



Yeovil Town Council

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Policy, Resources and Finance Committee

The Meeting... **Policy, Resources and Finance Committee**

The Time... **7.00pm**

The Date... **Tuesday 30 March 2010**

The Place... **Town House, 19 Union Street, Yeovil**

If you need this information in large print, Braille, audio or another language, please ring 01935 382424



Alan Tawse

Alan Tawse
Town Clerk

23 March 2010

Please contact Alan Tawse at the Town House for more information about this meeting

To All Members of the Policy, Resources & Finance
Committee:

Philip Chandler (Ex-officio)

Clive Davis

Bridget Dollard

Tony Fife

Dave Gooding

John Grana

Dave Greene

Steve Hawker (Chairman)

Andrew Kendall

Pat Martin (Vice-Chairman)

Tom Parsley

Wes Read (Ex-officio)

David Recardo

Alan Smith

A G E N D A

1. **MINUTES**

To confirm as a correct record the Minutes of the previous meeting held on 26 January 2010.

2. **APOLOGIES FOR ABSENCE**

3. **DECLARATIONS OF INTEREST**

4. **CORRESPONDENCE**

PAGES

5. **APPLICATIONS FOR GRANT AID**

(Circulated separately)

6. **CAPITAL FUND**

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7. **SERVICE COMMITTEES REVIEW**

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8. **RISK MANAGEMENT STRATEGY 2010/11**

18 - 29

9. **FINANCIAL STATEMENT – DECEMBER 2009/JANUARY 2010**

30 - 63

EXCLUSION OF PRESS AND PUBLIC

The Committee will be requested to pass a resolution excluding the press and public from the remainder of the meeting in accordance with Section 1(2) of the Public Bodies (Admission to Meetings) Act 1960 on the grounds that publicity would be prejudicial to the public interest by reason of the confidential nature of the business to be transacted.

10. **STAFFING ISSUES**

(Confidential report circulated to Members only).

6. CAPITAL FUND

A copy of the updated Capital Fund statement is attached at page 6. The sum of £5,596 is currently available for allocation to new capital schemes.

Former Goldcroft Allotment Site

Future sources of funding include the proceeds arising from the sale of surplus land at the former Goldcroft allotment site.

Last November, the Town Council agreed that approval be given to the acceptance of the highest bid received for the disposal of the above site subject to the bidder providing formal satisfactory evidence within the next two weeks of their ability to fund the acquisition.

The response was reported to the December meeting of the Town Council at which it was agreed that the disposal to the highest bidder be permitted to proceed.

The disposal of the site is proceeding as expected, and it is anticipated that contracts will be exchanged in the coming weeks.

Former Ski and Activity Centre

Another potential source of funding is the former ski and activity centre should the Town Council decide to dispose of the freehold as part of the redevelopment proposals.

Alder King have been instructed to market this site on behalf of the Town Council and, following a meeting between the appointed representatives of the Town Council and Alder King, arrangements were made for a revised draft development brief to be produced and submitted to the July 2008 meeting of the Town Council for consideration. The final brief was adopted at that meeting and the property was marketed and expressions of interest invited.

Details of those received were reported to the Town Council in March 2009, and Members have approved a process for assessing these bids and reporting back on their respective merits with a view to a final decision being taken by the Town Council in due course on how best to proceed.

All expressions of interest received have now been considered by the Steering Group set up to give initial consideration to the matter, and details of the bids received along with their views were submitted to the September meeting of the Town Council, at which it was agreed that the bid put forward by the Yeovil Community Church for the redevelopment of the site as a creative arts centre, which met the development brief, be supported in principle.

A progress report was submitted to the October meeting of the Town Council, at which it was agreed:

- (1) that further consideration be given to all of the financial aspects of the bid (including the expansion land at Site B) at a future meeting having due regard to the advice of the District Valuer, the District Auditor, and the Council's Solicitor;
- (2) that the following Members be appointed to form a committee to oversee further discussions with representatives of the Church on the proposals, and the Town Clerk, the Council's Property Agent and the Council's Solicitor be authorised to undertake negotiations on behalf of the Town Council in consultation with the committee:
 - Mayor

- Chairman of Policy, Resources and Finance Committee
- Vice-Chairman of Policy, Resources and Finance Committee
- Peter Gubbins
- Tom Parsley

(3) that the outcome of the discussions be reported to a future meeting of the Town Council.

Negotiations have taken place with representatives of the Church and the Steering Committee has met on several occasions with the Town Clerk, the Council's Property Agent and the Council's Solicitor following receipt of the District Valuer's report, the outcome of which was reported to the March meeting of the Town Council.

At that meeting, Members considered recent developments regarding the proposed disposal of the site and the implications of these developments for the future use of the land and, given the issues involved, it felt that the Agent should be invited to attend the next (April) meeting of the Town Council in order that Members may discuss the options available with the Agent before making a decision on the future disposal of the site.

Other Sources

Any funding beyond these sources will need to be in the form of a loan from the Public Works Loan Board, applications for which are considered on their individual merits and subject to funding availability.

Redevelopment of Milford Hall

Tenders have been received for the delivery of this project, and the appointed contractor began work on site last month. The redevelopment works are expected to be completed by Autumn 2010, and their delivery is being overseen by a Project Management Board, on which the Town Council is represented by Andy Kendall and the Town Clerk.

A summary of the progress to date is set out in the report attached at pages 7 to 8.

Members will recall that the Town Council has agreed to contribute £85,000 towards the project, which will be funded from part of the loan granted by the Public Works Loan Board (PWLB) towards several key capital projects.

It has emerged from discussions between South Somerset District Council (the owner of the Hall) and HM Revenue and Customs (HMRC) that the Town Council's contribution to the Milford Hall project will be subject to VAT as it is regarded as a form of consideration from the lessee (the Town Council) to the lessor (the District Council).

Having sought advice from HMRC direct and from the Somerset Association of Local Councils (SALC), it would appear that the only way in which the Town Council could avoid liability would be to charge VAT on the hire fees for the Hall when it re-opens.

Prior to its temporary closure, the following fee structure was in place:

Type of Hire	Rate of Hire <i>(per hall per hour or part thereof)</i>	VAT Impact (17.5%)
<i>Rate for commercial organisations/persons</i>	£6.88	£8.08
<i>Private Functions</i>	£5.32	£6.25
<i>Damage Deposit for Private parties</i>	£60.00 (returnable if hall left in a satisfactory condition)	£70.50 (returnable if hall left in a satisfactory condition)
<i>Non-profit making organisations</i>	£3.76	£4.42

(Note - An agreement between South Somerset District Council and Yeovil Town Council dated 1 February 1996, stipulates that the Milford Hall charges should be "set a rate which voluntary community groups shall find affordable or alternatively appropriate concessionary arrangements established so as to ensure that what they pay they find affordable" The agreement also says that "every effort shall be made to support all new user groups with particular support being given to help promote groups providing activities specifically for children". With this in mind, there is discretion to offer concessions to groups wishing to establish new activities or taster sessions where there is either a zero or nominal charge to participant.

The agreement also states that the Hall will be provided at no cost to South Somerset District Council for school holiday activities on condition that supervised play activities will be provided free of charge to children using the Park).

By way of comparison, the hall hire rates charged by other community facilities in the Milford area to non-profit-making organisations are set out below:

Premises	Daytime Rate (per hour)	Evening Rate (per hour)
<i>Birchfield Community Centre</i>	<i>£10.50 (£8.50 for new user groups)</i>	
<i>Monmouth Hall</i>	<i>£5.25 (before 5.00pm)</i>	<i>£5.36 (after 5.00pm)</i>
<i>St Michael's Hall</i>	<i>£6.80 (before 4.00pm)</i>	<i>£12.60 (after 4.00pm and weekends)</i>

(NB In some cases, the premises must be booked for a minimum number of hours)

Should the Town Council elect to pay VAT on its agreed contribution of £85,000 it would be liable for an additional £14,875 for which there is no budget provision. Alternatively, it could reduce its contribution to £72,340 and pay VAT amounting to £12,660 on this sum, which would maintain the overall cost to the Town Council at the agreed level.

The District Council has indicated that there is sufficient funding available within the overall budget to absorb a reduced net contribution of £72,340 and therefore such a course of action would not jeopardise the delivery of the project.

Play Areas

The District Council has confirmed that it has committed the following capital funding at the present time:

Play Area	2008/09	2009/10	2010/11	2011/12	2012/13	Totals
Turner's Barn Lane						NIL
Yew Tree Park		£80,000				£80,000
Monks Dale Park			£15,000			£15,000
Milford Park				£20,000		£20,000
Summerhouse View						NIL
Preston Park				£12,500		£12,500
Howard Road Park						NIL
Total	NIL	£80,000	£15,000	£32,500	NIL	£127,500

The District Council has indicated that these figures are based on anticipated match-funding of 50% from the Town Council and that the revised list is a result of a districtwide prioritisation exercise that took into account the overall finance available.

It has also confirmed that the developer of a nearby new housing scheme has allocated £11,170 towards capital improvements at the Monks Dale Park play area which, when added to the combined pledged allocation of £30,000 from both authorities, will enable an enhanced scheme in the overall sum of £41,170 to proceed. A working group, which includes representatives of the local community and ward members, has been set up to oversee the delivery of this project and a public consultation exercise has recently been held at Preston School to seek the views of local people on the planned upgrade of the site.

The Town Council has agreed that its share of the cost of this particular scheme will be met from the anticipated capital receipt arising from the planned disposal of the former Goldcroft Allotment Site and, in the event that the receipt is delayed, the contribution be met instead from the General Reserve.

The planned upgrade of the Yew Tree Park play area is almost completed, despite the adverse weather experienced earlier in the year, and a formal opening is planned for May 2010.

Recommendations

Members are **RECOMMENDED**:

- (1) to note the position concerning the Capital Fund;
- (2) to consider the options available for the treatment of the potential VAT liability on the Town Council's contribution towards the Milford Hall Redevelopment Project and determine the preferred course of action; and
- (3) to note the current position regarding the rolling programme of play area improvements.

(Alan Tawse, Town Clerk - 01935 382424)

7. SERVICE COMMITTEES REVIEW

Introduction

The Working Group appointed by the Town Council to carry out a review of the service committees has met and a copy of the notes of its meeting are attached at pages 11 to 15.

Working Group

As part of the review, the Working Group took into consideration a statistical analysis of the level of attendance at and the length of meetings of all of the service committees over the past three years. A copy of this analysis is attached at pages 16 to 17.

The Working Group **RECOMMENDED:**

- (1) that the proposal to disband the Promotions and Activities Committee be not supported;*
- (2) that the points that emerged from the discussion be brought to the attention of the Policy, Resources and Finance Committee and the Town Council, along with the suggested changes to the current terms of reference of each of the four service committees, which it is recommended should all continue to exist; and*
- (3) that consideration be given to the merits of the service committees (except the Planning and Licensing Committee) and the Policy, Resources and Finance Committee meeting on a quarterly rather than a bi-monthly basis, or on a rolling monthly cycle, and the Town Clerk investigate the practicalities and implications of such a change and report his findings to the Policy, Resources and Finance Committee and the Town Council.*

Cycle of Meetings

With regard to (3) above, the service committees (except the Planning and Licensing Committee) and the Policy, Resources and Finance Committee currently meet every two months in May, July, September, November, January and March. If these committees were to meet on a quarterly basis instead, the November cycle of meetings would need to be retained to fit in with the budget-setting process. Assuming that the dates of the remaining three cycles of meetings were evenly spread, these would need to be held in February, May and August.

At present, very few meetings are held during August to give members and officers an opportunity to take annual leave. In addition, a move away from two-month gaps between meetings to three-month gaps would lead to additional delays in referring matters to committee for decision unless special meetings were held as necessary or increased delegation arrangements introduced.

The alternative option put forward of a monthly rolling programme of meetings of these committees would also result in the same increased intervals of three months between meetings and would have also suffer the disadvantage of a longer interval between a referral from the service committee that met on the first, fourth, seventh and tenth months being considered by the Policy, Resources and Finance Committee, which would presumably meet at the end of the three-month cycle.

Turning to cost savings, either option would result in an overall reduction of 8 meetings per year (assuming that no special meetings were required). The estimated overall savings would be approximately £740, which is marginally more than the previously reported estimated savings of £605 from disbanding the Promotions and Activities Committee, which would result in a reduction of 6 meetings per year.

Recommendation

The Committee is **RECOMMENDED** to consider the findings and conclusions of the Service Committee Review Working Group with a view to submitting its views to the forthcoming meeting of the Town Council.

(Alan Tawse, Town Clerk – 01935 382424)

13. Milford Hall Redevelopment

Strategic Director: Rina Singh, Strategic Director – Place and Performance
Assistant Director: Martin Woods, Assistant Director - Communities
Service Manager: Kim Close, Area Development Manager - South
Lead Officer: Natalie Ross, Community Development Officer
Contact Details: natalie.ross@southsomerset.gov.uk or (01935) 462956

Purpose of the Report

To update members on the progress of the Milford Hall redevelopment project.

Recommendation

That members note the progress of the project.

Background

During the Milford Planning For Real consultation it emerged that there is a need to update the community facilities in this area of Yeovil. Milford Hall is in a poor state of repair and is unsuitable for many community activities. In addition, the Roger Tym Study into Addressing Health Inequalities in Yeovil confirmed some of the most pressing needs for the area and presented an action plan and suggested the creation of a 'Community Hub'. During a multi-agency meeting Milford Hall was selected as an ideal site for such a hub. Milford Hall is owned by South Somerset District Council and is currently leased to Yeovil Town Council on a 999 year lease.

The Community Development Officer (CDO) has consulted with residents, current and potential hall users and other local agencies to develop a suitable design. The council's Design Officer has worked with the Architect to develop detailed drawings for the site, which have been approved by the Project Board.

The Project Board consists of representatives from partner organisations, District and Town Council Members and SSDC officers.

Progress

Since the last report to Area South Committee in March 2009, the plans for the redevelopment have been granted planning permission and £720,000 in grants and contributions has been secured.

Invitations to tender for the building contract were sent out in October 2009. These were sent to companies registered on the council's approved contractor list. The tenders were received back on 27th November 2009. Unfortunately, the tender prices were higher than anticipated so the Design Officer has worked hard to identify savings and bring the planned project cost within budget.

The Project Board also approached funding partners to provide a larger contingency fund should any unexpected costs arise during the build.

The council's finance department has now checked and agreed the final price and contingency level and a letter of intent has been sent to the selected contractor.

Next Steps

The next steps are to begin working with the successful contractor on the details of the contract and get it agreed and signed. This is a priority now to avoid delaying the project.

It is anticipated that the builder is likely to be on site in February and the redevelopment should be completed by Autumn 2010.

Once the build project is completed, the Community Development Officer and the Health and Well-being Project Manager will need to ensure that the facility is properly utilised and encourage a sense of ownership from within the community to ensure the facility will remain sustainable.

Financial Implications

None at this time for Area South Committee.

The project budget consists of the following grants and partner contributions:

South West Regional Efficiency and Improvement Partnership £234,000

South Somerset District Council £200,000

Yeovil Vision £120,000

Yeovil Town Council £85,000

Yarlington Housing Group £50,000

Somerset County Councillors Funds £26,000

Wellbeing of Yeovil Association £5,000

Total = £720,000

Corporate Priority Implications

The project directly contributes to the following Key Target Areas:

3.23 Work with partners to develop a team approach to tackle health inequalities, to be piloted in Yeovil by December 2009.

5.1 Enable the development of multi-service hubs across South Somerset.

Carbon Emissions & Adapting to Climate Change Implications (NI188)

None

Equality and Diversity Implications

None

Background Papers: Milford Hall report to Area South Committee on 4th March 2009

YEOVIL TOWN COUNCIL

MINUTES of the meeting of **SERVICE COMMITTEES REVIEW WORKING GROUP** held in the Council Chamber, Town House, 19 Union Street, Yeovil on **Thursday 4 March 2010**

(4.30pm to 6.00pm)

Present:

Philip Chandler
Bridget Dollard
Steve Hawker

Wes Read
David Recardo
Alan Smith

Also present:

Alan Tawse Town Clerk

(1) **ELECTION OF CHAIRMAN**

RESOLVED that Steve Hawker be elected Chairman of the Working Group for the Municipal Year 2009/10.

(2) **APPOINTMENT OF VICE-CHAIRMAN**

RESOLVED that Wes Read be appointed Vice-Chairman of the Working Group for the Municipal Year 2009/10.

(3) **APOLOGIES FOR ABSECE**

There were no apologies for absence.

(4) **DECLARATIONS OF INTEREST**

There were no declarations of interest.

(5) **SERVICE COMMITTEES REVIEW**

The Working Group considered the report of the Town Clerk (Agenda item 5 refers).

The report included the comments expressed by all the service committees and the Policy, Resources and Finance Committee on the merits of disbanding the Promotions and Activities Committee.

An extract from the Council's current Delegation Scheme, which set out all the Committee's terms of reference, was annexed to the report along with a statistical analysis of the level of attendance at and the length of meetings of all of the service committees over the past three years.

The Working Group noted that their remit was to undertake a comprehensive review of all of the Council's service committees - to establish whether all four

committees are necessary and whether the responsibilities are equitably spread and correctly allocated with a view to submitting its findings back to the March 2010 meeting of the Policy, Resources and Finance Committee and the April 2010 meeting of the Town Council.

During the ensuing discussion, the following points emerged:

- The statistical analysis demonstrated that the level of attendance at and length of meetings of the Promotions and Activities Committee was not always the lowest/shortest of the four service committees
- Meetings of the Grounds and General Maintenance Committee were consistently longer than any other service committee, and increasing the workload of that Committee would be counter-productive
- The Promotions and Activities Committee was delivering its remit and, given its responsibility for overseeing the Yeovil in Bloom initiative, it would be appropriate for the Committee to also be responsible for the *development of new initiatives* in relation to open spaces (including parks)
- With the exception of the Planning and Licensing Committee, all the service committees had some discretionary budgets and, by taking a more pro-active approach in the use of these budgets and by identifying new issues, committee meetings would be more effective
- The £20,000 new initiatives fund that had been included in the Town Council's 2010/11 budget would give all the service committees an opportunity to discuss and develop new ideas and bid for additional funding to introduce them
- Members could be invited on an annual basis to identify any highway matters in their respective wards that may merit the introduction or variation of a traffic regulation order, and the outcome reported to the Buildings and Civic Matters Committee
- It needed to be recognised that some Members of the Town Council served on other local authorities, and that on occasions matters would come before each local authority. Whilst this might appear to be a duplication of work, it was important to give each authority to chance to express its views on behalf of the community that it served.
- There may be a case for the service committees (except the Planning and Licensing Committee) and the Policy, Resources and Finance Committee meeting on a quarterly rather than a bi-monthly basis, or on a rolling monthly cycle, although it is recognised that this could present problems in terms of the budget-setting process
- Fixing the membership of each of the service committees at the same level of 11 members (excluding the ex-officio appointments) would enable all members of the Council to serve on two committees and reduce the potential for meetings to be poorly attended or becoming inquorate

The Working Group then reviewed each of the service committees' current terms of reference, and suggested the following changes:

(ii) **Grounds and General Maintenance Committee**

- (a) Management of all allotment sites in Yeovil Town.
- (b) Fixing of allotment rents subject to approval of Town Council.
- (c) Arrangements for the Best Kept Allotments Competition.
- (d) Management of all open spaces under delegated powers from South Somerset District Council.
- ~~(e) Management of other recreational and leisure facilities such as the Garden for the Partially Sighted, Rosebery Avenue Recreation Ground and Sidney Gardens. including play areas.~~
- (f) Footpath maintenance.
- (g) To act as a liaison point for all non-financial matters relating to the Yeovil Cemetery and Crematorium.

(iii) **Building and Civic Matters Committee**

- (a) Management of Monmouth Hall.
- (b) Management, repair and maintenance of Town House and its contents including use of Town House by outside organisations or individuals.
- ~~(c) Maintenance of Hospital Sub-way Mural.~~
- (d) Provision, siting and maintenance of litter bins.
- (e) Sponsorship of theatrical, educational or artistic ventures.
- (f) Maintenance of War Memorials.
- (g) Maintenance of ~~St. Johns Clock~~ and the Millennium Clock.
- (h) Policy for Diary of Events and Street Collections.
- (i) Street Naming and House Numbering.
- (j) Traffic Regulation Orders.
- (k) Street and House to House Collections.
- (l) Street Lighting, Highway Obstructions and sign cleaning under delegated powers from Somerset County Council.
- (m) Control of Bottlebanks.
- (n) Yeovil Ski Slope.
- (o) Community Safety (including C.C.T.V., Crime Prevention, Community Warden initiatives, Public Transport ~~and Youth Services~~).

- (p) Public Noticeboards.

(iv) **Planning and Licensing Committee**

- (a) Consideration of all planning applications and planning matters affecting Yeovil Town.
- (b) The following matters under powers delegated by South Somerset District Council;
 - (i) Licensing of hackney carriages, private hire vehicles, operators and drivers (subject to delegation of day to day matters to the Town Clerk).
 - (ii) Street Trading. (Subject to compliance with the following Policy – Minute 6/230 refers)
 - (1) Although the rights of established traders to fair trading conditions are recognised, the Town Council may give consent to street trading where it is undertaken in a traditional and/or innovative manner and, in the Town Council's view, adds to the colour and atmosphere of the Town Centre;
 - (2) All stalls/vans/barrows/carts must comply with a design approved by the Town Council and, to ensure that the overall number, range and location of street trading consents meet the needs of the Town Centre, all consents will be subject to an annual review;
 - (3) Consent will not normally be given to allow street trading to take place within a walking distance of 50 metres of an established trader selling the same items; and
 - (4) No consent will be given where, in the Town Council's view, there are already sufficient street trading consents operating.
 - (iii) Street Canvassing

(v) **Promotions and Activities Committee**

- (a) Yeovil in Bloom – *including the development of new initiatives in relation to open spaces (including parks)*
- (b) Development of ~~Town Centre~~ initiatives, activities and events.
- (c) Yeovil Town Centre Partnership.
- (d) ~~Town Centre~~ Streetscene development.
- (e) Festive Lights.
- (f) Publication of town guide and other promotional literature.
- (g) Customised Souvenirs.

- (h) Policy on Banners in the Town Centre and use of the Entertainments Area.
- (i) Town Crier - appointment, conditions of service, uniform and the Annual Town Criers' Competition.
- (j) Policy on requests for the use of the Town Crest.
- (k) *Maintenance of Hospital Sub-way Mural.*

RESOLVED:

- (1) that the proposal to disband the Promotions and Activities Committee be not supported;
- (2) that the above outlined points that emerged from the discussion be brought to the attention of the Policy, Resources and Finance Committee and the Town Council, along with the suggested changes to the current terms of reference of each of the four service committees, which it is recommended should all continue to exist; and
- (3) that consideration be given to the merits of the service committees (except the Planning and Licensing Committee) and the Policy, Resources and Finance Committee meeting on a quarterly rather than a bi-monthly basis, or on a rolling monthly cycle, and the Town Clerk investigate the practicalities and implications of such a change and report his findings to the Policy, Resources and Finance Committee and the Town Council.

Chairman

AT
14/3/2010

Service Committees Review - February 2010									
2007/08									
Length of Meeting (mins)	May	July	Sept	Nov	Jan	Mar	Total	Avg	%
Grounds and General Maintenance	95	30	125	105	50	75	480	80.0	
Promotions and Activities	95	30	30	55	60	40	310	51.7	
Buildings and Civic Matters	90	45	45	50	20	65	315	52.5	
Attendance									
Grounds and General Maintenance (11)	8	7	6	8	5	4	38	6.3	58%
Promotions and Activities (12)	10	10	10	9	8	4	51	8.5	71%
Buildings and Civic Matters (15)	8	14	11	11	9	9	62	10.3	69%
2008/09									
Length of Meeting (mins)	May	July	Sept	Nov	Jan	Mar	Total	Avg	%
Grounds and General Maintenance	40	60	100	175	65	100	540	90.0	
Promotions and Activities	50	75	60	115	70	40	410	68.3	
Buildings and Civic Matters	115	85	65	135	30	80	510	85.0	
Attendance									
Grounds and General Maintenance (10)	7	6	4	6	7	8	38	6.3	63%
Promotions and Activities (14)	9	5	9	8	9	10	50	8.3	60%
Buildings and Civic Matters (14)	7	10	10	10	9	9	55	9.2	65%
2009/10									
Length of Meeting (mins)	May	July	Sept	Nov	Jan	Mar	Total	Avg	%
Grounds and General Maintenance	75	55	70	125	120		445	89.0	
Promotions and Activities	90	60	30	90	60		330	66.0	
Buildings and Civic Matters	50	50	55	60	50		265	53.0	
Attendance									
Grounds and General Maintenance (10)	6	9	4	6	4		29	5.8	58%
Promotions and Activities (9)	3	4	5	6	7		25	5.0	56%
Buildings and Civic Matters (14)	12	12	7	6	8		45	9.0	64%

Service Committees Review - February 2010																											
2007/08																											
Length of Meeting (mins)	May	June		July		Aug	Sept		Oct			Nov	Dec	Jan		Feb		Mar		Apr		May	Total	Avg	%		
Planning and Licensing	20	80	70	70	45	30	100	95	95	80	20	75	65	65	155	170	60	120	95	85	85	80	100	85	90	2035	81.4
Attendance																											
Planning and Licensing (11)	6	8	8	9	10	7	8	10	11	8	11	8	10	8	8	6	9	9	7	9	9	10	6	7	7	209	8.4 76%
2008/09																											
Length of Meeting (mins)	May	June		July		Aug	Sept		Oct			Nov	Dec	Jan		Feb		Mar		Apr		May	Total	Avg	%		
Planning and Licensing	75	90	75	75	70	70	135	25	45	80	100	130	120	110	120	50	90	40	100	100	30	70	30	80	35	1945	77.8
Attendance																											
Planning and Licensing (10)	6	10	7	8	7	7	7	6	6	7	6	8	8	7	3	7	6	8	9	7	6	5	6	8	4	169	6.8 68%
2009/10																											
Length of Meeting (mins)	May	June		July		Aug	Sept		Oct			Nov	Dec	Jan		Feb		Mar		Apr		May	Total	Avg	%		
Planning and Licensing	100	20	25	95	70	120	155	50	85	70	70	70	65	75	55	75	80	40								1320	73.3
Attendance																											
Planning and Licensing (9)	6	7	5	6	7	7	5	7	5	7	6	7	8	5	9	7	7	7								118	6.6 73%

8. **RISK MANAGEMENT STRATEGY – 2010/11**

The Council's adopted risk management strategy (copy attached at pages 18 to 28) has been revised and developed for the forthcoming financial year.

The adoption of the strategy, which pulls together into one document many of the contingency plans, procedures and arrangements that the Town Council has already adopted, helps to demonstrate that the Council has adequate corporate governance arrangements in place.

To ensure that these arrangements remain relevant and up-to-date and in line with best practice, the Council has agreed that the adopted Strategy be reviewed by the Committee on an annual basis.

The areas set out in the strategy reflect those areas identified in the Practitioners' Guide on Governance and Accountability in Local Councils in England and Wales, which is published jointly by the National Association of Local Councils (NALC) and the Society of Local Council Clerks (SLCC) in conjunction with the Audit Commission.

The annual review of this key document along with the programme of work undertaken by the Internal Auditor (copy attached at page 29) ensures that the Town Council fulfils its statutory obligation under Regulation 6 of the Accounts and Audit Regulations 2003 to maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with proper internal audit practices.

This programme mirrors the components of review identified in the Practitioners' Guide, and helps the Internal Auditor check the issues that need to be examined and prepare an annual internal report to the Town Council, which is submitted to the Audit Commission as part of the Annual Return and Statement of Assurance.

It is **RECOMMENDED**

- (1) that the report be noted;
- (2) that the draft revised risk management strategy for 2010/11 be adopted; and
- (3) that the Committee considers whether it is satisfied that the internal audit arrangements that are in place are effective and meet the Council's legal obligations.

(Alan Tawse, Town Clerk - 01935 382424)

Yeovil Town Council

Risk Management Strategy

Yeovil Town Council is committed to identifying and managing risks, using the following procedures, and to ensuring that risks are maintained at an acceptable level. The Town Council will take any action that is deemed necessary.

The Town Clerk reviews risks on a regular basis, including any newly identified risks, and will report on such matters to the Policy, Resources and Finance Committee. The review will include identification of any unacceptable levels of risk.

The Local Councils' Governance and Accountability Guidance (published jointly by the National Association of Local Councils and the Society of Local Council Clerks) makes the following observations regarding risk management:

1. Risk management is not just about financial management: it is about setting objectives and achieving them in order to deliver high quality public services.
2. The new approach places emphasis on local councils strengthening their own corporate governance arrangements, improving their stewardship of public funds and providing assurance to taxpayers.

It goes on to make the point that Members are ultimately responsible for risk management because risks threaten the achievement of policy objectives. Members should, therefore –

- a. take steps to identify key risks facing the Council
- b. evaluate the potential consequences to the Council if an event identified as a risk takes place
- c. decide upon appropriate measures to avoid, reduce or control the risk or its consequences.

To identify the risks facing a council, the Guidance recommends beginning by grouping the three main types of decisions that have to be taken into the following areas:

- i. Areas where there may be scope to use insurance to help manage risk
- ii. Areas where there may be scope to work with others to help manage risk
- iii. Areas where there may be need for self-managed risk.

SECTION 1

AREAS WHERE THERE MAY BE SCOPE TO USE INSURANCE TO HELP MANAGE RISK

1 A RISK IDENTIFICATION

a. Protection of physical assets e.g. buildings, furniture, equipment and regalia

All physical assets are insured with Zurich Municipal.

b. Risk of damage to third party property or individuals as a result of the Council providing services or amenities to the public

Yeovil Town Council has public liability Insurance of £5,000,000. It has also personal accident liability cover for employees and members under the above policy.

c. Risk of consequential loss of income or the need to provide essential services following critical damage, loss or non-performance by a third party (consequential loss)

Included in insurance policy cover.

d. Loss of cash through theft or dishonesty (fidelity guarantee)

The Council has fidelity guarantee cover up to £700,000 for all members and employees.

e. Legal liability as a consequence of asset ownership (public liability)

See b. above

1 B INTERNAL CONTROLS

a. Maintain an up-to-date register of Assets and Investments

An Asset Register is compiled annually by the Responsible Financial Officer (Town Clerk) and presented to Council with Annual Accounts each year. Investments are reviewed on a monthly basis.

b. Regular maintenance arrangements for physical assets

The Town Clerk and the Maintenance Operative undertake regular inspection of the properties under the Council's direct management. Maintenance of buildings, sites and equipment is undertaken on a planned and a responsive basis. Playground equipment is checked and maintained independently by South Somerset District Council on a weekly basis. Yeovil Cemetery is checked and maintained by its own workforce.

c. Annual Review of risk and the adequacy of insurance cover

The Responsible Financial Officer reviews the insurance cover annually, makes recommendations, as necessary, to the Policy, Resources and Finance Committee and updates cover as required.

d. Ensuring robustness of insurance providers

There are two main insurers for local councils – Zurich Municipal and AON. Yeovil Town Council uses Zurich Municipal and the RFO is confident that the company is sufficiently robust.

1 C INTERNAL AUDIT ASSURANCE

a. Review of internal controls in place and their documentation

Internal controls are reviewed as necessary by the Town Clerk and the Internal Auditor. Their recommendations are submitted to Council through the Policy, Resources and Finance Committee.

b. Review of management arrangements regarding insurance cover

This forms part of the Policy, Resources and Finance Committee review at time of annual renewal

c. Testing of specific internal controls and reporting findings to management

This is undertaken as part of the audit process. Reports are presented to the Policy, Resources and Finance Committee and minuted accordingly

SECTION 2

AREAS WHERE THERE MAY BE SCOPE TO WORK WITH OTHERS TO HELP MANAGE RISK

2 A RISK IDENTIFICATION

a. Security for vulnerable buildings, amenities or equipment

Appropriate security devices are fitted to all of the Council's buildings and linked, as necessary, to a central control station. Designated staff are responsible for the security of these buildings.

In the event of any breaches of security, appropriate measures are taken as soon as practicable to re-secure the property. Crime reports are obtained for all breaches of security by contacting Avon and Somerset Constabulary.

b. Maintenance for vulnerable buildings, amenities or equipment

All premises are maintained within the approved budget. Maintenance is undertaken in-house where possible and external contractors used as required.

c. Banking Arrangements, including borrowing or lending

Reviewed periodically by Policy, Resources and Finance Committee. All cheques require two Members signatures. The Policy, Resources and Finance Committee review all payments and income following their consideration by the service committees.

d. Provision of amenities / facilities for local community groups

The Council has approved the hire of Monmouth Hall on a charge basis. Conditions relating to the use of the Hall have been adopted by the Council.

e. Vehicle or equipment lease or hire

The Council owns a vehicle, which was originally procured under a lease (with an option to purchase) following a competitive tendering exercise. The option to purchase was exercised in January 2010 when the lease expired.

f. Professional services, contractors etc.

The Council endeavours to ensure that wherever possible it has the opportunity to select (from several) the provider of any professional service it requires. Where necessary, all prospective contractors are required to provide references of other organisations for which they have recently undertaken similar work.

2 B INTERNAL CONTROLS

a. Standing Orders and financial regulations dealing with the award of contracts for services or the purchase of capital equipment

The Council has adopted Standing Orders that govern the awarding of contracts. These were last revised in August 2007 and a formal review is planned.

b. Clear statements of management responsibility for each service

Under the Council's Scheme of Delegation, each of the service committees and the Policy, Resources and Finance Committee have delegated management responsibility for their own budgets.

The Council has adopted a financial control policy, which stipulates that contingencies are included in a separate budget and that bids for the use of these funds be considered by the Policy, Resources and Finance Committee.

This approach is consistent with the way in which unspent revenue balances are now dealt with, and it ensures that all Committees have the same opportunity to put forward bids for additional expenditure during the financial year.

c. Regular scrutiny of performance against targets

In accordance with Best Value, performance targets for a wide range of services provided by the Council are set for the forthcoming year on an annual basis, following a review of the previous year's achievements against set targets.

d. Arrangements to detect and deter fraud and/or corruption

Invoices are subjected to scrutiny by both the Responsible Financial Officer and the Council's authorised cheque signatories. Monthly BACS payments are similarly scrutinised.

e. Regular bank reconciliations, independently reviewed

Bank statements are received monthly and a reconciliation undertaken by the Finance Administrator, which are inspected by the Responsible Financial Officer.

2 C INTERNAL AUDIT ASSURANCE

a. Review of internal controls in place and their documentation

Internal controls are reviewed as necessary by the Town Clerk and the Internal Auditor. Their recommendations are submitted to Council through the Policy, Resources and Finance Committee.

b. Review of minutes to ensure legal powers are available and the basis of the powers recorded and correctly applied

The Town Clerk gives advice and makes recommendations to the Council and its committees, and endeavours to ensure that the Council's decisions are lawful. Where appropriate, the relevant legal powers upon which decisions are made are recorded in the minutes of meetings. The minutes of meetings are reviewed during the audit process.

c. Review and testing of arrangements to prevent and detect fraud and corruption

The use of Standing Orders, Financial Regulations, Standing Orders with respect to Contracts and the Delegation Scheme form part of the internal controls that contribute towards the prevention and detection of fraud and corruption.

d. Review of adequacy of insurance cover provided by suppliers

Where appropriate, suppliers are required to submit evidence of appropriate insurance cover.

e. Testing of specific internal controls and report findings to management

This is undertaken as part of the audit process. Reports are presented to the Policy, Resources and Finance Committee and minuted accordingly.

SECTION 3

AREAS WHERE THERE MAY BE A NEED TO SELF-MANAGE RISK

3 A RISK IDENTIFICATION

a. Keeping proper financial records in accordance with statutory regulations

Financial records are kept in accordance with the statutory requirements and are reviewed as part of the Audit process.

b. Ensuring all business activities are within legal powers applicable to Parish Councils

See Section 2 Internal Audit Assurance (b)

c. Complying with restrictions on borrowing

The Council is within the current borrowing parameters.

d. Ensuring that all requirements are met under employment law and Inland Revenue regulations

Inland Revenue calculations are made undertaken as part of the monthly payroll arrangements and are subject to the audit process. Salary forecasts are undertaken as part of the budget setting process and incremental increases paid in accordance with adopted national agreements. Regular advice is provided by the South West Employers (SWE) on employment matters, and independent legal advice is taken as necessary.

e. Ensuring all requirements are met under Customs and Excise regulations (especially VAT)

All such requirements are met by the Responsible Financial Officer and the Internal Audit process.

f. Ensuring the adequacy of the annual precept within sound budgeting arrangements

Each year, the Council adopts a financial control strategy aimed at ensuring that the Council achieves a sustainable balanced budget whilst, at the same time, maintaining flexible ways of responding to future requests for unforeseen and inescapable expenditure.

As part of this strategy, all Committees are asked to keep their expenditure within suggested maximum limits – with any proposed increases beyond those suggested being matched by reductions elsewhere in their respective budgets.

All committee budgets are reviewed by the Policy, Resources and Finance Committee whose recommendations are submitted for approval by full Council in accordance with the Council's budget procedure.

g. Ensuring the proper use of funds granted to local community bodies under specific powers or Section 137

Grant applications are considered by the Policy, Resources and Finance Committee. Section 137 grants are recorded in the minutes of the relevant meeting and listed separately in the annual accounts.

h. Proper, timely and accurate reporting of the Council business in the minutes

The Town Clerk is responsible for ensuring that minutes are prepared in respect of meetings of the Town Council and its Committees. Minutes are distributed to Members in advance of the subsequent meeting, verified as a correct record as one of the first items of business of that meeting and signed at the meeting. Failure to do so along with any amendments is recorded. Committee minutes are presented to full Council for information and comment.

i. Responding to electors wishing to exercise their rights of inspection

The rights of inspection to electors are adhered to in accordance with current legislation. The Council has adopted the model publication scheme provided by the Information Commissioner, which sets out the rights of members of the public to access documents under the Freedom of Information Act 2000.

j. Meeting the laid down timetables when responding to consultation invitations

Every effort is made to meet specified timetables when responding to consultation invitations.

k. Meeting the requirements for Quality Town Council status or other accreditation

The Town Council achieved this status in February 2005 and was successful in its application for re-accreditation in February 2009.

l. Proper document control

Paperwork is retained in accordance with national guidelines and relevant documents are available for viewing on request. All incoming mail is date stamped.

m. Register of members' interests and gifts and hospitality is place, complete, accurate and up-to-date

A copy of the Register is held by the Town Clerk, and the original is retained by the Monitoring Officer at South Somerset District Council. It is the responsibility of individual members to notify the Town Clerk and the Monitoring Officer of any amendments.

3 B INTERNAL CONTROLS

a. Regular scrutiny of financial records and proper arrangements for the approval of expenditure

Comprehensive measures are in place for the monitoring and review of expenditure. These include the preparation of detailed annual budgets setting out heads of authorised expenditure, and regular reports to all committees on actual/budgeted expenditure to date.

b. Risk assessments carried out and recorded

These are undertaken as appropriate with the results of the assessments recorded and any required action undertaken.

c. Recording in the minutes the precise powers under which expenditure is being approved

See Section 2 Internal Audit Assurance (b.)

d. Regular returns to the Inland Revenue; contracts of employment for all staff; systems of updating records for any changes in relevant legislation reviewed by Council

Inland Revenue Returns are completed and salaries calculated in-house on a monthly basis, and are subject to internal audit. All members of staff are issued with contracts of employment, and their terms and conditions of employment reviewed as necessary. Staffing issues are referred to the Policy, Resources and Finance Committee. Systems are in place for updating records for any changes in relevant legislation.

e. Regular returns of VAT

The Town Clerk is responsible for the regular completion and submission of VAT returns, and for ensuring that adequate training is in place for the staff responsible for their preparation.

f. Developing system of performance measurement

Staff appraisals are undertaken on an annual basis with a written summary of the points covered during each appraisal issued to the staff concerned.

g. Procedures for dealing with and monitoring grants, or loans, made or received

Regular statements are received and scrutinised of the outstanding loan to the Town Council from the Public Works Loan Board. Grants made to local organisations by the Town Council towards equipment and other tangible expenditure are only paid upon production of an original invoice.

h. Minutes properly numbered with a master copy kept in safekeeping

All Council and Committee minutes are correctly numbered. These are loose-leaf and the approved signed copies are bound and retained in a fireproof safe.

i. Documented procedures to deal with enquiries from the public

Telephone calls, letters and e-mails are dealt with as soon as practicable and an appropriate response made within approved performance targets.

j. Documented procedure to deal with responses to consultation requests

Consultation requests are referred to either full Council or the relevant Committee, and the agreed response is minuted.

k. Monitoring arrangements regarding Quality Council status

A watching brief is maintained in preparation for the next quadrennial review of the Council's current accreditation.

l. Documented procedures for document receipt, circulation, response, handling and filing

The Town Clerk receives and delegates all mail. All matters for referral to full Council or a Committee are identified and allocated. Mail for action by administration is dealt with accordingly and filed when actions are completed.

m. Procedures in place for recording and monitoring members' interest and gifts and hospitality received

See Section 3 Risk identification (l.)

n. Adoption of Codes of Conduct for members and employees

In July 2007, the Council adopted the provisions (including the non-mandatory elements) of the Local Authorities (Model Code of Conduct) Order 2007. The conduct expected of employees is set out in their individual contracts of employment and related correspondence. At present, there is no statutory code for employees.

3 C INTERNAL AUDIT ASSURANCE

a. Review of internal controls in place and their documentation

The Town Clerk and the Internal Auditor review internal controls as necessary. Their recommendations are submitted to Council through its Policy, Resources and Finance Committee.

b. Review of minutes to ensure legal powers in place, recorded and correctly applied

See Section 2 Internal Audit Assurance (b.)

c. Testing of income and expenditure from minutes to accounting system, from bank statements to accounting system, from minutes to statements etc. including petty cash transactions

The testing of these procedures forms part of the internal controls currently in place. The system is also tested during the audit process.

d. Review and testing of arrangements to prevent and detect fraud and corruption

The testing of these arrangements forms part of the internal controls currently in place. The system is also tested during the audit process.

e. Testing of specific internal controls and reporting findings to management

Where appropriate, the results of such testing as part of the internal controls will be reported to the appropriate Committee or Council. Similar reporting to Council will be made as part of the internal audit.

f. Computer data safety

All necessary procedures and documents are computerised and all data is regularly backed-up and stored off-site.

March 2010

Accounts & Audit Services Ltd
INTERNAL AUDIT PROGRAMME FOR LOCAL COUNCILS

COUNCIL:.....**YEAR:**.....

1. PROPER BOOK KEEPING
 - a. Is the cash book maintained & up to date?
 - b. Is the cash book arithmetically correct?
 - c. Is the cash book regularly balanced?
2. PAYMENT CONTROLS
 - a. Has the Council formally adopted standing orders and financial regulations?
 - b. Has a Responsible Financial Officer been appointed with specified duties?
 - c. Have items or services above a de minimis amount been competitively tendered?
 - d. Are payments in the cash book supported by invoices, authorised and minuted?
 - e. Are payments correctly coded?
 - f. Has VAT on payments been identified, recorded and reclaimed?
 - g. Has the ordering procedure been correctly observed?
 - h. Are large capital contracts correctly administered?
 - i. Is s137 expenditure separately recorded and within limits?
3. RISK MANAGEMENT ARRANGEMENTS
 - a. Does a scan of the minutes identify any unusual financial activity?
 - b. Do the minutes record the council carrying out an annual risk assessment?
 - c. Do minutes record an annual review of internal audit?
 - d. Is insurance cover appropriate and adequate?
 - e. Are internal controls documented and regularly reviewed?
4. BUDGETARY CONTROLS
 - a. Has the council prepared an annual budget in support of its precept?
 - b. Is actual expenditure against the budget regularly reported to the council?
 - c. Are there any significant unexplained variances from budget?
5. INCOME CONTROLS
 - a. Is income properly recorded and promptly banked?
 - b. Is all income due to the council collected?
 - c. Do prices charged agree with those set by the Council?
 - d. Is VAT output tax treated correctly?
 - e. Does the precept agree with that approved in the previous year's budget?
 - f. Are security controls over cash adequate and effective?
6. PETTY CASH CONTROLS
 - a. Is all petty cash spent recorded and supported by VAT invoices/receipts?
 - b. Is petty cash expenditure reported to the council?
 - c. Is petty cash reimbursement carried out regularly?
7. PAYROLL CONTROLS
 - a. Do all employees have contracts of employment with clear terms and conditions?
 - b. Do salaries agree with those approved by the Council?
 - c. Are other payments to employees reasonable, properly supported and approved by the council?
 - d. Are all payments and deductions correctly coded and suspense accounts promptly cleared?
 - e. Has PAYE/NIC been properly operated by the council as an employer?
 - f. Have pension contributions been correctly calculated and paid over?
 - g. Has the correct amount of net pay been made to the correct employee?
8. ASSETS CONTROLS
 - a. Does the council keep an asset register of all material assets owned?
 - b. Are the asset/investment registers up to date?
 - c. Do asset insurance valuations agree with those in the asset register?
9. BANK RECONCILIATION
 - a. Is there a bank reconciliation for each account?
 - b. Is bank reconciliation done regularly and in a timely fashion?
 - c. Are there any unexplained balancing entries in any reconciliation?
 - d. Is the value of investments held summarised on the reconciliation?
10. YEAR END PROCEDURES
 - a. Are year end accounts prepared on the correct basis?
 - b. Do the accounts agree with the cash book?
 - c. Do the comparative figures agree with last years statements?
 - d. Is there an audit trail from the underlying records to the accounts?
 - e. Where appropriate have debtors and creditors been properly recorded?
 - f. Are investments verified by statements or passbooks?
 - g. Are there any obvious errors or inconsistencies in the financial statements?
 - h. Do the figures on section 1 of the annual return agree with the financial statements?
 - i. Are the transactions of Trust Funds correctly excluded from the Council's Annual Return?