



# BLEADON PARISH COUNCIL

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14<sup>th</sup> March 2023

Ms [xxx]  
Head of Challenge  
PKF Littlejohn LLP

Dear [xxxx],

## **Re: Bleadon Parish Council – Objections raised to the 2021/2022 AGAR –**

Herewith the Parish Council's response to the undermentioned objections raised.

**Objections 5 and 6:** The Council's governance and controls around the trust funds and assets that it has responsibility for and the inclusion in the AGAR figures of the Bleadon Children's Play Area income and expenditure during the year.

Some confusion seems to exist within the Council in relation to their responsibilities as Sole Trustees and Custodian Trustees.

The Council hold the play area as a charity (Bleadon Children's Playground 304491) and are therefore sole trustees with the day-to-day management being correctly undertaken by the Parish Council. The trust itself has no money and so therefore all expenditure goes through the Parish Council accounts. However, currently no properly constituted trustee meetings take place which the Council undertake to do in 2023/24. They will also create a separate cost code within the Parish Council's accounting package, which will enable the day to day receipts and payments to be clearly identified and reported to the Playground Trust.

In relation to the Coronation Hall the Parish Council are custodian trustees (as evidenced by the Trust Deed dated 1938). The Trust Deed declares that as from the date of the Deed the Council holds the land on Trust for the Charity. The land, the subject of the Trust, therefore passed from the ownership of the Parish Council as local authority to that of the Parish Council as custodian Trustee. The relevant property is therefore held in the Charity and is not an asset of the local authority.

A document 'Agreement for the Protocol for the Management of The Coronation Hall Bleadon' (dated 2010) exists, which the Council have been following. It incorrectly identified that the Parish Council should be undertaking all external maintenance and meeting the cost of the building's insurance. Whilst it is possible that the local authority and the charity can enter into any arrangement that they consider to be in the interests of the Charity any expenditure incurred by the local authority is in effect a grant to the Charity. As such in 2023/24 the Coronation Hall's Management committee will be asked to fill in a grant application form.

Only the Managing Trustees are registered at the Charity Commission and only the Managing Trustees have to have a bank account for income and expenditure and, as such, are the only ones who will complete the charities annual return. The Custodian Trustee only needs a bank

account if there are capital funds, such as proceeds from the sale of land, insurance proceeds from the destruction of a capital asset., etc The Custodian Trustee will only need a meeting if they are requested to do something by the Managing Trustees.

**Objection 8:** The Council's failure to make the grant awarding process transparent.

According to the 2021/2022 account statements there were no grants awarded. However, given the statement above in relation to the Coronation Hall and also the Youth Club then the current grant application process will be used from April 1<sup>st</sup> 2023. The redacted application form will be made publicly available, as part of the agenda papers, and these grants will then be reported within the accounts.

Confusion exists within Council as to whether Bleadon in Bloom is a Parish Council run initiative or an independent entity. Given they receive grants and income from additional sources, which don't go through the Parish Council, then it is assumed that they are independent. As such, in the new financial year 2023/2024 any money budgeted for them will be accessed using the grant application form.

**Objection 9:** An application by the Council for grant funding without Council approval.

As above

**Objection 12:** Payments of some invoices in advance of Council approval.

Currently any budgeted / agreed contract spend is considered as having already being approved by the Parish Council.

As of February 2023, all monthly payments, regardless of whether they are contracted, budgeted or minuted spend are now being reported to every Parish Council meeting. Standing orders have been cancelled and replaced by BACs payments to allow more transparent comparison with the invoices. All invoices will be checked against the monthly published 'Bills for Payment Schedule' by a Councillor prior to a full Parish Council meeting.

**Objection 13:** Poor management of the various contracts that the Council is party to, as well as the lack of transparency of these contracts.

Currently contract amounts are agreed at Council. However, due to an oversight, one contractor was being paid above the agreed contract price. However, this has now been rectified and a credit paid back to the Parish Council with the new monthly figure, based on the original quote, agreed.

Most contracts are not published by the Parish Council on the website. The only requirement under the ICOs Publication Scheme is the name of contractor awarded to which contract and the value of contract, all of which are available in the Parish Council minutes.

**Objection 14:** The Box 9 figure which you assert is based on an incomplete asset register.

It is acknowledged that the asset register should have included the nine tablets and mobile purchased in 2020 as part of the asset register. It is currently being reviewed in relation to legal advice obtained in reference to the Coronation Hall, carpark / Youth Club land and will be restated on the 2022/23 AGAR.

**Objections 15, 16 and 17:** The Council's failure to manage its earmarked reserves adequately; the Council's budget setting and budget monitoring processes; and the lack of transparency of the Council's income, expenditure and reserves.

Currently ear marked reserves and the budget are reported to Council quarterly, as part of their agenda papers. The agenda papers are not made public as there is no requirement to under the Transparency Code 2015. As of February 2023 agenda papers are now attached to the agenda and will be published on the Parish Council website three clear days before a meeting. A hard copy will also be available for those without internet access. These will include a monthly budget update and correct bank reconciliation.

There is current confusion as to why some of the earmarked reserves are held. For the 2023/24 financial year there will be a review of the earmarked reserves and movement of the Community Infrastructure Levy into earmarked reserves.

Payments for invoices are authorised /noted by the Parish Council as a statutory body whether this be budgeted, invoiced or minuted spend. Therefore, the authorisation of a particular invoice is undertaken by an individual on behalf of the statutory body. It is therefore immaterial whether the organisation of one of the individuals authorising the payment is one of the recipients (unless it is a disclosable pecuniary interest). Best practise suggests that it should be individuals not involved with the organisation. However, in practice, the number of signatories on the bank mandate may make this impractical.

As of February 2023, all monthly payments, regardless of whether they are contracted, budgeted or minuted spend are being reported to every Parish Council meeting.

From the 1<sup>st</sup> of April 2023 the cost centres and cost codes will be changed to better reflect the income and expenditure incurred by the Parish Council. Cost codes for related items will be placed under a single cost centre. Presently the Village News is spread over three cost codes within four different cost centres. In the 2023/24 accounts this will be a single cost centre which will allow the Council and residents to clearly see the income and expenditure related to the Village News.

I can confirm that this response was approved by Council on the 13<sup>th</sup> March 2023 (Minute 362.15 which will be available on our website by the end of the week).

Kind Regards

[xxxx]  
Locum Parish Clerk