

Abbots Langley Parish Council

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22nd October 2020.

To Members of the Finance & Administration Committee

Councillors Sara Bedford, Liz Burns (Chairman), Ruth Clark, Fran Deschampsneufs, Jane Lay, Owen Roe & John Swallow.

The next meeting of the Finance & Administration Committee will be held virtually ^[1] on Monday 26th October 2020 at 6:00 pm when your presence is summoned for the purpose of transacting the business outlined below.

The meeting will be held on the Zoom platform. Login details are available from the Clerk to the Council.

The press and public are welcome to attend the meeting.

Tim Perkins

Clerk to the Council

^[1] *Permitting legislation - The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020.*

AGENDA

1. **Apologies for Absence**
To receive and accept apologies for absence.
2. **Declarations of Interest**
To receive declarations of interest in items on the agenda.
3. **Public Participation**
To note if any members of the public have requested to speak at this meeting, in accordance with the Parish Council's Public Speaking Arrangements.
4. **To confirm the Minutes of the Meeting held on**
27th June 2020. (previously circulated)
5. **Internal Audit**
 - i. To consider the final 2019-2020 report from the internal auditor. (enclosed.)
 - ii. To review the effectiveness of internal audit. (Clerk's report item 1.)
 - iii. To appoint the internal auditor for the financial year 2020-2021. (Clerk's report item 2.)
6. **Community Infrastructure Levy (CIL)**
 - i. To consider the latest CIL Tracking Report (October 2020 update enclosed.) ^[1]
 - ii. To approve the CIL Monitoring Report and its publication on the Parish Council's website. (enclosed report.) ^[1]
7. **Budget Monitoring**
To consider spend to end Q2 2019-2020. (See budget book and tracking report enclosed. ^[1])
8. **Budget 2020-2021**
To consider the current revision of the budget. (Clerk's report item 3 and budget book. ^[1])

Abbots Langley Parish Council

9. Clerk's Report

- i External Audit 2019-2020 & Internal Audit 2020-2021 (Clerk's report item 4.)
- ii Office Telephone System (Clerk's report item 5.)

^[1] *Committee members only, other members on request.*

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Abbots Langley Parish Council
Clerk's Report - F&A - October 2020

1. Effectiveness of Internal Audit

Members are required to review on an annual basis the effectiveness of internal audit.

Scope

In 2017 Auditing Solutions provided a copy of their full work plan which members agreed. I have checked with them and the plan used this year is substantially the same as there have been no significant legislative changes. Also, as the Parish Council has received good internal audit reports, there are no areas that require any form of special review.

Members need to be satisfied that the quality of the reporting provided by Auditing Solutions and the depth and breadth of their audits is appropriate.

Independence

Members also have to be satisfied that Auditing Solutions are independent and detached from the process of preparing the Parish Council's accounts and that they have no commercial or other relationships with either members or officers of the council, beyond the fee-based arrangement for auditing services.

Competence

The auditors who carry out our internal audit are professionally qualified and hold indemnity insurance. They also have significant experience of auditing local councils so are aware of the legislative requirements specific to the sector.

Relationships

Officers are satisfied with the working relationship with Auditing Solutions, we are involved in the planning of audit and whilst we do not consider they are a "soft touch", their cooperative working style makes the sometimes difficult audit process more bearable.

Planning and Reporting

Audits are planned well in advance and areas of risk management are covered in the work plan.

The Chairman of this committee will meet with the audit principal later this year, without officers present, this will give both the opportunity to review the audit and current controls.

Officers believe that the current internal audit process is effective, thorough and cost effective.

2. Appointment of an Internal Auditor

The papers for a previous external audit inferred that the PC should be appointing its internal auditor on an annual basis. If this is the case then I (and other Clerks) have missed a memo. There is a requirement to assess the effectiveness of internal audit, as above.

Auditing Solutions are the only company operating in this area that have the capability to provide internal audit services to larger local councils. Until new providers of internal audit services emerge, who are experienced in the specifics of local council audit, then officers recommend re-appointing Auditing Solutions as provider of internal audit services for FY 2020-2021.

The 2017-2018 Internal Audit Programme was approved in November 2017 (F&A min 270i). The programme is expected to be substantially unchanged for 2020-2021. Any significant changes to legislation, or best practice, which affect the programme will be advised to this committee.

Abbots Langley Parish Council
Clerk's Report - F&A - October 2020

3. Budget 2021-2022

Overall Summary

The following will probably be a common theme through budget discussions this year:

Positives

- COVID Support Grant from TRDC (£25,000)
- Expenditure particularly on Leisure codes lower than usual due to lockdown and hot weather impacting usual summer works.
- Higher than budgeted General Fund balance at 31st March 2020.
- Saving one Groundsperson's salary and on costs. (Left Feb 2020 replacement earliest Nov 2020.)
- Saving Grounds Apprentice salary and on costs from October 2020.
- Pitch hire income 87% of budget.
- Large committed expenditure funded from Community Infrastructure Levy (Primrose Hill Play Area), so does not impact revenue budgets.

Negatives

- Complete loss of Manor House hire and bars income for financial year. Offset by no bar staffing costs and stock purchases.
- Likely slow recovery of hire and bar revenue in 2021-2022.
- Tanners Wood Hall hire income slowly coming back in this financial year (20% of 2019-2020 forecast).
- A potential budget challenge for next financial year if Henderson Hub Co. decide to break their lease at the November 2020 break point.

This second cut of the budget shows a higher than expected General Fund balance at the end of 2021-2022, this is mainly due to reduced expenditure through this financial year and the higher than budgeted General Fund balance at the end of 2020-2021, which was mainly due to cost control bringing spend in below budget.

The Big "But".

Although the above may look better than expected there have been no allocations to reserves which are usually significant. Members will need to consider earmarked and general reserves for 2021-2020 in the light of planned projects.

Election Expenses (Admin code 5265)

At the start of the new financial year we will be halfway through this council term, so will need to ensure proper provision is made for the full council elections in May 2023 and any by elections that might arise. (Full election estimate £12k-£14k).

The current budget assumes a by-election this and next financial year (£4,000/pa).

I would like to take a different approach to providing for election expenses and remove the budget provisions of £4,000 this and next financial year and instead add £10,000 to the elections earmarked reserve.

This will ensure the costs for the 2023 elections is covered and any by-election costs can be "drawn down" from this reserve and then topped up during the next budget round.

4. External Audit 2019-2020 & Internal Audit 2020-2021

External Audit

Due to the pandemic the cut-off date for the submission of the Annual Governance & Accounting Statement to the external auditor was pushed back from end June to end August. The Parish Council's submission was submitted before the revised deadline and receipt acknowledged by the auditors.

Abbots Langley Parish Council
Clerk's Report - F&A - October 2020

In turn the auditors have had their response deadline pushed back from end September to end November. Some local councils that submitted early have had their audit returned, but as most of which I am aware did not submit until August none have yet received their returns.

I will report when the return is received.

Internal Audit

The first internal audit of 2020-2021 is scheduled for Wednesday 28th October. Sally King our Internal Auditor will come into the office to work with Gail and I will be available remotely.

5. Office Telephone System

At the beginning of lockdown, it came as a bit of a shock to find a number of the capabilities of the office phone system had been disabled by BT for "security reasons".

Remote access to voicemails, line diversion and other services which we could access locally through a PC or the system handsets were now only available by calling a BT Call Centre. On the times I called wait times were around 20-40 minutes for an answer. This did cause challenges to which we had to find workarounds.

Additionally, during lockdown BT advised that the ISDN lines we currently use were going to be discontinued in 2023. ISDN is an old (1970s) but very reliable telecoms technology, but its day has come as internet based systems offer much wider capabilities.

Some initial enquiries with BT have indicated a replacement system operated over their legacy copper technology would cost c. £4,000 (ex. call and support costs), which is comparable to the system we ordered in 2012.

In common with most small business we need to move to VOIP (Voice Over Internet Protocol) this uses our broadband and internal network, rather than legacy BT copper circuits to provide telecoms. It is incredibly flexible, staff will be able to take calls on a standard handset, on their mobile or laptop via an app. If working at home for an extended period, the phone handset can be plugged into home networks and will operate as if in the office.

Call forwarding, Voicemail to Email, Time of Day Call Routing and many more services are configured through a browser. In addition, the Manor House and Depot will be on the same phone system as extensions rather than standalone phone lines.

The single largest benefit is staff working remotely will be able to take and make calls as if they were in the office and those working in the office will not be continually interrupted taking calls.

I am moving ahead with this project under delegated authority, costs will be covered by the Office Equipment budget for 2020-2021, set up costs are as per the attached spreadsheet and costs savings of around £625/pa will accrue due to eliminating current lines and the BT support contract for the current switch. We will also not need to replace the legacy BT switch system when the ISDN lines are ceased (c. £4,000).

The provider is Nixuss who took over our IT support last year and successfully rolled out the transition to Microsoft 365 in August. The telecoms services are provided by a well established UK based provider. The risk if Nixuss were to fail is limited as we could find another provider to take over the support.

Tim Perkins
Clerk to the Council
22nd October 2020

Abbots Langley Parish Council
Clerk's Report - F&A - October 2020 (Addendum)

1. Budget 2021-2022

Following is a copy of a draft minute from the Leisure Committee meeting held on 26th October, which may help inform discussions in this committee:

" 160 iii Budget 2020-2021

Members reviewed the budget in detail. There was still significant uncertainty on when hall hire income and bar revenue will start to return to pre-pandemic levels.

The Clerk produced a "Commercial Income - Year End and Budget Assumptions" report, base lined on actual income in the FY 2019-2020, which was not significantly affected by the pandemic.

Assumptions in this report were Tanners Wood Hall, Manor House and bar revenue would in 2021-2022 be 65% of base lined levels. Given recent increases in pandemic tier levels the 65% may prove to be optimistic and the assumptions will require review through the budget process.

The following actions were also agreed:

- *All non-essential expenditure such as Water Fountains and other small projects would be put on hold until spring 2021.*
- *Recruitment for the Groundsperson would go ahead.*
- *No major projects such as the Car Park at South Way would go ahead as it may be necessary to release earmarked reserves to support the budget.*
- *The Depot Project should proceed as this had Health & Safety implications and the new surface was urgently required. Funding sources to be confirmed but likely to be a combination of earmarked reserves, revenue budget and Community Infrastructure Levy.*

Members also noted that the Community Warden's vehicle was currently off the road due to gearbox problems, it may prove necessary to replace this vehicle if repairs are not economical. The vehicle was due for replacement this year but this was put on hold due to the pandemic, so it is unfortunate it now needs major repairs.

The Facilities Manager has looked at the costs of purchasing a hybrid or electric vehicle but these are still very expensive and battery life will be impacted as the vehicle is used for mainly short "stop/start" journeys."

Tim Perkins

Clerk to the Council

22nd October 2020