



NEIL HITCH
Town Clerk

Tel. (01730) 264182

e-mail admin@petersfield-tc.gov.uk
www.petersfield-tc.gov.uk

*The Town Hall
Heath Road
Petersfield
Hampshire
GU31 4EA*

6th November 2020

Dear Councillor,

I hereby summon you to attend a meeting of the Finance and General Purposes Committee to be held on **Monday 16th November 2020 at 6.30 p.m.** via Zoom teleconference/video-conference facility as permitted by UK Government legislation during the current Covid-19 pandemic. The log in details to join via Zoom are as follows: <https://zoom.us> with meeting ID: 879 0681 1028 (members of the public are asked to email committee.admin@petersfield-tc.gov.uk in advance for the password).

Yours sincerely,

Neil Hitch
Town Clerk

AGENDA

1. Chairman's Comments.
2. To receive and record apologies for absence.
3. To consider the granting of a dispensation under Section 33 of the Localism Act (2011) to enable members to participate in, and vote on, an item of business on the agenda where they would otherwise have a Disclosable Pecuniary Interest and to confirm how long this dispensation may have effect.
4. To receive and record Declarations of Interest. Councillors are reminded of their responsibility to declare any disclosable pecuniary interest which they may have in any item of business on the agenda no later than when that item is reached. Unless dispensation has been granted, members may not participate in any discussion of, or vote on, or discharge any function related to any matter in which they have a pecuniary interest as defined by regulations made by the Secretary of State under the Localism Act 2011. Councillors must withdraw from the Chamber when the meeting discusses and votes on the matter.



5. Public Representation - Councillors to receive representation (including items that appear on the agenda) from members of the public provided they (public) have given due notice of their intention to the Town Clerk no later than 10.30 am on the day of the meeting. The maximum time limit allowed per person is three minutes, although this may be reduced if a large number of people express their wish to address councillors.
6. To approve the minutes of meeting held on 19th October 2020 (*previously circulated*).
7. To consider financial and other recommendations from Committees.
8. To receive and note the Finance Report from the Town Clerk (*to follow*).
9. To receive and consider a report regarding the Town Council's reserves and projected income shortfall due to the Covid-19 pandemic (*to follow*).
10. To consider and resolve a specification for the Tourism Information Strategy (*report circulated with October's minutes*).
11. To receive and consider a report from the Working Party to look at the policy and terms for a Covid-19 grant fund for local organisations and suggested criteria (*to follow*).
12. To receive and note the External Auditor's report for year ending 31st March 2020 and completed Annual Governance and Accountability Return (*attached*).
13. To receive and consider a letter from the Open Air Swimming Pool regarding the creation of a Charitable Incorporated Organisation (*attached*).
14. To receive and approve bank reconciliations for September and October 2020 (*September attached, October to follow*).

CONFIDENTIAL

15. To consider any confidential staff, financial or other recommendations from committees.
16. To receive and consider the financial recommendations from the Staff panel meeting of 30th October 2020 (*attached*).

~ End ~



Section 1 – Annual Governance Statement 2019/20

We acknowledge as the members of:

Petersfield Town Council

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2020, that:

| | Agreed | | 'Yes' means that this authority: |
|---|--------|-----|---|
| | Yes | No* | |
| 1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements. | ✓ | | prepared its accounting statements in accordance with the Accounts and Audit Regulations. |
| 2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness. | ✓ | | made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge. |
| 3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances. | ✓ | | has only done what it has the legal power to do and has complied with Proper Practices in doing so. |
| 4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations. | ✓ | | during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts. |
| 5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required. | ✓ | | considered and documented the financial and other risks it faces and dealt with them properly. |
| 6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems. | ✓ | | arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority. |
| 7. We took appropriate action on all matters raised in reports from internal and external audit. | ✓ | | responded to matters brought to its attention by internal and external audit. |
| 8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements. | ✓ | | disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant. |
| 9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit. | Yes | No | N/A |
| | ✓ | | has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts. |

*Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.

This Annual Governance Statement was approved at a meeting of the authority on:

10/07/2020

and recorded as minute reference:

C0926

Signed by the Chairman and Clerk of the meeting where approval was given:

Chairman

Clerk

[Handwritten signatures of Chairman and Clerk]

Other information required by the Transparency Codes (not part of Annual Governance Statement)

Authority web address

www.petersfield-tc.gov.uk

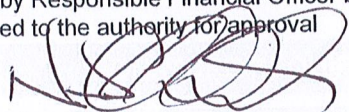
Section 2 – Accounting Statements 2019/20 for

Petersfield Town Council

| | Year ending | | Notes and guidance |
|---|-----------------------|-----------------------|---|
| | 31 March 2019 £ | 31 March 2020 £ | |
| 1. Balances brought forward | 5,183,776 | 1,869,974 | Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year. |
| 2. (+) Precept or Rates and Levies | 589,390 | 634,522 | Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received. |
| 3. (+) Total other receipts | 684,584 | 723,213 | Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received. |
| 4. (-) Staff costs | 356,618 | 408,201 | Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments. |
| 5. (-) Loan interest/capital repayments | 0 | 0 | Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any). |
| 6. (-) All other payments | 4,231,158 | 1,059,387 | Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5). |
| 7. (=) Balances carried forward | 1,869,974 | 1,760,121 | Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6). |
| 8. Total value of cash and short term investments | 1,804,019 | 1,712,414 | The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation. |
| 9. Total fixed assets plus long term investments and assets | 12,083,660 | 12,237,913 | The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March. |
| 10. Total borrowings | 0 | 0 | The outstanding capital balance as at 31 March of all loans from third parties (including PWLB). |
| 11. (For Local Councils Only) Disclosure note re Trust funds (including charitable) | Yes | No | The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets. |
| | ✓ | | N.B. The figures in the accounting statements above do not include any Trust transactions. |

I certify that for the year ended 31 March 2020 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval



Date

15/06/2020

I confirm that these Accounting Statements were approved by this authority on this date:

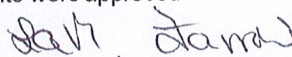
10/07/2020

as recorded in minute reference:

C 0927

+

Signed by Chairman of the meeting where the Accounting Statements were approved



Section 3 – External Auditor Report and Certificate 2019/20

In respect of **Petersfield Town Council – HA0212**

1 Respective responsibilities of the body and the auditor

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with *Proper Practices* which:

- summarises the accounting records for the year ended 31 March 2020; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

Our responsibility is to review Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with guidance issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General (see note below). Our work **does not** constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and **does not** provide the same level of assurance that such an audit would do.

2 External auditor report 2019/20

On the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return (AGAR), in our opinion the information in Sections 1 and 2 of the AGAR is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

Other matters not affecting our opinion which we draw to the attention of the authority:

None

3 External auditor certificate 2019/20

We certify that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2020.

External Auditor Name

PKF LITTLEJOHN LLP

External Auditor Signature

PKF Littlejohn LLP

Date

03/11/2020

* Note: the NAO issued guidance applicable to external auditors' work on limited assurance reviews for 2019/20 in Auditor Guidance Note AGN/02. The AGN is available from the NAO website (www.nao.org.uk)



Heath Road, Petersfield, Hampshire GU31 4DZ
Telephone: 01730 265143 Email: info@petersfieldpool.org

11 October 2020

Mr Neil Hitch
Town Clerk
Petersfield Town Council
Heath Road
Petersfield
Hampshire
GU31 4EA

Dear Neil,

Thank you for the opportunity to hold a meeting with yourself, Lesley Farrow (Town Mayor) and myself on October 9th 2020 regarding the intent of the Trustees of the Petersfield Open Air Swimming Pool (POASP) to form a Charitable Incorporated Organisation (CIO) to replace the current Charitable Trust model which was put in place in 1962.

As agreed, please find as an Appendix to this letter, the explanation of rationale for the change in model which can be used as pre-read for council meetings where this topic will be discussed.

I wish to reiterate that the motivation of changing to a CIO model is driven largely by the desire to:

- enable an update of the constitution
- limit liabilities to individual Trustees
- implement the legal advice which stated that the CIO is the most appropriate of the structures advised and regulated by the Charity Commission
- be able to attract Trustees in the future

While the CIO structure will of course change the formal relationship of PTC to POASP, we expect there to be very little change to the way the relationship works in practice.

If any of the councillors would like to see the draft new constitution or the original 1962 Trust deed, please let me know as I have both in soft copy.

Please let me know if there is anything else you need in advance of the meeting and please let me know when the meeting is so that I or another Trustee can plan to attend to field any questions that the councillors might have.

Thank you in advance.

Regards,

Sheila Spence
POASP Trustee

APPENDIX : Changes to Charitable Status of Petersfield Open Air Swimming Pool

Background

The current governance structure of POASP is that of a charitable trust with its constitution dated from 1962. The trust deed stipulates that the Council (now PTC) is the custodian trustee of POASP.

The charities lawyer that we have been working with has clarified the role of the Custodian Trustee as follows:

Pursuant to the 1906 Act, a custodian trustee:-

- *shall have custody of all documents of title relating to the trust property (ie the original Declaration of Trust — together with any other documents of title to the Swimming Pool Land). However, the Management Committee (as charity trustees) shall have free access to such documents and be entitled to take copies and extracts etc;*
- *shall concur in and perform all acts necessary to enable the Management Committee to exercise their powers of management - which would include their decision to incorporate the Charity; and*
- *may charge for its services, subject to prescribed limits."*

In its Operational Guidance OG 39 A1 on custodian trustees, the Charity Commission confirms that:

"The watchword here is "assistance". The custodian trustee can only assist the managing trustees [ie the charity's Management Committee] – it cannot have any management responsibilities itself, no matter how convinced individual members of the corporate body may be that it does."

Rationale for Change from Charitable Trust to CIO

The 1962 constitution is extremely out of date and is in need of modernising to be in line with current charity commission guidelines and requirements and to enable the Management Committee to manage in line with its own constitution.

The CIO structure has several benefits over unincorporated charities and charities that are limited companies:

- The Trustees are personally protected from the financial and contractual liabilities incurred by the charity – this is not the case for an unincorporated charity.
- The charity has a legal personality of its own, enabling it to conduct business in its own name, instead of the name of the trustees as per an unincorporated charity.

The POASP Management Committee has been advised to change to this model for the benefits noted above which in turn will make it easier to attract quality Trustees for the Management Committee.

We know a number of organisations - including charity run swimming pools – who have recently undertaken to become a CIO. Therefore a CIO model for a facility like ours is certainly not without precedent.

Main Changes

The new CIO will have fewer trustees (maximum 8 rather than 11). However POASP plans to create more opportunities for non-Trustee volunteers which we believe will be more attractive for some and enable more flexibility in the way people can contribute to the pool.

The current constitution (1962) has provisions for the Council (now PTC) to nominate 6 Trustees the rural district council of Petersfield (now EHDC) to nominate 1 trustee and for the remainder to be nominated by the community. PTC has historically held one Trustee seat for a PTC councillor whose role it has been to keep PTC informed of the activities of POASP and act as a liaison between PTC and POASP where appropriate. In future, the Trustees themselves will be responsible for sourcing new Trustees when a position becomes vacant. The exception to this is the one PTC nominated trustee.

POASP currently holds AGM's in open forum in the form of a meeting open to the Town's residents where they hold voting rights and in theory nominate the remainder of the trustees. In practice, the potential

nominees have been historically sourced through the Management Committee itself for endorsement by others.

With the new CIO, the AGM will be held with the Trustees only and there is no obligation to have this meeting open to the public. Nevertheless, the POASP Management Committee plans to continue to hold an annual public meeting open to community where it will outline the previous year's performance, plans for the future as well as take ideas from the community. This public meeting is described within the POASP CIO Governance Plan which supplements the POASP CIO constitution.

What does this mean to PTC?

With the new CIO, the PTC can no longer hold the position of custodian trustee (as this is not available via a CIO model). However, the constitution for the POASP CIO contains a provision to enable a representative nominated by PTC to hold one of the Trustee positions. This position is the PTC councillor Trustee position equivalent to the one held with the current Charitable Trust.

In order to incorporate an existing unincorporated association into a CIO one of the steps in the process is to transfer all assets, undertakings, non-endowed properties and liabilities to the newly established CIO.

PTC currently holds the land title registration to POASP and a vesting declaration under section 310 of the Charities Act 2011 will be required to transfer the property to POASP. As has already occurred with land registration process, POASP will support the PTC Town Clerk in completing this step to avoid adding a bureaucratic burden to PTC.

The POASP Management Committee wish to stress that it has every intention of carrying on working with PTC going forward and this change to a CIO will not change the way in which POASP works with PTC. At a working level, the formal change of relationship is likely to be imperceptible to both parties.

Timescale

The POASP Management Committee is working with a Charities Lawyer with the intent of establishing the CIO by the end of 2020.

Bank - Cash and Investment Reconciliation as at 30 September 2020

Confirmed Bank & Investment BalancesBank Statement Balances

| | | |
|------------|-------------------------------|---------------------|
| 30/09/2020 | Lloyds Current Account | 25,000.00 |
| 30/09/2020 | Lloyds Savings Account | 174,247.53 |
| 30/09/2020 | Cambridge & Counties | 1,841,370.78 |
| 30/09/2020 | Public Sector Deposit Fund | 64,447.47 |
| 30/09/2020 | Lloyds Ticketsource | 45.00 |
| 30/09/2020 | Moviola Cinema Float | 110.00 |
| 30/09/2020 | Petty Cash Tin Float | 141.62 |
| 30/09/2020 | Reception Till Float | 35.00 |
| 30/09/2020 | Town Mayor's Charity -Current | 1.00 |
| 30/09/2020 | Town Mayor's Charity-Savings | 753.94 |
| 30/09/2020 | Lloyds Credit Card | 102.61 |
| | | 2,106,254.95 |

Other Cash & Bank Balances

0.00

2,106,254.95Unpresented Payments

29.52

2,106,225.43Receipts not on Bank Statement

-16.58

Closing Balance**2,106,208.85**All Cash & Bank Accounts

| | | |
|---|---------------------------------------|---------------------|
| 1 | Current Bank A/c | 85,402.08 |
| 2 | Cambridge & Counties Bank A/c | 1,841,370.78 |
| 3 | Public Sector Fund A/c | 64,447.47 |
| 4 | Ticketsource A/c | 45.00 |
| 5 | Petty Cash | 286.62 |
| 6 | Town Mayor's Charity A/c | 784.94 |
| 7 | CCLA Local Authorities' Proper | -102.61 |
| | Other Cash & Bank Balances | 0.00 |
| | Total Cash & Bank Balances | 1,992,234.28 |