



# BRAMSHOTT & LIPHOOK PARISH COUNCIL

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**A MEETING OF THE FINANCE AND POLICY COMMITTEE TOOK PLACE AT 8.00PM IN THE HASKELL CENTRE, MIDHURST ROAD, LIPHOOK ON MONDAY 1 DECEMBER 2008**

## MINUTES

**PRESENT WERE:** Mrs A C James (Chairman), Mr N Newman, Mr P Jordan, Dr J Tough, Mr P Wilson (Parish Councillors). Mr A Groves (Clerk). Four members of the public were present.

### 63/08 CHAIRMAN'S ANNOUNCEMENTS

Preliminaries. Mobile phones, emergency exits, loop system, and tape machine.

### 64/08 APOLOGIES FOR ABSENCE

Cllr Miss Young.

### 65/08 MINUTES OF THE MEETING – 13 OCTOBER 2008

A vote was taken to agree the minutes (For: 6, Against: 0, Abstentions: 0).

Decision: The minutes were agreed and signed as being a true record.

Clerk

### 66/08 MATTERS ARISING FROM THE MINUTES – 13 OCTOBER 2008

None.

### 67/08 DECLARATION OF INTERESTS

The Chairman read out the need to make declarations.

### 68/08 PUBLIC PARTICIPATION SESSION

Public Questions. None.

Members/Public Participation (Code of Conduct, Paragraph 12 (2)). None.

**Public Participation**. The Chairman said she would allow members of the Bowling Club to address the Committee during the appropriate item.

## **69/08 GRANT APPLICATIONS**

Members considered an application from Liphook and Ripsley Cricket Club. The Chairman reported that funds were available in the budget, if members agreed the application. A vote was taken to agree the grant (For: 5, Against: 0, Abstentions: 0). Cllr Tough said he supported the application.

Members considered a request from Liphook Bowling Club for an additional grant towards a fencing project. The Chairman referred to the letter submitted from the Bowling Club, and said there were funds in the budget due to the non-use of the funds allocated to Conford Village Hall.

Members asked questions and raised various matters with the representatives of the Bowling Club. These included the recurring vandalism, keeping people out of the bowling green area, the use of the police cameras and the output, the cost of the damage, items at risk such as the watering tank, access areas, and the security afforded by new fencing. Discussion followed on grant funding and the use of alternative grants, and the advice that had been given about grants. Cllr Jordan advised the Bowling Club to contact Mr Rudgard (Parish Council Sport and Recreation Representative), who might be able to provide further assistance. Mrs Hamblen reported that planning permission would be required at an extra cost.

The Chairman said that due to the location, the fencing would be advantageous for the Recreation Ground, and if vandalism was reduced, be useful to everybody using the area. She said she would be happy to support the application. Cllr Jordan suggested the grant was supported to a maximum of £2,000 subject to other funds being available. A vote was taken to approve a grant of £2,000 (For: 6, Against: 0, Abstentions: 0).

**Decision:**      **The following grants were approved:**

**Clerk**

Liphook and Ripsley Cricket Club	£282	(S137)
Liphook Bowling Club	£2,000	(S137)

## **70/08 INTERNAL AUDIT REPORT (INTERIM) – 2008/2009**

Members considered the report from the Internal Auditor and the responses to the recommendation in the Action Plan. The Chairman read out the overall conclusion in the report, and thanked the Clerk. The comment was briefly discussed. The Chairman read out part of the letter from the Internal Auditor to the Clerk “You will be pleased to note there are no issues of significance arising from my work, and I would like to pass on my appreciation to you for the quality of records being maintained, and the professionalism shown in the way you manage the accounting records and observe and apply local government legislation to the accounting transactions. Thank you also for the customary courtesy and attention afforded me”. The Chairman congratulated the Clerk. Cllr Newman said that he had spoken to the Internal Auditor who said it was “one of the best that they do” and had been very complimentary.

Members discussed the recommendations in the Action Plan and the cost implications of raising the Public Liability cover. A vote was taken to agree the Action Plan. (For: 6, Against: 0, Abstentions: 0).

**Decision:** The Action Plan was agreed.

Clerk

## 71/08 PARISH COUNCIL BUDGET AND PRECEPT 2009/2010

The Chairman reported that the Tax Base had been set at £3,679.75, and this had the impact of increasing the potential income tax increase from 3.12% to 4.72%. In order to reduce this to about 3%, £3,000 would have to be found from within the budget. Members suggested and discussed where savings could be found:

1158 – Planning Appeal. Reduce by £500.

1461 – Youth Projects. The possibility of reducing funds by £1000.

1761 – Grants. Reducing the contingency by £500.

Earmarked Reserves. Reducing reserves or transfers. Cllr Jordan made reference to an alternative approach in legislation concerning reserves. No transfer of £500 to be made to the Office IT/Equipment Earmarked Reserves (1147). Removing the transfer of £500 to Traffic Calming (4961). Reducing Community Transport by £500 (4261). Retaining reserves for Youth and the Recreation Ground. Removing £500 from LMC Phase 2 (1269).

A vote was taken to agree the amendments, and for the budget to be re-calculated and presented to the Parish Council on 15 December. (For: 6, Against: 0, Abstentions: 0).

**Decision:** The draft Parish Council budget was approved and was to be presented to the Parish Council on 15 December, subject to the following amendments:

Clerk

1158 – Planning Appeal. Reduce by £500; amend to read “0”.

1269 – LMC Phase 2. Reduce by £500; amend to read “£3,500”.

1147 – IT/Office Equipment. Reduce by £500; amend to read “0”.

1761 – Grants. Reduce by £500; amend to read “£10,825”.

4261 – Community Transport. Reduce by £500; amend to read “£500”.

4961 – Traffic Calming. Reduce by £500; amend to read “0”.

## 72/08 ANNUAL PAY AWARD - 2008/2009

**The Motion:** “This Committee agrees the 2008/2009 interim pay award of 2.45% as recommended by the National Association of Local Councils based on the agreement made by the National Joint Council for Local Government, and that the award be paid to all Parish Council employees with effect 1 April 2008.”

The Chairman said the award had been budgeted for, and the increase to the costs centres would be £844.46 to the F&P Committee, £848.32 to the Recreation Committee, and £393.18 to the LMC. A vote was taken (For: 6, Against: 0, Abstentions: 0).

**Decision:** Agreed.

Clerk

## 73/08 REPORTING OF FINANCIAL INFORMATION

The Chairman referred to the letter received from Cllr Jordan following her advice to Cllr Jordan that if he had any questions he should refer them to her or the Clerk. Cllr Jordan explained that the letter was in effect a response to a request to lay the matter out. It had been suggested that he spoke to the Internal Auditor concerning one issue. Cllr Jordan said as councillors knew, he was uneasy in two respects. His unease came from his own career background because it felt wrong to him as an individual. However, it was suggested that public finance might not be the same, so he thought it sensible to check out his assumptions over public finance, and he had used EHDC resources, as recommended to councillors at the last training session. Cllr Jordan said he had the benefit of a discussion with a very helpful gentleman, Mr Kevin Harlow, who was a member of the Chartered Institute of Public Finance and Accountancy. There were two issues; one was the monthly certification of the audit which all councillors carried out in their turn. This was the issue he had discussed with The Chairman of the F & P Committee over the phone after he had done his turn. Cllr Jordan suggested that the wording be changed to reflect what was done and to drop the word “certified” which had enormous meaning in accountancy. It meant that all the creditor and debtors would have been checked, and councillors would need to satisfy themselves that they were true and fair. Cllr Jordan proposed the wording should reflect the exercise that had been done, and the recommendation he had had from the Chartered Institute of Public Finance and Accountancy (CIPFA). The second issue concerned earmarked reserves. Cllr Jordan desired a clearer record and statement on what each of the reserves was for and their nature. In recommending that, Cllr Jordan said he had obtained a publication which was Accounting Practice notes to the CIPFA guide which all accountants in public bodies and certified accountants had to adhere to. It recommended, as read from the document, which defined the reserves and protocol for information “for each reserve held by a Local Authority there should be a clear protocol setting out the reason for and purpose of the reserve, how and when the reserves could be used, procedures for reserves management control, and a process and timescale for review”. Cllr Jordan said he thought the Parish Council complied with the last three of those admirably. The aspect he felt that the Parish Council did not comply with was the reason and purpose of the reserve. There were two types of reserves. One was a sum of money set aside for a planned future need. Here the issue was always argued around “planned”. Did “planned” mean that it needed to be approved by the Parish Council, and was it “planned” in a three year period or did it mean it would like to be done if the opportunity arose? This was where the grey area of the argument arose. The second category was clearly money set aside in a contingency, which they called in the note “insurance reserves”; equipment and tractors etc. This was the setting aside of a sinking fund in the knowledge that they would deteriorate and as all appreciated, in commerce, this was called “depreciation”. Cllr Jordan recommended that the Parish Council, as put in his note, maintained a record for each of the reserves which set out the underlying rationale for the need of the reserve, and distinguishing whether it was a “planned” reserve and the reason for the planning. The Chairman interjected that she felt that information had already been incorporated into page 7 of the Budget and Precept document. Cllr Jordan said that the record should also set out the purpose of the reserve, and a plan which was seen as for execution in the budget year plus two, which is what the definition of an “earmarked reserve” was in the document in the guidance note. He recommended this on the discussions he had had.

The Chairman said that over the last 10 years, and at no time during the audit or at any other time, had it been suggested that the reserves be reported in a different way. She said she was happy with the way it was set out. There was further discussion over the CIPFA recommendation, the way information was currently set out, whether it should be changed,

when specific reserves might be used and their usefulness. The Clerk asked what document that Cllr Jordan had referred to during the meeting, and for a copy for the record, and whether it applied to Parish Councils? Cllr Jordan said he would provide a copy of the document which was the White Bulletin 55 dated February 2003 (after note; date to be confirmed) and it did not explicitly say Parish Councils; it applied to Local Authorities. Cllr Jordan said he had been advised that it applied to Parish Councils, and hence he had sought guidance.

The Chairman said that Cllr Jordan had proposed that the way that earmarked reserves should be set out. The information already provided, and the need for further changes was discussed further. The Chairman said that changes had already been made to the information provided and she thought that when Cllr Jordan received the agenda he would thank her for doing that, but it seemed that whatever anybody did somebody was always critical. Cllr Jordan said that was personal and unnecessary comment which he wished to be minuted. Cllr Newman said that as long as questions from the public could be answered, he saw no reason to make any further projections on the reserves, and he fully supported the re-wording of the first proposal. He said the Clerk had the ability to make the changes, and he thought that it could have been solved in a far easier manner if the first person Cllr Jordan consulted had been the Responsible Financial Officer (RFO), rather than going external. Cllr Jordan asked why that had or had not happened. A confidential/exempt matter was then referred to by Cllr Jordan.

Cllr Tough said that the information on page 7 satisfied what Cllr Jordan was asking for, and this was supported by Cllr Wilson. There was further discussion about the additional information already provided, the need to have a period of reflection, how the information might be developed, and making further changes to distinguish between projects and contingency. Cllr Newman asked for the opinion of the Clerk as the RFO. The Clerk felt that the information on page 7 met Cllr Jordan's requirements, gave an explanation of how the reserves were to be used, it could be tweaked in due course, and was a sensible approach although time was needed to consider the matter. In addition, he suggested that he might speak to Cllr Jordan to find out what could be added, and Cllr Jordan might like to discuss the reserves with him, which he had not done before, and which he questioned. Cllr Jordan said he had offered to do that before, at a meeting. The Clerk said he was not aware of that. The Clerk also suggested that keeping the information on one document would be helpful, and there needed to be a balanced approach. Cllr Newman raised the need for feedback from the Parish Office staff on the work it would entail. The Clerk re-iterated the need to keep the information on one document, and the need for balance.

The changes to the wording in the monthly audit, and the work carried out by the internal auditor were discussed. The Clerk advised, as RFO, that the wording was fine and could be adopted, so no further time was wasted. A vote was taken (For: 6, Against: 0, Abstentions: 0). The Chairman proposed that the information about the reserves remained as shown on page 7 of the Budget and Precept document. A vote was taken. The Clerk asked how Cllr Jordan had voted. Cllr Jordan confirmed to the Chairman that he had accepted the arguments, and that he had abstained. (For: 5, Against: 0, Abstentions: 1).

**Decision:** The wording on the monthly audit reported would be amended and the information provided about the reserves would remain as set out on page 7 of the draft Budget and Precept document.

**Clerk**

**CONCLUSION -** This concluded the business of the meeting at 9.15pm  
Confirmed at the meeting held on 9 February 2009

Signed.....  
Chairman