed by Cllr R Pendleton, seconded by Cllr Rosser and **RESOLVED** to enter into a three year contract with Ellis Whittam with immediate effect for a sum of £2,500 per annum plus VAT.

**F55 CONFIDENTIAL ITEMS**

As certain items were expected to include the consideration of exempt information and the Finance Committee **RESOLVED** that, in accordance with Section 100A(4) of the Local Government Act 1972, the public be excluded during the discussion of the matters referred to in the items listed below, on the grounds that they involve the likely disclosure of exempt information, as defined in the respective paragraph of Part 1 of Schedule 12A of the Act, and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

- (a) **Council & Staffing Review** – Committee noted that Mr Rolley would be in Leominster again from Tuesday 19<sup>th</sup> to Thursday 21<sup>st</sup> February 2016 to continue the review.

**F56 DATE OF NEXT MEETING**

It was **NOTED** that the next Finance Committee meeting would be held on Monday 22<sup>nd</sup> February 2016 at 19:00 at the Council Offices, 17 West Street, Leominster HR6 8EP.

There being no other business the Chair thanked members for their attendance and closed the meeting at 9:10pm.

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**CHAIR:**

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**DATE:**



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**Finance Committee**

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**Date:** 16<sup>th</sup> February 2016

**Title:** Financial Report

**Purpose of the Report:** To provide Members with a full Financial Report for January 2016.

**Contact Officers:** Paul Russell

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**1. RECOMMENDATION**

- 1.1 That the report be noted;
- 1.2 To ratify the payments for January 2016 amounting to £17651.52 inclusive of VAT.
- 1.3 To note income received and current balances for the 2015/16 financial year.

**2. INTRODUCTION**

- 2.1 This Financial Report provides details of all Leominster Town Council's financial activities during January 2016.
- 2.2 The report provides details of current balances held at the bank including Earmarked Reserves (EM) and estimated projected expenditure for the remainder of the financial year based on current monthly income and expenditure.
- 2.3 It should be noted that all account transactions detailed below include VAT where applicable. VAT is claimed back every quarter by the Town Council under relevant legislation.

**3. PAYMENTS MADE**

- 3.1 Listed below are the payments made in January 2016:

Date	Payee	Ref	Amount	Detail
01/01/2016	N Harding	402154	-£0.05	Adjust Cheque
04/01/2016	Herefordshire Council	DDHCJAN1	£128.00	Rates Office
04/01/2016	Herefordshire Council	DDHCJAN2	£299.52	Waste
06/01/2016	British Telecommunications plc	DDBTJAN1	£15.60	Telecom
07/01/2016	Caldicott Property	DDCAJAN1	£40.00	Allotment Rent

## AGENDA ITEM 6(a)

11/01/2016	Herefordshire Council	DDHCJAN3	£170.00	Rates Toilets
11/01/2016	Computer Knowledge	CKVIS1	£49.99	Printer
13/01/2016	FuelGenie	DDFGJAN	£48.61	Fuel
17/01/2016	British Telecommunications plc	DDBTJAN3	£20.09	Telecom
17/01/2016	British Telecommunications plc	DDBTJAN4	£107.52	Telecom
18/01/2016	lloyds Richards Ltd	402259	£89.10	Payroll Services
18/01/2016	Interserve FS (UK) Ltd	402260	£840.79	Toilet Cleaning
18/01/2016	BOSS Ltd	402261	£27.60	Photocopier
18/01/2016	Travis Perkins Trading Co Ltd	402262	£246.09	Sand & Tools
18/01/2016	Leominster News	402263	£100.00	Newsletter
18/01/2016	DC Gardening Services	40264	£48.00	Lengthsman
18/01/2016	DC Gardening Services	40264	-£48.00	Cancel Cheque
18/01/2016	DC Gardening Services	402264	£684.00	Lengthsman + Allots
18/01/2016	Wills Engineering	402265	£1,740.00	Composter
18/01/2016	Microshade VSM	402266	£84.60	Citrix Hosting
18/01/2016	Herefordshire Fire Alarm Servi	402267	£128.40	Fire Alarm Service
18/01/2016	Pureclean	402268	£40.00	Window Cleaning
18/01/2016	Leominster Building Supplies	402269	£130.04	Tools/equipment
18/01/2016	Arrow Plant & Tool Hire Ltd	402270	£1,128.47	Equipment Hire
18/01/2016	Cartridge World	402271	£29.98	Stationery
18/01/2016	Sentinel Security Systems	402272	£60.74	Alarm Call Out
18/01/2016	Nothing but Padlocks	402273	£217.14	Allotment Keys
18/01/2016	Post Office	402274	£1,807.64	NI/PAYE
18/01/2016	Salaries	402275-79	£4,944.27	Jan 2016 Salaries
18/01/2016	Market Costs	402280	£486.00	market Management
18/01/2016	SADS UK	402281	£335.00	Defib Cabinet
21/01/2016	Post Office	POVIS1	£13.24	Stamps
22/01/2016	Petty Cash	PCJan	£100.00	Petty cash
22/01/2016	Caldicott Property	DDCAJAN2	£40.00	Allotment Rent
23/01/2016	British Telecommunications plc	DDBTJAN5	£28.93	Telecom
23/01/2016	British Gas	DDBGJAN1	£282.75	Gas Office
25/01/2016	Roundabout Stationery	402282	£81.41	Stationery
25/01/2016	Dwr Cymru/Welsh Water	402283	£630.83	Water Rates
25/01/2016	Travis Perkins Trading Co Ltd	402284	£215.47	Equipment etc
25/01/2016	Leominster Tourism CIC	402285	£2,000.00	January 2016 Grant
29/01/2016	British Telecommunications plc	DDBTJAN6	£169.89	Telecom
29/01/2016	OCS Group UK Ltd	DDCAJAN	£89.86	Sharps
			£17,651.52	

3.2 Listed below is a list of income received in January 2016:

Date	Payee	Description	Total
04/01/2016	Allotment Income	Allotment Rent	£25.00
04/01/2016	Allotment Income	Allotment Rent	£25.00
04/01/2016	Allotment Income	Allotment Rent	£25.00

## AGENDA ITEM 6(a)

04/01/2016	Allotment Income	Allotment Rent	£12.50
05/01/2016	Co-operative Bank	Interest	£22.63
08/01/2016	Allotment Income	Allotment Rent	£70.00
08/01/2016	Donation	Window	£100.00
08/01/2016	Herefordshire Council	Lengthsman/P3	£3,425.00
12/01/2016	Donation	Donation Banners	£65.00
12/01/2016	Market Income	Market Rent	£306.00
18/01/2016	Market Income	Market Rents	£367.50
22/01/2016	Market Income	Market Rents	£308.50
			£4,752.13

3.3 Listed below are all the Petty Cash Transactions for January 2016:

Date	Payee Name	Ref	Amount	Details
11/01/2016	Roundabout Stationery	PC68	£9.72	Receipt Books
15/01/2016	Post Office	PC69	£5.99	Stamps
15/01/2016	Savers	PC70	£11.29	Cleaning Materials
27/01/2016	Post Office	PC71	£9.72	Stamps
27/01/2016	Post Office	PC72	£20.81	Stamps
27/01/2016	Herefordshire Council	PC73	£1.00	Parking
			£58.53	

3.4 Listed below are the balances at the bank as at 31<sup>st</sup> January 2016:

<b>Bank Balances</b>	
As at 31 <sup>st</sup> January 2016	
Current Account	£229,607
Unpresented Cheques	£6,060
Outstanding receipts	£0
Petty Cash	£86
	£223,633
Outstanding VAT Claim	£8,280
<b>Total Balances</b>	<b>£231,913</b>
Represented by:	
Current Year Fund	£108,927
General Reserves	£62,986
Earmarked Reserves	£60,000
<b>Total Balances</b>	<b>£231,913</b>

3.5 Outlined below The projected surplus/deficit as at 31<sup>st</sup> March 2016. Column one indicates the source of income/expenditure, column two is actual income/expenditure to date and column three includes projected income/expenditure as at 31<sup>st</sup> March 2016:

<b>Projected Costs</b>		
<b>As at 31<sup>st</sup> January 2016</b>		
	<b>Actual</b>	<b>Projected</b>
<b>Income</b>	<b>Dec-15</b>	<b>Mar-16</b>
Precept	£275,819	£275,869
Support Grant	£40,981	£40,477
Interest	£270	£300
Donations	£275	£275
Allotments	£5,575	£5,575
Markets	£18,203	£19,200
NDP Refund	£8,920	£8,920
Grant Refund	£450	£450
Open Spaces	£7,204	£8,000
<b>TOTAL</b>	<b>£357,697</b>	<b>£359,066</b>

<b>Expenditure</b>	<b>Actual</b>	<b>Projected</b>
Administration	£88,950	£116,000
Allotments	£5,156	£5,200
Community Projects	£9,636	£29,000
Council Offices	£5,260	£9,000
Grants	£54,528	£67,000
Open Spaces	£23,746	£27,000
Civic	£2,727	£7,800
Town Enhancements	£9,287	£11,000
Capital	£14,758	£18,000
Devolved Services	£10,803	£28,000
Earmarked Reserves	£23,920	£40,000
<b>TOTAL</b>	<b>£248,771</b>	<b>£358,000</b>

- 3.6 Current projections continue to suggest that Council will have a small surplus of £1,000 as a direct savings on its original budget projections.
- 3.7 Attached is a report that is generated by the Finance Software that outlines provides a budget monitoring overview. Currently there are no significant overspends identified under the main cost centre headings. However, within those cost centres a significant overspend has been identified under Telephone and Broadband (4025/110), Gas costs at 17 West Street (4183/180), Allotments and some Open Spaces expenditure, although there is some income to be received with regard to open spaces. There was an agreed overspend under Capital Projects on the Priory Church Wall of just under £4,000.

#### **4. ASSET REGISTER**

- 4.1 As part of the annual financial review the Town Council has agreed to update its asset register. This is much more relevant at this time due to the number of

additional capital purchases Council has made during the 2015/16 year as a consequence of setting up the Environmental Team.

- 4.2 This work will be undertaken in February 2016 and a revised asset register will be presented to Committee at its meeting on 22<sup>nd</sup> February 2016.

## **5. INTERNAL CONTROLS DOCUMENT**

- 5.1 Please see the draft internal controls document for consideration and adoption:

### **MANAGEMENT OF INTERNAL CONTROL SYSTEMS**

The Town Council will ensure a robust level of corporate governance by a series of Tests and evaluations carried out by elected members of the council, the Town Clerk and by the promotion of good practice amongst both councillors and staff.

The Finance Committee Town Council's corporate governance and the management of internal control

### **GENERAL**

The Town Council comprises of 16 councillors and has three main committees which considers the majority of Council business. Setting the Precept and authorising any borrowing is carried out by Full Council only. The three main Committees are Planning & Highways, Estates, Markets and Environment and Finance & General Purposes. At present there is no Scheme of Delegation in operation so all recommendations and expenditure are ratified by Full Council at its monthly meetings.

There are two further Committees, Emergency Planning and Personnel that meet as and when required.

The Council has appointed a Finance Committee to scrutinise Council policies and procedures and make recommendations on any amendments or changes required to ensure that systems of internal control remain robust and fit for purpose. The Finance Committee reports directly to Full Council.

The principal internal control measures are as follows:

- Financial management;
- Risk management;
- Decision making process.

This policy has been developed with the guidance contained in "The Corporate Governance Practitioners' Checklist" published by the Society of Local Council Clerks in mind.

### **MANAGEMENT OF INTERNAL CONTROL**

- (a) Financial Management – The following controls are in place:

## AGENDA ITEM 6(a)

- Standing Orders and Financial Regulations include Orders for Contracts, payment processes and delegation of decisions. These will be reviewed annually by Full Council and adopted at the Annual Town Council Meeting.
  - Financial Statements including current balances and Budget Monitoring Statements will be submitted to each meeting of the Finance Committee and approved by Resolution of that Committee.
  - All payments to be verified and signed by two councillors.
  - Cheque signatories will be limited to the Mayor and Deputy Mayor plus four Members of the Finance Committee. Where appropriate signatories will also be Chairs of Standing Committees.
  - Investments and interest levels to be monitored regularly to ensure an appropriate level of return.
  - An Anti-Fraud and Corruption Policy and Whistleblowing Policy will be developed and reviewed on a regular basis.
  - Annual reports from Internal Auditor will be presented to the Finance Committee for approval and action.
- (b) Risk management – The following controls are in place:
- Insurance policy will be reviewed annually or when there are any variations to the items or services insured.
  - Standing Orders and Financial Regulations will be reviewed annually to minimise risk.
  - The Finance Committee will monitor and review Council procedures and policies on a regular basis and appoint Task & Finish Groups as required.
  - Valuation of properties and assets will be reviewed every five years or as circumstances require.
  - Risk management reports will be produced for all Council properties and reviewed annually.
  - Risk management reports will be produced for all Council functions and reviewed annually.
  - Risk management reports will be produced for all events organised by Council.
  - Regular training for staff and councillors will be undertaken to ensure compliance and understanding of current and future legislation and guidance.
  - An independent Human Resources Consultancy, currently Ellis Whittam, will be employed by the Council to advise on all aspects of employment including contracts and disciplinary processes.
  - An independent Health & Safety Consultancy, currently Ellis Whittam, will be employed by the Council to advise on all aspects of health and safety and risk management processes.
  - Policies to be put in place governing internet usage and social media usage.
- (c) Decision making process – The following controls are in place:
- All Councillors must sign a Declaration of Acceptance of Office, the Code of Conduct and the Register of Interests.
  - Standing Orders are in place to govern the conduct of meetings, voting and quorum.

- Financial Regulations are In place to govern the procedures for awarding contracts.
- A Community Engagement Strategy will be developed and reviewed annually.
- The Town Council will develop a Corporate Strategy and Plan which will set out the Council's aims and objectives and will be reviewed on an annual basis.

**6. ELLIS WHITTAM CONTRACT UPDATE**

- 6.1 Ellis Whittam has now been appointed and is providing both Human Resources and Health and Safety advice to Leominster Town Council.
- 6.2 A Health & Safety visit was undertaken on Thursday 11<sup>th</sup> February 2016 and a full action plan, revised Health & Safety policy and Health & Safety Statement will be developed in the next few weeks.
- 6.3 A Staff Handbook, revised contracts and other HR policies are currently being developed and will be considered by Council on receipt. Additional advice is also being received regarding the implementation of the recently completed Council and Staffing Structure Review.
- 6.4 An update will be provided at the next Finance Committee meeting on 14<sup>th</sup> March 2016.