



Holmes Chapel Parish Council

Clerk of the Council: Nicola L Clarke

Email: clerk@holmeschapelparishcouncil.gov.uk
01477 533934

Assistant: Sue McKay

Email: admin@holmeschapelparishcouncil.gov.uk
01477 533934

1 Church Walk, Holmes Chapel Cheshire, CW4 7AZ

FINANCE COMMITTEE

TO ALL MEMBERS OF THE COMMITTEE - Cllr D Savage (Chairman), Cllr B Bath, Cllr M Blomeley, Cllr J Clowes, Cllr R Parry, Cllr M Street

You are summoned to attend a meeting of the Finance Committee on **Thursday 27 October 2016** at the Academy Suite, Holmes Chapel Community Centre, immediately following Strategy and Partnerships committee

If members of the public are present there will be a period of question time at the beginning and end of the meeting.

AGENDA:

1. **Apologies** – To approve any apologies for absence
2. **Declarations of interest** – To receive Declarations of any
 - a) disclosable pecuniary interests or
 - b) other disclosable interestsas required under Chapter 7 of the Localism Act 2011
3. **Public Speaking** - The Chairman will adjourn the meeting to allow questions from members of the public to last no longer than 15 minutes. After questions the Chairman will reconvene the meeting.
4. **Minutes** - to approve the minutes of the Committee meeting held on 14 July 2016.
5. **Matters arising** – To receive verbal reports on any matters arising from the above minutes.
 - The external audit is now complete and has been advertised.
6. **Financial reports / update** – To approve the 2nd quarter and receive the following reports:
 - Responsible Finance officer - see appendix 1 and attached scans
 - Finance member – see appendix 2
 - Cash flow forecast – see attached.
7. **Internal auditor** - to consider the use of an alternative internal auditor for future years. The clerk obtained references as instructed.
Recommendation: to appoint McEllinKelly as internal auditors for 2016 / 17 at a rate of £595.00 + VAT. This includes completion of the audit and the ability to contact them during the year for advice.

8. Review of Financial Calendar: To receive a report on action taken by the Clerk to deal with items listed in the Financial Calendar. A copy of the Financial Calendar is set out in the appendix 3.

9. Future agenda items - to identify future agenda items. –

- Budgets – money for highway projects (from TS cttee)

10. Chairman's and Clerk's reports – To receive reports

11. Public Speaking

Nicola Clarke
Clerk of the Council
21 October 2016

Appendix 1

Holmes Chapel Parish Council

Clerk's Report to Finance Committee – 27 October 2016

Accounts have been prepared to the 2nd quarter of the financial year. They have balanced and the Bank accounts have been reconciled.

Salaries

This is over budget and will continue to be so with a projected overspend of around £6k. Pension contributions form part of the overspend. A more accurate figure will be available for next year's budget.

Premises

Within budget. The PC is still in credit with Scottish Power by £40 so payments will be made for the remainder of the year and a more accurate figure can be put into next year's budget.

Office services

Overspend on cost centre 4058 as the new PC has gone against this code. Otherwise in line with budget

Bank charges – Unity Trust bank are now charging a £6 monthly fee which has not been budgeted for.

Communications

Underspend and allocations need considering for next year.

Professional Services

Audit fees higher than expected. Insurance has now been paid and in line with budget.

Village Maintenance

Money still to be spent on plant/basket maintenance, recreation services maintenance (Dane Meadow repairs) and Highway and Road safety (SID maintenance)

Holmes Chapel Community Centre

The second instalment of the PWL is due on 23 October - £28,912

Phase 4 is complete and a bill for £144,000 is imminent.

Allocation of other budget headings – see separate spreadsheet.

Identification of other works is necessary for the 2017 / 18 budget

Capital

Most capital will be spent this year

Skatepark - need to allow extra £5,000 to skatepark cost centre (£5k carried forward from last year not allocated)

Boundary signs – now complete

Village centre paving – has been ordered.

Elm Drive play area – goal posts procured.

Croco path - showing £20,000 in budget but only allocated £15,000. Will this be spent in this financial year?

Neighbourhood Plan - £5,000 allocated but managed to fund this more or less by grant money.

Virement

Consider virement of money from the PCSO account. Where to allocate if at all?

VAT

This has been claimed back for the 2nd quarter - £4256.08

External Audit - This has been returned with a clean audit.

Internal audit – do we remain with JDH or consider alternatives?

Agenda item 5 - Financial calendar – see the calendar at the end of the agenda

- Bank statements have been received each month in the quarter;
- Accounts have been reconciled each month;
- All PAYE and NI formalities were completed and the payment for the 2nd quarter has been made;

Action required: to receive the report and to approve the accounts for signature by the RFO

Nicola Clarke
Clerk of the Council
21 October 2016

Appendix 2

Finance Committee 27th October 2016

The systems in place with Unity Bank and the office finance management arrangements have worked effectively during this second quarter.

The monitoring of cash flow and predicted balance at the end of the year using a simple spreadsheet has proved a useful tool to monitor the likely out turn. Thanks are due to Sue and Nicola for taking on this extra task. This has been an unusual year with extra expense on the HCCC paid for with our funds and a loan to be drawn down next month. We have seen high cash balances in the accounts which may have given the impression of spare funds available. The spreadsheet gives a clearer picture of the situation.

In fact, the current prediction is that we will have a balance in the accounts of only around £35K at the end of the financial year. Although this sounds substantial we need to keep a Revenue reserve of £25k which leaves only £10k carried over into the capital funds for next year. In order to cope with emergency and unexpected costs we were aiming for a capital reserve of £30k so you can see we are well below that figure.

We are, through the Committees, in the process of identifying projects which require capital expenditure and this information will be used to update our capital programme for the next five years. Last year we added £30k to the capital fund from the precept and we have planned to increase this to £40k for future years. Thus, capital expenditure will run at around a maximum of £40k each year using this model. Although a substantial sum, we will only be able to fund some of the projects and always need to consider possible unexpected expenditure at the HCCC.

Hopefully the development of a 5 year programme will help us establish whether we are adding the right amount to our capital funds or whether we should consider an increase to above £40k when the budgets are set later this year.

John Clowes

Appendix 3

Financial calendar

April Receive bank statements Bank rec Report to committee Precept – first instalment Complete year end accounts and year end review VAT	October Receive bank statements Bank rec Report to committee Second quarter review (budget and bank rec)
May Receive bank statements Bank rec Report to committee Accounts ready for internal audit File employers annual return Review insurance generally	November Receive bank statements Bank rec Report to committee Call to members for budget items Budget meetings Review PWL and HCCC finances VAT
June Receive bank statements Bank rec Report to committee Accounts ready for external audit Renew insurance Grants / Donations – s. 137 payments PAYE Rent	December Receive bank statements Bank rec Report to committee Budget preparation PAYE Rent
July Receive bank statements Bank rec Report to committee First quarter review (budget and bank rec)	January Receive bank statements Bank rec Report to committee Third quarter review (budget and bank rec) Finalise budget / precept requirement Review fidelity cover VAT
August Receive bank statements Bank rec Report to committee VAT	February Receive bank statements Bank rec Report to committee Review assets register Review risk assessment
September Receive bank statements Bank rec Report to committee Precept – second instalment PAYE Rent	March Receive bank statements Bank rec Report to committee Annual report – financial part PAYE Rent Salary review / minute