

	<p>Highcliffe and Walkford Parish Council Old School House, 254 Lymington Road, Highcliffe BH23 5ET</p> <p>Budget, Audit and Grants Sub-Committee Meeting Agenda and Papers for meeting on Monday 26th February 2024, Commencing 18:30</p>
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Members of the Budget Audit and Grants Sub-Committee:

Councillor Adam Sofianos (Chair)

Councillor Lesley Dedman

Councillor David Martin

Councillor Sue Skinner

Councillor Robert Dickson

Agenda

1. Apologies for absence
2. Chair's remarks
3. To accept the minutes of meeting 8th January 2024
4. 2023/24 accounts
 - a. To note the January financial reports.
 - b. To review the 2023/24 year end year forecast.
 - c. To approve virements to the 2023/24 budget.
 - d. To approve movements to reserves.
5. Audit
 - a. To approve the appointment of Mulberry & Co as internal auditors for a two year period.
6. Grants
 - a. To consider a grant application from St Marks Church.
 - b. To consider a grant application from Highcliffe Action Team.
 - c. To consider a grant application from Walkford Rd Allotment Association
7. Bank and building accounts
 - a. To approve the closure of unrequired building society accounts.

(Agenda 4) 2023/24 accounts

(Agenda 4a) January financial report

Highcliffe & Walkford Parish Council

Financial Statement 31 January 2024

Current Account Opening Balance as of 31 December 2023 £4,253.33 (From bank statement)

Receipts in Period

Cost Centre	Total
Allotment Receipts (RHAA)	£136.50
Interest Recv	£380.51
Nea Meadow Bowls NMBC	£464.66
Pitch Hire	£672.40
VAT	£4,327.88
Grand Total	£5,981.95

£5,981.95

Transfers

Unity Bank 2 to Unity Bank £5,000.00

£5,000.00

£15,235.28 A

Payments Authorised - Unity Bank Account

Cost Code	Cost Centre	Bank Account	Sum of Net	Sum of VAT	Sum of Total
Allotment Admin Roeshot			£115.01	£23.00	£138.01
Allotment RHAA			£30.00	£6.00	£36.00
Contingency			£100.00	£0.00	£100.00
Credit Card Payment			£13.00	£0.00	£13.00
IT and Website			£363.12	£72.62	£435.74
Office Costs			£29.92	£5.98	£35.90
Projects			£529.00	£105.80	£634.80
Recreation Ground Wingfield			£4,388.33	£872.09	£5,260.42
Staff Costs			£4,259.87	£24.00	£4,283.87
Staff Costs			£211.10	£24.68	£235.78
Grand Total			£10,039.35	£1,134.17	£11,173.52

Payments Authorised - Lloyds Credit Card

Cost Centre	Cost Code	Bank	Sum of Net	Sum of VAT	Sum of Total
Administration			£364.92	£72.98	£437.90
Bank Charges			£3.00	£0.00	£3.00
IT and Website			£220.27	£42.17	£262.44
Grand Total			£588.19	£115.15	£703.34

Bank Deposit and Credit Accounts

	b/f	Changes	c/f
Unity Bank current	£4,253.33	£191.57	£4,061.76
Unity Bank 2	£112,430.85	£5,000.00	£107,430.85
Monmouthshire BS	£85,547.21		£85,547.21
Teachers Building Soc	£85,000.00		£85,000.00
Bath Building Society	£85,408.63		£85,408.63
Cambridge & Counties Bank	£85,000.00		£85,000.00
CCLA Public Sector D/A	£85,000.00		£85,000.00
Lloyds Credit Card	£0.00	£703.34	-£703.34
Total in Banks	£538,386.69		532,683.35

Current Account Balance as a 31 January 2024 calculated £4,061.76 A-B

Current Account Balance as a 31 January 2024 from bank statement £4,061.76

Checked RFO

Checked Councillor

(Agenda 4b) To review the 2023/24 year end year forecast.

	Jan	Feb	Mar	Note
Total Cash	532,683	514,709	499,709	BCP SLA £21,000, Tree work, Licence income
Reserves	430,072	430,072	459,031	After reserves adjustment
General Fund	101,611	85,557	40,678	Money not earmarked for projects

(Agenda 4c) To approve virements to the 2023/24 budget.

From	Balance	To	Transfer
Lengthsman	25000	Wingfield Rec	7000
Lengthsman	18000	Nea Meadows	10000
Lengthsman	8000	Lakewood	3000
Lengthsman	5000	Nea Meadows Pavilion	5000
Contingencies	4899	Christmas	1300
Contingencies	3599	Blue Flag	650
Salaries	8500	Bookkeeping	2000

(Agenda 4d) To approve movements to reserves.**Capital**

Reserve	1/04/2023 Opening Balance	Transfers to date	Spend to date	Receipts to date	Current Balance	Transfer	Year end balance 31/03/2024
CIL	116,023	56,958	1700	0	171,281	-132,000	39,281
Nea Meadows (CIL)	0	0	0	0	0	132,000	132,000
Projects	108750	0	0	0	108,750	-100,000	8,750
Shoreline	0	0	0	0	0	100,000	100,000
Highcliffe Rec & Pavilion	0	0	0	0	0	20,000	20,000
Wingfield Car Park	0	0	0	0	0	0	0
Revitalise High Street	120,000	0	0	0	120,000	0	120,000
Nea Meadows Car Park	0	0	0	0	0	0	0
Old School					0	30,000	30,000
Play equipment	0	0	0	0	0	8,000	8,000
Total Capital	344,773	56,840		1,498	400,031	58,000	458,031

Earmarked

Reserve	2023 Opening Balance	Transfers	Spend	Receipts	Current Balance	Transfer	Year end balance
Allotments	13,000	-13,000		2,041	2,041	-2,041	0
BCP	25,000	0	0	0	25,000	-25,000	0
Office	3,500.00	-3,500	0	0	0	0	0
Election expense	3,000.00	0	0	0	3,000	-2,000	1,000
Neighbourhood plan	0.00	0	0	0	0	0	0
Play Areas	8,000	0	0	0	0	-8,000	0
Total Earmarked	52,500	-16,500		2,041	30,041	-37,041	1,000
TOTAL RESERVE	397,273	40,340		3,539	430,072	20,959	459,031
GENERAL FUND					84,530		40,678
TOTAL FUNDS					514,602		499,709

Recommendation:

Movements to reserves as shown in table above.

(Agenda 5) Audit

To approve the appointment of Mulberry & Co as internal auditors for a two year period. Mulberry & Co have audited HWPC since 2022. An offer has been made to fix the annual fee for three years. Best practice is to change auditors every 5-7 years.

Thank you for using Mulberry & Co as your internal auditor this year.

We contacted you earlier in the year informing you of our hourly rate increase for 2023/24 to £65 and offering you the opportunity to agree a three-year engagement term with us whereby that price would be fixed until the end of the 2025/26 financial year audits.

While most councils have taken up this offer to secure a fixed cost to help their forward budgeting, our records indicate that you have not.

We are therefore writing to offer you a final opportunity to take advantage of this offer and fix your hourly internal audit rate until the end of the 2025/26 financial year audits at £65 per hour.

To take up this offer, you must confirm by email to councils@mulberryandco.co.uk by close of business on **29 February 2024** that you wish to enter the longer term engagement with us.

Recommendation: Sign a three year agreement with Mulberry & Co

(Agenda 6) Grants

The grants budget for 2023/24 is spent. A new budget will become available in April 2024 (£15,000). There is also budget in 2024/25 for Events (£30,000) of which £20,000 is already earmarked for the Highcliffe Food Festival and Christmas 2024. Any grant awarded here would be payable after 1st April 2024.

(Agenda 6a) To consider a grant application from St Marks Church

St Marks Church has applied for a grant for £10,000

A grant was given in 2023 for £6000.

Grant Application: The application is compliant

Grant purpose: *"We are constructing a green corridor friendly fence to mark the south and eastern boundary of the churchyard. We are also asking for help with the ongoing maintenance of both churchyards (at the corner of Hinton Wood Avenue with Lymington Rd with its associated tree canopy as well as the older churchyard adjacent to the church."*

Project cost: The total cost of churchyard maintenance in 2024 is £20,000

Legal note: The council has no obligation to maintain the churchyard. It does however have the power to contribute. Churchyards are deemed open or closed. Generally open churchyards are the responsibility of the associated church, while closed church yards can be maintained at public expense. Should an application be made to manage a closed churchyard, the council can refuse in which case the cost passes to the higher authority (BCP Council)

Budget: The budget did not anticipate an ongoing expense for churchyard maintenance.

Recommendation: That members consider the application in two parts: ongoing maintenance support and one off capital spend (for the fence and green corridor).

(Agenda 6b) To consider a grant application from Highcliffe Action Team

Highcliffe Action Team has applied for a grant of £10,000.

A grant was given in 2022 for £1,500 towards Town Twinning. £854 of this was returned to the council in 2023, as the project did not proceed.

Grant Application:

The application did not include minutes of an AGM as no AGM has been held.

The HAT Statement of Income and Expenditure provided show the cost of the festival in 2023 was £5,958 and HAT has £5,815 in the bank.

Grant Purpose: *"In 2021 HAT were lucky to be awarded £10,000 from BCP Council towards an event on Wharncliffe Road in Highcliffe that would be aimed at giving the community a great day out, drawing footfall to local businesses and getting Highcliffe seen as a tourism destination.*

The event is called the Cliff Top Music Festival and is a 1970's music themed event that is free for all to enter.

It took a year working with the BCP Council events team to ensure we were compliant with all elements requested by those organisations and services attending the 3 Safety Advisory Group (SAG's) we had to attend. Our Chair, Mandy

Polkey is an experienced event manager and worked to deliver the event in her volunteer capacity. After two years we were awarded a premises licence for an annual event of one day only on the BCP Council overspill car park on Wharncliffe Rd. This is in the name of the Highcliffe Action Team with Mandy Polkey as the registered licence holder. We delivered the event in 2023. It was successful and + 5000 visitors attended over the course of the day– a mixture of community and visitors. Many local businesses supported by trading and sponsoring. Donations and a raffle ensured we broke even financially. We are striving towards a sustainable event but the costs of the changes requested during the application process took away any excess funds.

We wish to again deliver the event in 2024 taking on board all the learnings from 2023’s event. There are positive changes that we wish to make and update when it comes to parking, disabled access, toilets, and communications but these of course, cost money.

We are looking to fund raise as well through smaller events and activities over the course of the year.

The Parish Councils help would be very much appreciated. The comments regarding the event on Love Highcliffe, the Facebook page of the HAT is a testimony to show how much locals and visitors want the event to continue.”

Project cost: The total cost of the project is estimated as £18,000

Legal note: The council has the power to contribute under LGA 1972, section 145, Provision of entertainment and support for the arts including festivals and celebrations.

Budget: The budget includes £10,000 for an unspecified event.

Recommendations:

1. That the commercial relationship between the HAT committee and the project delivery company be clarified.
2. That the project cost of £18,000 be justified as figures supplied show previous festivals came in at under £6,000.
3. That should members award a grant, a member of the council is appointed to the event project board and regular reports and financial statements be provided to council.

(Agenda 6c) To consider a grant application from Walkford Rd Allotment Association

This application not yet received.

(Agenda 7) Bank and building accounts

To approve the closure of unrequired building society accounts.

The Financial Services Compensation Scheme (FSCS) guarantees the first £85,000 of deposits should the bank go under. In practice, no British institution has failed with a loss to deposit holders since Equitable Life in 1994. And institutions with a turnover of more than 500k are not covered (we may breach this in 2024/25)

The five accounts we have do not give very good interest rates. Managing these accounts is difficult; we still have not completed the change of signatories for three of them. Building Societies are not geared to support councils.

The accounts we have are:

Institution	Current Holding	Interest Rate	Note	Recommendation
Teachers Building Society	85,000	4.5%		Close & xfer to CCLA
Monmouth BS	85,547	1.5%	90 day notice	Close & xfer to CCLA
Bath Building Society	85,408	4.3%	30 day notice	Close & xfer to CCLA
Cambridge and Counties Bank	85,000	4.05%	95 day notice	Close & xfer to CCLA
CCLA (Public Sector)	85,000	5.2%	Not covered by FSCS. No notice period. Interest paid monthly to Unity A/C	Increase investment
Unity instant access	106,431	2.75%	Easy transfer to current A/C.	Reduce to £20,000 rolling balance
Unity current	4,253		All payments made from this	Limit to £5,000
Total	532,386			

The internal auditor has been consulted.

Hi Tom

Thanks for your email.

It's always a question of balancing the risk against the practicalities of having multiple accounts.

Purely from a risk point of view, which as internal auditor I have to consider, having multiple accounts with under £85K in each is clearly the option which eliminates the risk.

The actual risk of any of the banks 'going bust' is relatively low, and it is a judgement call for each council to take as to how they manage their risks.

It is worth noting, if you weren't already aware, that the CCLA is not covered by FSCS - so although that is not a reason to not hold money with them (and they historically do have higher returns than the banks and building societies) - all the funds held with CCLA are at potential risk rather than just any amount exceeding £85K.

From my point of view, I have to comment on it in the internal audit reports, as it's my job to highlight any potential risks in those reports. If the council agree to accept those risks and take a different approach to their investment strategy, I'd recommend ensuring this is noted in the minutes of a meeting (or amend/update your investment policy) as this will prove the council have taken action to consider the risk management element of the accounts.

Hope that helps.

Kind regards

Andy

Andy Beams, Local Authority Consultant

Most larger authorities (such as BCP) use the CCLA Public sector deposit scheme.

Recommendation

1. That the following accounts are closed and the money moved to the CCLA Public Sector account.
 - Teacher's Building Society
 - Monmouth BS
 - Bath Building Society
 - Cambridge and Counties Bank
2. That up to £20,000 be held in the Unity instant access account except where money for larger payments is required.
3. That up to £5,000 be held in the Unity current account except where money for larger payments is required.