

# MALVERN WELLS PARISH COUNCIL

Minutes of the Meeting of the **Finance & General Purposes Committee** duly convened and held in **The Committee Room, Malvern Wells Village Hall, and Wells Road** on **Thursday 20th January, 2010 commencing at 7.30pm.**

**Attendance:** Councillor N Johnson (Chairman)

Cllrs Cllrs K Wagstaff, Mrs A Bradshaw, Mrs H Burrage  
B Knibb and A Hull

**Apologies:** Cllrs A Cheeseman

**In Attendance:** Mr D M Taverner (Clerk)

**1 Declarations of Interest for a) the Meeting and b) Any Changes to be notified to the Registers of Interests and Gifts & Hospitality:** There were none.

## 2 Minutes

The Minutes of the meeting of the Committee held on 27<sup>th</sup> October 2010, having been previously circulated were accepted and signed by the Chairman as an accurate record.

## 3 Matters Arising from the Minutes

**Minute 7a) Bench, Assarts Road Playing Field** The Clerk reported that the new bench had now been delivered and installed at the playing field.

**Minute 7b) Benches, St Wulstans** –Following discussion the Clerk was asked to contact any families who had expressed an interest in siting of commemorative seats on the Village Green

## 4 To Consider & Accept

**a) The Quarterly Report:** The Clerk presented the previously circulated quarterly report for the period ending 31<sup>st</sup> December 2010. Members noted that, in the main, actual income & expenditure figures were still tracking closely in line with the originally approved budget. The Chairman and the Clerk had recently met to review the anticipated outturn for the financial year and it was now anticipated that total Forecast expenditure for the year was likely to outturn at some £81k matched by estimated total income of £81.6K. A small surplus was thus likely to arise which would bolster the Council's General Reserve.

In response to an earlier question the Clerk advised that the expenditure budget for the Cemetery included an amount of £3k which, in compliance with a Council resolution in May 2008 would be transferred to an earmarked reserve for future land purchase at year end.

The quarterly report was noted **for recommendation** to Council.

**b) The Bank Reconciliation to 31<sup>st</sup> December 2010:** The clerk presented the figures contained in the previously circulated bank reconciliation and Members noted the figures contained therein **for recommendation** to Council.

The Clerk advised Members that he had met with representatives from the National Westminster Bank to review the operation of the Council's accounts and discussion had centred around investment opportunities that were available to the Council.

The potential receipt of gas lamp grant funding from MHDC could mean that the Council would have as much as £115k on deposit at 31 March pending the release of funds for works that had been committed.

The Clerk drew Members attention to CLG (Communities and Local Government) guidance in respect of local authority investments. The guidance defines a prudent investment policy as having two objectives: achieving first of all security (protecting the capital sum from loss) and then liquidity (keeping the money readily available for expenditure when needed).

The generation of investment income is distinct from these prudential objectives but only once proper levels of security and liquidity of any investments are determined, should any attention be given to what yield can be obtained consistent with those priorities. This widely-recognised investment policy is sometimes more informally and memorably expressed as follows:

**SLY**                      **S**ecurity - **L**iquidity -**Y**ield ...in that order!

The Clerk advised Members that it was prudent to ensure that all of the Council's investments were made in UK Banks covered by the Bank of England's deposit guarantee scheme. This covered individual deposits in each individual UK banking group up to a level of £85K

Members agreed that the Clerk in consultation with the Chairman would review the overall position and identify suitable investment opportunities in accordance with the CLG investment guidance.

### **5 Financial policies and the level of Future reserves**

The Clerk circulated details of the Council's current Financial policies which had been previously agreed by Council in May 2008:-

- That an amount of £3k each year be added to an earmarked reserve each year to provide for the future purchase of land for allotments and Cemetery extension
- That total reserves should be maintained at least a level of 50% of the annual precept

Following further discussion on the need for future provision for Capital projects Members agreed to **recommend to Council** that the following earmarked reserves should be separately identified in the Council's accounts at 31 March 2011-

	£K
Cemetery Railings painting	1
Section 106 Contribution Maintenance OF St Wulstans	18
Future Cemetery and allotment Land purchase	10
Assarts Road Playing Field - Fencing and Drainage	5
St Peters Closed Churchyard Maintenance and potential legal Costs	5
Staff pension Gratuity	0.5
<b>TOTAL ESTIMATED EARMARKED RESERVE AT 31 MARCH, 2011</b>	<b>£39.5k</b>

After allowing for the development of these earmarked reserves it was forecast that the Council's General Reserves would stand at some £20.15k at 31<sup>st</sup> March, 2011. The General Reserve would thus be maintained at a ratio of approximately 25% to annual turnover, a level that would be in accordance with External Audit advice

## **7. Methodology for review of the Risk Register.**

The Clerk reminded Members that it was necessary to regularly review the content of the Council's risk register the primary aim of which is to identify key vulnerabilities in the Council's day to day activities and operations.

The register should be subject to formal review by the Council on at least an annual basis and Members agreed that the Clerk in Consultation with The Chairman of F & GP Committee should undertake a review of the risk register and report back any findings to the Committee at its April meeting.

## **8. Review of the Schedule of Insurances.**

In conjunction with the review of the risk register the Clerk advised Members that it was also necessary to review the Council's schedule of insurances to ensure that it effectively protects the Council's assets, employees and operational needs

Members agreed that the Clerk in Consultation with the Chairman of F & GP Committee should also undertake a detailed review of the schedule of the Council's insurances and that they should also seek appropriate quotations from insurance providers to secure the most cost effective premiums. A further report on this subject would be made to the F & GP Committee at its April meeting.

## **9. Consideration of estimates for 2011/12 and Recommendation to Council for the precept for 2011/12.**

The Chairman reported that he and the Clerk had previously met to review and prepare the Council's budget forecasts for 2011/12.

The Clerk circulated a paper detailing the draft budget figures for 2011/12 which showed forecast expenditure for the year was estimated at £80.4K, set against forecast income for the year of £81.5K.

Members carefully considered each budget heading and attention was given to the need to provide for increases in running costs arising from inflation and for the need to provide funding for significant capital projects, such as the major drainage works that were necessary to the Assarts Road playing field.

The Clerk also circulated further paper which showed the impact on Council tax payers of any increase in the precept.

Following further discussion, and mindful of the need to mitigate the impact of any increase in the precept, Members unanimously agreed to **recommend to Council** that the precept for 2011/12 should be set at **£72,420** an increase of **2%** over the 2010/11 figure. The increased cost to a Band D Council Tax Payer would be an estimated £0.87 for a full year.

There being no further business the meeting closed at 9.50pm

**Chairman**

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**20th, January 2011**