

FARNHAM ROYAL PARISH COUNCIL

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MINUTES OF THE MEETING OF THE FINANCE COMMITTEE OF FARNHAM ROYAL PARISH COUNCIL HELD ON MONDAY 22 JULY 2019 AT 10.00AM AT THE FARNHAM ROYAL PARISH COUNCIL OFFICE, 1ST FLOOR, SHERRIFF HOUSE, THE BROADWAY, FARNHAM COMMON, SL2 3QH.

Present

Mr. Bob Milne (Chairman)
Mr. Paul Rowley
Mrs. Marilyn Rolfe
Mrs. Judith Hall – Clerk

1. Apologies for absence

Mr. John Hodges

2. To approve minutes of the meeting held on 17 June 2019

The minutes were **confirmed** as a true and accurate record and the minutes were then signed by the Chairman.

3. Matters arising from previous minutes not covered elsewhere on the agenda

None

4. To review the quarterly management accounts to 30 June 2019

The Chairman presented the management accounts and commented as follows:

- The allotment cost has been amended to better reflect the cost in 2018/19 (£30).
- The LAF Match Funding may be overstated as currently the management accounts show that the Parish Council will have to pay for both the 2018/19 projects (£13,673) and the 2019/20 project (£9,195) all this year. It may be that the 2019/20 project will not be invoiced until after 31 March 2020 but this is not guaranteed so it is prudent to include it in these accounts.
- For all contract lines, 4 months at the current rate (April, May, June and July) have been included and then 8 months at the new rate.
- As Matties Gardening Limited has not broken down its price into the different areas it will be looking after it is not possible to split out the cost into the various lines so all areas to be looked after by him including the churchyard are included in 'Contract 1 grass cutting'.
- The budget for playground inspection and extra works has been increased. The annual inspection cost was as per budget but the report recommended carrying out a HIC inspection of the ground surface at FR playground and an inspection of the cable run at FR playground so a provision for these has been included. With regard to extra works, the new mound repairs (£2,200 as per accepted quote) have been included and an provision has been added for the other issues identified in the reports but this is just a guess at this stage.

The quarterly income and expenditure figures together with the revised annual forecast were discussed by those present. The cost of the new maintenance contract with Matties Gardening Limited was highlighted together with increase in spending on the playgrounds. It was suggested that a Playground Working Group should be constituted to develop a strategy for these areas. It was agreed to recommend the accounts and the Working Group to the Parish Council at the July 2019 Parish Council meeting.

5. To consider ring fencing reserves

The Clerk advised that she was aware of the following ring-fenced reserves:

The Orchard - £1,828.24

Mr Morrell (for Kingsway Green) - £239.16

Farnham Park Action Group - £3,114.09

Total - £5,181.49

It was agreed that separate ledgers should be kept for these items and relevant spending should be entered onto the ledgers.

6 To review the following:

- 6.1 Finance Regulations – It was agreed that the Internal Auditor’s recommendations should be included in the Finance Regulations and once drafted the revised version should be included on the July 2019 Parish Council meeting agenda for consideration. Those present agreed to recommend the adoption of a new online payment system whereby one authorised councillor uploads the payments to the online facility and then another authorised councillor approves them. Under this system, the Clerk prepares the schedule but the payments have been processed by two councillors.
- 6.2 Finance and Administration sections of the Risk Assessment - It was agreed that the Internal Auditor’s recommendations should be included in these sections of the Risk Assessment and once drafted the revised version should be included on the October 2019 Finance Committee meeting agenda for consideration.
- 6.3 Committee Terms of Reference – Those present reviewed the draft Terms of Reference prepared by the Clerk and on the basis that the committee has no decision making powers agreed to recommend a reduction in the number of members required and the quorum by one to three and two respectively. In addition, it was suggested that the Terms of Reference should state the purpose(s) of each committee meeting at point 8. It was agreed that once drafted the revised version should be included on the July 2019 Parish Council meeting agenda for consideration.
- 6.4 Reserves Policy – The Policy, which is currently suspended, states that reserves should be no less than ½ of the annual precept and no more than ¾ of the Annual Precept. For the 2019/20 year this equates to between £79,000 and £118,500. The management accounts discussed above indicate that the current estimate is that the reserves carried forward at the end of 2019/20 will be £44,045. The Good Councillor’s Guide to Finance and Transparency produced by The National Association of Local Councils suggests a minimum general reserve of three months expenditure. Total expenditure, including non-recurring items, for 2019/20 is estimated at £207,826 so three months would equate to £51,957. The Clerk commented that the Internal Auditor suggested using an expenditure rather than income based calculation. Those present agreed that a policy should be in place and agreed to review this again at the October 2019 Finance Committee meeting but in the meantime requested that the Clerk replace references to ‘ear marked reserves’ with ‘ring fenced reserves’. The Clerk advised that she would like to look into the possible ramifications of reinstating a policy when reserves are less than the minimum required under the policy.
- 6.5 Grants Policy – Those present asked the Clerk to review comments made by councillors when previous grant requests had been considered by the Parish Council to ensure that the terms of the policy reflected the view of current councillors and suggested that a copy of the Policy should be issued to all councillors for review and consideration at the September 2019 Parish Council meeting.
- 6.6 Expenses Policy – Those present agreed to recommend that the following expense was no longer included in the Policy: ‘3. Expenses incurred in ensuring effective email communications are maintained during any system upgrade required by the Council up to a limit of £75 per councillor.’. This decision was taken as this item related to a previous training requirement which would now be dealt with through the training budget. It was agreed that once drafted the revised version should be included on the July 2019 Parish Council meeting agenda for consideration.

7 Any other business

None

8 Date and time of next meeting:

The meeting closed at 12.15pm. The next meeting is 14 October 2019 at 10am in the Parish Council Office, 1st Floor, Sherriff House, The Broadway, Farnham Common, SL2 3QH

Signed as a true record of the meeting:-

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Chairman