

POLICY and PROCEDURE: Melbourn Hub Financial Controls

PURPOSE: To Define the Policy and Procedure for Financial transactions between the Melbourn Hub Management Group and Melbourn Parish Council

SCOPE: Routine and Non-Routine Financial Transactions and Planning

POLICY: It is the Policy of both Melbourn Parish Council and Melbourn Hub Management Group to carry out the planning and execution of their related finances according to the guidelines set out in this document. The objective of the Policy is to ensure effective financial control and transparency. This policy does not outweigh the regulations set out in Melbourn Parish Council's financial regulations.

RESPONSIBILITIES:

All basic responsibilities for financial matters are set out in the Lease between the Melbourn Hub Management Group and Melbourn Parish Council. The Lease can be accessed on Melbourn Parish Council's website at: <https://melbournparishcouncil.gov.uk/wp-content/uploads/2017/01/Lease-MPC-and-MCHMG-20-December-2013.pdf>

Detailed responsibilities for the various classes of financial management and control are set out in the sections that follow, together with procedural steps that are necessary in each case.

PROCEDURE:

1. Long Term Capital Planning

1.1 *Planned Replacement of Equipment due to Wear and Tear or Obsolescence*

- 1.1.1 Hub Management, in co-operation with the Clerk/Parish Office, will create and maintain an up to date Asset Register of all items within the Hub building. Hub Management will annotate the Register to highlight any items that the Hub wishes to nominate and retain as Hub-owned assets. The balance of items defines the property of the Parish Council and all such items are subject to planned replacement when necessary.
- 1.1.2 Hub Management, in co-operation with the Clerk/Parish Office, will agree a planned replacement date for all items on the Asset Register. The replacement value will be absorbed into Council forward financial plans and will contribute to decisions taken on the annual value of the Asset Reserve.
- 1.1.3 For every annual precept planning exercise both Hub and Parish Council will

agree the items that require replacement and make provision either within the Asset Reserve or alternatively the forthcoming year precept.

- 1.1.4 Hub Management Group will bring forward in writing to the Clerk/Parish Office items identified as needing replacement for consideration at full meetings of the Parish Council. Decisions by the council must be supported by quotes and written justification. In accordance with the Parish Council's financial regulations, the aim will be to strive to seek three quotes.
- 1.1.5 Responsibility for purchasing replacement items will normally lie with the Clerk/Parish Office but can be redirected to Hub Management by mutual written agreement if the latter is a more practical route. Purchases made in this way will be cross-charged by the Hub to the Council and the balancing transaction subsequently approved at a Council meeting.

1.2 *Upgrade to Existing Items and/or Purchase of Entirely New Equipment*

- 1.2.1 Hub Management will make the Council aware of situations where a capital item requires early replacement due to unexpected or design reasons. An example might be an upgrade to lighting to make it more energy efficient.
- 1.2.2 Hub Management will also make the Council aware by written communication of situations where a new capital item is justified due to customer or business needs. An example might be the purchase of additional café furniture to meet the needs of increased trade.
- 1.2.3 Items will be brought forward for discussion at annual precept-setting meetings and incorporated into the precept budget if agreed.
- 1.2.4 Hub Management in co-operation with the Clerk/Parish Office will bring forward such new items or those requiring upgrade replacement for consideration at full meetings of the Parish Council. Decisions by the council will be supported by quotes and written justification.
- 1.2.5 Responsibility for purchasing upgraded or new items will normally lie with the Clerk/Parish Office but can be allocated to Hub Management by mutual agreement if the latter is a more practical route. Purchases made in this way will be cross charged by the Hub to the Council and the balancing transaction subsequently approved at a Council meeting.
- 1.2.6 There may be a requirement for Hub Management Group to purchase a new capital item, if the council decides against purchasing the new capital item. The item will become a Hub-owned asset as detailed under 1.1.1 above.

2. Maintenance of Building Fabric and Systems

Note: Under the terms of the Lease Melbourn Parish Council are the Landlord and

have responsibility for external maintenance of the Hub building fabric together with all 'embedded' services and support systems. Hub management are responsible for the internal decoration and the reasonable care, maintenance and custody of equipment and capital items in the ownership of the Council.

2.1 *External Maintenance*

2.1.1 The following items form recurring precepted costs in accordance with an agreed Maintenance Plan. Some items will require annual servicing whereas others will re-occur every few years. It is the responsibility of the Clerk/Parish Office to obtain quotes and execute the works involved. It is the responsibility of Hub management to draw attention to works that need to be addressed according to a maintenance plan pre-agreed with the Melbourn Parish Council. Costs should be anticipated as part of the Asset Management Reserve or incorporated into annual precept-setting.

- Exterior Decoration
- Gutter repairs and cleaning
- PV panel Cleaning
- Roof Maintenance e.g. tile repairs
- Window maintenance and repairs e.g. Replacement of Double-Glazing
- Repairs and renewals to exterior lighting
- Maintenance of external signage
- Landscape maintenance

2.2 *Internal Systems & Services that form part of basic building infrastructure*

2.2.1 This includes embedded services (in the Lease 'conduits') and all items that relate to the safety/function of the building that exist irrespective of the Hub business operations. Melbourn Parish Council has responsibility for servicing and repair of items in the following list. It is the responsibility of the Clerk/Parish Office to obtain quotes and execute the works involved according to a set schedule. Costs should be anticipated as part of the annual precept-setting exercise.

- CCTV
- Fire Equipment and inspection costs
- Gas boiler and heating system safety inspections, servicing and repairs
- Electrical & Lighting systems inspections, servicing and repairs
- PAT annual testing
- Fire and Intruder Alarm system inspection, servicing and repairs
- Automatic Doors, compliance inspection, servicing and repairs
- Legionella compliance costs
- Air condition inspection, servicing and repairs
- Wheelchair Lift inspection, servicing and repairs

2.2.2 It is the responsibility of Hub management to draw attention to any out of plan or unpredicted works that might need to be addressed. In such cases competitive quotes should be presented to or obtained by the Clerk/Parish Office and the

non-precepted costs considered for approval by the Council.

3. Urgent Capital or Expense Items

Background: It is a reality that the Melbourn Hub, as a commercial business, will face situations that require urgent action. Spend related to such matters needs to be expedited on a timescale that meets the business needs. The timescale is often shorter than would normally be preferred by the Parish Council. Strategies to be used when this situation arises are:

3.1 *Internal Systems & Services that form part of basic building infrastructure*

3.1.1 (See item 2.2 above) Some of the systems in this category are unlikely to require urgent action or spend due to an unpredicted failure of some kind. For example, a failure of an air conditioning unit, while not comfortable in hot weather, could be managed without adopting urgent measures. Others, for example a fault with the Fire Alarm, need to be addressed as soon as is practicable.

3.1.2 All the items in this category will be managed through annually reviewed service contracts. This will avoid the need for competitive quotes during each operating year. If an urgent service visit is required the following measures will be adopted:

- The Clerk/Parish Office will call the registered Service Provider relating to the item in question and ask for cost and availability of urgent call out. Quotes will normally cover only the callout hourly charge as the issue cannot be fully costed until a service engineer has assessed the matter on site.
- In the absence of the Clerk/Parish Office, Hub management will call and advise the Parish Council Chair that an emergency call-out is required. The Chair will delegate the matter to the Hub management to progress.
- In circumstances where neither Clerk/Parish Office or Chair are available the matter will be progressed at the discretion of Hub management.
- The call-out will be actioned by the party who is handling the matter on the basis of a provisional call-out cost and subject to full quantification on arrival of the Service Agent.
- An email record will be provided by the party handling the matter to provide an audit trail.
- Actual costs will be submitted for retrospective approval by the council

3.2 *All Other Urgent Spend Requirements*

Background: Very occasionally an item of spend will become necessary that is critical to the functioning of the Melbourn Hub as a commercial business. Short term (for example a one day) stoppage of the core business has significant

negative financial impact and loss of customer confidence. An example might be the complete loss of kitchen function due to sudden equipment failure.

- 3.2.1 Hub management will usually be the first to become aware of a critical equipment or other problem that requires immediate attention and with an attendant need for a financial decision.
- 3.2.2 Where possible, the costs of fixing an urgent problem or replacing a defective item of critical equipment will be pre-determined. Hub management will share this information and the problem with the Clerk/Parish Office, or in the absence of the Clerk/Parish Office the Chair of the Parish Council, with the objective of agreeing a course of action that minimises business outage.
- 3.2.3 In the unlikely event that neither a Council officer or the Chair is contactable, Hub management will act independently if the matter cannot wait. In this situation the details of the problem, likely cost and steps taken will be set out and communicated by email to the interested parties prior to action being taken. A response will be sought from the Council prior to any action being taken, unless:
- A) The problem is a serious health and safety issue which requires immediate action in accordance with current regulations.
 - B) The problem will result in the immediate closure of the Hub, unless action is taken.
- 3.2.4 Clerk/Parish Office and Chair will have authority in these circumstances to approve emergency spend up to £1,000 subject to retrospective council approval.

4. Routine Reporting & Review

4.1 **Reporting:** Hub management will report on key issues arising, including those that have affected Hub costs and spend, through a standing item on monthly full council meeting agendas

4.2 **Review:** Hub management, Parish Councillors and Officers will meet at least twice yearly to review the financial and general relationship between the two parties.

Document Approval:



(Chair to Melbourn
Parish Council)

Date of Parish Council Meeting: 9 August 2023