



POLICY, FINANCE & PERSONNEL COMMITTEE

Minutes of a Committee meeting held on Tuesday 15 January 2019 at 7pm at Community House

Present: Cllr Iain Emmett (in the chair) and Cllrs: Lloyd Knight and Mike Thompson.

Judy Morris: Clerk

Also in attendance: Cllrs Ian Findlay and Martin Smith (for part only of the meeting).

- 1. APOLOGIES:** Cllrs Eileen Andrews (personal) and Gordon Guest (personal).
- 2. DECLARATIONS OF INTEREST:** None.
- 3. PUBLIC QUESTION TIME: To receive questions from members of the public present at the meeting.** None.
- 4. MINUTES:** The Minutes of the previous meeting held on 15 November 2018 were approved and sign as a correct record. Proposed Cllr Lloyd Knight, seconded Cllr Iain Emmett
- 5. RESOLUTIONS: To note resolutions sheet:** Noted

RESOLVED: That the list is shortened and all completed matters are removed.

- 6. COMMENTS AND COMPLAINTS: To receive details of any comments or complaints for November/December 2018 /January 2019. (to be tabled at the meeting).** The Clerk made the Committee aware of one complaint from a street market trader about the erection of market stalls.

RESOLVED: That the complaint from a street market trader about the erection of market stalls is referred to the Town Centre and Economic Development Committee to resolve practical issues. Proposed Cllr Mike Thompson, seconded Iain Emmett.

- 7. FREEDOM OF INFORMATION: To receive details of 1 no. Freedom of Information request:** Clerk reported that a request was received on 19 December 2018 and responded to on 21 December. The request was as follows:

"Please can you supply me with the following information;

** Names and dates of resignations from councillors since 2015*

** Names of all councillors co-opted on to the town council since 2013"*

8. FINANCE

- (i) **To receive financial statement for November:** Noted

NOTE: Clerk to provide Committee members with a breakdown of IT Support costs for Nov 2018.

- (ii) **To receive financial statements for December 2018:** Noted

NOTE:

1. Clerk to provide Committee members with a breakdown of van running costs for December 2018.
2. Consider setting up a separate budget line for mobile phone costs instead of including in the telephone/broadband budget line.

- (iii) **Internal Audit: To receive report and agree any actions required:** The report was noted. Clerk to action the recommendations as follows:

- (a) **All bank reconciliation and supporting bank statements must be subject to independent review and signed as evidence.**

Financial Regulations state as follows “ *On a regular basis, at least once in each quarter, and at each financial year end a member other than the Chairman or a cheque signatory shall be appointed to verify the bank reconciliations (for all accounts) produced by the RFO. The member shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity shall on conclusion be reported, including any exceptions, to and noted by the council.*”

- It was noted that at a meeting of the Policy Review Working Group held in July 2017 It had been recommended to “*Set up a rota for members to verify the bank reconciliation (two Councillors each time)*” Clerk reported that it was proving to be extremely difficult to find two Councillors available to attend the Council office to verify the bank reconciliation.

RECOMMENDATION: That a rota is drawn up of Councillors that are not signatories to the Council’s bank account and who are willing and available to perform this task to call into the office to verify the bank reconciliations for all the Council’s bank accounts.

- (b) **The Council should maintain a receipt book for cash income. A receipt should be issued for all cash income.**

RECOMMENDATION: That the Finance Officer is given a receipt book to record any cash income for which a receipt has not already been issued.

- (c) **The Council must ensure a review of risk is undertaken prior to the end of the 2018-19 Financial Year in order to comply with the requirements of the Annual Governance Statement.**

RECOMMENDATION: That the Audit Sub-Committee meets before the end of the 2018-19 Financial Year to carry out a review of financial risk.

- (d) **All payments, including those made by Direct Debit, should be reviewed and authorised.**

RECOMMENDATION: That the Finance Officer, in liaison with the Responsible Finance Officer, compiles a list of all the Council's direct debit payments for authorisation by the PFP Committee.

NOTES:

1. The Council's Financial Regulations state as follows *"If thought appropriate by the Council, payment for utility supplies (energy, telephone, and water), and any National Non-Domestic Rates may be made by variable direct debit provided that the instructions are signed by two members and any payments are reported to council as made. The approval of the use of variable direct debit shall be renewed by resolution of the Council at least every two years"*.
2. Direct Debits payments are included in the list of payments reported to the Council each month and therefore they are reported to the council as made. However there is no resolution of the Council about the use of variable direct debits.

RECOMMENDATION: That the Council resolves to approve the use of variable direct debits for payments such as utility supplies and Business Rates.

(e) A printout of the payments approval for online payments is taken and kept on file for audit purposes.

RECOMMENDATION: That, in future, a printout of the payments approval for online payments is taken and kept on file for audit purposes.

(f) The internal financial controls should be reviewed and formally adopted in the current financial year.

RECOMMENDATION: That the Audit Sub-Committee meets before the end of the 2018-19 Financial Year to carry out a review of financial controls and make recommendations to full council.

(g) That the Council should ensure that all outstanding creditor balances are regularly reviewed and cleared.

RECOMMENDATION: That, in future, all outstanding creditor balances are reported, at least quarterly, to the Policy, Finance and Personnel Committee.

(h) Under the new arrangements when the Finance Officer prepares the payroll. The payroll summary should be signed as approved by the Town Clerk

RECOMMENDATION: That when the Finance Officer prepares the payroll, the payroll summary will be signed as approved by the Town Clerk.

(i) The Council to review the Financial Regulations prior to the end of the Financial Year.

RECOMMENDATION: That the Council's Financial Regulations are reviewed prior to the end of the 2018.19 Financial Year.

- (iv) **Sound & Audio System: To confirm purchase of replacement conferencing and sound system.** Clerk reported that, following a meeting with the Committee's preferred supplier (see Minutes 20/11/2018 Item 14), a revised quote of £5,666 plus VAT had been received. This quote includes Teac CD player with USB/Ipod.

As the total cost will be in excess of £5,000 then the full Council should authorise the spend. Current budget available for this spend is:

£5,000 (£2k in current year budget and £3k in Ear Marked Reserves). The Council has approved a further £2k in its 2019.20 budget/precept.

RECOMMENDATION: That the Council purchases a replacement conferencing and sound system, to include a Teac CD player with USB/Ipod from APi Communications Ltd at a cost of £5,666.00 to be installed early in the 2019.20 Financial Year. Proposed Cllr Iain Emmett, seconded Cllr Lloyd Knight.

NOTE: It should be noted that the PFP Committee obtained three quotes for the replacement conferencing and sound system and that the quotes are available to other Council members on request to the Town Clerk.

- (v) **Projector: To consider purchase of replacement projector for main hall:** It was acknowledged that the projector in the main hall needs to be replaced.

RESOLVED: That three estimates are obtained for replacement projector for the main hall, if possible a portable projector that is easy to use. Estimates to include cost of spare parts and insurance cover if it breaks down.

- (vi) **Card Payments: To receive report and agree way forward.**

RESOLVED: That this item is deferred until the next meeting in order to obtain more information and research the experiences of other small retailers.

9. STAFFING AND TRAINING MATTERS

- (i) **Update Report:** Report noted. It was suggested that advice is obtained from Optician about lighting and monitor usage.

10. PUBLIC QUESTIONS: To consider questions posed by Mr James Buczkowski as follows:

(a)Town Team: The Town Team is advertising itself as a "Sub Group of the Council", please could the PFP committee confirm to where this sub group reports and provide its terms of reference. If it is not a sub group of the Council, what action will be taken in regards to this misrepresentation?

Response: Mr Buczkowski to be sent a copy of the Town Team's Terms of Reference.

NOTE: Clerk reported that the Town Team had intended to register with the Charities Commission as a Charitable Incorporated Organisation (CIO) and, once the registration had been completed they would open their own bank account and the funds currently being administered by the Town Council could then be transferred to that bank account.

However, the Charities Commission has rejected the application for charitable status as it

considers that not all the Town Team's objections are 'charitable'. The Town Team is investigating alternatives but has not yet managed to open a bank account.

It was suggested that ways to make the Town Team independent of the Town Council are investigated.

(b) "Spring Fest"

At the Community Wellbeing Committee meeting on 11th December 2018 it was resolved to "Loan" the "Spring Fest" organising committee £1,000.

It is concerning that this was not included in the 2019/2020 budget presented to and approved by Full Council on 13th December 2018 (any member present could have tabled an amendment to include this), indeed the approved budget includes £10,000 for the Community Bus Services, but no mention of the "loan" to the "Spring Fest" working Group; the approved budget is £1,000 short before the year has already started.

Is the "Spring Fest" an external organisation (I understood it to be organised the by the Town Team, question 1 may assist here)?

If so,

- a) Has full council approved the lending of money?
- b) Has any due diligence been undertaken to safeguard public money?
- c) What is the interest rate?
- d) Why is "Spring Fest" not applying for a grant like everyone else (was there not a specific community events grant set up in October 2018)?

If it is not an external organisation, have members seriously resolved that the council should lend money to its self? or is the language intended to mislead and it is not a loan but the Council is actually underwriting the cost of the Festival?

In any event, would the Virement not need to be approved by the Policy, Finance and Personnel Committee?

RESPONSES: The resolution to loan the SpringFest' organising committee £1,000 was a mistake. The SpringFest Steering Group had not requested such as loan and this will be clarified in the Minutes of the next meeting of the Community Wellbeing Committee.

(c) John Tallack Centre

I understand the 'JTC' is a separate organisation to the Town Council, please could the committee confirm why the Town Clerk is listed in several publications as the contact point (some that have been published as recently as this month,) along with the Town Hall telephone number for enquiries into the 'JTC'.

If the Town Council is now providing secretarial support for the JTC, please you confirm the rate of remuneration and whether this service is available to other local charities. If this is erroneous, please confirm what steps the Council has taken / will take.

RESPONSE: The Town Council does not provide any secretarial support for the John Tallack Youth & Community Centre trustees. It is assumed that the information in the 'Voice' magazine had not been updated from previous editions of this annual magazine. The Town Council will ask the editors of the Voice magazine and any other publication that this information may have been published in if they can ensure that it is corrected in future issues.

(d) Town Councils Published "In-Year" Accounts, Month 7

Please could the Town Council Explain why the Town Councils accounts only show £215 for “Crier Income” year to date, the advertising income for the October edition should have been in excess of £600 (ex VAT) on its own.

- 1) If it has not been realised as income on the Councils Income Statement, please could the council direct me to where it is and what accounting convention is being used to allow income to be shown as anything other than income (I am assuming that it should be recorded as income for the Town Council as I am led to believe that the invoices were made out from the Town Council, included VAT and the Town Councils VAT number). Indeed, the following resolution of the Council would suggest that it should be shown as income with an expense payment made to the Town Team (once approved by Council);

“RESOLVED: That the Festival programme and the Crier are merged. The Town Team, as the organisers of the Food & Drink Festival, to pay the printing costs and the Town Council will pay the distribution costs. All advertising revenue to be held by the Town Council and any residue handed over to the Town Team once a charge has been taken for the cost of staff time to produce the Festival programme section. Proposed Cllr Iain Emmett, seconded Cllr Eileen Andrews.” Community Wellbeing committee 14/08/2018

RESPONSE: That that Council received £555 in revenue from the September Crier/Festival programme. This £555 was handed to the Town Team. The Town Team were charged £200 for the cost of staff time to produce the Festival section of the programme.

(e) Youth Service Provision

(As per scheme of delegation dated May 2018 and PFP resolution 131 of 17/04, YSWG reports into PFP – Therefore I ask the question to the PFP, AND it does largely relate to the POLICY of Cullompton Town Council...but the actual answers are more important than who gives them)

I note the £20,000 budget for youth is not supported by any policy or strategy, please do remember that as a councillor I always voted in favour of the youth service and made many successful proposals to ensure continuation of the service; this is not an “attack” on the provision per se and should not be construed as one to avoid the question(s), the provision of a youth club seems to be quite a white elephant (indeed, this very phrase was used by a Councillor when voting in favour of the budget!) and is clearly lacking direction and control.

As the biggest single expenditure of the Town Council (Other than staff costs) it needs to be urgently addressed (I have been calling for this since January 2017!).

The youth services working group seem more interested who they report to rather than the service they are delivering. (Motion 11.ii at full council on 13th December 2018, was almost identical to motion 131 of the PFP committee on 17th APRIL 2018 when the terms of reference were set, giving the working group all of the “authority” they needed to get on with the job, instead they copied word for word a City Centre, multi-agency strategy, from four years ago and threw their toys out of the pram when it was unanimously rejected for its unsuitability).

The currently reality is that it costs the Town Council and therefore the residents of Cullompton £481 per week to provide 4hrs of unstructured supervision.

The average cost for one person to attend a two-hour session (to “Chill out with mates”) is currently £12.69.

- 1) Does the Council believe that this offers value to the tax payers of Cullompton?
- 2) Does the Council believe that this offers value to the young people of Cullompton? (What would they like to spend ~£500 per week on...)
- 3) Why has the Town Council not provided direction and support for Young Devon?
- 4) Does the Council employ any officer or member of staff with any experience of delivering youth services or are qualified in youth work?
- 5) Why is there not a plan in place that specifically addresses the needs of the young people of CULLOMPTON, before committing to spend £20,000; the youth services working group has had 12 months to do this?
- 6) Why has the Town Council not taken steps to encourage the growth of the youth club, at present it only benefits a very small percentage of our youth (and has done for a number of years)? Again, this youth services working group has had 12 months to address this?
- 7) Does the provision of a non-statutory service, that only benefits, on average, two groups of 20 young people for two hours per week each, justify an increase to the precept demand of £20,000?
- 8) Has the Town Council put in place a Youth Strategy to guide and shape future provisions, as it previously committed to doing **BEFORE** committing additional funding and if not, why not? (It would be a rather poor cop out to suggest that it is because a copied version of Exeter's youth strategy was rejected as being unsuitable for the needs of Cullompton....)?
- 9) What steps have the Town Council taken to ensure our young people are safe while using the service, from both a physical perspective and safeguarding perspective?
(Both reports from young Devon suggest that neither the Town Council (through its youth services working group) or The John Tallack Centre Trustees have shown any interest in the youth club and several issues with the premises remain unfixed, despite being raised. Are 2 adults supervising 38 young people enough to ensure the safeguarding of all those present?)

It is simply not acceptable to state that it is somebody else's problem (as was done in the Full Council meeting on 13th December 2018), the Town Council DOES have a duty to act where it can to ensure the safeguarding of ALL young persons.

- 10) In the impact assessment that Devon County Council used to justify cutting the youth service in 2014, Cullompton was identified as low risk and low impact in all areas of review. With the very real issues many of our young people are now currently facing such as bullying, mental health, sexual health and *some very new risks to a quiet Devon town* including the very real risk of exploitation (including the "County Lines" modus operandi), should the town Council now **demand** that Devon County Council (who have a statutory duty to provide youth services, which include so much more than a "youth club") revisit the impact of failing to provide any youth services to the town; this is not instead of the Town Council providing funding for a youth service, this should be done in conjunction with providing funding for our youth.

RESPONSE: That the Youth Services Working Group is asked to provide a response to the

questions relating to Youth Service provision.

(f) The Budget and Precept Process

The correct procedure for setting the annual budget and annual precept demand, as set out in the “Cullompton Town Council Financial Regulations” was not followed prior to the council approving the budget and precept demand for 2019-2020.

In addition to the departure from the established and correct process, sufficient information was not included in the budget presentation to enable members to *test the budget for reasonableness* and therefore allow members to make an *informed decision*.

As you have not followed your own established procedures for setting the annual budget and precept for 2019/2020, Will the Council now undertake to complete the correct process to set the budget, **before** issuing the precept demand, in accordance with the above regulations or will members risk the possibility of a Judicial Review (on the basis of procedural impropriety and legitimate expectations) by going ahead and issuing the precept demand?

In addition to this, will Councillors apologise for failing to follow the established and correct procedure before making a decision regarding public money and for not thoroughly assessing the budget for reasonableness and therefore not being fully informed before making a decision to spend public money and setting the precept demand?

RESPONSE: The Committee acknowledges that each of the Council Committees has not drawn up a comprehensive three year forecast of revenue and capital receipts. Three year action plans were drawn up by the Responsible Finance Officer for each committee but these were not completed comprehensively due to changes in Councillors, Committee Chairman etc. The Council will endeavour to put this in place from the start of the new Council, following the Town Council elections in May 2019.

Included in the agenda pack for the full Council meeting on 13 December 2018 was a budget and precept report detailing how the budget had been calculated. This provided the Council members with the opportunity to test the budget for reasonableness. The Councillors has sufficient time to request additional information if they felt that this was necessary but no such requests were received by the Responsible Finance Officer (Town Clerk). The process used for the determination of the 2019/20 budget/precept was the same process as used in previous years.

Following the meeting on 13 December the precept demand was sent to Mid Devon District Council. The Minutes of the meeting at the which the budget/precept was approved i.e. the meeting of 13 December 2018 was approved by the full Council as a correct record of that meeting at the full Council meeting held on 10 January 2019.

11. **WEBSITE AND IT: Any website matters:** Cllr Mike Thompson considered that there are still issues that require addressing with regard to the updating of the website. Clerk explained that all staff will undergo training in how to update the calendar in order that changes to dates/times of meetings can be updated more efficiently.
12. **CORRESPONDENCE:** None

RESOLVED: That as the time is now 9pm the remaining agenda items are deferred and dealt with at an extraordinary meeting to be held on Wednesday 30 January at 10am.

13. **DATE OF NEXT MEETING:**

Extraordinary meeting: 30 January 2019 at 10am at the Town Hall.
Tuesday 19 February 2019 at 10am at the Hayridge Centre.

The meeting closed at 9pm.

SIGNED: _____

DATE: _____

DRAFT