

CAERPHILLY

TOWN

COUNCIL



CYNGOR

TREF

CAERFFILI

TOWN CLERK:

CLERC-Y-DREF:

P. G. Davy

TOWN MAYOR:

MEIR Y DREF:

Councillor

Mike Prew

8th October 2018

An Ordinary Meeting of the Caerphilly Town Council will be held at the Twyn Community Centre on Monday 15th October 2018 at 6.30 p.m.

Any Member requiring further information on any item should contact me before the Meeting.

Phil Davy

TOWN CLERK

Paul Cooke from Caerphilly County Borough Council will attend to outline the current position in respect of the strategy for the provision of electric car charging points.

A G E N D A

1. To note Members' attendance and to receive any apologies for absence.
2. Declarations of Interest in any item.
3. To receive and if thought fit to confirm the Minutes of the Ordinary Council Meeting held on 17th September 2018.
4. Matters arising from the Minutes if not covered by the Agenda.
Minute 51.3.2. re Morgan Jones Flats.
5. **COMMUNITY SAFETY MATTERS**
6. **TOWN MAYOR'S DIARY**
7. **ENVIRONMENTAL MATTERS**

Address: The Twyn Community Centre The Twyn Caerphilly CF83 1JL

Telephone and Fax: Caerphilly 02920 888777

E-mail: towncouncil@tiscali.co.uk

Office Hours: Monday, Tuesday and Wednesday mornings 9.30a.m. to 12.30p.m

8. **TOWN CLERK'S REPORT**
- 8.1 Budget Strategy and Draft Estimates 2019/20.
8.2 Q2 Budget Monitoring 2018/19 Financial Year.
8.3 Christmas Tree 2018.

9. **PLANNING MATTERS** (see list attached)

10. **PAYMENTS AND FINANCIAL MATTERS**

- 10.1 List of Payments.
10.2 Bank Account Balances.
10.3 Application for Financial Assistance
10.4 External Audit Report 2017/18.

11. **CORRESPONDENCE**

12. **MEMBERS REQUESTS FOR FUTURE REPORTS**

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MINUTES OF THE ORDINARY MEETING OF THE CAERPHILLY
TOWN COUNCIL HELD AT THE TWYN COMMUNITY CENTRE
ON MONDAY 17TH SEPTEMBER 2018

Present:

Councillors P J Bevan, C Elsbury, S Kent, J Grenfell, M Prew, S Hodder, H Jackson, S Morgan, J Fussell, J Pritchard and R Bidgood

Apologies:

Councillor J Hibbert

In Attendance:

J McDonnell, Gwent Police
N Prygodzicz, Director of Planning, ABUHB
K Jones, Associate Capital Project Director, ABUHB
P G Davy, Town Clerk

Prior to the meeting the representatives from the Aneurin Bevan University Health Board gave a presentation on the Clinical Futures development plan and estate strategy. A key element is the new critical care hospital now under construction at Llanfrechfa, Cwmbran. This is a £350m investment and will provide 471 beds, although this will not be an increase in the overall no of beds within ABUHB. The new hospital will be operational in 2021. There will be some reconfiguration of services, however this is unlikely to significantly change the services at Ysbyty Ystrad Fawr. Given the location of the new hospital particular concerns were raised about public transport and discussions were ongoing with the Valleys Metro.

45 MINUTES OF THE ORDINARY COUNCIL MEETING HELD ON MONDAY 16TH JULY 2018

Minutes of the Ordinary Council Meeting held on Monday 16th July 2018 were received, confirmed, and signed.

46 MATTERS ARISING FROM THE MINUTES

Minute 38.1 The Deputy Mayor had attended the Wales in Bloom Awards and the Town Council was presented with a Silver Award. The Morgan Jones Allotments had won a Gold Award in the small

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allotments category. A meeting had been arranged for 26th September to discuss the establishment of a steering group to pursue an entry to Britain in Bloom in 2019.

Minute 38.2 CCBC had responded in respect of flyposting indicating the split of responsibilities between Planning Enforcement and Highways Inspectors. Due to limited staff resources specific locations were requested where flyposting was a visual eyesore. Litter had been cleaned along Park Lane but this had not included the fenced vacant site. Arrangements were being made for graffiti removal via the Probation Service.

Minute 38.3 Cllr Kent was still pursuing the refuse collection arrangements at The Beeches 2 as emptied bins were left blocking the dropped kerb.

Minute 39.3 The allocation of Deputy Lieutenants for Remembrance Day commemoration events would be undertaken in September 2018.

Minute 44.1 Feedback from Cadw on progress with the Castle Masterplan had been requested but no information had been received to date. It was reported that there had been meetings with CCBC on this matter.

47 COMMUNITY SAFETY MATTERS

J McDonnell reported on the following:

- 1 Arrests had been made in connection with commercial burglaries in Pentrebane Street.
- 2 Groups had been gathering in the vicinity of Sports Direct and there had been reports of drink and drugs. The application of the Public Space Protection Order would be used to enforce the prohibition of drinking in this area. The area covered by the PSPO will be publicised on the Police website.
- 3 The Police had attended the recent meeting arranged by the Caerphilly Town Centre Residents Association when a large number of questions had been addressed.
- 4 It was confirmed that sufficient Police resources will be on duty to cover the Fireworks Display on 3rd November 2018 without the need to pay for additional officers.
- 5 There will be an operation in respect of the use of seatbelts and mobile phones. Drivers observed contravening the law will be stopped and given the choice of an on the spot fine or being sent to watch a training film showing the impact of not observing the law.

Members raised the following:

- 6 Youths congregating at Morgan Jones Allotments.
- 7 Use of nitric oxide canisters and retailers need to be advised about the supply of these to young people.
- 8 Potential drug use in Dol y Felin Street. Further intelligence would need to be gathered on this before a premises search could be instigated.

48 URGENT ITEM – TOWN CENTRE RESIDENT PARKING ORDER

The Mayor had allowed this matter to be discussed as the consultation period ends on 21st September 2018.

CCBC is proposing changes to the Resident Permit Parking Policy. It is proposed to introduce a £30 charge for the issue of permits to cover administration and maintenance costs.

The Caerphilly Town Centre Residents Association has raised a number of concerns as the payment of the charge offers no guarantee of a parking space and residents compete with shoppers and staff from businesses in the town for the limited spaces available. The CTCRA had written to the Town Council requesting their response.

Following a debate it was resolved to request CCBC:

- 1 To introduce a lower permit charge recognising that neighbouring authorities have lower charges.
- 2 That the charge is not introduced until a comprehensive enforcement regime is in place.
- 3 There should be an increase in the overall numbers of staff for enforcement beyond that currently proposed to ensure regular 7 day a week cover across all areas.

49 TOWN MAYOR'S DIARY

The Mayor made a surprise presentation to Phil Logan, Blue Watch Officer at Caerphilly Fire Station for his long service to the community. He had attended twinning events at the Castle and Penyrheol Community Centre with visitors from Lannion. He had also attended a birthday party for a 10 year old.

50 ENVIRONMENTAL MATTERS

- 1 A litter pick had taken place on the Castle View estate.
- 2 There had been two enforcement notices for failure to remove dog mess.
- 3 Information was required from CCBC in respect of the removal of a number of defective lamp posts within the town centre. This has implications for the location of the Christmas lights.

51 TOWN CLERK'S REPORTS

1 Town Council Community Service Award Scheme

The report outlined options for introducing an annual award scheme. These are widely undertaken by town and community councils and parish councils in England.

It was resolved to proceed with a single annual award consisting of badge and framed certificate to either an individual or group who make an outstanding contribution to the community and the scheme would commence in 2019.

2 Community Infrastructure Levy (CIL) Working Group

The Working Group had recommended eight project proposals. But CCBC had advised that the Christmas Lights was not eligible for CIL. The Town Clerk provided additional information following preliminary enquiries on some of the proposals. A number of members had attended a meeting with CCBC to discuss the Welsh National Anthem Memorial. It was accepted that the available CIL funding

would not be sufficient to fund all the projects and priorities would need to be determined following further investigation.

It was resolved:

- 1 To support the further investigation of all the projects recommended by the Working Group for the use of the CIL apart from the Christmas Lights (the latter may be addressed through the Council's unrestricted funds).
- 2 In view of the current availability of funds within CCBC for the Welsh National Anthem Memorial up to £8000 is committed from the CIL to enhance this project. Following discussion on the pros and cons of various sites with CCBC the preferred location for artwork was in the vicinity of the Twyn Community Centre. It was further agreed that three design proposals should be invited and the Town Council should select the best scheme.
- 3 Subject to agreement with CCBC the Town Council will take on the client role for the Welsh National Anthem artwork.

The power to incur expenditure on artworks is authorised under the Local Government Act 1972, section 145.

3 Events Working Group

The following matters were raised from the notes of the Events Working Group held on 3rd September 2018:

As at the date of the Council meeting the formal consent for the Fireworks Display had still not been received from Cadw. Pendragon Fireworks had contacted the Council to review the launch arrangements in view of developments within the Castle grounds.

CCBC had confirmed that the tractor could be made available at a nominal hire charge and a volunteer member of staff will be available to drive the tractor.

Following representations from residents there was a request to extend the stewarding to manage the car parking at the Morgan Jones Flats. A number of practical considerations were outlined.

In view of the number of defective lamp posts within the town centre that are likely to be removed this would reduce the number of locations for Christmas figurines. As this would result in a surplus number of figurines the cyclical replacement would be unnecessary this year.

It was suggested that future notes from the Events Working Group should include the assignment of responsibilities for specific actions to individual members or officers.

It was resolved:

- 1 To confirm the actions outlined in the notes of the Events Working Group.
- 2 To reaffirm the earlier decision not to extend the stewarding and parking management to the Morgan Jones Flats during the Fireworks Display due to practical issues and given the short duration of the event.

- 3 No replacement Christmas figurines would be purchased in 2018.

4 Newsletter

A draft newsletter had been circulated to the members.

Cllr Hodder had to leave the meeting prior to this item being discussed but wished to make known she had objections to the content of the draft newsletter.

There was a debate about the content of the newsletter and whether this should be a priority for use of Council funds.

In view of the differing opinions the matter was put to the vote.

It was resolved by a majority present at the meeting to proceed with publication of the newsletter as drafted and with a print run of 7500, which is within the budget allocation. The Probation Service were to be approached to assist with distribution.

Cllr J Pritchard requested that his name be recorded as voting against this decision.

52 PLANNING MATTERS

The following planning applications were considered and comments made as follows:

18/0736/COU – No objections

18/0748/COU – Concerns raised about the scale of development and lack of off street parking

18/0750/COU – No objections

18/0771/FULL – No objections

Cllr J Fussell declared an interest and took no part on the discussion or decision making on any of the applications.

53 PAYMENTS AND FINANCIAL MATTERS

- 1 List of payments were noted and approved.

- 2 Bank account balances were noted.

3 Applications for Financial Assistance

Bobath Children's Therapy Centre Wales

A grant of £200 was approved.

In the absence of any specific power this expenditure is authorised under the Local Government Act 1972, section 137

4 Concessionary Hire of Caerphilly Castle

- 1 Charity Christmas Concert

Members confirmed the action by the Town Clerk to approve the request for the concessionary hire and meet the hire fee in order to secure the date with Cadw.

2 Starfish Alliance

The concessionary hire of Caerphilly Castle for a new charity launch was approved and the Town Council will meet the cost of the hire fee.

54 CORRESPONDENCE

Wayne David MP for Caerphilly had written to the Town Council to encourage support for plastic free initiatives. It was agreed to write to CCBC to promote the idea of the County Borough becoming a “plastic free community”.

55 MEMBERS REQUESTS FOR FUTURE REPORTS

There were no requests.

The meeting closed at 9.10 pm

Agenda Item 5

Dear Councillor,

Re: Gwent Police – Review of 'Your Voice' system

Gwent Police Senior Management team has recently undertaken a review of the current 'Your Voice' system.

As you are probably aware, previously Officers conducted surveys of a dedicated number of persons within each ward. The results of the surveys were collated in order to help analyse and prioritise actions for the Neighbourhood Policing Team for the next 6 months. These surveys were labour intensive and often did not provide the full picture.

This year it is proposed that the process will take a different format. Police priorities will be decided by analysis of policing demand and consultation with you. Together we will decide on what the policing priorities should be for your Ward, following your discussion with members of the public.

At this month's October meeting we would like to update you on Your Voice previous priorities.

Then going forward, we will ask you to gather information for the month of October from your local constituents as to what they believe the Local Police priorities should be for the next 6 months.

Either I or Inspector Clifton will be attending the next meeting with your designated ward Officer, to ensure the process is embedded and alleviate any concerns or issues that are raised.

This local input, jointly with our Police analysis of local demand, will be used in November's meeting to decide the local police priorities for the next six months.

Please contact myself if you have any further questions in relation to this matter.

Yours sincerely,

PS Pursey

NPT Sergeant, Caerphilly South

Bedwas Police Station
Church Street, Bedwas,
CF83 8EB

Gorsaf Heddlu Bedwas
Heol yr Eglwys, Bedwas,
CF83 8EB

Agenda Item 8.1

Report to Town Council 15th October 2018

Budget Strategy and Draft Estimates 2019/2020

Budget Variances 2018/19

Income

The estimated income for 2018/19 shows an increase of £6097 from the original budget which is largely due to the CIL receipt. This has been offset by a reduction in the sponsorship for the Fireworks Display.

Expenditure

The revised outturn expenditure for 2018/19 is now forecast to be £108076 a reduction of £4095 on the original budget.

The main savings are:

	£
Election costs (assumes no by elections)	1500
Insurance	1032
Furniture and equipment (assumes no purchases)	500
IT (assumes no IT renewals)	500

Reserves

During 2017/18 reserves reduced by £8945, and the amount carried forward was £53285. The original budget for 2018/19 indicated it would be necessary to use £12,043 from the carried forward reserves to achieve a balanced budget. With the increase in income and the anticipated savings outlined above the draw from general reserves will reduce to £1851. As a significant part of the Council's expenditure is in the latter part of the year associated with the Fireworks Display and the Christmas Lights, the outturn position and call on reserves is subject to change.

Budget Strategy 2019/20

Having absorbed the impact of funding two years costs of Caerphilly in Bloom in the current financial year it should be possible to stabilise the finances in 2019/20. As a general principle the budget strategy for 2019/20 should aim to match expenditure against income without relying on the reserves. This will ensure the general reserves for operational purposes can be maintained, and the earmarked and restricted reserves can be utilised for capital expenditure.

Draft Estimates 2019/20

The assumptions for 2019/20 are:

- No increase in the precept which will be kept at £14 for Band D properties
- The scope of events / activities supported will be the same as the current year
- Provision will be made for mandatory Members allowances largely achieved by not making any allowance for by election costs. No provision is made for carers costs
- Based on experience no provision for travelling expenses for either Members or staff
- No provision for furniture / equipment (but note earmarked reserves of £20000 can be used for significant items of capital expenditure)
- Separate budget line for concessionary hires (previously accounted under other budget heads)
- Reduced sponsorship for Fireworks Display
- Pay increase already approved and included in salary costs
- No new areas of expenditure

The draft estimates appended result in a reduction in expenditure when compared to the current year to match the projected income.

Reserves

Based on the revised budget for 2018/19 the carried forward reserves to 2019/20 will be £51434. Currently £30000 is held in a one year business bond which will mature in January 2019 at which point the operational reserve of £10,000 will be restored and £20000 released for capital expenditure or for reinvestment. The bulk of the remainder of the reserves are the restricted reserves of £18470 that represent the cumulative total of CIL payments received from CCBC.

The position in April 2019 is projected as follows:

	£
Restricted reserves	18470
Earmarked reserves	20000
General reserves	12964

The above assumes there will be no expenditure from the restricted or earmarked reserves within the current financial year but the position may change dependent on progress with projects under investigation for use of the CIL. The projected income for 2019/20 includes £1500 of CIL which will be a further addition to the restricted reserves. As this income cannot be used for normal revenue expenditure it will have to be offset by £1500 from the general reserves to maintain a balanced budget.

Based on the current projections this can be accommodated without offsetting the operational reserves of £10,000.

Members will recall that the Council meeting on 17th September 2018 agreed a number of projects for investigation that potentially could be funded from the restricted reserves and / or the earmarked reserves.

Members are therefore invited to consider whether:

1 To endorse the budget strategy outlined for 2019/20.

2 To propose changes to the draft estimates.

3 To determine any new areas of expenditure and whether this should be funded by an increase in the precept or by making savings (practically this would probably mean dropping support for one or more of the sponsored events), or a combination of both.

4 To determine in principle whether the £20000 from the maturing business bond in January 2019 is to be held available in a 14 Day Business Account for capital expenditure, or reinvested for another year.

Recommendation

Members to indicate their views having regard to the information in the report in order that the Town Clerk can amend the draft estimates and report back to the November Council meeting when the budget for 2019/20 will need to be agreed and the precept set.

Phil Davy

Town Clerk

CAERPHILLY TOWN COUNCIL
CYNGOR TREF CAERFFILI
DRAFT ESTIMATES 2019/2020 – INCOME

	Actual Received 2017/18	Estimate 2018/19	Revised Estimate 2018/19	Estimate 2019/20
	£	£	£	£
Precept	80077	87128	87128	87000
Bank Interest	375	450	450	10
V.A.T.	5163	5000	5129	5000
C.I.L.	11292	450	6718	1500
Fireworks Sponsorship	3300	3100	2800	2500
Fireworks Collection	5307	4000	4000	4000
Miscellaneous	820			
TOTAL INCOME	106,334	100,128	106,225	100,010
Reserves	-	12,043	1,851	0
	-	112,171	108,076	100,010

CAERPHILLY TOWN COUNCIL
CYNGOR TREF CAERFFILI
DRAFT ESTIMATES 2019/20 - EXPENDITURE

	Actual 2017/18	Estimate 2018/19	Revised Estimate 2018/19	Estimate 2019/20
	£	£	£	£
<u>Members</u>				
Town Mayor's Allowance	800	900	900	900
Members Allowances	0	0	0	1800
Civic Regalia/Travelling	0	10	0	0
Election Costs	9130	1500	0	0
<u>Staff</u>				
Salaries/Statutory Deductions	19571	18750	17508	18280
Travelling	0	150	0	0
Payroll Admin	150	150	132	200
Pension (Employer)	2288	156	91	100
Employer NI	0	0	630	660
Audit Fee	389	600	400	400
Insurance	2675	2750	1718	2000
<u>Administration</u>				
Office Rental/Business Rates	6197	4950	4950	5000
Telephone/Postage/Stationery	916	500	500	800
Furniture/Equipment	0	500	0	0
IT Support	0	1000	500	500
Sub total	42,116	31,916	27,329	30,640

CAERPHILLY TOWN COUNCIL
CYNGOR TREF CAERFFILI
DRAFT ESTIMATES 2019/20 - EXPENDITURE

	Actual 2017/18	Estimate 2018/19	Revised Estimate 2018/19	Estimate 2019/20
	£	£	£	£
Brought Forward	42116	31916	27329	30640
Sponsored Events	9205	14800	13982	14050
Concessionary Hires	-	-	2310	2970
Fireworks Display	18674	15000	16000	16000
Caerphilly in Bloom	13725	22855	22855	12000
Christmas Lights	8177	8500	8500	8000
Financial Assistance (Grants)	6481	7000	6500	6000
Junior Recreation Scheme	4800	4800	4800	4800
Splash Pool Equipment	0	1500	0	0
Fireworks Charity Donation	5500	4000	4000	4000
Floodlighting - St. Martin's Church	330	350	350	350
Subscriptions	259	250	250	250
Twinning	460	300	300	250
Newsletter	0	700	700	500
Miscellaneous	438	200	200	200
VAT	5129	VAT included in above figures		
TOTAL EXPENDITURE	115,294	112,171	108,076	100,010

CAERPHILLY TOWN COUNCIL
CYNGOR TREF CAERFFILI
DRAFT ESTIMATES 2019/2020 - SUMMARY OF BALANCES

	2017/18 Actual £	2018/19 Estimate £	2018/19 Revised Estimate £	2019/20 Estimate £
Balances B/F	62230	53285	53285	51434
Excess of Expenditure over Income	8945	12043	1851	0
Surplus of Income over Expenditure	0	0	0	0
Balances c/forward	53,285	41,242	51,434	51,434

The balances are made up as follows:

	£
Restricted reserves	18470
Earmarked reserves	20,000
General reserves	<u>12964</u>
	51,434
Balance B/F	53285
Revised income 2018/19	<u>106225</u>
	159510
Less revised expenditure	<u>108076</u>
	51,434

Phil Davy
Town Clerk

Agenda Item 8.2

Report to Town Council 15th October 2018

Q2 Budget Monitoring (2018/19 Financial Year)

Comparison of actual expenditure to annual estimate (revised budget agreed on 18th June 2018) for period 1st April 2018 to 30th September 2018.

Main budget heads	Q2 Actual	Annual Estimate
	£	£
Salaries	9013	18750
Audit Fee	200	600
Insurance	1718	2750
Office Costs	4227	6950
Sponsored events	11322	14800
Fireworks Display	5055	15000
Caerphilly in Bloom	20660	22855
Christmas Lights	0	8500
Financial Assistance	2150	7000
Summer Play Scheme	0	4800
Elections	0	1500
Newsletter	0	700
VAT	4088	5000

Budget for 2018/19 £112171

Total expenditure to 30.9.18 £59191 (53% of budget)

Members are asked to note the report

Phil Davy

Town Clerk

Agenda Item 8.3

Report to Town Council 15th October 2018

Christmas Tree 2018

It was agreed at the last Town Council to accept the recommendations from the Community Infrastructure Levy (CIL) Working Group to further investigate all the project proposals (apart from the Christmas lights which have been ruled as ineligible for CIL). This included a living Christmas tree as an alternative to the annual specimen tree. While some enquires have been initiated there is insufficient information available on which a decision can be made. Furthermore it has been accepted that the available CIL monies would not be able to fund all the projects and priorities would need to be determined. The CIL working group will need to be reconvened in due course when information can be presented on all the projects so decisions can be made. This will take some time and it is therefore not practical to implement a living Christmas tree for 2018.

Time is of the essence in placing an order for a specimen tree for 2018. A search on the internet lists numerous Christmas tree suppliers but the majority are focused on the domestic market with very few offering larger commercial Christmas trees. The Council's requirement is for the supply, erection, removal and recycling of a 25 foot specimen tree. Quotations have been sought from 4 suppliers but only two have responded.

	£
Greenleif Landscapes	690
J S lee	750 + vat

Christmas Trees Wales and Elvedon Estate did not respond to the request for a quotation.

It is recommended that the Town Council agrees to the purchase of a specimen Christmas Tree for 2018 and decides which quotation to accept.

Phil Davy

Town Clerk

Agenda Item 9 Council Meeting 15.10.18

Case Ref.	18/0787/FULL	Site Area:	3794m²
Location:	The Miners 1 Beech Tree View Caerphilly CF83 1DX (UPRN 000043171625)		
Proposal:	Carry out engineering operations and external works		
Case Officer:	Mr C Powell	☎ 01443 864424	✉ powelc2@caerphilly.gov.uk
Ward:	St Martins	Map Ref:	314735 (E) 186331 (N)
Community Council: Caerphilly Town Council		Expected Decision Level:	Delegated

Agenda Item 10.1
 Report to Town Council 15th October 2018
 List of Payments

Cheque No	Payee	In Respect of	Amount £
303926	Notetop Office Solutions	Printer paper	83.39
303927	JS Lee Ltd	Caerphilly in Bloom	6264.24
Internet	Playworks	Salaries (September)	1514.17
Internet	Caerphilly CBC	Big Cheese	750.00
Internet	Caerphilly CBC	Food Festival	1000.00
Direct Debit	NEST	Pension contributions	16.66
Internet	Twyn Community Centre	Rent/Room hire	848.00
303928	Caerphilly RFC	Room hire	30.00
303929	Huw Jackson	Travel expenses	156.60
303930	Bobath Children's Centre	Grant	200.00
Internet	Twyn Community Centre	Room hire	12.00

Recommendation

Members are invited to note and approve the payments.

Agenda Item 10.2
 Report to Town Council 15th October 2018
 Bank Account Balances

Bank account balances as at 26th September 2018

	£
Community Direct Plus Account	46,907.78
14 Day Business Select Account	562.87
14 Day Business Select Account (Restricted Reserves)	18,472.00
One Year Business Bond	30,000.00

Members are invited to note the balances.

Agenda Item 10.4

Report to Town Council 15th October 2018

External Audit Report 2017/18

Annual Return

The external audit for the year ending 31st March 2018 has been completed by BDO LLP acting on behalf of the Auditor General for Wales. The Annual Return and audit opinion are attached. The auditor has concluded:

“On the basis of our review, in our opinion, the information contained in the Annual Return is in accordance with proper practices and no matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.”

The auditor has drawn the Council's attention to a specific matter in the accompanying Issues Arising Report (see below) but this does not affect the audit opinion.

Recommendation

The Council approves and accepts the Annual Return.

Issues Arising Report

A copy of the report is attached.

The issue raised by the external auditor is the Council has incorrectly recorded items of expenditure as Section 137 payments when there are other statutory powers. A payment cannot be recorded under Section 137 if another statutory power exists.

Section 137 of the Local Government Act 1972 enables local councils to spend a limited amount of money on purposes for the direct benefit of its area, or part of its area, or all or some of its inhabitants and for which they have no other specific statutory power.

Where the Council has a specific statutory power to spend money then Section 137 cannot be used. An example of such a power is Section 19 of the Local Government (Miscellaneous Provisions) Act 1976, which empowers a local council to contribute by way of grant or loan towards the expenses incurred or to be incurred by any voluntary organisation in providing any recreational facilities. The external auditor's report identifies other relevant specific provisions within the legislation.

Provided that there is no alternative power, whether limited or conditional or not, and no statutory prohibition, the Council may incur expenditure under Section 137. The Council must first be satisfied that there is a direct benefit to the area or part of the area, or to some or all of the inhabitants. The Council is the body to determine whether or not such benefit will accrue, and a decision by the Council could only be challenged on the ground it was wholly unreasonable. The use of “some” in relation to inhabitants means that the Council cannot use the power to benefit a single individual. It may be possible

for the Council to help an organisation to which the individual belongs, thus releasing funds for the organisation to help individuals.

The Council must secondly ensure that the direct benefit accruing to its area or residents is commensurate with expenditure incurred. This means that the Council should not spend a disproportionately large amount on something which has no or very little direct benefit.

Historically much of the Council's discretionary expenditure has been recorded under the heading of Section 137 including all the grants paid out to local organisations and in 2017/18 followed the format of previous years.

As part of the external audit the external auditors requested a copy of the schedule of payments made under Section 137 for the year ended 31st March 2018. This has identified that some of the payments should have been made under other specific provisions in the legislation which has led the external auditor to advise that the Section 137 power has been incorrectly used.

In future before incurring any expenditure the list of statutory powers available to the Council must first be researched to establish if a power exists before relying on Section 137 to authorise a payment. In addition, the statutory power being used to authorise expenditure should be recorded alongside the item to demonstrate the Council has properly followed the legislation and is compliant with financial regulations.

This will initially involve the Town Clerk in more work to establish the relevant Sections within numerous Acts to incorporate the relevant provisions in report items. But over time this will become less onerous once the familiarity has been established across the range of activities undertaken by the Council.

Recommendation

1 When any report is made to the Council that will involve expenditure the relevant statutory provision to authorise the payment is included in the report. Where no specific statutory provision can be established reliance will be placed on Section 137 subject to the parameters outlined in the report.

2 The future recording of expenditure within the ledger will need to be amended to reflect the changes required by the external auditor.

Phil Davy

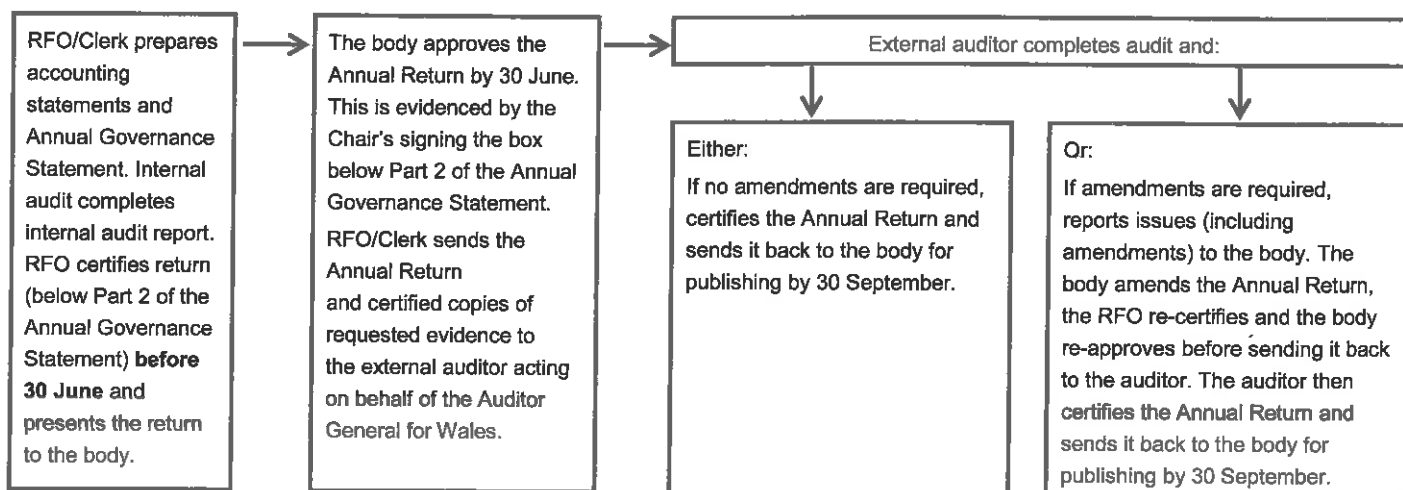
Town Clerk

Smaller local government bodies in Wales Annual Return for the Year Ended 31 March 2018

Smaller local government bodies in Wales must prepare annual accounts following proper practice: out in the One Voice Wales/SLCC publication **Governance and accountability for local councils A Practitioners' Guide** (the Practitioners' Guide). The Practitioners' Guide states that bodies may prepare accounts in the form of an annual return prepared by the Wales Audit Office.

The accounts and audit process

The accounts and audit arrangements follow the process as set out below.



Please read the guidance on completing this Annual Return and complete all sections highlighted in red including both sections of the Annual Governance Statement.

PLEASE PRINT THIS DOCUMENT FOR SIGNATURE AND SEND IT TO YOUR AUDITOR

Incomplete or incorrect returns may require additional external audit work and incur additional costs. Send the **original** Annual Return, together with all additional information requested, to the external auditor acting on behalf of the Auditor General for Wales. Unless requested, please **do not** send any original financial or other records to the external auditor.

Audited and certified returns are sent back to the body for publication or display of the accounting statements, Annual Governance Statement and the Auditor General for Wales' certificate and report.

Completion checklist

'No' answers mean that you may not have met requirements		Done?	
Initial submission to the external auditor		Yes	No
Accounts	Has the RFO certified the accounting statements and the body approved the Annual Return (as evidenced by the relevant signatures), no later than 30 June 2018?	✓	
	Do the accounts add up and does the balance carried forward from last year equal the opening balance this year?	✓	
	Do the papers to be sent to the external auditor include an explanation of significant variations, including a quantified analysis of the changes from last year to this year?	✓	
	Does the bank reconciliation as at 31 March 2018 agree to line 9?	✓	
All sections	Have all red boxes been completed and explanations provided where needed?	✓	
	Has all the information requested by the external auditor been sent with this Annual Return? Please refer to your notice of audit and any additional schedules provided by your external auditor.	✓	
Evidence	Has all the information requested by the external auditor been included?	✓	

Accounting statements 2017-18 for:

Name of body:

Insert name of body

CAERPHILLY TOWN COUNCIL

	Year ending		Notes and guidance for compilers
	31 March 2017 (£)	31 March 2018 (£)	

Please round all figures to nearest £.
Do not leave any boxes blank and report £0 or nil balances.
All figures must agree to the underlying financial records for the relevant year.

Statement of income and expenditure/receipts and payments

1. Balances brought forward	59222	62230	Total balances and reserves at the beginning of the year as recorded in the financial records. Must agree to line 7 of the previous year.
2. (+) Income from local taxation/levy	79577	80077	Total amount of income received/receivable in the year from local taxation (precept) or levy/contribution from principal bodies.
3. (+) Total other receipts	18218	26259	Total income or receipts recorded in the cashbook minus amounts included in line 2. Includes support, discretionary and revenue grants.
4. (-) Staff costs	18860	19572	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and related expenses eg termination costs.
5. (-) Loan interest/capital repayments	0		Total expenditure or payments of capital and interest made during the year on external borrowing (if any).
6. (-) Total other payments	75927	95709	Total expenditure or payments as recorded in the cashbook minus staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	62230	53285	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).

Statement of balances

8. (+) Debtors and stock balances	0	0	Income and expenditure accounts only: Enter the value of debts owed to the body and stock balances held at the year-end.												
9. (+) Total cash and investments	62 230	53 285	All accounts: The sum of all current and deposit bank accounts, cash holdings and investments held at 31 March. This must agree with the reconciled cashbook balance as per the bank reconciliation.												
10. (-) Creditors	0	0	Income and expenditure accounts only: Enter the value of monies owed by the body (except borrowing) at the year-end.												
11. (=) Balances carried forward	62 230	53 285	Total balances should equal line 7 above: Enter the total of (8+9-10).												
12. Total fixed assets and long-term assets	52 726	55 925	The original asset and investment register value of all fixed assets and any other long-term assets held as at 31 March.												
13. Total borrowing	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).												
14. Trust funds disclosure note	<table><tr><td>Yes</td><td>No</td><td>N/A</td></tr><tr><td></td><td></td><td>✓</td></tr></table>	Yes	No	N/A			✓	<table><tr><td>Yes</td><td>No</td><td>N/A</td></tr><tr><td></td><td></td><td>✓</td></tr></table>	Yes	No	N/A			✓	The body acts as sole trustee for and is responsible for managing (a) trust fund(s)/assets (readers should note that the figures above do not include any trust transactions).
Yes	No	N/A													
		✓													
Yes	No	N/A													
		✓													

Annual Governance Statement (Part 1)

We acknowledge as the members of the Council/~~Board/Committee~~, our responsibility for ensuring that there is a sound system of internal control, including 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 2018, that:

	Agreed?		'YES' means that the Council/ Board/Committee :	PG Ref
	Yes	No*		
1. We have put in place arrangements for: <ul style="list-style-type: none"> effective financial management during the year; and the preparation and approval of the accounting statements. 	✓		Properly sets its budget and manages its money and prepares and approves its accounting statements as prescribed by law.	6, 12
2. We have 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.	6, 7
3. We have taken all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and codes of practice that could have a significant financial effect on the ability of the Council/ Board/Committee to conduct its business or on its finances.	✓		Has only done things that it has the legal power to do and has conformed to codes of practice and standards in the way it has done so.	6
4. We have provided proper opportunity for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2014.	✓		Has given all persons interested the opportunity to inspect and to ask questions about the body's accounts.	6, 23
5. We have carried out an assessment of the risks facing the Council/ Board/Committee and taken appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓		Considered the financial and other risks it faces in the operation of the body and has dealt with them properly.	6, 9
6. We have maintained an adequate and effective system of internal audit of the accounting records and control systems throughout the year and have received a report from the internal auditor.	✓		Arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether these meet the needs of the body.	6, 8
7. We have considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the Council/ Board/Committee and, where appropriate, have included them on the accounting statements.	✓		Disclosed everything it should have about its business during the year including events taking place after the year-end if relevant.	6
8. We have taken appropriate action on all matters raised in previous reports from internal and external audit.	✓		Considered and taken appropriate action to address issues/weaknesses brought to its attention by both the internal and external auditors.	6, 8, 23
9. Trust funds – in our capacity as trustee, we have: <ul style="list-style-type: none"> discharged our responsibility in relation to the accountability for the fund(s) including financial reporting and, if required, independent examination or audit. 	Yes	No	N/A	3, 6
			✓	

* Please provide explanations to the external auditor on a separate sheet for each 'no' response given; and describe what action is being taken to address the weaknesses identified.

Annual Governance Statement (Part 2)

	Agreed?		'YES' means that the Body
	Yes	No	
1. We have considered the adequacy of reserves held by the body in setting the budget for 2017-18 and 2018-19 and have appropriate plans in place for the use of these reserves.	✓		Has met the requirements of the Local Government Finance Act 1989 in setting the budget requirement and precept for the financial years.
2. When awarding grants under section 137 of the Local Government Act 1972, we have kept a separate account of such grants and considered whether or not the benefits arising from such payments are commensurate with the sums paid.	✓		Has kept and appropriate record of grants awarded and ensured that the expenditure is commensurate with the benefit to the community.
3. The council has ensured that it has a lawful obligation to pay a service gratuity to employees* or The council has no obligation or intention to pay a gratuity to employees.*	✓		Has ensured that where it has an arrangement to provide a gratuity to staff, it has ensured that there is a legal obligation to provide the gratuity.

* Please delete as appropriate.

Council/Board/Committee approval and certification

The Council/Board/Committee is responsible for the preparation of the accounting statements in accordance with the requirements of the Accounts and Audit (Wales) Regulations 2014 and for the preparation of the Annual Governance Statement.

Certification by the RFO I certify that the accounting statements contained in this Annual Return presents fairly the financial position of the Council/Board/Committee, and its income and expenditure, or properly presents receipts and payments, as the case may be, for the year ended 31 March 2018.	Approval by the Council/Board/Committee I confirm that these accounting statements and Annual Governance Statement were approved by the Council/Board/Committee under minute reference:
RFO signature: signature required <i>P.G. Davy</i>	Insert minute reference and date of meeting <i>Minute 19.3 21-5-18</i>
Name: name required <i>P.G. DAVY</i>	Chair signature: signature required <i>Mike Drew</i>
Date: dd/mm/yyyy <i>25.4.18</i>	Name: name <i>MIKE DREW</i>
	Date: dd/mm/yyyy <i>21-MAY-2018.</i>

Council/Board/Committee re-approval and re-certification (only required if the annual return has been amended at audit)

Certification by the RFO I certify that the accounting statements contained in this Annual Return presents fairly the financial position of the Council/Board/Committee, and its income and expenditure, or properly presents receipts and payments, as the case may be, for the year ended 31 March 2018.	Approval by the Council/Board/Committee I confirm that these accounting statements and Annual Governance Statement were approved by the Council/Board/Committee under minute reference:
RFO signature: signature required	Insert minute reference and date of meeting
Name: name required	Chair signature: signature required
Date: dd/mm/yyyy	Name: name required
	Date: dd/mm/yyyy

Auditor General for Wales' Audit Certificate and report

The external auditor conducts the audit on behalf of, and in accordance with, guidance issued by the Auditor General for Wales. On the basis of their review of the Annual Return and supporting information, they report whether any matters that come to their attention give cause for concern that relevant legislation and regulatory requirements have not been met.

We certify that we have completed the audit of the Annual Return for the year ended 31 March 2018 of:

Coemphilly Town Canal

External auditor's report

~~[Except for the matters reported below]~~* On the basis of our review, in our opinion, the information contained in the Annual Return is in accordance with proper practices and no matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

~~[These matters along with]~~* Other matters not affecting our opinion which we draw to the attention of the body and our recommendations for improvement are included in our report to the body dated 22/8/18.

Other matters and recommendations

On the basis of our review, we draw the body's attention to the following matters and recommendations which do not affect our audit opinion but should be addressed by the body.

Please see enclosed report

BDO LLP Southampton
United Kingdom

(Continue on a separate sheet if required.)

External auditor's name:

BDO LLP Southampton
United Kingdom

External auditor's signature:

BDO UK

Date:

22/8/18

For and on behalf of the Auditor General for Wales

* Delete as appropriate.

Annual internal audit report to:

Name of body: **Insert name of body** **CAFERSHILLY TOWN COUNCIL**

The Council/Board/Committee's internal audit, acting independently and on the basis of an assessment of risk, has included carrying out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ending 31 March 2018.

The internal audit has been carried out in accordance with the Council/Board/Committee's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and the internal audit conclusions on whether, in all significant respects, the following control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the Council/Board/Committee.

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
1. Appropriate books of account have been properly kept throughout the year.	✓				
2. Financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	✓				
3. The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓				
4. The annual precept/levy/resource demand requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored, and reserves were appropriate.	✓				
5. Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.	✓				
6. Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.			✓		
7. Salaries to employees and allowances to members were paid in accordance with minuted approvals, and PAYE and NI requirements were properly applied.	✓				
8. Asset and investment registers were complete, accurate, and properly maintained.	✓				

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
9. Periodic and year-end bank account reconciliations were properly carried out.	✓				
10. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments/income and expenditure), agreed with the cashbook, were supported by an adequate audit trail from underlying records, and where appropriate, debtors and creditors were properly recorded.	✓				
11. Trust funds (including charitable trusts). The Council/Board/Committee has met its responsibilities as a trustee.			✓		

For any risk areas identified by the Council/Board/Committee (list any other risk areas below or on separate sheets if needed) adequate controls existed:					
	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
12.			✓		
13.			✓		
14.			✓		

* If the response is 'no', please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

** If the response is 'not covered', please state when the most recent internal audit work was done in this area and when it is next planned, or if coverage is not required, internal audit must explain why not.

[My detailed findings and recommendations which I draw to the attention of the Council/Board/Committee are included in my detailed report to the Council/Board/Committee dated _____.] * Delete if no report prepared.

Internal audit confirmation

I confirm that as the Council's internal auditor, I have not been involved in a management or administrative role within the body or as a member of the body during the financial years 2016-17 and 2017-18. I also confirm that there are no conflicts of interest surrounding my appointment.

Name of person who carried out the internal audit: name required **Gwyn L. James**
 Signature of person who carried out the internal audit: signature required **Gwyn L. James**
 Date: dd/mm/yyyy **25/04/2018**

Guidance notes on completing the Annual Return

1. You must apply proper practices when preparing this annual return. For guidance, please read the Practitioners' Guide (**Governance and accountability for local councils: A Practitioners' Guide (Wales)**) – available from One Voice Wales and SLCC. It contains everything you need for the financial year-end and the statutory audit.
2. The Wales Audit Office Good Practice Exchange (www.audit.wales/good-practice/finance/community-council-money) provides further information on the accounts and audit process along with guidance on governance matters.
3. Make sure that the Annual Return is fully completed ie, no empty red boxes. Please avoid making any amendments to the completed return. If this is unavoidable, cross out the incorrect entries, make sure the amendments are drawn to the attention of the body, properly initialled and an explanation for them is provided to the external auditor. **Please do not use correction fluid.** Annual returns that are incomplete or contain unapproved and/or unexplained amendments or correction fluid will be returned unaudited and may incur additional costs.
4. **There are now two boxes for certification and approval by the body. The second box is only required if the annual return has to be amended as a result of the audit. You should only complete the top box before sending the form to the auditor.**
5. Use a second pair of eyes, perhaps the Chair or a member, to review your Annual Return for completeness before sending the original form to the auditor.
6. Make sure that your accounting statements add up, that the balance carried forward from the previous year (line 7 of 2017) equals the balance brought forward in the current year (line 1 of 2018). Explain any differences between the 2017 figures on this annual return and the amounts recorded in last year's annual return.
7. Explain fully any significant variances in the accounting statements. Do not just send in a copy of your detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include a detailed analysis to support your explanation and be specific about the values of individual elements making up the variances.
8. Make sure that the copy of the bank reconciliation you send to your auditor with the Annual Return covers **all** your bank accounts and cash balances. If there are no reconciling items, please state this and provide evidence of the bank balances. If your Council holds any short-term investments, please note their value on the bank reconciliation. The auditor should also be able to agree your bank reconciliation to line 9 in the accounting statements. More help on bank reconciliation is available in the Practitioners' Guide*.
9. **Every** small body is now required to send to the external auditor, information to support the assertions made in the Annual Governance Statement. Your auditor will tell you what information you need to provide. Please read the audit notice carefully to ensure you include all the information the auditor has asked for. You should send **copies** of the original records (certified by the Clerk and Chair as accurate copies) to the external auditor and not the original documents themselves.
10. Please do not send the auditor any information that you are not specifically asked for. Doing so is not helpful.
11. If the auditor has to review unsolicited information, repeat a request for information, receives an incomplete bank reconciliation or explanation of variances or receives original documents that must be returned, the auditor will incur additional costs for which they are entitled to charge additional fees.
12. **Do not complete the Auditor General for Wales' Audit Certificate and report.** The external auditor completes this on behalf of the Auditor General for Wales on completion of the audit.
13. **Please deal with all correspondence with the external auditor promptly.** This will help you to meet your statutory obligations and will minimise the cost of the audit.
14. **Please note that if completing the electronic form, you must print the form for it to be certified by the RFO and signed by the Chair before it is sent to the auditor.**

**ISSUES ARISING REPORT FOR
Caerphilly Town Council
Audit for the year ended 31 March 2018**

Introduction

The following matters have been raised to draw items to the attention of Caerphilly Town Council. These matters came to the attention of BDO LLP during the audit of the annual return for the year ended 31 March 2018.

The audit of the annual return may not disclose all shortcomings of the systems as some matters may not have come to the attention of the auditor. For this reason, the matters raised may not be the only ones that exist.

The matters listed below are explained in further detail on the page(s) that follow;

- Expenditure powers - S137 power incorrectly used
-

The following issue(s) have been raised to assist the body. The body is recommended to take action on the following issue(s) to ensure that the body acts within its statutory and regulatory framework.

Expenditure powers - S137 power incorrectly used

What is the issue?

A donation was made which could have been authorised under S144 of the Local Government Act 1972, to encourage persons, by advertisement or otherwise, to visit their area for recreation.

Payments were made to one or more of the following: a local social, sports or youth club(s) which could have been authorised under S19 of the Local Government (Miscellaneous Provisions) Act 1976, power to provide recreational facilities within and outside of the area.

Donations were made to an Eisteddfod which could have been authorised under S145 of the Local Government Act 1972, provision of entertainment and support of the arts.

A donation was made which could have been authorised under S145 of the Local Government Act 1972, provision of entertainment and support of the arts including festivals and celebrations

Payments were made towards the provision of allotments which could have been authorised under the Small Holdings and Allotments Act 1908.

Why has this issue been raised?

The council incorrectly recorded items as Section 137 payments when other statutory powers existed. A payment cannot be recorded under S137 if another statutory powers exists.

What do we recommend you do?

The council must ensure in future years that it reviews the list of statutory powers available to council to establish if a power exists before relying on S137 to authorise a payment. The statutory power being used to authorise expenditure should be recorded alongside the item to demonstrate the council has properly followed its standing orders and financial regulations.

Further guidance on this matter can be obtained from the following source(s):

Governance and Accountability in Local Councils in Wales - A Practitioners' Guide, OVW/SLCC
One Voice Wales representative, One Voice Wales website - (www.onevoicewales.org.uk)
Audit Briefing, Spring 2010, BDO

No other matters came to our attention.

For and on behalf of
BDO LLP

Date: 22 August 2018
