



MINUTES OF A MEETING OF THE **FINANCE AND HUMAN RESOURCES COMMITTEE** HELD ON **WEDNESDAY 25TH NOVEMBER 2020** AT **19:30PM. THIS MEETING WAS HELD VIA VIDEO CONFERENCE CALL DUE TO THE COVID 19.**

Present: Cllr S Barker, Cllr C Finlay, Cllr A Petty, Cllr N Sherlaw, Cllr D Waller

Apologies There were none.

Absent

Also in attendance: Ms J Miller (Clerk & RFO); Mrs G Jackson (Deputy Clerk); 6 Members of the Public, Cllr S Falzon-Thomas, Cllr S Kirk, Cllr N Redding, Iain Morrell

FHR20/177. To receive and accept Apologies for absence

There were none.

FHR20/178. To receive Declarations of Interest

There were none.

FHR20/179. Minutes – It was **RESOLVED** that the minutes of the meeting held on 14th October 2020 be approved and the minutes will be physically signed at the earliest opportunity. **CF**

FHR20/180. Cllr Petty asked for the electricity at the Sports Park to be broken down. **Clerk**

FHR20/181. Chairman's Announcements – to receive announcements
The Chairman announced the meeting is being recorded and that he would like to adhere to the standing orders to ensure a disciplined meeting. The meeting is being recorded. Would ask cllrs to be concise in their comments.

Finance & Governance

FHR20/182. It was reported that standing orders 3 (e) to (k) would be suspended to allow the financial investigator to speak at the meeting.

FHR20/183. To receive the financial investigation report and to suspend standing orders to enable Mr Ian Morrell to address the meeting.

The financial investigator recommended the following in his report:

"Any organisation in the critical financial position that KHPC is in should conduct a thorough review of all its activities and look to where it can make savings, and if possible, generate more income. Clearly, with the Covid-crisis still very much with us, the latter option is not realistic. 'Business as usual' is not an option. The Parish Council no longer has the luxury of spending money on 'nice to have' items.

This process starts with the current financial year and is essential to planning for 2021-22 and beyond. An analysis of all overhead costs must be undertaken, and action taken to reduce expenditure where possible, in the short and medium term. Any risks associated with cost-cutting must be clearly analysed and understood.

A key principle in this review is that the Council should consider its role in directly managing services, contracting them out or facilitating the activities of other organisations. On the principle of opportunity cost the council should consider where it is subsidising the activity of certain residents, and by so doing, does not have the capacity to assist others. Areas to consider include (but are not limited to):

- Grants
- Sports Park
- Community Centre
- Allotments: many councils find themselves in the position of incurring net expenditure and a significant amount of staff time in running allotments. Self-management by tenants obviates an ongoing financial and staff-time commitment by the council and should be considered. This would clarify the role of the Council as a landlord, not an operator of a service.
- Open spaces, in particular landscape costs
- Events
- Projects”

It was **RESOLVED** to recommend to Full Council to proceed with the above recommendation.

Clerk/ Full Council

FHR20/184. The financial investigator recommended the following in his report:

“The council should seek to identify a professional community sports and leisure management company to take over day to day control of the Sports Park. In so doing the council will reduce the financial and operational risk inherent in direct management. Such an agreement must be of sufficient length to ensure that long-term planning and investment is viable. Taking legal and financial advice on the terms of any contract is essential.”

It was **RESOLVED** to recommend to Full Council to seek to identify a professional community sports and leisure management company to take over day to day control of the Sports Park.

Clerk/ Full Council

FHR20/185. The financial investigator recommended the following in his report:

“The Council should properly implement its policy for General and Earmarked Reserves. A thorough analysis of the required level of General Reserves must be part of the budget setting process for 2021-22. The figure will be not less than 3-months expenditure, so it is further recommended that this is used as the baseline target figure with immediate effect and reconsidered when a financial action plan is agreed. The council should consider, in its annual review of the General Reserves figure, whether the agreed level is explicitly written into the Reserves Policy for the forthcoming year for the avoidance of doubt.”

It was **RESOLVED** to recommend to Full Council to endorse the recommendation and investigate how this can be policed.

Clerk/ Full Council

FHR20/186. The financial investigator recommended the following: -

“The council should utilise a rigorous risk management model for all its activities, identifying (at a minimum) the impact of potential risks and mitigation measures taken or proposed to reduce the risk.”

It was **RESOLVED** to recommend to Full Council to proceed with the recommendation.

Clerk/ Full Council

FHR20/187. The financial investigator recommended the following: -

“The council should undertake in-house training on its key policies. This is so that existing members refresh their understanding and new councillors can be made aware of their significance at the earliest opportunity. The training needs to emphasise the importance of adherence to these policies, which are legal obligations, not guidance. In the context of this report the key policies are:

- Code of Conduct
- Financial Regulations
- General and Earmarked Reserves
- Protocol for Councillor and Officer Relationships
- Standing Orders”

It was **RESOLVED** to recommend to Full Council to proceed with this recommendation.

FHR20/188. The financial investigator recommended the following: -

“The council should review its committee and decision-making processes including reports supporting agenda items, so councillors are adequately informed of issues prior to meetings and the recording of resolutions and the context in which these resolutions have been made is clear and comprehensive.”

It was **RESOLVED** to recommend to Full Council to proceed with this recommendation.

Clerk/ Full Council

FHR20/189. The financial investigator recommended the following: -

“KHPC must ensure that any significant financial commitment in future is subject to a rigorous risk and business case assessment utilising an approach such as The Five Case Model developed by the government for use in the public sector: fivecasemodel.co.uk/overview.”

It was **RESOLVED** to recommend to Full Council to proceed with this recommendation.

Clerk/ Full Council

FHR20/190. The Chairman thanked Ian Morrell for his work and for attending the meeting.

Grant Funding

FHR20/191. To note a County Members Grant has been awarded in the sum of £4597.40 in relation to the allotment site fences.
The grant was **noted**.

FHR20/192. To note a grant has been awarded by Ibstock Enover Trust in the sum of £2,692.50 for banqueting chairs for the community centre refurbishment.
The grant was **noted**.

FHR20/193. To note there has been no response currently to the Kent Community Foundation application in the sum of £2,200 for tables for the community centre refurbishment.
This was **noted**.

FHR20/194. To receive grant funding application from Home-Start South West Kent.
It was **RESOLVED** that this grant be refused due to the parish council's financial crisis.

Deputy Clerk

Financial Matters

FHR20/195. To note Full Council review of 2021/ 2022 budget and to review cost cutting measures for 2021/2022.

It was **RESOLVED** to make the following amendments to the budget for the remainder of this year for recommendation to Full Council.

- To give delegated authority under s101 of the Local Government Act 1972 to the clerk to change opening hours of the café.
- To reduce the repairs to the "play areas repairs and maintenance" budget line to high risk only.
- To investigate reducing the contractor landscaping to the same as Kent County Council service levels.
- To not fill the parish council owned salt bins for the remainder of this year.
- To change the cleaning of the bus stop to bi-monthly.

FHR20/196. *The chairman allowed councillors that are not members of the committee to address:*

Cllr Falzon- Thomas asked what Elite Clubs were training at the sports park and commented on the high cleaning bill at the Sports Club. This question would be asked at the next Amenities Committee to be held in January 2021.

FHR20/197. *The chairman allowed councillors that are not members of the committee to address the meeting to ask questions:*

Cllr Kirk asked what the cost would be to operate the sports park at the bare minimum.

FHR20/198. It was **RESOLVED** to apply changes to 2021/ 2022 budget as per the recommendations from the financial investigation and then recommend the budget to Full Council.

Clerk

FHR20/199. To receive draft financial report within the new committee structure and monitor each committee's performance against budget and report significant variances to Full Council with recommendations for appropriate action – October 2020.

The report was **noted**.

- FHR20/200.** Verification of bank reconciliation – October 2020.
The chairman and RFO will review the bank statements and reconciliation statement for signature at an earliest convenience.
 The verification of the bank statements will be signed at the earliest convenience. **Clerk/ CF**
- FHR20/201.** Reserves – to receive reserves position as at October 2020
 It was **noted** that the Parish Council no longer holds reserves for this financial year and the full amount of precept is being used as revenue funds, due to the lack of income caused by the COVID-19 government restrictions on sports and leisure facilities.
- FHR20/202.** To note external advice on financial position.
 The yearend financial projections were **noted**.
- FHR20/203.** It was reported that there may be a temporary loan available from Tonbridge & Malling Borough Council in the sum of approximately £60k to use a safety net should income not cover expenditure to the financial year end. This would be paid back in two tranches when the precept is paid in 2021/22. It was **RESOLVED** to recommend to Full Council to apply for the temporary loan. **Full Council**
- FHR20/204.** A report was received and it was **noted** that the parish council had again applied to HMRC for furlough and been declined.
- FHR20/205.** It was **RESOLVED** to suspend Standing Order 3(v) and continue the meeting until 22.00 pm.
- FHR20/206.** The following NALC advice was in the financial report but the Finance & Human Resources Committee did not note this:
- a) The corporate body urgently reassess the council’s financial position and precept requirements for 2021/22
 - b) The corporate body proceed with the application for a loan from TMBC
 - c) The corporate body seek to recover the lost income from the government via TMBC to negate the requirement to repay the loan
 - d) The corporate body engage with the local MP regarding the funding to local councils and for him to take up these concerns with MCHLG
 - e) The corporate body to send all documents to KALC for escalation to NALC.
- FHR20/207.** To note application to defer Public Works Loan Board payment in January has been submitted.
 The submission was **noted**.
- FHR20/208.** To note discussion with Tonbridge & Malling Borough Council regarding the parish council finances and investigations into another parish council’s legal challenge for Furlough refund payments.
 This was **noted**.
- FHR20/209.** To receive and review financial plans for new activities / events / service provision from other committees for consideration by the Council for approval

and to consider which power/statute the parish council is using for the expenditure of each project that is undertaken.

(a) Sports Park Outdoor Service

(b) KHCC Marketing Plan

It was **RESOLVED** to defer this item to the next Finance & Human Resources Committee to be held in January 2021. **FHR**

FHR20/210. To note insurance renewal (Long Term Agreement Year 2 of 3)

The insurance renewal was **noted**.

FHR20/211. To note community centre essential roof repairs being charged to estate management account in Q2 2021/22 £7,021.30

This was **noted**.

FHR20/212. To note KHPC have been advised that the replacement of the carpet in the foyer due to the Community Centre Extension by Liberty Property Trust £4,361.00.

It was **RESOLVED** not to proceed with this due to the current financial position of the council.

Governance and Administration Matters

FHR20/213. To note cyber crime risk assessment is underway and to receive update from Cllr Barker on activities of other councils.

It was reported that no progress has been made on this.

FHR20/214. To receive update from Cllrs Finlay and Sherlaw regarding the safety of Microsoft Azure.

It was reported that no progress has been made on this.

FHR20/215. To form a complaints committee of three councillors.

It was **RESOLVED** that the following councillors would form the complaints committee:-

- Cllr Petty.
- Cllr Sherlaw.
- Cllr Barker

Deputy Clerk

FHR20/216. To receive internal audit report 2019-20

The internal audit report was received and it was **noted** that the auditor recommendation that payroll should be outsourced should be placed on a future agenda.

FHR20/217. To consider the Acceptable Use Policy for recommendation to Full Council.

It was **RESOLVED** to defer this item to the next Finance & Human Resources Committee meeting to be held in January 2021.

FHR20/218. To consider Press and Media Policy for recommendation to Full Council.

It was **RESOLVED** to defer this item to the next Finance & Human Resources Committee meeting to be held in January 2021.

FHR20/219. To report external meetings with representatives of the Finance & HR Committee

There were none.

To report Correspondence and matters for information

FHR20/220. 07/10/2020 – RSN Rural Funding Digest - October 2020 Edition. **Noted.**

FHR20/221. 09/10/2020 – Email from Rialtas regarding fees and charges. **Noted**

FHR20/222. 23/10/2002 - DIS 974 and funding bulletin. **Noted**

FHR20/223. **To note future meeting date** – 27th January 2021

FHR20/224. **Questions from Committee Members and future agenda items**

There were none.

Human Resources and Other Confidential Matters

Pursuant to section 1(2) of the Public Bodies (Admission to Meetings Act) 1960, because of the confidential nature of the business to be transacted, the public and the press were asked to leave the meeting during consideration of items FHR20/110 to FHR20/122

The confidential session began at 21.39

GDPR

FHR20/225. To note GDPR documentation is being produced by DPO and will be brought to committee once finalised.

This was **noted**.

FHR20/226. To note mandatory GDPR training for councillors took place on Thursday 12th November 2020. In attendance: Cllrs S Barker, Cllr C Bridger, Cllr M Colman, Cllr K Kassem-Toufic, Cllr S Kirk, Cllr C Finlay, Cllr N Redding, Cllr N Sherlaw, Cllr D Waller.

This was **noted**.

FHR20/227. To note GDPR breach as reported to ICO by third party.

It was **noted** that there had been a councillor GDPR breach.

FHR20/228. To note insurance company put on risk of legal challenge from third party regarding data breach.

This was **noted**.

Human Resource Administration Report

FHR20/229. To note no starters and leavers since previous committee meeting.

It was **noted** that there had been no starters or leavers since the last meeting.

FHR20/230. To note training sessions attended since last committee meeting.

Cllr Colman - KALC Net Zero and Environment Brief and Freedom of Information.

Cllr Kassem-Toufic – Dynamic Cllr.

Cllr Falzon-Thomas – Dynamic Cllr.

Cllr Siobhan Kirk – Dynamic Cllr.

Cllr Nick Redding – Dynamic Cllr.

FHR20/231. It was **RESOLVED** that Cllr Barker would take the minutes for the remainder of the meeting.

The Clerk and Deputy Clerk left the meeting at 21.43 and it was RESOLVED that Cllr Barker would take the Minutes.

FHR20/232. To receive investigation undertaken in relation to determining the veracity of the conflict within the composition of the HR Sub Committee.
Following discussion on conflict of interest it was **RESOLVED** that Cllrs Barker, Finlay and Sherlaw would be members of the HR sub Committee for the Clerks Appraisal. A date and time for the Appraisal will be arranged.

Performance Updates

FHR20/233. To receive any staff performance updates from the clerk.
This item was not discussed.

The meeting closed at 21.52

Signed

Date