

## **Minutes of the meeting of Belbroughton Parish Council Finance Committee held on 15<sup>th</sup> October 2012 in Belbroughton Recreation Centre**

**Present:** Councillors J Kitson, J Bradley, C Hine, T Jones, S MacDonald, D Roberts, P Shotton and C Scurrall.

In attendance : Katie Limm (Clerk). Mr K MacMaster also attended.

**300/12 Apologies :** Apologies were received and accepted from Cllr Green.

### **301/12 Declarations of interest**

Cllr Kitson declared an Other Disclosable Interest in the item relating to the Council's investments through Prosperity since he was associated with the firm.

### **302/12 Minutes of the meeting on 17<sup>th</sup> September 2012**

The Minutes were approved.

### **303/12 Bank reconciliations**

The bank reconciliations for the Council's two accounts were noted.

### **304/12 Fairfield Village Hall Jubilee Grant**

A payment of £381 for additional work relating to the installation of the hall's new boiler was approved as part of the Jubilee grant. Invoices had been received.

The Village Hall Committee had submitted estimates for a new fire door for the boiler room and wall insulation. The Finance Committee agreed that these costs could also be funded by the Council as part of the Jubilee grant.

### **305/12 Accounts for Payment**

Payments for October set out in a schedule tabled by the Clerk were approved. These included renewal of the annual subscription to Community First. The Clerk was asked to circulate to the Committee a list of all the organisations supported by the Council.

### **306/12 Council fidelity insurance**

The Council's insurers had confirmed that, in view of the Council's arrangements for the secure handling of its reserves, the level of the Council's fidelity insurance (£100,000) remained adequate for its needs. The Committee agreed that there was no need therefore to increase the level of cover.

### **307/12 Grants Policy**

The Committee considered the Council's current policies for awarding capital and maintenance grants to parish bodies. It was agreed that the general convention of paying maintenance grants from the precept and capital grants from other income should continue. The Council's finance and investment strategy had set out these general principles, including the judgement to be made each year about the amount that could be spent on capital grants.

The following recommendations were agreed.

#### Capital grants

The Committee considered that the Council's current policy for awarding capital grants remained valid. The ground rules were set out on the application form or were implicit in the questions asked on the form. However, the Committee agreed that these points should be written up into an explicit policy which could be made available to applicants. This

should make clear that the benefit to residents and an inclusive membership policy would be key criteria for a grant.

#### Maintenance grants

The principles governing maintenance grants were set out in the 2009 review undertaken by the Council of support for the 2 Recreation Grounds. These were as follows:

- In general village facilities should aim to generate enough income to cover their running costs, but the Council should offer some support in recognition that facilities offer an additional amenity and community value which cannot be charged for;
- The Council should aim to ensure when considering maintenance grants each year that costs are reasonable – taking one year with another and in comparison with other local organisations. The Council should ask Belbroughton Rec. and village halls for a simple summary of maintenance costs in the previous year and an estimate of costs for the current year. Similar information should be requested for the two churchyards.
- In general the Council's approach of giving the same internal maintenance grants to village halls (including Belbroughton Rec.) and grants for church yard maintenance should continue – subject to the provision of the information requested by the Council and to a general rule of thumb that the Council should not be supporting more than 50% of the actual costs.
- In relation to the external maintenance grant to Belbroughton Rec. .... the aim should be to phase this out. This recognised that the Council also pays directly for external maintenance items – grass cutting and emptying the dog bins. In recognition of the fact that the Rec. was in a transitional period, the group recommended that the Council should phase out this grant in consultation with the Rec.'s management committee.

The Committee endorsed these principles except in relation to the last point. There was a difference of view about whether the external maintenance grant to Belbroughton Recreation Ground should be phased out. The Committee recommended that this issue should be considered by the budget working group in the first instance as part of budget considerations for 2013 and in the light of the Rec's current income and expenditure.

The Committee acknowledged that the current grant arrangements effectively excluded parish bodies that did not have premises to maintain and/or did not need capital items. Applications that had been refused in previous years were for items like the cost of hiring a venue or a speaker for a meeting. The Committee recommended that the Council should consider setting aside a small additional sum which would enable parish bodies to apply for funding for items which did not fit the current criteria for capital grants. These funds should be available to non-profit making organisations which could demonstrate that they enhance parish life. Grants could be made for running costs or one off events but should not be made to the same organisation on a regular basis since the aim should not be to provide long term support. Parish organisations should be viable without Council help in the long term. The Committee recommended that this new grant should be offered on a trial basis.

#### **308/12 Payment of Expenses**

The Committee noted the rules concerning payment of expenses to Councillors. The Parish Council must follow the rules established by the District's Independent Remuneration Panel. These permitted the payment of travelling expenses in circumstances defined by the Parish Council. The mileage rate currently payable was 45p per mile regardless of engine capacity. Other expenses could not be reimbursed. A Chairman's allowance up to 11% of the value of the allowance paid to District Councillors could also be paid.

The Committee agreed to recommend that Councillors should be able to claim travelling expenses at the approved rate for journeys to training or other Parish Council related events, but not to regular meetings of the Council. The cost of paper or printing ink could not be reimbursed, but Councillors who would like a hard copy of any documents should request the Clerk to provide this. The Chairman's allowance should continue to be paid with the amount to be determined each year as part of the budget process.

### **309/12 Investments**

*Cllr Kitson had declared his connection with Prosperity- but did not leave the meeting since he did not consider that he had a pecuniary interest.*

The Clerk tabled a note of the Council's current investments as follows:

Scottish Widows Bank – 7 day notice	£61,872 (1.85% interest)
Henderson Multi-Manager fund	£49,111
Investec 5 year deposit	£50,000 (initial investment)
Santander 1 year bond	£25,000 (3.2% maturing 31.08.13)
Natwest 1 year fixed rate deposits	£25,000 (3.0% maturing 25.02.13)
	£25,000 (3.0% maturing 10.07.13)

Cllr Kitson reminded the Committee that the Council's policy was to invest a proportion of its funds in £25,000 amounts in a one year bond or similar investment every 3 months so that an investment would mature every quarter. The Committee agreed in principle to invest another £25,000 in December on this basis. Options should be considered at the November Finance meeting. In the meantime funds surplus to requirements should be transferred to the Scottish Widows account.

In relation to the longer term investments, a report had been received from Mark Pritchard of Prosperity which indicated that the investment with the Henderson (formerly Gartmore) fund was now valued at £49,111. This was up from its September 2011 value of £47,748 – the reduction from the initial investment of £50,000 was due in part to an initial account charge of £1,500. Mr Pritchard had advised that he thought this investment was still appropriate for the Council.

Cllr Kitson invited Mr MacMaster to speak. Mr MacMaster suggested that the performance of the Henderson investment should be compared with the alternatives that had been available to the Council at the time of the investment. A 3 year bond paying 4.1% pa had been available and would have yielded a total value of £54,158 by now. He suggested that the Henderson fund was not a good investment for the Council because it had very high management and performance related fees which were a significant drag on the fund. He suggested that the Council should consider moving these funds elsewhere. Cllr MacDonald suggested that the Council should always make cash comparisons when considering investments and compare any options under consideration with the best available 3 year fixed rate bond.

The Committee noted that the Henderson investment had not performed well so far, but that it had recovered from its lowest point. The Council had been aware that the fund had relatively high service charges and that it should be viewed as a long term investment to yield worthwhile returns. The Committee agreed that Prosperity should be asked to indicate what they think the returns on this fund are likely to be over the next 3 years. The rates currently payable on 3 year fixed rate bonds should also be investigated. The Committee should then consider and advise the Council on whether the funds invested with Henderson

should be placed elsewhere. Other stock market investments should not be ruled out but the Council would need good advice if these were to be considered.

The Committee concluded that no action was appropriate regarding the 5 year Investec deposit plans.

### **310/12 Budget working group**

Councillors Kitson, Green, Roberts and Scurrall were nominated to serve on the working group. The group was asked to report back with recommendations for the Council's 2013/14 budget to the November Finance Committee meeting.

### **311/12 Maintenance work**

The Committee agreed in principle that one or two autumn sweeps and tidy-ups of central areas of Belbroughton, including Holy Cross Lane, should be arranged for November. Disposal of the leaves/rubbish would need to be considered. A budget of up to £200 was suggested. Belbroughton Councillors agreed to consider how this might be organised. Fairfield Councillors did not consider that a similar exercise was needed in Fairfield at present.

Refurbishment of the bus shelter opposite the Talbot in Belbroughton was agreed- estimated cost £120.

Grass cuttings needed to be removed from Belbroughton village green by the contractor.

The meeting closed at 10.00 pm.

Signed.....Chairman