

## HECKINGTON PARISH COUNCIL



**Minutes** of the Heckington Parish Council Finance Committee meeting held on Thursday 15 November 2024 at 7.00 pm in the Parish Council Chambers, St Andrews Street, Heckington

### 1. **Chair's Welcome**

The Parish Council Chair, Councillor Spencer welcomed those present to the inaugural meeting of the finance committee. Councillor Spencer proposed that the order of business is amended to bring forward item 5. a) to elect a Chair (for the finance committee). The proposal was seconded by Councillor Garlick and the motion was passed unanimously by resolution of the finance committee.

Councillor Wright proposed Councillor Davison as chair of the finance committee, the proposal was seconded by Councillor Tucker, but the motion was not moved as Councillor Spencer proposed Councillor Tucker as chair. This proposal was seconded by Councillor Garlick. Due to a tie in votes, Councillor Spencer used his casting vote, as Chair of the Parish Council, to appoint Councillor Tucker as chair of the finance committee.

Councillor Davison proposed that, prior to moving into the public forum, the order of business is amended to bring forward item 5. e) to discuss the budgetary process and precept setting as he has a presentation to deliver to the meeting, and he expects there may be some questions arising from members of the public. The proposal was seconded by Councillor Wright and the motion was passed unanimously by resolution of the finance committee.

The chair of the finance committee (hereafter referred to as the Chair in these minutes), Councillor Tucker delivered her welcome as Chair. She opened with her welcome, thanking all those for their attendance and delivered the health and safety notices. She explained that the parish council finances have been her personal crusade for 18-months and to be at the first public finance committee meeting is a privilege. She explained that it is equally a privilege to be able to help to explain to members of the public how money has been and will be spent in the future. She emphasised that the committee is committed to being open and transparent.

Councillor Davison explained to the meeting that he has been looking at two sets of data from the last four financial years: budgets and the income and expenditure. He explained that while some of the information is sensible and well put together, there are by contrast, holes. He presented the consolidated budgets for each year and the classes of expenditure put together by a previous administration and he said that while some make sense, others are unclear. The quality of the budgets and financial control appears to have oscillated quite a bit and is significantly worse in the current financial year.

Councillor Davison went on to explain why a few cells in the spreadsheet are highlighted yellow. For example, in 2023, £15,250 had been budgeted for elections, the reason for this being that it was an ordinary election year.

He pointed to the budget heads where budgets had been woefully inadequate, and he presented a spreadsheet highlighting where there has been significant overspend. He pointed to the maintenance of the pavilion and playing field as an example. The budget has typically been set at £1,000 per year but spending in one year shot up to around £18,000. Members of the public asked what this money had been spent on. The acting clerk explained that the Parish Council has a 7-year contract with a company called Fineturf to maintain the grassed surface of the playing field to include weed and fertiliser treatment. The money for this comes from a separate pot of money (S106 account). The acting clerk said that there should have been a separate budget head for this class of expenditure as it overinflates and already overspent budget head.

Councillor Davison went on to say that the budgets were underspent in 2020-21 and for the next three years until 2023-24 where there is significant overspend against the budget.

Councillor Davison then presented the income and talked about the precept. *The precept is the shortfall of money after a Council has deducted its predicted income from its planned expenditure for the upcoming year and this is sourced from North Kesteven District Council via Council Tax.* The Parish Council need to set a precept for 2025-26 and although the Parish Council has a lot of money in the bank, the administration has come across many areas that have been neglected and require emergency repairs or significant spending.

The Chair said the purpose of the finance committee is to ensure that budget setting is realistic otherwise this pattern will perpetuate.

## **2. Public Forum**

A member of the public asked whether anyone is going to be held responsible for the financial mismanagement of the parish council. The Chair explained the nature of the parish council as a corporate body. The same person asked whether misuse of public funds was not a criminal offence? The Chair added that no fraud had been detected. Councillor Davison explained that the audit is not about the numbers but about processes and procedures.

Councillor Davison said that the budget process will be open and transparent, and he presented the new budget format with relevant budget heads which had been drafted by the acting clerk.

A member of the public enquired about the budget head for legal fees which moved her to question whether the purchase of Star Fen was illegal. Councillor Davison explained the difference between 'unlawful' and 'illegal'. Councillor Davison emphasised that nothing about the purchase of the land was 'illegal' and he explained the reason for the legal fees.

Another member of the public added that the parish council ignored the advice of the clerk, Miss Williams in February 2024 when she highlighted that there was not a business case in place in contravention of Financial Regulations; the council as a corporate body still approved the purchase of the land. Councillor Garlick added that not all councillors voted for the purchase of the land, indeed some councillors were not present at that meeting.

Councillor Davison said that the parish council are committed to ensuring that there are financial structures in place to ensure that this type of thing does not happen again. Councillor Davison said this finance committee meeting is evidence of progress; there was formerly, technically a finance committee but it never met in public so there was no public scrutiny. The purpose of this Parish Council is to be open and transparent.

A member of the public said he would like to comment on the spreadsheet at the next meeting and there was discussion arising from confusion as to when the next Finance Committee meeting would be held.

**3. Councillor Present**

Councillor Spencer, Parish Council Chair  
Councillor Garlick, Parish Council Vice Chair  
Councillor Davison  
Councillor Tucker  
Councillor Wright

**4. Apologies**

None.

**5. Member's interest, pecuniary or otherwise in relation to the agenda and any dispensations in accordance with the Localism Act 2011**

None.

a) **Item 5. a) was address in 1. Paragraph 2 above.**

b) **Review of Contractors and Professional Service Suppliers**

Councillor Davison suggested that the finance committee conduct an audit of the current preferred supplier list to ensure that the Parish Council is getting the best value for money and to ensure that there any conflicts of interest. The finance committee will subsequently make recommendations to the parish council. The Chair said that this agenda items ties neatly with agenda item 5. c) parish council assets and liabilities, and Councillor Davison explained the purpose of this review; to look at all areas of activity from the pavilion to the chambers, the cemetery and the allotments.

Councillor Tucker proposed Councillors Davison, Spencer and Wright explore the assets and liabilities. The proposal was seconded by Councillor Spencer and the motion was passed unanimously by resolution of the committee.

Councillor Tucker proposed she and Councillor Garlick explore contractors and professional service suppliers. The proposal was seconded by Councillor Garlick and the motion was passed by resolution of the committee.

The acting clerk confirmed that the members are investigating on behalf of the committee and parish council and are not acting as individuals, they do not need to be referred to as either a sub-committee or a working group.

Members discussed a requirement to move the date of the next parish council meeting in January 2025 to allow for the budget and precept to be agreed ahead of the District Council's deadline in January 2025. The acting clerk said that ideally, the budgeting process should be in September after the end of the second quarter, followed by public consultation and formal agreement by council before submission to the District Council in January.

**Action: The acting Clerk will add a proposal to the November agenda to move the January Parish Council meeting to earlier in the month. The acting clerk will send NK's precept calculator to the finance committee.**

c) **Parish council assets and liabilities was address in 5. C) above.**

The Chair gave a member of the public the permission to speak at this point during the meeting as he has missed the public forum.

The member of the public maintains his view, expressed at previous meetings, that the valuation on the land at Star Fen was highly inflated as it was valued as amenity rather than agricultural. He expressed concern that the party who submitted an original bid for Star Fen, prior to the purchase by the Parish council, still want to buy the land which and he asked about the process of any future sale of the land. Councillor Davison explained that this item it on the agenda; the parish council will first need to understand its obligations as a public body.

d) **Star Fen**

- To understand the process and obtain valuations.
- To obtain advice to understand the legal and regulatory requirements associated with the sale of the land to guide future decision making.
- To ensure compliance with law and to obtain advice to assist the council to understand the legal and regulatory requirements associated with the potential sale of the land to ensure best value.

Councillor Davison said that the parish council needs to be deliberate in its actions surrounding Star Fen. He explained that there will be times when the parish council will have to move into closed session for discussion. The Chair emphasised that this will only happen when it is an absolute necessity, it was again emphasised that the parish council is committed to openness and transparency.

The Chair added that the parish council must obtain the right number of valuations and obtain the services of people that were not involved in the initial sale of the land.

**Action: The acting Clerk will ask LALC for advice from NALC's legal team in relation to the three bullet points re star fen.**

The Chair closed questions from members of the public to allow the meeting to progress.

There was further general discussion surrounding this agenda item. The finance committee will aim to feed back to the Parish Council

**Action: Councillor Tucker and Councillor Garlick to identify a preferred solicitor and land agent/s to value the land.**

e) **Budgetary process and precept setting (requirements for committees)**

Members discussed the budgetary processes for committees to report back to the finance committee. It was agreed that the finance committee will oversee the budgetary framework for the Chambers. The acting clerk asked that the parish council is open with the public in understanding that the budgetary process will not be wholly accurate until 2026/27. Earmarked/ring-fenced funds were discussed. Concerns were raised about the failings of basic maintenance of the Pavilion building and the Chambers which both present financial risk. It was agreed that the Pavilion committee will not be able to provide figures until the results of the buildings survey are known. The committees will be required to submit their proposals as soon as possible.

**Action: The acting clerk will guide the committees with a framework to create their budget recommendations.**

Councillor Davison mentioned risk assessment and health and safety, and the acting clerk asked the Chair for permission to speak to members about a Worknest in relation to agenda item 5. b).

Worknest will provide a full risk analysis and assessment, and policy for the parish council relating to all parish council activity to advise what the parish council should be doing to meet its legal and statutory obligations. This has been done in a haphazard manner in the past and as a result the parish council staff, volunteers and members of the public are being put at risk.

The Chair added her support to this, given findings in relation to the electricity supply on the Green which requires emergency repairs.

**Action: The acting Clerk will circulate the information and quote and to add the item to the November agenda.**

f) **Community Ownership Fund**

The Chair will action herself to investigate this fund. It was agreed that the Finance Committee should process future funding bids.

**Action: The acting Clerk will add this to the November agenda for deferral of powers.**

g) **Payroll Services 2025/26**

The acting clerk informed members that the current payroll services provider has indicated that they will withdraw their services at the end of the current financial year. The acting clerk also indicated that payroll data is frequently unavailable when payments are due to employees. The acting clerk recommended the services of Autela Payroll Services with whom she has worked for the last 12-years. Their fee will be in the region of £400 per year which is significantly less than the current provider. The finance committee expressed their approval.

**Action: The acting clerk will add this to the November agenda for approval.**

h) **PKF Littlejohn, External Auditor**

The Chair left the meeting, by her own admission she is an objector to the 2023/34 AGAR. In her absence, Councillor Spencer as Parish Council Chair, assume the role of the Chair.

The acting clerk confirmed that the Parish Council had received a letter from PKF Littlejohn, the external auditor, dated 30 October 2024 in relation complaints received from objector A and objector B about the 2023/24 AGAR. They have confirmed that an investigation of the accounts will take place with considerable costs on a per hour basis (£355) to the parish council. They are yet to begin the process of requesting information from the parish council. The acting clerk has confirmed that both objectors were on the electoral register in April 2024.

Councillor Wright asked what the external auditors will be looking at and the acting clerk read aloud some of objections.

The auditors will request information from the acting clerk and subsequently investigate. A member of the public asked what the repercussions would be. The acting clerk stated that the auditors would issue a public interest report which confirms that the parish council did not conduct business in accordance with proper practices.

A member of the public was concerned about the cost of the investigation; the acting clerk said that members of the public do have a right to object to the AGAR and that comes with a cost to the parish council. Councillor Davison raised the possibility of objections to the 2024/25 AGAR as the purchase of Star Fen took place in the current financial year. The acting clerk added that she would like to go through the AGAR in detail with all councillors so that they understand the document. She stated that in terms of objections raised about the 2024/25 AGAR she suspects that an investigation will not be required as the parish council are putting into place financial governance, an internal audit report will support this and business in being conducted in accordance with proper practices.

Councillor Tucker returned to the meeting and resumed her role as Chair.

6. Members agreed to hold the next finance committee meeting on Monday 16 December 2024 at 7.00pm in the Parish Council Chambers, St Andrews Street, Heckington.

A member of the public asked why there is not a member from each committee on the finance Committee. The acting clerk asked the Chair for permission to answer that question. It was explained that if a member from each committee was to sit on the finance committee, due to the number of committees, you would end up with all council members sitting on the finance committee.

The Chair closed the meeting at 8.30 pm.