

MELBOURN PARISH COUNCIL MINUTES

Minutes of the Extraordinary Parish Council Meeting held on Monday 14th March 2016 at the upstairs room of Melbourn Community Hub commencing at 7.15pm.

Present: Cllrs. Tulloch (Chair), M Townsend (Vice-Chair), R Gatward, J Hales, U Cleminson, J Regan, C Stead, J Norman, I Bloomfield, Cllr Mulcock, K Crosby, M Sherwen.

In attendance: The Clerk

- 1. Apologies for absence:**
Cllr Linnette for personal reasons.
- 2. Declarations of Pecuniary and Non-Pecuniary Interests:**
There were no declarations to be made.
- 3. Financial Matters**

DUE TO THE SENSITIVITY OF THIS ITEM IT WAS PROPOSED BY CLLR CROSBY AND SECONDED BY CLLR SHERWEN THAT THE MEETING GOES INTO CAMERA. A RECORDED VOTE WAS TAKEN. CLLRS TULLOCH, CROSBY, SHERWEN, CLEMINSON, BLOOMFIELD, GATWARD, MULCOCK, TOWNSEND, STEAD WERE IN AGREEMENT. CLLR HALES, REGAN AND NORMAN WERE AGAINST GOING INTO CAMERA. 9 VOTES TO 3. THIS WAS CARRIED.

On 1st March 2016 CAPALC were invited by The Clerk to review the Council's Reserves and Finances.

A report from CAPALC was written and handed to All Councillors at the meeting. Appendix 1.

Discussions were had about the report and the advice given from CAPALC was also stated in the written report.

AT 7.30PM DISTRICT COUNCILLOR BARRETT ENTERED THE ROOM. IT WAS PROPOSED BY CLLR HALES AND SECONDED BY CLLR TULLOCH THAT ALTHOUGH IN CAMERA CLLR BARRETT WAS ALLOWED TO REMAIN IN THE ROOM. ALL IN FAVOUR APART FROM CLLR MULCOCK WHO WAS AGAINST. THIS WAS CARRIED.

Two relatively straightforward virements would be sufficient to rectify the current low position on reserves.

IT WAS PROPOSED BY CLLR TOWNSEND AND SECONDED BY CLLR GATWARD THAT THE SUM OF £70,000 OF THE £80556.14 INTERSERVE ALLOCATION TO RESERVES TO INCREASE RESERVES TO £104,380.72 OR 33% OF ANNUAL SPEND. ALL IN FAVOUR. THIS WAS CARRIED.

IT WAS PROPOSED BY CLLR NORMAN AND SECONDED BY CLLR CROSBY THE SUM OF £70,000 OF THE £70,405.13 S106 ALLOCATION TO THE INTERSERVE ACCOUNT. ALL IN FAVOUR. THIS WAS CARRIED.

Council's Accounting Process

The council seems to have been operating the basic Receipts and Payment method of accounting practice. Whilst this is a suitable arrangement for

smaller councils Audit Regulations proscribe that councils with annual spend in excess of £200,000.00 uses the Income and Expenditure method as the base for their accounting practice.

IT WAS PROPOSED BY CLLR MULOCK AND SECONDED BY CLLR NORMAN MOVE TO AN INCOME AND EXPENDITURE MODEL FOR THE 2016-17 ACCOUNTING YEAR. ALL IN FAVOUR. THIS WAS CARRIED.

Control over council funds

The system of signing cheques is in line with legislation and current practice and measures up as a robust method of financial control.

Electronic Transfer of funds is permitted under current legislation however the electronic transfer of funds method employed by the council that allows the Clerk to make payments as an individual fails completely as a robust method of financial control and is illegal.

Cllr Mulcock raised the question should Melbourn Parish Council report this finding to the Ombudsman. CEO of CAPALC confirmed there is no Ombudsman for the Parish Council, Melbourn Parish Council have now realised there is an error and will rectify this mistake, so reporting this finding is not necessary.

The Council also discussed the current ways of how the expenditure is presented to Full Council. This item needs further discussion and will be an agenda item at Full Parish Council.

IT WAS PROPOSED BY CLLR REGAN AND SECONDED BY CLLR NORMAN THE CLERK SPEAKS WITH HSBC TO INSTALL A VALIDATION SYSTEM SIMILAR TO CHEQUE SIGNING TO REMOVE THIS HIGH RISK SITUATION. IF THE COUNCIL'S BANK CANNOT ACCOMMODATE A MORE ROBUST SYSTEM OF FINANCIAL CONTROL IT IS RECOMMENDED THE COUNCIL INVESTIGATE UNITY BANK AS AN ALTERNATIVE BANKING PROVIDER WHO'S SYSTEM ELIMINATES THE CURRENT UNACCEPTABLE AND ILLEGAL METHOD OF ELECTRONIC MONEY TRANSFER OF COUNCIL FUNDS. ALL IN FAVOUR. THIS WAS CARRIED.

The above points have been discussed and approved. The Clerk will continue to investigate the other issues within the report and report back to council. All issues will need to be rectified as soon as possible over a time scale of up to 3 months.

THE PARISH COUNCIL FINISHED DISCUSSING THE REPORT AT 8.00PM. IT WAS PROPOSED BY CLLR NORMAN AND SECONDED BY CLLR CROSBY TO COME OUT OF CAMERA FOR THE REMAINING DISCUSSIONS. THIS WAS CARRIED BY ALL.

Cllr Norman raised the discussion about VAT on Melbourn Community Hub.

CEO of CAPALC confirmed Melbourn Parish Council leased the Melbourn Community Hub over to a charity, Melbourn Community Hub Management Group for a period in excess of 7 years. Melbourn Parish Council is not liable for any VAT implications. If Melbourn Community Hub is seen to be going over the 25% of corporate bookings then they may be liable for any VAT payments not Melbourn Parish Council.

As the Parish Council funds Melbourn Community Hub, the Parish Council has a duty to receive the accounts. These should be presented to council

clearly showing corporate and non-corporate profit. Melbourn Parish Councillors who are also on the Hub Management Group must never take the role as Chairman, Vice Chairman, Treasurer or Secretary.

There should be one Annual Meeting of the Hub Management Group and Parish Council and six months later a follow up meeting to discuss any maintenance issues that need to be dealt with.

Cllr Mulcock asked whether the Roles & Responsibilities document forms part of the lease. **ACTION: CLERK TO FIND OUT**

Cllr Hales expressed his thanks to Mr Ian Dewar, CEO from CAPALC for attending the meeting this evening and ALL present at the meeting agreed.

There being no other business, the Chairman closed the meeting at 8.20p.m.