

**Sutton Coldfield Parish Council
Interim Parish Council Meeting
15th March 2016**

**Agenda Item 13
Interim Financial Management Arrangements**

This paper proposes initial arrangements for managing the Parish Council's Finance and seeks approval on appropriate courses of action

Temporary Financial Arrangements

1. The first half of the Parish/Town Council's Precept amounting to £911,925 will be due to the Council in April. There are a number of significant pieces of work required to create a financial management infrastructure for the Council and until that is in place it is proposed that Birmingham City Council will assist by holding the money on our behalf and handling receipts and payments. The following arrangements have been made;

Voyager (General Ledger system)

2. Birmingham City Council have set up a code (RGKSU) in the non BCC part of Voyager for Sutton Coldfield Parish Council (SCPC). Subsequent codes can be set up as and when agreements on Services and assets are concluded.
3. It has been arranged to transfer the 50% precept / income to this code in April 2016.
4. All costs and other income will be coded here too.

Accounts Payable System

5. We have agreed that where payments have been authorized under the Parish/Town Council's Financial Regulations that the Interim Clerk will send an email at the time of committing / ordering goods and services to enable a purchase order to be set up and dealt with digitally in the BCC accounts payable system. When payment is due the Clerk will email authorisation to pay and copy two Councillors who are approved authorisers

BCC Bank Account

6. Until the Town Councils Banking arrangements are made the main BCC bank account will be used for SCPC and is already set up

Payroll

7. If needed Birmingham City Council will also offer payroll services to the

Town council at an annual cost of £720 plus a one-off service Birmingham charge of £500, a total of £1,220. It is likely that the Town Council will ultimately undertake its own payroll but this may need to be assessed on a cost basis compared to the BCC offer

Financial Monitoring

8. A monthly statement will be provided by BCC to the Interim Town Clerk to facilitate Financial Management and reports to the Council.
9. **It is Recommended** that the Council approves the Interim Financial arrangements using Birmingham City Council to provide banking and financial administration services until the Town Council's infrastructure is in place.
10. **It is further recommended** that the Chairman and Deputy Chairman are nominated as the two authoriser councillors copied on payment requests thereby meeting the authorisation requirements in the Council's Financial Regulations.

Financial Management System

11. The Parish /Town Council requires a robust Financial Management System which will provide a control mechanism for what, in Town and Parish Council terms is a large budget. As a Larger Local Council we will have to meet the most rigorous level of audit requirements and provide financial information on a regular basis to meet transparency requirements. The accepted sector best practice solution to be used as a basis for the management system is a product called RBS Omega. This is used by most larger councils including Shrewsbury.
12. The alternative would be to use an off the shelf business package such as Sage, but unlike Omega this is not tailored to the needs of Local Councils and would require significant specialist effort to create a viable management system around it. A quotation to implement RBS Omega is attached. The basic cost would be about £4,500. To this would need to be added between 5 and 7 days of specialist accounts process support so the total cost of implementation would be approximately £8,000. Implementation of the Financial Management system would need to be timed to coincide with the availability of staff to undertake financial administrative functions
13. **It is recommended** that the Interim Town Clerk/RFO is authorised to proceed to procure and implement a management system based on RBS Omega at a total cost of £8,000

Banking

14. Under the Council's Financial Regulations the Clerk (RFO) is responsible for establishing the Councils banking arrangements with the approval of the Council. Local Councils have specific needs in terms of banking due to the financial regulations that we are subject to and it is fair to say that the main high street banks are not very sympathetic to Council processes or to our particular Treasury management needs.
15. One bank which has developed an exceptional service for Larger Local Councils is the Unity Trust Bank. It has a particularly effective online banking approach which allows officers to raise payments while councillors can authorise them through an email based prompting service. Online banking has only recently been permitted for Local Councils and Unity Trust have created a system that precisely reflects the audit requirements of Councils. In addition Unity Trust has developed some innovative and flexible short term savings products which will support a constructive short term investment strategy to help us adopt a good stewardship approach to the Council's balances.
16. **It is recommended** that The Interim Town Clerk/RFO is authorised to establish banking arrangements for the council that with Unity Trust Bank.

Insurance

17. The Council will need to take out an all risks insurance policy to provide public liability, employer liability, councillor and staff indemnity and cover for the regalia and other assets. It is proposed to approach three providers with insurance products tailored to the needs of Town and Parish Councils these being WPS Insurance Brokers (Aviva), Zurich and Aon.
18. **It is recommended** that The Interim Town Clerk/ RFO is authorized to take out appropriate insurance on behalf of the Council.

General Procurement Policy

19. The council will at some point in the future need to develop a coherent procurement policy but members of the Steering Committee may wish to note that it is intended where possible to seek at least one estimate, quotation or tender from a local supplier as part of any purchasing process.

Nick Randle OBE FILCM
Interim Town Clerk