

HORNTON PARISH COUNCIL
MINUTES OF THE PARISH COUNCIL MEETING HELD IN THE CHAPEL ON
MONDAY 26 SEPTEMBER 2016 AT 8pm

Present: Chair Offord and Councillors Bellamy, Hewlett, Jarrett and Wain.

Also in attendance: Clerk & RFO Katherine Mills

Committee members and members of the public:

Norman Britton, Ann Hemmings, Julie Stanley, Justina Marot, Bill Jeffs, Liz Jeffs, Ian Donaldson, David Miles, Steve Woodcock, Eileen Lewis, Simon Woolf, Andrew Overton, Glen Walther, Joann Langton, Bob Langton, Martin Jones, Colin McCloud, Sue McCloud, Adrian Hardwick, Antoinette Powell

1. APOLOGIES

Cllrs Burden gave his apologies and these were accepted.

2. Declarations of interest

There were no declarations of interest.

3. Review of the JUMPA, Pavilion and Playground financial and reporting structure

Cllr Offord thanked those present for attending the meeting and gave the following report regarding the review of the financial and reporting structure of the committees:

IT IS IMPORTANT THAT THE COMMITTEES OF EACH OF THE THREE ORGANISATIONS, JUMPA, PAVILION AND PLAYGROUND, WERE AWARE OF THE FINANCIAL AND STRUCTURAL CHANGES THAT ARE GOING TO HAVE TO BE MADE AS SOON AS POSSIBLE. THIS WILL ALLOW THEM TIME TO CHOOSE WHICH OF THE FOLLOWING OPTIONS THEY WANT TO FOLLOW AND FOR THE PARISH COUNCIL AND COMMITTEES TO COMPLETE ITS IMPLEMENTATION BEFORE APRIL 2017.

THE PARISH COUNCIL IS REQUIRED EVERY YEAR, BY LAW, TO HAVE AN EXTERNAL AUDIT. CONCERNS WERE RAISED BY THE AUDITORS WITH REGARD TO FINANCIAL REPORTING, VAT AND STANDING ORDERS RELATING TO THE SUB COMMITTEES. IN PARTICULAR THE RECLAIMING OF VAT FROM HMRC, THE SEPARATE COMMITTEE BANK ACCOUNTS AND THAT, WHILST THE PARISH COUNCIL HAD ULTIMATE RESPONSIBILITY FOR THESE COMMITTEES, THIS IS NOT REFLECTED IN THE DECISION MAKING PROCESS.

AS A RESULT OF THE AUDITORS CONCLUSIONS, THE PARISH COUNCIL DECIDED THEY NEEDED PROFESSIONAL ADVICE AND EMPLOYED A SPECIALIST CONSULTANT FOR TWO DAYS. THE CONSULTANT MET WITH KATHERINE, OUR CLERK AND RESPONSIBLE FINANCIAL OFFICER, KEVIN WAIN AND MYSLEF TO REVIEW THE FACTS AND PROVIDE AN EXPERT OPINION. MAY I THANK BOTH KEVIN AND KATHERINE FOR THEIR TIME ON THIS.

FOLLOWING THIS REVIEW THE CONSULTANT PROVIDED US WITH TWO OPTIONS TO MEET OUR AUDITING AND FINANCIAL RESPONSIBILITIES AND THESE ARE:

EITHER – CHARITABLE STATUS

- ANY OR ALL OF THE SUB-COMMITTEES TAKE CHARITABLE STATUS.
- RETAIN THEIR OWN BANK ACCOUNT.
- SET UP A GROUP OF TRUSTEES TO RUN THE ORGANISATION.
- THEY WILL HAVE TO DECIDE THEN IF THEY SHOULD BE VAT REGISTERED.

OR – WORKING WITH PARISH COUNCIL

- THE COMMITTEES BECOME TRUE SUB COMMITTEES OF THE PARISH COUNCIL.
- ALL INCOME AND EXPENDITURE WOULD BE THROUGH THE PARISH COUNCIL MAIN ACCOUNT. ITEMS WITHIN THAT CAN BE RING FENCED, SUCH AS SPECIFIC DONATIONS OR FUND RAISING FOR ANY COMMITTEE.
- THIS OPTION WOULD ALLOW THE PC TO CONTINUE TO RECLAIM VAT ON THE COMMITTEES BEHALF.
- THE PC WOULD THEN TAKE FULL RESPONSIBILITY FOR THE FINANCES. THIS WOULD MEAN THE SUB COMMITTEE PUTTING FORWARD RECOMMENDATIONS OF EXPENDITURE FOR THE PARISH COUNCIL, AS ELECTED AND CO-OPTED MEMBERS, TO VOTE ON. THE REGULATIONS WILL ALLOW THE PARISH COUNCIL TO SET UP FOR EACH COMMITTEE A DISCRETIONARY SPEND FOR EVERYDAY COSTS.

A FURTHER SUGGESTION, WHICH MAY HELP IF THE CHARITABLE STATUS ROUTE IS CHOSEN, WOULD BE THE MERGING OF JUMPA AND PAVILLION COMMITTEES.

WE MUST EMPHASISE THAT THIS SITUATION HAS BEEN IMPOSED UPON THE PARISH COUNCIL BY AUDITING AND HMRC REGULATIONS. THE PARISH COUNCIL WANTS TO STRESS IT IS UP TO EACH COMMITTEE TO CHOOSE WHICH OF THE OPTIONS THEY PREFER. FOR EXAMPLE, THE PAVILION MAY CHOOSE TO BECOME A CHARITY AND JUMPA MAY WORK WITH THE PARISH COUNCIL.

THE NEW STRUCTURE OF THE PARISH COUNCIL AND SUB - COMMITTEES HAS TO BE FULLY COMPLETED BY THE END OF MARCH 2017. GIVEN THE WORK TO ACHIEVE THIS EACH COMMITTEE WILL HAVE TO HAVE DECIDED ON THEIR OPTION BY THE 30TH OCTOBER.

- 4. Public participation session** - with respect to items on the agenda
- The Chair invited questions and a discussion took place regarding the implications of becoming a charity to include the transfer of assets. In the event of the Pavilion becoming a charity the Pavilion building would remain the property of the Parish Council and would be let to the charity. The issue of maintenance costs would need to be considered and the Pavilion would be responsible for its own insurance and audit costs and the preparation of annual accounts for submission to the Charity Commission. There would be a VAT exemption limit in place but as a charity it would be possible to claim gift aid. It was noted that the trustee implications were significant and it could take up to 6 months to establish a charity with the assistance of a professional advisor.

A discussion regarding the financial structure of the committees took place and it was clarified that if a committee decided to work with the Parish Council, the committee finances would amalgamate with the Parish Council bank account but donations and fund raising monies would be ring fenced within the accounts.

The Chair reported that the Consultant had advised that the Parish Council had the option of borrowing money for a project if was approved by the Parish Council.

The Chair provided copies of a summary document regarding the benefits and issues of becoming a charity or working with the Parish Council as a committee.

The committees were asked to give feedback on their decision by the 30th October and advised that councillors would be available to answer any queries in the meantime.

The meeting closed at 8.25pm

Signed

DRAFT