

MINUTES of the Finance Committee of Melksham Without Parish Council held on Monday 9th January, 2017 at Crown Chambers, Melksham at 8.10 p.m.

Present: Cllrs. Richard Wood (Chair of Council), John Glover (Chair of Committee), Alan Baines, Rolf Brindle and Pat Nicol

Cllr Paul Carter attended as an observer and took no part in voting.

Officers: Teresa Strange (Clerk) and Sharon Newton (Finance Assistant)

Apologies: Cllr Mike Mills

- 295/16 **Housekeeping:** Cllr.Glover welcomed all to the meeting and explained the evacuation procedures in the event of a fire.
- 29616 **Declarations of Interest:** The Clerk declared an interest for herself relating to any staffing discussions.
- 297/16 **Public Participation:** There was no public participation.
- 298/16 **Year End Accounts Preparation:** The Committee considered a quotation for completing the March 2016 Year End closedown on the accounting software, by the providers Rialtas. This includes preparing all the Annual Returns and supporting accounting statements, creating the new financial year on their software, entering budget figures and assisting with the preparation of variance analysis if required. The Clerk explained that the Finance Officer, Jean Harris, at the Town Council had highly recommended this service. The Committee discussed that as this was the first year of use of the new software this would be a worthwhile exercise to undertake, and the Finance Assistant should accompany the work undertaken to learn and assess if it could be completed internally the following year. **Recommendation:** *The Council approve the quotation for Year End Accounts Preparation for year ending 31st March 2016 by Rialtas Business Solutions Ltd for £495 plus 45p per mile travelling expenses.*
- 299/16 **Budget Review:** The Committee review the Income and Expenditure for the current financial year, and the proposals for the financial year 2017/18 for the following accounts. The Chair, Cllr John Glover explained that he had spent some time earlier in the day reviewing the figures with the Clerk and Finance Assistant and had made some changes in the initial Budget discussion document already so that the overall impact could be reviewed at this meeting.
- a) **General Account:**
The Income for this account was anticipated to be approx. £2,000 more than budgeted for at the end of March 2016, with additional funding to that expected from Sandridge Solar Farm (£13,237.20, which was £11,737.20 more than budgeted) and Wiltshire Council CATG (Community Area Transport Group) contribution to the joint Speed Indicator Device (SID) project (+£280.54) but the Wiltshire Council s106 funding contributions to be less this year as it was now considered unlikely that the funding for the refurbishment of Hornchurch Road play area would be made this year as the transfer of asset had not yet happened, and funding would be paid after the refurbishment work had taken place and been inspected (-£18,255). A further £1,000

per play area for Berryfield and Kestrel Court (+£2,000) from Wiltshire Council for taking on the devolved service for them and the Clerk reported that she had been informed that the paperwork for this had been submitted. The generous donations of the Friends of Melksham Hospital to the community access defibrillator project was much higher than originally anticipated (+£5,760) and from residents and businesses in Bowerhill (+£1,365). The Council did not apply for a SSE Community Resilience grant (-£2,000) but will receive sponsorship funds from Knorr Bremse for 3 picnic tables (+£1,528.30) but less VAT was reclaimed from 2105/16 (£7,481 and not £12,000 as anticipated). £7,231 had been received from the Council's insurers that had not been shown on the budget, but of course there was a matching expenditure amount (excluding the £250 excess payment) for the replacement of the damaged but shelter.

The Income for the next financial year 2017/18 was reviewed. It was noted that 733 houses were moving from the parish into the town under the Community Governance Review (CGR) boundary decisions of Wiltshire Council. This would reduce the Precept by a considerable sum, some £46,000 approximately. In addition, the number of houses in the parish that were in a 2.75km radius of the Sandridge Solar Farm would be reduced too which would impact on the calculation of community benefit funding next year. After discussion, it was agreed that £5,000 was a fair indicative figure for this funding expected next year. A figure of £10,000 is shown for grant funding opportunities towards the set up costs of the proposed project to take on the ex George Ward Playing Fields in the parish and turn into allotments, a community orchard and wildflower meadow. For example, the "Tesco Bags for Life" fund was specifically for improving outdoor areas; and the Council had received a similar level of grant funding from the Big Lottery when it set up Briansfield allotments from scratch. The developers had also indicated that there would be maintenance contribution attached to any asset transfer of these playing fields, but no figure was shown in the budget at this stage as the amount was unquantifiable at present. Based on the expenditure amounts in the current year, including capital projects to refurbish play areas, the VAT expected to be reclaimed next year is £24,278.

Expenditure for the current year was expected to be approx. £20,000 more than budgeted for. A new accounting software was purchased, which had been discussed for some time now (+£981). Plans for office redecoration were put on hold during the CGR discussions (-£850) and now there were just plans to decorate the Clerk's office, not painted last time, during her February holiday. The parish council's grant cheques were presented to recipients at the Annual Parish meeting held in March 2016, this means that the expenditure attributed to the grants (-£14,250) was accounted for in 2015/16 and not 2016/17 due to the timing of the presentations. However, the parish council had agreed to contribute to new requests for joint ventures that had not been budgeted for (+£3,334) for TransWilts for the Melksham Station project and (+1,000) for the Park Run project. Funds for these joint ventures, plus a £7,500 contribution to the Market Place public toilets had not been requested yet, and it was anticipated that this would still happen in the current financial year. The contribution to the joint Neighbourhood Plan was lower than budgeted for with only £2,000 anticipated for spend this year, and not £10,000 as expected. 100% small business relief was received against the Rates for the Crown Chambers office which meant a saving of £2,150. A new computer was purchased for the Finance Assistant (who runs the most software) which was not budgeted for (£513; £200

more than budgeted) and the older computer assigned to the Apprentice Parish Officer, with additional software costs for an additional member of staff and the new Office 365 hosting of emails and documents on the Cloud. Contributions to CATG schemes had been paid, and contributions still expected to be paid in this year but to a total of £3,033 (Footpath to rear of Bowerhill school £1,333, Berryfield Sign £300, Whitley dropped kerbs £1,000 and De Havilland dropped kerb approx. £400) and not £4,400 as budgeted. The SID scheme had been introduced as a joint venture with Melksham Town Council, Atworth Parish Council and possibly Broughton Gifford Parish Council when Wiltshire Council decided to no longer run with the scheme. The set up costs had been covered by a CATG contribution, however the installation costs of £100 per install had not been budgeted for. This was estimated to be £600 to the end of the financial year for the installations in the parish, as per the agreed schedule. A Budget Virement of £1,000 from the "Bus Shelter Cleaning" budget heading to the "SID (Speed Indicator Device) budget heading was recommended for the current financial year. The full cost of the community access defibrillator project was not budgeted for this year at £17,036.90 (was expected the year before). £7,000 had been put aside for installing spare basket ball hoops in the parish under the heading "MUGA", one of these was being installed this week as part of the Kestrel Court refurbishment works as requested by the Bowerhill Primary School Council and so not against this budget heading. £3,000 had been put aside for a project to enhance outdoor recreation in the East of Melksham housing development, but no agreement could be met with the grounds maintenance company, Greensquare, for increasing the provision of equipment in the area. £2,000 had been budgeted for against flood prevention works such as ditch digging/gulley clearing if a SSE Community Resilience grant had been applied for. It was noted that the CAWS Emergency Volunteer group had applied to SSE directly for a 2nd grant, which had been successful. The street furniture budget was £3,000 but £10,500 is the expected final figure for the year, this includes the replacement Bus Shelter (insured) plus a new noticeboard and bench at Whitley Reading Rooms, picnic benches at Bowerhill (sponsored by Knorr Bremse) and works to concrete in several benches and move a noticeboard. An entry in Expenditure for Elections has now been removed as is reflected in a specific Reserve to cover any casual vacancies.

Staff training costs were higher than anticipated with the arrival of both a replacement Finance Assistant and new Apprentice Parish Officer. The Clerk's salary is anticipated to be higher than budgeted for this year. This reflects the 4 months when there was no Finance Assistant and so the Clerk undertook a considerable increase in hours, and the full time hours the Clerk is now undertaking. Employer contributions for National Insurance and Pension contributions have increased too. Legal fees were some £2,000 more than anticipated with the end of Farm Business tenancies and s106 negotiations. There is a Legal Fees Reserve and costs will be taken from here (£2,000). The costs for play area refurbishment works is estimated to now be £56,955.29 and not £43,000 as budgeted, as long as the Hornchurch Road play area is refurbished in this financial year (awaiting asset transfer from the original developers via Wiltshire Council).

The Committee considered the proposed Expenditure in the General Account for 2017/18. The cost of consumables has been increased slightly to recognise the rate of inflation rise (1% as of September 2016 which is the rate used by the Govt to set increases in benefits for the following year). The amount shown for Grants is that of a similar provision as previously but was agreed that could be considered for an

increase dependant on the overall general expenditure. A further contribution of £1,000 was shown for TransWilts for any further Melksham station improvement projects. £7,500 shown as a contribution towards the Market Place toilets as this was agreed for a 3 year period. £11,000 shown as the contribution to the Neighbourhood Plan. Some grant funding had been applied for by the Steering Group for the consultant to write the plan, the provision for next year is to cover the Referendum which will result in Polling Station costs. A higher provision for Members training is shown than in previous years at £1,000 due to the election in May. £2,302 shown for Rates for Crown Chambers, all rates have been revalued nationally and this is the indicative figure from the Government which needs validating by Wiltshire Council along with confirmation of any small business rates relief (100% over the past few years). The cost shown for Parish Insurance has increased due to the increase in assets that the Council own, as well as an increase in IPT tax recently announced. The Committee recommended that £5,000 was provided for CATG contributions next year, and that no separate budget heading is held for "Dropped kerbs" specifically. £1,200 is shown for the SIDs project, based on one installation in the parish per month. A cost of £1,108 is shown for the annual service and maintenance contract for the community access defibrillators. Provision is made for Shaw & Whitley flood resources of £600 as the parish council pays the monthly broadband fees for provision as the Reading Rooms as an emergency muster point, and for the hall hire costs for the Emergency volunteers' monthly meetings. £5,000 is provided for new Street Furniture but only £600 for cleaning of bus shelters as per the contract agreed with Mr Sparkles for the 10 in the parish (2 owned by the parish council and 8 by Wiltshire Council). Staff salaries show an increase for an anticipated 1% nationally agreed pay increase, and for some pay scale changes pending the next Staffing Committee to be held, based on training plans. It is estimated that there will be some spend on legal fees for negotiating s106 agreements (£1,500).

The current grass cutting and grounds maintenance contract is out to tender for the following 3 years from 1st April 2017, and so costs are anticipated to rise as have been held for the last 3 years. Costs for the contract are split across the three accounts, General, Allotments and Jubilee Sports Field. Only £500 is shown for play area repairs and new equipment as all play areas (Parish Council owned and Wiltshire Council devolved service) will have been refurbished by the end of this financial year. £10,000 provision is made for set up costs for taking on the ex George Ward playing fields and implementing a wild flower meadow, community orchard and allotments but it was noted that £10,000 income was also shown from grant funding opportunities. The VAT cost for the next financial year was estimated to be £16,300 based on the expenditure indicated, this will be reclaimed the following year.

Recommendation:

<i>Revised Income for 2016/17</i>	<i>£54,764.39 + £221,000 Precept = £275,764.39</i>
<i>was</i>	<i>£52,675.57 + £221,000 Precept = £273,675.57</i>
<i>Proposed Income for 2017/18</i>	<i>£58,908.00 + Precept</i>
<i>Revised Expenditure for 2016/17</i>	<i>£234,030.82 (was £214,001.94)</i>
<i>Virement of £1,000 from Bus Shelter Cleaning to SID expenditure budget heading for 2016/17.</i>	
<i>Proposed Expenditure for 2017/18</i>	<i>£191,899.75</i>

b) **Allotment Account:**

Cllr Glover declared an interest in the Allotment Account item as an allotment tenant and took no part in voting on this item, which was chaired by Cllr Richard Wood.

The allotment account was reviewed, with the Income for this year slightly less than budgeted for, as there were no re-lets during the Allotment year ending 30th September 2016. There were however tenancy changes at the start of the new year 1st October 2016. Income for the year is anticipated at £1,853, with expenditure anticipated at £1,860.77, so breaking even. For the following year, a slight increase for grass cutting is shown due to the new contract to be in place, and slightly higher water charges in case of a hot summer and an increase in water usage. This gives the expenditure for 2017/18 budgeted at £2,000. Income is anticipated at £2,068.75 however although this looks like a break even situation the Clerk highlighted that this included tenants paying twice the rent if they are not parish residents. There are a couple of historic tenants in this situation and also four tenants that will no longer live in the parish following the boundary changes under the CGR arrangements. If all plots were let to parish residents (as is the Council's current policy) then the Allotment account would be running at a loss. The Committee discussed in detail some different options for increasing the allotment rents, and that they did not increase in October 2016, with a £2 rise recommended which on the current tenant list would mean an overall Income of £ 2,234.25 for 2017/18.

Recommendation:

<i>Revised Income for 2016/17</i>	<i>£1, 853.00 (was £2,006.25)</i>
<i>Proposed Income for 2017/18</i>	<i>£2,234.25 (includes rent increase of £2)</i>
<i>Revised Expenditure for 2016/17</i>	<i>£1,860.37 (was £1,890)</i>
<i>Proposed Expenditure for 2017/18</i>	<i>£2,000.00</i>

The Council increase the rent for tenants from 1st October 2017 from £25 to £27 for 5 perches (1/2 an "old style" plot).

c) Jubilee Sports Field Account:

The Melksham Town FC Youth teams have confirmed that they are moving completely to the new Woolmore Farm / Oakfield facility during this week and so there will be no further bookings from them. The kit room is to be cleared and the keys to be returned to the office. The income from this Club was shown at £1,050 for this financial year, but will only be £680. AFC Melksham are now part of Melksham Town FC but Mike Rogers has informed the Clerk that part of their arrangements to join the Club was that they would remain at their home ground at the Jubilee Sports Field. The Sports Field is currently supporting 4 home teams; AFC Melksham, Trowbridge Town A, Trowbridge Town Reserves and Melksham Town A. The Foresters Arms and The Grapes play on an adhoc basis, with the Foresters Arms expected to play on a seasonal basis next year as this new team is a very regular user. The increased use by a 3rd and 4th Home team and the adhoc teams brings the expected income for the year to be higher than expected by some £2,000.

For 2017/18 income is not expected from Melksham Town A, although no confirmation has been received that they are leaving to move to the new facilities, this is expected and the question has been asked; along with the lack of bookings from Melksham Town Youth teams, this will make an impact on the income for the next year.

Expenditure for this year was expected to be as budgeted. As discussed earlier, the grass cutting costs are expected to rise as held for the last 3 years, and so a small increase is shown. A sum of £500 has now been included to cover any hedge maintenance to the perimeter of the sports field, particularly against the Right of Way

to the rear of the Cereal Partners building. £5,100 is shown as provision for Rates for both the field and Pavilion (based on the charges for Beaversbrook in Calne). All other costs are based on the year before, with a higher provision shown for Water Testing (Legionella) at the Pavilion, based on a new quote received today for £2,700. This needs to be looked at again as the company have now been appointed twice, they have not attended site for monthly works but have undertaken a Risk Assessment. On contacting them again last week they have lost the previously signed quotation and submitted a new one. Despite the need to relook at the contractors providing the water testing service, a provision still needs to be made in the budget accordingly.

Recommendation:

<i>Revised Income for 2016/17</i>	<i>£4,904.64 (was £2,800)</i>
<i>Proposed Income for 2017/18</i>	<i>£2,887.50</i>
<i>Revised Expenditure for 2016/17</i>	<i>£15,099.48 (was £15,927)</i>
<i>Proposed Expenditure for 2017/18</i>	<i>£22,980.00</i>

d) Reserves Account:

The Committee reviewed the Reserves Account with the amounts being spent from the Reserves Account and the amounts reserved for major projects and contingency funding for both the current and next financial year.

For the current financial year, a new Reserve is being set up with £10,000 being put into the now empty New Allotment Project Reserve for the ex George Ward playing fields project. £2,000 spending from the Legal Fees Reserve is now shown to cover the costs incurred this year. The amount being put into the Election Reserve this year is reduced from £3,000 to £2,000 as the cost of a casual vacancy election should be less now as there are more wards, and so less polling stations for a vacancy in the future. The remaining amounts reserved and spent from reserves will not change.

For the next financial year 2017/18, a provision of £5,000 be reserved to start a new Reserve for the new Community Centre - East of Melksham (£300k and land from s106 agreement agreed) towards furniture and fittings. £2,000 to be reserved for a Replacement Photocopier at Crown Chambers as this 2nd hand machine is now quite old and experiencing more and more maintenance issues (purchased in 2008). £10,000 reserved for the Play Area Surfacing & Equipment Reserve which is noted is for the long term capital replacement of these items; with them all being refurbished within the last year and next few months, they are likely to all require further works in the future at approximately the same time (5 play areas). £2,000 for a new Reserve for replacement of Defibrillators and batteries; again with these all purchased at the same time, they will all need replacing at the same time (8 units, with 1 moving as an asset to the Town Council under the boundary changes in Spring 2017). £2,000 to replenish the Legal Fees Reserve and £1,000 to add to the Community Projects/Match funding Reserve. The Staffing Contingency Reserve was considered, the Clerk had expressed a concern that it needed to provide for alternative cover if a staff member was off long term sick for example, plus make up the difference between SSP (Statutory Sick Pay) recovered and what was paid to staff; and additional £2,150 to be put into this Reserve bringing the total to £8,000. An additional £10,000 was added to the Reserve for Replacement/Renewal of Council assets bringing the total to £30,000 as the Council currently had two bus shelters it

was keeping an eye on and may wish to consider taking on any assets that Wiltshire Council may not wish to replace themselves; it had previously been agreed to consider these on a case by case basis.

Discussion was held about the Bowerhill/Jubilee Pavilion and Sports Field maintenance Reserve and that although it was previously agreed to move £10,000 from the Precept into the Jubilee Sports Field account each year to make up the shortfall on the account, this was coming from the Reserve that was designed to be for the replacement of Capital items such as fencing or boilers. It was agreed to split the Reserve into two, with one for the long term replacement of capital items (with the reserved £31,000, and one for the annual sum to move into the Sports Field account to make up the shortfall on the account (with £20,000 to be reserved, and £18,000 to be moved into the Jubilee Sports Field account in 2017/18, leaving a balance of £2,000).

Other spending from Reserves planned/budgeted for 2017/18 are £1,000 from the Bowerhill Youth Club which could be used to fund Young Melksham for youth club provision that Bowerhill young people attend and £10,000 spend for setting up the allotments etc on the ex George Ward playing fields.

Recommendation:

<i>Revised Reserves for Major Projects 2016/17</i>	<i>£128,400 (was £119,400)</i>
<i>Revised Spending from Reserves 2016/17</i>	<i>- £ 13,000 (was £10,000)</i>
<i>Adjustment to Reserves 2016/17</i>	<i><u>£115,400</u> (was £109,400)</i>
<i>Total Reserves at end of 2016/17</i>	<i>£204,375 (was £198,375)</i>

<i>Proposed Reserves for Major Projects 2017/18</i>	<i>£ 54,150</i>
<i>Proposed Spending from Reserves 2017/18</i>	<i>- £ 29,000</i>
<i>Adjustment to Reserves 2017/18</i>	<i><u>£ 25,150</u></i>
<i>Total Reserves at end of 2017/18</i>	<i>£229,525</i>

300/16 **Precept Capping for Parish/Town Councils in 2017/18:** The Committee noted the Statement made in Parliament by The Rt Hon Sajid Javid MP, Secretary of State for Communities and Local Government on 15th December 2016 that any proposals to cap Parish and Town Council's precept were deferred this year, but precept levels were being kept under close review, and the following statement "*I expect all town and parish councils to clearly demonstrate restraint when setting increases that are not a direct result of taking on additional responsibilities*".

301/16 **Precept for 2017/18:** The tax base for 2017/18 has been confirmed by Wiltshire Council as 2,535.97, reflecting the transfer of properties (733no.) to Melksham Town Council under the Community Governance Review boundary changes. There was also confirmation that there would be no Tax Support Grant this year, which had been £197.57 this year.

The Committee discussed that although there was a loss of Precept Income from the movement of houses out of the parish (some £46,000 less), it had not reduced the Parish Council's liabilities in any way and therefore there would have to be an increase to the average Band D payment just to reach a "standstill" position. The Council had taken on a lot of additional responsibility in the last year (Wiltshire Council play areas, cleaning of bus shelters including those of Wiltshire Council, supporting public toilets in town and the decision to take on the ex George Ward playing fields in the Parish) and had been restrained in its planned Expenditure for 2017/18.

For the current financial year 2016/17, the Precept was £221,000. For the tax base of 3,205.60 this meant a contribution of £68.94 per average Band D household.

For 2017/18, the following Precept calculation was made, which was:

* Expenditure for 2017/18	£242,029.75
** Less Income for 2017/18 -	<u>£ 64,029.75</u>
TOTAL	£178,000.00

Recommendation: *The Parish Council set the Precept for 2017/18 at £178,000 which is £43,000.27 less than in 2016/17, a decrease of 19.5%. The contribution of an average Band D household is £70.19, a rise of £1.25 (10p per month) an increase of 1.81% on last year.*

* Expenditure for 2017/18	General Account	£191,899.75
	Allotment Account	£ 2,000.00
	Jubilee Sports Field Account	£ 22,980.00
	Adjustment to Reserves	<u>£ 25,150.00</u>
	TOTAL	<u>£242,029.75</u>
**Income for 2017/18	General Account	£ 58,908.00
	Allotment Account	£ 2,234.25
	Jubilee Sports Field Account	<u>£ 2,887.50</u>
	TOTAL	<u>£ 64,029.75</u>

302/16 **SAAA Ltd (Small Authorities Audit Appointments) announcement:** The Committee noted the SLCC article that the SAAA Ltd had recently awarded contracts for Limited Assurance Audit Reviews for Small Authorities. Fee scales for the annual external audit had been set for the next 5 years and three companies had been awarded contracts nationally to undertake the external audit work.

303/16 **Change of date for the next Finance Committee meeting:** The Committee noted that the date of this meeting had been brought forward by a week to Monday 6th February, to avoid the half term holiday. One of the agenda items would be to consider the Grass cutting tenders and make a recommendation on whom to award the contract. The deadline for receipt of tenders was noon on Monday 30th January. Cllrs John Glover & Rolf Brindle agreed to witness the opening of the tenders at that time.

304/16 **Change to surface of basketball court – Kestrel Court play area refurbishment:** The Clerk reported that the refurbishment work at Kestrel Court had commenced on Thurs 5th January and would continue this week. Vitaplay had offered, at no extra cost, to lay a newly developed surface “Rhyno Pave” instead of the tarmac as per their original quotation. The recommendation from Vitaplay was that the new surface was very porous, robust, had good grip, balls would still bounce and would be laid by the inhouse contractors. **Recommendation:** *The Clerk be given delegated powers to instruct Vitaplay to use Rhynopave instead of tarmac for the new basketball surface at Kestrel Court, as long as no contradictory or negative statements were made when she sought references from councils that had recently used Rhynopave.*

Meeting closed at 9.40 pm

Chairman, 23rd January 2017