

MINUTES of the Finance Committee of Melksham Without Parish Council held on Monday 14th June 2021 at 7.45 p.m.

(DUE TO THE ON-GOING COVID 19 PUBLIC HEALTH RESTRICTIONS THIS MEETING WAS HELD FACE TO FACE WITH MEMBERS OF THE PUBLIC BEING ENCOURAGED TO JOIN THE MEETING VIA ZOOM. THE MEETING WAS ALSO LIVE STREAMED VIA YOUTUBE FOR MEMBERS OF THE PUBLIC TO WATCH)

Present: Councillor Alan Baines (Committee Vice Chair), David Pafford (Council Vice-Chair), Richard Wood, Shona Holt and Robert Shea-Simonds

Officers: Teresa Strange (Clerk) and Marianne Rossi (Finance & Amenities Officer).

Housekeeping & Announcements: Councillor Baines welcomed all to the meeting.

83/21 Apologies

Councillor Glover was on holiday, this reason of absence was accepted.

84/21 Declarations of Interest

None

85/21 Dispensation Requests for this Meeting

None.

86/21 To consider holding items in Closed Session due to confidential nature:

Under the Public Bodies (Admission to Meetings) Act 1960, the public and representatives of the press and broadcast media be excluded from the meeting during the consideration of the following items of business (Item10b) as publicity would be prejudicial to the public interest because of the confidential nature of the business to be transacted. This is in line with Standing Order 3d: "That in the view of the special/confidential nature of the business about to be transacted, it is advisable in the public interest that the public be temporarily excluded and they are instructed to withdraw"

Resolved: Item 10b to be discussed in closed session for reason B terms of a tender.

87/21 Public Participation

There were no members of the public present.

88/21 To review parish council's compliance to the Governance & Accountability for Smaller Authorities in England

Members reviewed the parish council's compliance to the Governance & Accountability document. Councillor Baines explained that both the Clerk and the Finance & Amenities Officer had annotated this document to demonstrate how the council met the legal requirements.

89/21 Statement of Accounts & Accompanying Report 2020/21

a) To note Minutes of Finance Committee 11th Jan 2021 (Budget Setting) annotated with actual vs forecast figures for 2020/21

The Clerk had annotated the Finance Committee minutes of 11th January 2021 to inform members of any actual figures differing from the forecasted figures at budget setting so that members could relate it to the year-end figures. Councillor Holt queried whether the difference between anticipated and what was received made a huge difference to the overall budget. The Clerk confirmed that this does not cause any financial difficulties. She explained this was due to the fact that income that had been anticipated to come in 2020/21, for example the £125,000 index linked S106 for the Berryfield Village Hall was not received until April which was in the current financial year. The funds were still received, just in a different year, which was again the situation with some project spend slipping into the next financial year.

b) To review Statement of Accounts and Accompanying Report for 2020/21

Members reviewed the statement of accounts for 2020/21 which included a supporting statement. The supporting statement also included a new list of land that the parish council either leased or owned.

c) To review the Bank Reconciliation as at 31st March 2021

Members reviewed the bank reconciliations for each account as of 31st March 2021 and agreed that the bank reconciliations agreed with the bank statements.

Recommendation: The Council accept the bank reconciliation as of 31st March 2021 as a true record with a closing balance of £1,023,305.56

d) To recommend to Full Council bank transfer amount to top up online banking account and spread risk

Councillor Baines explained to members that the parish council currently had two bank accounts, one with Lloyd's Bank and the other with Unity Trust Bank. He explained that the parish council had spread the risk between both banks previously as only up to £85,000 was protected by the FSCS (Financial Services Compensation Scheme). This scheme was in place to protect in the event that a bank should collapse. It was noted by members that the council currently had a large amount of funds in Lloyd's Bank.

The Clerk explained that currently Lloyd's Bank allowed officers to set up payments but also authorise them, this is why the council do not make online payments via this bank and officers only have access to view this account. Unity Trust Bank allows officers to view the account and set up payments, but does

not allow them to authorise, therefore the council's online banking was done through this account. The Clerk explained that whilst there was a large amount of money in the Lloyds Bank account it may be safer as no one was able to do online banking from this account. It was explained that Lloyds Bank was set up as a cheque account and was easier for staff to pay cash and cheques in as it was located on the high street.

The Clerk explained to new members of the committee that the council had previously looked at mitigations for large funds being held in one account as only up to £85,000 was protected, but it was deemed that there was more of a risk in having several different accounts where they were not looked at on a regular basis. The council's bank accounts are looked at on a regular basis so an irregularity would be spotted much quicker than having several accounts that may only be looked at on a quarterly basis.

The Clerk explained that the council was also expecting to receive the remaining 75% of S106 funds for the Berryfield Village Hall soon which would be received into the Lloyds account. Members queried with the Clerk whether she had a suggestion on how much should be transferred. The Clerk explained that Unity Bank was where the council's payments were made from and if the council accept the tender for the New Berryfield Village Hall some large amount of money would be required to be paid out.

It was noted that an average monthly pay run was around £20,000, therefore to ensure that this doesn't need to come back to the council in the next couple of months Councillor Wood suggested that a sum of around £250,000 should be transferred from Lloyd's Bank into Unity. The Clerk explained to members that it had to be a resolution by the Full Council to transfer funds between accounts, therefore if funds were needed urgently it could be up to a month before funds were transferred.

Councillor Pafford wondered whether the council should move foreseeable expenditure for the next 6 months and then review. Members felt that if everything goes to plan with the tender for the new Berryfield Village Hall most of the funds that had been suggested to be transferred would be required and by putting a much larger sum of money such as £250,000 would spread the risk between both accounts.

Recommendation: The council transfer £250,000 from Lloyd's Bank into Unity Trust Bank.

e) To review Reserves Policy and Reserves breakdown as at 31st March 2021

Members reviewed the Reserves policy. The Clerk had made some suggested changes to the policy for members to review and confirm. It was noted that the council held some reserves that were ring fenced for specific purposes such as S106 funding from new housing developments which states its use in the S106 legal agreement. It was also acknowledged that the council hold reserves on behalf of more than one body for joint projects such as the Shurnhold Fields Open Space Maintenance fund as the parish council was the lead council for

this project. Members agreed that these suggestions should be added into the policy.

Members reviewed the reserve breakdown as at 31st March 2021. Councillor Baines highlighted to members that the council had made a payment to the Whitley Community Hub for seed funding which came from the Community match funding reserve which had not been anticipated at budget setting.

The Clerk explained that the council did not spend as much as what was anticipated from the general contingency reserve, this was because it had been expected that the council may require more cleaning due to Covid.

It was also noted that the CIL (Community Infrastructure Levy) expenditure was different from budget setting as the council did not spend as much as what was anticipated in this financial year.

The Clerk advised members that a new reserve had been set up for the Covid grants that had been received from Wiltshire Council. It was explained that the council had previously decided on what the first Covid grant was to be spent on, but had not yet decided on what the other grants should be used for. The Clerk explained that even though these grants were not ringfenced she felt that members should see it as a separate amount of money so that it did not get mixed up with the general income. The same principle was applied with the Sandridge Solar Farm reserve, even though it was not ring fenced the council does have to send a report on what the money was spent on each year. Councillor Baines advised members that the council had received more income from the Solar Farm than they had anticipated in the 2020/21 financial year.

The following reserves had been split between contingency, short term, medium term and ringfenced.

ACTUAL AS AT 31 MARCH 2021	COUNCIL RESERVES	CONTINGENCY / COMMITTED 2021/22	SHORT TERM Up to 3 years	MEDIUM TERM CAPITAL REPLACEMENT Over 3 years	RINGFENCED for specific use due to legal agreement from funding source
£244,957.18	New Hall, Berryfield	£377.83	£244,579.35		
£5,000.00	NEW RESERVE - To dispose and make good temporary existing portacabin village hall (Berryfield)		£5,000.00		

£4,400.00	Shaw Hall	£4,400.00			
£315,029.94	New Community Centre, East of Melksham		£315,029.94		
£2,856.53	Office accommodation/ relocation		£2,856.53		
£800.00	Photocopier replacement	£800.00			
£40,030.00	B'hillSports Field & Pavilion maintenance. LONG TERM REPLACEMENT OF CAPITAL ITEMS	£5,030.00		£35,000.00	
£9,339.00	B'hillSports Field & Pavilion maintenance ANNUAL SUM MOVED INTO ACCOUNT TO MAKE UP SHORTFALL	£2,000.00	£7,339.00		
£16,500.00	Shaw Playing Field - Improvement Project	£16,500.00			
£40,000.00	Replacement Play Area Safety Surfacing & Equipment LONG TERM CAPITAL REPLACEMENT			£40,000.00	
£10,000.00	Shurnhold Fields (ex George Ward Playing Field) project CAPITAL			£10,000.00	

£6,000.00	Recreation & Sports Facility Enhancement		£6,000.00		
£10,850.00	Defibrillator replacement every 6 years		£10,850.00		
£4,000.00	General Highway & Footpath / Lighting		£4,000.00		
£5,450.00	Legal fees	£5,450.00			
£765.67	Community Projects/Match Funding	£765.67			
£14,000.00	Elections	£14,000.00			
£9,850.00	Contingency - staffing	£9,850.00			
£30,000.00	Contingency - replacement / renewal of council assets (including Wiltshire Council assets) and instead of insuring low value street furniture items	£30,000.00			
£35,608.00	General Contingency	£35,608.00			
£5,000.00	Contribution to Wiltshire Council /Env Agency bid to DEFRA for flood protection in Whitley/Shurnho Id		£5,000.00		

£51,179.01	CIL (Community Infrastructure Levy) ringfenced funding	£33,011.00	£18,168.01		
£37,553.00	NEW RESERVE - Sandridge Solar Farm	£19,761.00	£17,792.00		
£84,919.56	Shurnhold Fields Open Space Maintenance Contribution	£2,200.00	£6,600.00	£76,119.56	RING FENCED
£9,431.00	NEW RESERVE - COVID GRANTS FROM WILTSHIRE COUNCIL (2ND)		£9,431.00		
£993,518.89		£179,753.50	£652,645.83	£161,119.56	
			£993,518.89		

Recommendation 1: The council add the suggested amendments made by the Clerk into the reserve policy.

Recommendation 2: The reserve breakdown is approved.

f) To review receipts and spend of CIL (Community Infrastructure Levy) for 2020/21

Members reviewed the receipts and spend on CIL for 2020/21. Councillor Baines explained that some planning applications depending on their planning class do not pay CIL, this also applies to self builds. It was highlighted that the council did not receive any CIL from the Dick Lovett development but did from Travelodge. It was noted that this was a national set of guidelines and not just a Wiltshire Council policy.

Councillor Baines highlighted to members that the council currently receive 15% of all CIL funds that Wiltshire Council receive. It was noted that once Melksham

had a Neighbourhood Plan the council would receive 25% of CIL funds, however the additional 10% will be shared with Melksham Town Council for other projects.

Recommendation: The parish council report the following CIL income and expenditure for 2020/21:

CIL income received in 2020/21

Land east of Semington Road 17/12514/REM	£ 39,442.09
Land east of Spa Road 18/04644/REM	£140,173.19
Land south west of Western Way 18/04477/REM	<u>£124,648.18</u>
	£304,263.46

CIL spent in 2020/21

Contribution to Highway Schemes	£ 245.35
Shurnhold Field project-Capital	£ 331.73
Street furniture/play area benches- (Includes bus shelter side panels)	£ 3,050.54
Contribution to TransWilts Community Hub	£ 3,500.00
Bowerhill Sports Field Maintenance	<u>£ 900.00</u>
	£ 8,027.62

Transfers to Earmarked Reserve:

Berryfield Village Hall Reserve	£ 39,442.09
Berryfield Village Hall Reserve	£150,000.00
Bowerhill Sports Field Reserve	£ 5,000.00
Disposal of existing Berryfield Village Hall Reserve	£ 5,000.00
Defibrillator Reserve	£ 2,500.00
East Melksham Comm Centre Reserve	<u>£140,173.19</u>
	£342,115.28

CIL Reserve as at 1st April 2020	£ 97,058.58
CIL income received in 2020/21	£304,263.46
CIL spent in 2020/21	- £ 8,027.62
CIL transferred to Earmarked Reserves	- <u>£342,115.28</u>
CIL Reserve as at 31st March 2021	£ 51,179.14

g) To review spend of Sandridge Solar Farm funding for 2020/21

Members reviewed the spend on the Sandridge Solar Farm for 2020/21. Councillor Baines explained that the council have to account for what they have spent from the solar farm community fund. In the last financial year, it had been anticipated that the council may install a bus shelter on Falcon Way however this did not happen in the last financial year. Councillor Baines felt that the bus shelter on Falcon Way should be included in the 2021/22 financial year anticipated spend.

It was noted that the council had received more solar farm funding in the 2020/21 financial year than anticipated, the Clerk explained that this had been a correction from previous financial year.

Members noted that the council had previously decided to spend the solar farm money for the running of items instead of capital items with the exception of the Falcon Way bus shelter which was in the radius of the solar farm.

Recommendation: The parish council report the following Sandridge Solar Farm income and expenditure for 2020/21:

The Sandridge solar farm funding received in 2020/21 was a one-off payment of £38,008.00. This fund was spent on the following in 2020/21:

Play area safety surfacing clean - shortfall on budget amount	£ 853.00
Tree works following Inspection	£1,500.00
Tree works following inspection - Bowerhill Sports Field	£1,200.00
Weedspraying	£2,744.00
TOTAL SPEND IN 2020/21	£6,297.00

h) To note Asset Value figure for year ending 31st March 2021

At 31st March 2020 the parish council's asset register value was £295,759. During 2020/21 there were disposals of assets valuing £1,046 and new assets totalling £8,296 which gives a total asset value of £303,010 at 31st March 2021. A full asset register is held by the parish council, which gives details of all the assets and the changes during the financial year. It also shows the insurance value of each item, as different from its asset value which is shown at its purchase price in line with statutory guidance. The assets were insured at a value of £1,502.032 from 1st June 2020 to 31st May 2021.

A summary of the assets held as at 31st March 2021 is detailed below:

Buildings	£12,433
Chain of Office/Chairman's Board	£1,380
Fencing/Gates	£22,934
Land	£37,253
Machinery/Tools	£415
Office Furniture/Equipment/Contents	£17,653
Outside Equipment (Includes defibrillators, allotments)	£23,400
Play Area & Playing Field Equipment/Safety Surfacing	£113,780
Street Furniture	£73,762
	<u>£303,010</u>

i) To recommend for approval by Full Council the Statement of Accounts & Annual Report for the year ending 31st March 2021

Recommendation: The Council approve the Statement of Accounts and Annual Report for the year ending 31st March 2021.

j) To recommend for approval Local Government Transparency Code Compliance Report for 2020/21

It was noted that this was a document that the council had to produce each year. The Clerk explained to members that this document required a report detailing

every transaction the council had made over £500 with the exclusion of staff salaries and pension contributions. Although the finance system was able to provide a report with all of the transactions made over £500, unfortunately it does not detail what the transactions were for. The Clerk advised that the council publish all expenditure in their full council minutes which are available on the council website. She explained that she had attached the list of payments made and detailed in this document how members of the public can access supporting information for these payments. Officers are going to feedback to Rialtas and ask them if an addition to the system can be made to enable this kind of report; as its something that all councils with an income/expenditure over £200k need to report.

Councillor Baines queried whether the £1,500 seed funding awarded to the Whitley Community Hub should be included in this report under Section 137. The Clerk advised that this document was not looking at section 137 but looking at grants that had been provided to organisations, however she would add this funding to the documents.

Recommendation: The Council approve the Local Governance Transparency Code Compliance Report for 2020/21 with the addition of the £1,500 seed funding awarded to Whitley Community Hub being included under the grant section in the report.

90/21

Audit:

a) To note review of action taken against Internal Audit report for 2019/20 and no action to be taken as result of External Audit report for 2019/20

The Committee noted that there had been no recommendations from the External Auditors for 2019/20 and noted the extract of the minutes of when the Internal Auditor's report had been reviewed last year.

b) Internal Auditor's reports for 2020/21 (To note review of visit 11/1/21 and consider report following 2nd visit 27/5/21)

Members noted the extract from the minutes of January Full Council where the council addressed any recommendations from the first visit. The Committee reviewed the report received from the auditors following their second visit on the 27th May. There was only one observation in the report which was 'the council must ensure that the bank reconciliations are signed once lockdown restrictions are eased.'

The Clerk explained that the auditor understood why the reconciliations were not physically signed and has noted in their report that the council had approved the bank reconciliations via email. She explained that once the March bank reconciliations were signed, they would be sent to the internal auditor.

c) To consider effectiveness of internal control

The Clerk explained that the council had to be satisfied that it had effective internal control. The Clerk had provided members with a list of questions and

tests the Internal Auditor had asked for from officers. Members felt that it was clear that the auditor was very thorough.

The Clerk explained to members that she would like a member of the council to come into the office and spot check the council's income, to confirm to the full council that robust controls were in place. To verify that the income expected, received and reported all balanced; this was for the Sports Field lettings and allotment rent as lots of duplicate payments of small amounts, often in cash, that were a prime area for either a mistake in reporting or deliberate fraud. Councillor Shea- Simonds volunteered to undertake this task.

d) To appoint Internal Auditor for 2021/22

Members considered the appointment of an Internal Auditor for 2021/22. Councillor Pafford queried whether it would be an advantage to change the Internal Auditor every once in a while, and inquired how long the council had been with their current Auditors. The Clerk advised that it was around 3 to 4 years and although agreed with Councillor Pafford, felt that it would be difficult to find Auditors as thorough as the current ones. The Clerk explained that an Internal Auditor had to be independent, have knowledge of Parish Councils and be competent. She explained that the Auditors still challenged the parish council.

Members agreed with Councillor Pafford's comment and felt that if the council could find a similar Auditor it may be worth in the future swapping over. The Clerk suggested that as the council was already part way through the 2021/22 financial year, she would investigate this for the next financial year.

Recommendation: The Council appoint IAC Ltd as the Parish Council's Internal Auditor for the year 2021/22.

e) To note guidance from External Auditors

Members noted the guidance from the External Auditors.

f) To consider answers to Section 1 (Annual Governance Statement) of External Audit documentation (Full Council will need to consider separately when they meet on 28th June)

Members considered the questions asked under Section 1 of the Annual Governance Statement. It was noted that as a corporate body the Council had to understand and acknowledge this statement and be able to answer yes to all the questions.

Recommendation: The questions in Section 1 of the Annual Governance Statement 2020/21 to be answered "yes" by the Full Council on 28th June, 2021.

g) To recommend for approval by Full Council the External Audit Annual Return and additional information requested

The Clerk explained that if box 7 and 8 were different this had to be explained. She advised the reason these boxes were different was because of debtors,

creditors and accruals. The Allotment year runs from 1st October until 30th September each year which means that the income received relates to two financial years. It was explained that at each year-end officers look at the income received and split it by 50%, therefore 50% of the income is advanced into the next financial year.

The Clerk also explained that anything that is a variation of 15% more or less than last year's figures needed an explanation. A full breakdown of the variances was explained in a separate document. She explained that the staffing costs were higher this year, this was due to two members of staff going full time in the 2020/21 financial year; the general expenditure was also a variance on last year.

Recommendation: The figures in Section 2 of the Annual Governance & Accountability Statement and accompanying documents be approved by the Full Council on 28th June 2021.

h) To note key dates for Exercise of Public Rights

It was noted that the public had a right to view the published accounts. The dates set for the period for the exercise of public rights commenced on Thursday 1st July 2021 and ended on Wednesday 11th August 2021.

91/21 To consider Chairman's Allowance for 2021/22

It was noted that the Chairman was absent from the meeting. Councillor Baines advised members that in previous years the council had increased the Chairman's allowance in line with the allowance increase for members of Wiltshire Council. The Clerk explained to members that the council had to have regard to the local pay authority when making a decision on the Chairman's allowance. Members felt that they should continue with the current allowance rate and once Wiltshire Council had confirmed their members allowance increase if any, the council amend the Chairman's Allowance to reflect this.

Recommendation: The Chairs allowance to stay at the current rate until Wiltshire Council had set their members allowance increase and amend the allowance to reflect this increase.

92/21 New Berryfield Village Hall Project:

a) To note update on transfer of land and access for building works

It was explained that the Clerk had spoken to the solicitor who was having a robust discussion with the developers regarding the transfer of land and access for building works for the new village hall.

The Clerk explained that it was difficult for the council to accept a contract to build the village hall if the land hasn't been transferred over to the council. She explained that the parish council also not only needed the land transferred over to them, but allow the council's contractors access over their roads and the ability to connect to services. The council had also asked for a bit of extra land for the

patio. These discussions have been happening for around 18 months with the developer.

b) To appoint contractor for build of Berryfield Village Hall following tender process, Project Manager's recommendation and due diligence checks

In line with Standing Order 3d this agenda item was held in closed session.

Councillor Baines explained that there had been 7 tenders received, 4 of the tenders were within 1.5% of each other. The project manager, following the successful completion of all of the necessary checks had recommended that the council accept the tender from Rigg Construction Southern Ltd. Members had been provided with documentation confirming that all of the due diligence checks had been completed on this contractor.

The Clerk wished to draw members attention to the contract regarding the public art for the village hall. The Clerk explained that the public art steering group wished for Kerry Lemon, the artist who was creating the public art work for the village hall to also create the signage. It was explained that David Sharp the Architect who is taking on the project management of the village hall had confirmed that there was £1,500 that had been written into the tender document for the signage. Members of the public art steering group wished for this to be taken out of the tender and transferred over to the artist for the artwork project. The Clerk confirmed that the Architect was aware of the and was happy that this was done.

The Clerk also wished to draw to members attention the report that the cost consultant had completed following his due diligence checks. It was noted that it had been recommended that the parish council add a further £10,000 to their contingency for the overall project budget.

The Clerk wished to make members aware that the tender document had been signed and dated on 6th April 2021, whilst at the bottom of the tender document it stated that tenders must be delivered no later than 2pm Friday 2nd April. The Clerk explained that due to this date being Good Friday the tender date was extended to the next working date which was Tuesday 6th April at midday. The Clerk explained to members that at the time of the scheduled tender opening she had not received any post due to problems with the postal service (covid related), therefore this was postponed until Thursday 8th April. Members of the Finance Committee had been made aware of this at the time, but formally noted this.

Councillor Baines wished to highlight to members that in correspondence from the project manager he advised that the tenders excluded professional and local authority fees which were projected to be around £48,000. He explained that most of this the council had already paid, so this was not an additional amount required.

Recommendation 1: The Council appoint Rigg Construction Southern Ltd to build the Berryfield Village Hall at a cost of £721,296.18 excluding VAT less £1,500 = £719,796.18

Recommendation 2: The Council transfer the £1,500 written into the tender document for signage over to the artwork project contract with Kerry Lemon.

c) To recommend to Full Council the amount and timescale of a Public Works Loan Request for the build of Berryfield Village Hall

The Committee returned back into open session.

Members reviewed the spreadsheet of earmarked reserves. Councillor Baines explained that there was £315,029.94 that had been received from CIL which was for the East of Melksham development. This has been earmarked for the new East of Melksham Community centre which is no longer in the parish of Melksham Without, therefore this funding will be transferred to Melksham Town Council under a legal agreement. Councillor Baines advised members that currently Melksham Town Council did not have a suitable site, or design so do not require the use of this money at this time. It was noted that a legal agreement was yet to be drawn up between both councils.

The Clerk explained that as the council's Responsible Financial Officer she would strongly advise against the council entering into a contract that they do not have the physical means to pay for. She explained that in an ideal world the council would have applied for a public works loan first and received the money before the tender was accepted. Unfortunately, due to the fact that the tender was only valid for 90 days and this was due to expire at the end of June there were concerns that the price may go up by a considerable amount past the 90 days.

The Clerk explained that she had looked at every reserve to see which funds may be available to use against the tender excluding any that were ring fenced, for contingency or were required in the next 3 years. After reviewing all of the reserves the total amount available from reserves would be £407,838.19, however this included the £244,597.18 which was already ear marked for this project, this leaves a total of £163,241.01 available from other reserves

The following breakdown of income available and in the bank as of 14th June for this project was presented to members.

Reserve for Berryfield Village Hall	£244,597.18
s106 funds received April 21 (25% of £500,000 index linked)	£136,500.00
Total	£381,097.18
Other reserves available when accepting contract	£163,241.01
Total	£544,338.19
Amount of recommended contract	£721,296.18
Difference	-£176,957.99

After looking at all of the funds available the Clerk explained that the council had £544,336.19 available. This included the £136,500 received in April for 25% of S106 funds which was index linked. This therefore, means that the council was £176,957.99 short if the full council were to approve the contract.

The Clerk explained that if the council were to borrow some of the money that was allocated to the East of Melksham Community Centre, for example £200,000 the council would have enough to accept the contract. This would only be until the public work loan came through. She advised that the council could give Melksham Town Council as part of the legal agreement the £100,000 for their legal and professional fees and inform them that the rest would come once the loan was received.

Members were cautious with this approach as they were minded that it would need to be made crystal clear to Melksham Town Council that the council was not going back on the agreement that was made. The Clerk explained to members that if they didn't borrow some of the fund from the East of Melksham Community centre, they would be unable to accept the contract unless the committee went back through the reserves to see where some more funds may be available. She explained that she had been cautious, but members felt that they should not cut all of their contingency funding away in case something unforeseen happened and they needed the contingency funding.

The Clerk explained to members that with regards to the loan process the loan was normally turned around in a week, however currently applications for loans that had been submitted in January were still awaiting approval. The Clerk explained that she had spoken to Katie Fielding who was the County Officer from the Wiltshire Association of Local Councils (WALC) who checks and sends the applications for public work loans to the Secretary of State, for approval. It was explained that the intention was for them to approve loans unless there was a reason why the loan shouldn't be approved. It was also explained that she would be happy to check the application before the Full Council meeting on 28th June so that if it was approved it could be sent straight after so there wasn't a delay.

It was also noted that the intention for the council to take out a public works loan was also going to be on the agenda for the Area Board on 23rd June; as part of its ongoing consultation.

The Clerk wondered whether it might be suitable for Councillor Glover as Chair of the Parish Council and Councillor Hubbard as Mayor of Melksham Town Council to discuss. This might be a good way for the parish council to explain the situation to the town council stressing that the parish council were not going back on what had already been agreed.

Councillor Baines wished to highlighted to members that there was still some CIL money from the East of Melksham Development which was still to be paid to Melksham Town Council, so if they wished to move this project forward in the meantime, they would still have some funds available to them.

Councillor Wood was unhappy to use funds that had been pledged to someone else. He felt that the council should not accept the contract until the public works loan funds had come through. He acknowledged that this would mean that the council would go past the 90-day deadline and therefore the eventual contract price would go up. He felt that the council had no way of knowing when Melksham Town Council would need the money or when the public works loan would be received.

Councillor Pafford felt that it would be worthwhile for Councillor Glover to have a discussion with Councillor Hubbard from the Town Council about timings and to establish an acceptable understanding for both parties on how this could move forward. He felt that Councillor Hubbard might be in a position to give the council a time scale as to when the Town Council were likely to push forward with the community centre project.

Councillor Wood felt that the council could also have a conversation with the contractors explaining the situation.

Councillor Shea Simonds queried whether there was an indication on timeframes on when the contractor wished to receive payments and how much. The Clerk explained that she had asked the cost consultant what the staged payments would look like. The Clerk reminded members again that from all of the guidance that had been received they cannot take out a contract if they don't have the physical funds available.

Councillor Holt explained that it was essential that the council applied for this loan as soon as possible. Councillor Baines explained it was a question of how much and for how long.

The Clerk explained that she had looked at the total cost for the project along with the income the council was due to receive to determine how much the council would be required to borrow. She presented members with the following lists of projected income and expenditure for the project.

Total cost of Berryfield Village Hall Project

Amount of recommended contract	£721,296.18
Professional fees/Local authority fees as per Project Manager	£48,577.00
VAT advice	£654.00
Legal Fees	£2,500.00
Tender Adverts in local press	£281.00
Public works loan advert	£495.00
Public works loan article to Bowood View Development	£35.00
Total Cost	£773,838.18

It was noted that the total spend to date for this project was £33,847.86.

Total Income for Berryfield Village Hall Project

Description	Actual Income received	Anticipated Income- Final Amounts not yet known
CIL from Bowood View	£107,056.00	
25% of £500,000 S106 index linked at 76 th occupation	£136,450.00	
75% of £500,000 S106 index linked at 112 th occupation		£400,000-(£375,000 index linked)
CIL from Pathfinder Place	£150,000.00	
CIL from new application adjacent to Bowood View		£95,000- (Staged payments)
Total	£395,506.00	£495,000

TOTAL INCOME £888,506.00

TOTAL COST of project £773,838.18

£114,667.82 For furniture, equipment, CCTV
etc

The Clerk explained that she had spoken to the Section 106 officer at Wiltshire Council to determine how long it could be before the council received the rest of the S106 money once the 112th dwelling was occupied. She explained that the shortest amount of time would be 6 weeks because Wiltshire Council also needed to undertake checks, invoice the developer and receive the funds.

The Clerk explained that there was also a question mark as to when the CIL money would be received for the new application adjacent to Bowood View as it hadn't started on site yet but there was a planning condition that development had to start within a year. It was noted that these CIL payments would be received in stages.

The Clerk explained that looking at all of the income received and anticipated income, the total income for this project would be £888,506.00. The total anticipated project cost was £773,838.18, which leaves a surplus amount of £114,667.82 for furniture and equipment which had not been included in the above anticipated expenditure. The Clerk also advised that as per the recommendations from the Cost Consultant the council would need an additional contingency of £10,000 which would need to also be included in this. The Clerk therefore believes that the total amount needed for a loan was £495,000 as this was the difference between income received and income anticipated to be received.

Councillor Baines queried with members how long they felt the loan was needed for. Members discussed the length of the loan in detail and were mindful of the interest rates should the length of the loan be for a large amount of time. The

Clerk explained that the interest rates were currently very low and it was understood that the loan would be at a fixed rate, therefore would not go up in a few years' time. Councillor Baines understood that the council may be able to pay off the loan early when the funding streams were received. The Clerk agreed to check this out and look into the amount of interest rates and possible repayments for different loan lengths.

Recommendation: The Parish Council apply for a public works loan of £495,000 for a suitable period which the Clerk will investigate and advise the Full Council.

Meeting closed at 22.05 pm

Chairman, Monday 28th June 2021