

PEACEHAVEN TOWN COUNCIL

Minutes of the meeting of the **POLICY AND FINANCE COMMITTEE** held in the Anzac Room, Community House, Meridian Centre, Peacehaven on **Tuesday 18th September 2018 at 7.30pm**

Committee Members - Councillor Jackie Harrison-Hicks (Chair of Council), Councillor Job Harris (Vice Chair of the Council), Ann Harrison, Lynda Duhigg, Rachael Coles, Robbie Robertson, Dave Neave, Melvyn Simmons, Ian V Buchanan, Claude Cheta, Sue Griffiths

Present - Councillor Jackie Harrison-Hicks (Chair of Council), Councillor Job Harris (Vice Chair of the Council), Ann Harrison, Lynda Duhigg, Robbie Robertson, Melvyn Simmons, Ian V Buchanan, Claude Cheta, Sue Griffiths

In attendance – Claire Lacey (Town Manager), Toni Lopes (RFO), Heidi Cooper (Administrator)

GENERAL BUSINESS

Chair Announcements – Delivered by Chair of Committee Councillor Robert Robertson

Welcome to this evenings Policy and Finance Committee, Tuesday 18th September 2018. The Health and Safety Statement is on your seats. This evening's agenda may seem lengthy, so we will go straight into public questions

PF 289 PUBLIC QUESTIONS

Chair of Residents Association – West Ward – Questioned item 9, Budget Monitoring Report and whether Chairs of Committees hold monthly meetings with Officers. Item 14, Stated that the Residents Association disagrees with the Financial Regulations being updated. Item 15, Stated that the Residents Association disagreed with the Credit Control Policy. Item 16, Enquired if new Councillors had been provided with the Councils Policies.

Chair of the Committee responded that the questions would be answered through the course of the Agenda.

Peter Seed – Local Ramblers – Saltdean resident – Questioned where the response to the residents Association question was – ref PF279. Also enquired if the Big Park Earmarked Reserve was ring fenced for Capital Projects.

The Chair of the Committee referred the resident to page 8, response to resident and that the Big Park Project Reserve was being discussed as part of the report on item 13 / PF299

PF 290 COUNCILLOR QUESTIONS

Councillors requested time be put to one side to ask questions on any relevant matter NOT included in the agenda this evening. There were no questions at this time.

APOLOGIES – received from Councillor Rachael Coles – Prior Commitment – Accepted by Committee
No apologies from Councillor Dave Neave

DECLARATIONS OF INTEREST – All Councillors declared an interest as Members of Council



PF 291 MINUTES OF JUNE 5TH 2018 APPROVED AND SIGNED AT FULL COUNCIL ON THE 24TH JULY 2018 ARE AVAILABLE ON WEBSITE - <https://www.peacehaventowncouncil.gov.uk/wp-content/uploads/2017/11/minutes-policy-finance-5th-june-2018.pdf>

It was proposed these were signed by the Chair of the Committee

Proposed by Councillor Melvyn Simmons

Seconded by Councillor Lynda Duhigg

All Agreed

PF 292 ACTION LIST

PF 279	Response to Residents Association	Date 5 th June 2018	Response CLAIRE LACEY	Date Completed 18 th September 2018
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PF 293 INCOME AND EXPENDITURE REPORT

AGREED TO ACCEPT as a True record by Committee to receive the Income and Expenditure Report for the period 01/04/2018 – 30/08/2018 inclusive.

Proposed Councillor Sue Griffiths

Seconded Councillor Lynda Duhigg

All Agreed

Debate : Councillor Ann Harrison praised the New System, providing clearer information was helpful. Councillor Claude Cheta liked the transaction detail. A vote of thanks to the RFO and Town Manager was proposed and mutually agreed by all Members

PF 294 BUDGET MONITORING REPORT BY COMMITTEE

AGREED TO ACCEPT as a true record by Committee to receive the Budget Monitoring Report for the period 01/04/2018 – 30/08/2018 inclusive.

Proposed Councillor Melvyn Simmons

Seconded Councillor Ann Harrison

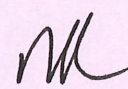
All Agreed

Debate : Chair Councillor Robbie Robertson introduced the report, page by page. RFO drew Councillors attention to the VAT receipt, nominal code 1200, showing payment of £5,483 for the last 3 months. Councillor Ann Harrison was satisfied with the explanation of Codes 4326, 4327, 4306 on the variance report. Councillor Claude Cheta stated it showed value for money was being achieved. Councillor Robbie Robertson provided an explanation to the Committee Members on the Precept Shadowing. The RFO provided detail on the Committee Analysis Coding. It was noted by all that the Income streams 5 months into the year, were standing at 89% of the total predicted annual budget. This was positively received.

PF 295 RECEIPT OF BANK RECONCILIATIONS

DEFERRED to the next meeting, due to Absence of Councillor Coles

The RFO informed Committee that Bank Reconciliations to the end of August 2018 were completed and awaiting signature from Councillor Rachael Coles - NOTED



ACTION * TO ITEMISE PF295 ON NEXT P&F AGENDA

PF 296 SUPPLIER DATA REPORT

It was NOTED there were no Supplier Data Transactions to be approved

PF 297 AUTHORISATION OF BANK MANDATE SIGNATORIES

AGREED to retrospectively APPROVE Councillor Robbie Robertson and Councillor Sue Griffiths as Authorised Bank Mandate Signatories

Proposed Councillor Lynda Duhigg

Seconded Councillor Melvyn Simmons

All Agreed

Debate : Councillor Lynda Duhigg asked if all Bank Mandates had been completed. The RFO responded that this was still current and being investigated. It appeared that Barclays Bank had "sat on the mandate change forms and not processed them as promptly as we would have liked. This was causing significant delays for Officers, but was being monitored daily". A £100 gratuitous Compensation payment for the Complaints raised had been received so far. Councillor Job Harris expressed his anger at having attended Barclays branch twice, for this not to have gone forwards as a Fasttrack, was unacceptable. Councillor Ian V Buchanan suggested that Barclays consider reimbursing the Council for the RFO and Town Managers time also. Councillor Ann Harrison queried the amount of signatories (5 currently). Councillor Lynda Duhigg queried why it had taken so long. The RFO informed that the requests had been made in batches, that the Chair of the Council signature had been required, that documents had been lost and the system could not associate the personal details to the Business Bank Account. There was no error on behalf of the Officers. Committee requested Councillor Lynda Duhigg sat in on the Barclays meeting on Thurs 20th September 2018.

PF 298 EARMARKED RESERVES

AGREED for Committee to recommend to Full Council to move Earmarked Reserves to General Reserves, with advice from Officers and the Internal Auditor as follows :- 3 parts.

VEHICLES, 2,342, TREE PLANTING, 4,000, OFFICE EQUIPMENT, 1,000, COMMUNITY CENTRES, 20,000, PURCHASE RESERVE, 13,223, TOWN ENHANCEMENT, 837, SPORTS PARK DEVELOPMENT, 1,319, ALLOTMENTS, 5,000, RENEWALS AND REPAIR, 9,489, SOLAR PANELS, 3,000, OVERTIME, 1,200, BIG PARK, 16,608, MAINTENANCE, 15,000, DOG BINS, 800, MARKETING, 2,113, STREETLIGHTS, 1,500 BUS SHELTERS, 320 = **TOTAL GENERAL RESERVE = 143,917.**

Proposed Councillor Sue Griffiths

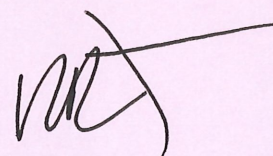
Seconded Councillor Ann Harrison (Vote was recorded due to split)

Agreed Councillor Claude Cheta, Councillor Lynda Duhigg

Disagreed Councillor Job Harris, Councillor Jackie Harrison Hicks, Councillor Melvyn Simmons

None Abstained therefore carried.

It was also proposed that Windfall Payments are paid directly to the General Reserves (with immediate effect)

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Proposed Councillor Sue Griffiths
Seconded Councillor Ian V Buchanan
Agreed – All

It was proposed that the Business Sub Committee reconvene as soon as possible

Proposed Councillor Sue Griffiths
Seconded Councillor Lynda Duhigg
Agreed - All

ACTION – P&F Committee to recommend amendments to Earmarked Reserves, as per PF298 to Full Council, reference Terms of Reference

ACTION – Town Manager to organise a presentation of NDPSG to Full Council

ACTION – RFO and Town Manager to prepare recommendations re Earmarked Reserves to Full Council on 16th October

ACTION – To reconvene the Business Planning committee.

Debate :

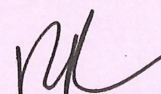
The Town Manager referred to the accompanying report :- June 19th 2018 Council AGREED to delegate authority for moving Earmarked Reserves to fill the deficit in General Reserves, as recommended by the Internal Auditor. Terms of Reference for the Policy and Finance Committee state (TR9) the committee **may make** recommendations in respect of items (d) to (j) of the matters to be dealt with solely by the Town Council; this includes financial matters relating to the Precept and budget. This means the Committee may only make the recommendation, Full Council will decide whether or not to accept that recommendation.

Any report by internal audit is addressed to the council, may recommend actions to be taken by the council, and should be treated as a document open to view by local taxpayers. Two pieces of legislation set out how local councils should behave when accounting for the public funds they manage and what rights local taxpayers have in relation to those accounts. These are the Local Audit and Accountability Act 2014 and the Accounts and Audit Regulations issued from time to time under the Act. Sections 25-27 of the Local Audit and Accountability Act 2014 set out the rights for local government electors and interested parties to inspect council accounting records and accounting statements.

Peacehaven Town Council - Internal Audit report 31/03/2018 – The council risk was assessed as Low although the Review and comments made by the Auditor on level of general and earmarked reserves were as follows – During the Interim visit it was checked for Evidence of recommendations from previous internal or external audits have been taken to council and adopted.

BUDGET, PRECEPT & RESERVES (INTERIM & FINAL AUDIT) Interim Audit The 2018/19 budgets are in the process of being drafted in readiness for full council. It is envisaged this will be completed by January 2018. This is in accordance with regulations. The council has both earmarked and general reserves. At the audit date reserves were in total £519,238 of which £85,920 is marked as general. The council is aware that it does not have the power to accumulate general or generalised reserves. Final Audit Reserves Carried Forward £442,150 (2017: £533,086)

In respect of general reserves, rule of thumb calculations would suggest that 50% of precept as adjusted for local conditions would be reasonable being circa £200k. The council has £46,166 of general reserves and £395,984 of earmarked reserves. I am of the opinion that the general reserve is too low for a council of this size and in danger of putting the council into financial distress. Even after accounting for other streams of income the general reserve should still be in the region of £150-£200k. Council has been notified on a number of occasions that its reserves are too low.



I am aware that the council has had significant one off expenditure items this year, however the overall the total expenditure of the council actually reduced year on year by £13k. It is clear the council is running at a revenue deficit each year as evidenced by the reduction in reserves year on year. **I believe the council has no other choice now but to cancel some earmarked reserves**, in the full knowledge that certain future projects will now no longer go ahead. Council cannot use capital reserves for a revenue purpose, therefore the capital receipts reserve of £166,586 & CIL reserve £18,566 cannot be transferred to general reserve. After accounting for these the council has £256,998 of which I recommend at least £200k is kept as a general reserve, the balance of £57k can therefore be earmarked. However, it is noted from the February 2018 minutes of policy and finance that the precept was set at £428,340 on the basis that £35,811 of expenditure be taken out of the budget. This budget allows no room for one off expenditure and unless adhered to will further reduce the general reserve over the course of the 2018/19 council year. I am of the opinion that the control objective of "The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.", has been met, but only on the basis that earmarked reserves are completely and thoroughly reviewed as a matter of urgency and the council continues to have robust and thorough budget monitoring throughout the year."

The budgets against Reserves have been discussed at great length and it is the recommendation of the Town Manager and the RFO that they are moved as follows :- As above Resolved. On discussion with Mulberry's on 13th August, the movement of these Reserves would show a 'Healthy Improvement' and would evidence 'Going in the right direction' aiming towards £200,000 by January 2020.

Councillor Sue Griffiths gave a recommendation to not use the full amount of Purchase Reserve (£33,223) in the event it was required for future land purchases. She felt it was a proportionate sum to allow Council to buy land suitable for Allotments, with an option to claim match funding if possible. Councillor Lynda Duhigg asked for an update on the Neighbourhood Plan Progress and alluded to the £5,000 Earmarked Reserve not being sufficient for this long term project. Councillor Ann Harrison who sits as the Council representative on the Steering Group reiterated that the NDP was finite and not going to go on and on. Public money had not been used for the NDP to date, that the NDP is evidence of the views of residents and what was required in the town. Two thirds of the payments were the responsibility of PTC and one third billed to Telscombe. Although grants were available, public funds have not been used to date on the NDP. It was of value as the CIL money would increase with a NDP, from 15% to 25% CIL. It is money well spent. Councillor Lynda Duhigg requested a presentation to Full Council by the NDP SG. Councillor Sue Griffiths pointed out the new NDP leaflet in the Foyer.

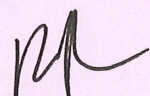
It was proposed by Councillor Sue Griffiths that the Purchase Reserve of £33,223 was reduced, taking £13,223 into the General Reserve, that Boiler Reserve of £7,000 was put into General Reserve and that any future windfall payments went into General Reserve. There was no seconder.

Councillors debated the Boiler Reserve and the Purchase Reserve at length.

Councillor Claude Cheta proposed £20,000 from the Purchase Reserve to General.

Councillor Job Harris was concerned he had not had enough time to read Councillor Griffiths proposal, although was satisfied the Officers recommendations were taken forwards.

Councillor Sue Griffiths withdrew the Boiler Reserve (£7,000) and proposed just the £13,223. There was no seconder. Councillor Ian V Buchanan enquired if TTC had allotments as he felt there was a greater burden on PTC to provide these and challenged the neighbouring Council to 'step up to the plate'. Councillor Lynda Duhigg enquired if any land was suitable. The Town Manager explained the Call For Sites as part of the Neighbourhood Plan, although no land was currently available for allotments. Councillor Job Harris suggested the Valley as a possible site. Councillor Ian V Buchanan explained the agricultural uses, planning boundaries and contributory factors within the National Park and explained that if the Earmarked Reserve was left at £20,000 it would still allow for future



match funding and was inclined to agree with Councillor Griffiths. Councillor Claude Cheta withdrew his proposal prior to the vote. Town Manager clarified that the Committee AGREED to recommend to Full Council the Earmarked Reserves as stated, are transferred to increase the General Reserves to £143,917.

PF 300 ADOPTION OF NEW NALC FINANCIAL REGULATIONS (as agreed by Full Council to delegate to Policy and Finance Committee)

AGREED to Adopt NALC model Financial Regulations for 2018. (Date to be amended before submitting to website).

Proposed Councillor Lynda Duhigg
Seconded Councillor Ann Harrison
All Agreed

Debate : The Town Manager referred to the Financial Regulations 2015 "Under these regulations, all local councils must at least once a year conduct in accordance with proper practices a review of the effectiveness of their system of internal control and publicly report the outcome. The Annual Governance Statement in Section 2 of the annual return provides the means for local councils to report to local taxpayers on their system of internal control. It is the advice of the Internal Auditor that the FR are updated in line with NALC template and adopted with immediate effect. Council has delegated this to the Policy and Finance Committee."

Councillor Ann Harrison requested the wording on page 39 was amended from 'Council' to 'Committee'. This was duly done. Councillor Ian V Buchanan queried what scrutiny would be in place if the Committee terms were increased from £5,000 to £30,000 and if there was a way for the large budget items to go directly to Full Council. Town Manager gave the example of December 2017 Salaries payments and dual signatories, but explained it was possible. Councillor Jackie Harrison Hicks enquired how much the Hub Boiler has cost to repair in this financial year (£6,800 approx). Councillor Melvyn Simmons proposed the figure was left at £30,000. This was proposed by Councillor Ann Harrison, Seconded by Councillor Claude Cheta, although all others disagreed. The debate continued. Councillor Sue Griffiths requested the term 'Manager' was replaced with 'Function' on 17.1 and 17.2 This was agreed by all.

PF 301 ADOPTION OF NEW CREDIT CONTROL POLICY

Committee AGREED to adopt a Credit Control Policy and use standard templates for future debt collection

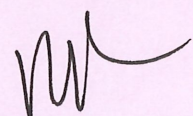
Proposed Councillor Sue Griffiths
Seconded Councillor Ian V Buchanan
All Agreed

PF 302 REVIEW OF POLICIES

It was NOTED that no amendments are required to the following policies at this time :-

EMERGENCY PLAN, COUNCILLOR CODE OF CONDUCT, CERTIFYING DOCUMENTS, HEALTH AND SAFETY AT WORK, COMPLAINTS, CORRESPONDANCE, CHILD PROTECTION, FIRST AID, LONE WORKING, DIGNITY AT WORK. Dates to be amended on website.

PF 303 REPORT PRINT REDUCTION COSTS



Committee AGREED to move to a system of paperless meetings, providing electronic tablets for those Councillors who wish to have one and provide training where required

Proposed Councillor Ian V Buchanan

Seconded Councillor Melvyn Simmons

Agreed Councillor Sue Griffiths, Councillor Job Harris

Disagreed Councillor Claude Cheta, Councillor Ann Harrison, Councillor Lynda Duhigg, Councillor Jackie Harrison Hicks

Casting vote of the Chair Councillor Robbie Robertson

Resolution therefore carried

Debate : Councillor Ian V Buchanan explored the £9,000 cost saving to Council by May 2019 and if training would be delivered in house or outsourced. He queried the cost outlay of £1,000 for equipment and was satisfied. Councillor Claude Cheta asked if it was cost effective and requested Council wait until May 2019 at next generation of elected members. Councillor Sue Griffiths clarified that this was to 'move towards' the new system, by May 2019 and asked if Councillors would buy the tablet at the end of the term. The RFO confirmed the assets would be PTC owned. Councillor Lynda Duhigg was opposed to spending tax payers money on tablets. Councillor Melvyn Simons already uses a tablet and recommended further use of the I Board for meetings and reports in future. Councillor Ian V Buchanan referred to grant cuts and requested support to make savings. Councillor Sue Griffiths found the current printing costs concerning. With A4 page prints on over 100 page agendas, Cllrs requested where possible to print on A5 and reduce the font size, although this was rejected due to disability issues. Also enquired why the budget was set so low in 2018/19. Councillor Claude Cheta reiterated the May 2019 election and paperless agendas beginning from then. The discussion on cost being approximately £750 per Councillor between now and May 2019 to receive printed agendas, was it value for money. With a split vote, 4 vs 4, the Chair of the Committee used his casting vote. Motion carried.

PF 304 COUNCILLOR / STAFF TRAINING COSTS YEAR TO DATE

NOTED

It was noted by Councillor Melvyn Simmons that the Committee debate had gone over time at 21.35 Councillors agreed to continue

PF305 WINDFALL PAYMENT / FILMCREW REPORT

NOTED windfall payment of £2,750 – to transfer to General Reserves

PF 306 PKF LITTLE JOHN CORRESPONDENCE

It was NOTED that the external auditor had not mislaid the 2017/18 Audit for PTC

PF 307 WATER LEAK FINAL REPORT

NOTED

NEXT MEETING FOR POLICY AND FINANCE IS 20TH NOVEMBER 2018

MEETING ENDED 21:45

