

MINUTES OF A MEETING OF THE FINANCE SUB-COMMITTEE
held on Thursday 1 February 2018 at 7.30 pm at District Headquarters

PRESENT: Tony Andrews (Chairman and Acting Secretary); Steve Clarke (Treasurer); and Ray Salisbury (Activity Centres Treasurer).

APOLOGIES: Craig Dewar (DC); and Andrew Kayll (Chairman Activity Centres Management Board).

1 Welcome and Chairman's Opening Remarks:

The Chairman welcomed those attending and acknowledged the work that had been undertaken in preparing the Annual Accounts for the year to 31 December 2017. The Chairman indicated that he had invited Andrew Kayll to attend the meeting for the discussions in relation to the Activity Centres budget but that Andrew had a last-minute professional commitment in Bristol that had prevented him from being present.

2. Minutes of Meeting held 16 November 2017:

The minutes of the last meeting had been circulated and were agreed as a correct record [of that meeting].

3. Matters Arising:

The Treasurer reported on a number of items:

- a. **Help to Struggling Groups (Minute 4d):** The Treasurer reported that there had been no response to the letters sent to the two contacts within Lancaster University.
- b. **Exceptional Items - Additional Budget Request for 2017 (Minute 4f):** In response to a question, the Treasurer indicated that he was not aware that the additional expenditure approved had yet been incurred.

4. Treasurer's Report:

In addition to items that would be covered elsewhere during the meeting (mainly in connexion with the preparation of the Annual Accounts), the Treasurer reported:

- a. **Debtors:** There had been no change in the debtors previously reported:
 - (1) 11th Morecambe and Heysham - Membership Subscriptions 2017.
 - (2) Knight Hike.
- b. **Creditors:** The £200 start-up grant for Galgate Scout Group was still being held by the District. Additionally, the money collected by the County Development Officer (totalling £1242.75) had now been paid into the District's account. The Treasurer reported that he would be attending a meeting, with the Group, on Tuesday 6 February 2018, to provide support to the Group [in a number of ways].
- c. **Sharpe Bequest:** There is provision to pay a grant to the 3rd Morecambe and Heysham (see also Item 9b of these minutes). In line with earlier discussions, a transfer had been made to the Sharpe Bequest capital fund (to take into account the full value of the agreed indexation value for the year).
- d. **Scout Groups' Charity Commission Returns:** At the date of the meeting, there were two Scout Groups, with a Financial Year ending 31 March 2016 that had yet to submit an Annual Return to the Charity Commission (due 31 January 2018). The Treasurer undertook to remind the contacts for these Scout Groups as identified on the Charity Commissioner website. In addition, the Chairman reported that, following his earlier enquiries with Scout HQ, the relevant

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entry in POR had been amended: in that any excepted charity that owns land or buildings and whose income is £5,000 or over is required to register with the Charity Commission. The Treasurer undertook to convey this information to Centurion with Westgate Scout Group.

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e. **Building Insurance:** The Treasurer reported that the premium due to the Landlord, in December 2017, had increased to £833.21 from £344.72 the previous year. It was understood that the first premium offered to the latter was in excess of £1200. The Treasurer undertook to liaise with the Landlord in advance of the next renewal, to see whether we can do anything to reduce the future sum payable.

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f. **HQ Electricity:** It was reported that the consumption of both peak and off-peak electricity had increased markedly over the year just ended, when compared with the previous five years - for reasons which could not be explained. The time clock for one of the heaters in the Shop had been adjusted and guidance would be offered in relation to the regulation of the night storage heaters in the Meeting Room.

g. **Budget for 2018:** In view of the previous two sub-paragraphs, it was agreed to recommend to the Executive Committee increased budgets, as follows:

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(1) **Buildings Insurance:** from £400 to £850.

(2) **Electricity:** from £780 to £1000.

5. Activity Centres:

a. **Financial Report:** The Activity Centres Treasurer reported that as at 31 January 2018 the CAF Bank balance was £6,496.87, with a further £15,000 deposited with the Skipton Building Society (immediately available). At the present time one Scout Group (outside the District) owes £500; there has been no response to a direct approach and the Activity Centres Treasurer had now contacted the DC (as yet with no response). The on-going exchange of correspondence in relation to the recovery of the VAT on building supplies [purchased from Travis Perkins] for the toilet block at SilverHelme was reported. Currently this is with HMRC who have referred it to the VAT specialists (due to the complexity of the enquiry).

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b. **Budget for 2018:** The Activity Centres Treasurer presented a revised budget (for 2018) together with comparative costs for similar facilities at other local camp sites. The Chairman raised a number of questions, which had been distilled from the discussions at the recent meeting of the Activity Centres Management Board and subsequent conversations with the Chairman of that Board. In particular these related to:

(1) **Capital Expenditure:** There was provision to provide new mowers at both Littledale and SilverHelme. The Warden of Littledale had been in contact with a potential supplier, who had quoted part-exchange figures in the region of £5,000 plus VAT for each mower. It had been identified that both mowers were in need of urgent replacement. It was felt that there was potential to apply for a grant-in-aid (remembering that many grant-aiding bodies would stipulate purchase after a successful application had been notified).

(2) **Capital Expenditure following Fire Safety Inspections:** It had been identified that there was no provision, for any capital expenditure, should any such work be necessary following the inspections. The Chairman indicated that he had been in contact with Lancashire Fire and Rescue Service to expedite the reports; it was learnt that the officer whom Nigel Pullen had been in contact with had moved to a new post and that the former was attempting to identify who undertook the inspections.

(3) **Sanitary Towel Disposal Units:** With the completion of the new toilet block at SilverHelme, the question had been raised in relation to the provision of suitable sanitary towel disposal units. Both site wardens were of the opinion that this was the way forward. Various prices had been obtained - with those approached fully aware of the remote locations of the sites. Prices varied depending upon the number of units and whether they would be emptied throughout the year or just during the main occupation season. At a minimum it was suggested that there should be two units located at each site - one in the accommodation block and one in the toilets.

(4) **Repairs and Maintenance:** The Activity Centres Treasurer reported that recent notifications would indicate that costs of building materials would be increasing by a not insignificant amount.

(5) **Telephone and Broadband Costs:** The Chairman reported that the Chairman of the Activity Centres Management Board had undertaken some research into the costs for the land lines at both Littledale and SilverHelme. The latter was of the opinion that these costs could be reduced significantly - if an alternative supplier was contracted to provide the service. The Chairman [of the sub-Committee] asked to what extent the broadband was used at both sites; the situation was not clear.

(6) **Training - Chain Saw Courses:** The Activity Centres Treasurer had included £1520 for two chain saw courses. At the meeting of the Activity Centres Management Board both Wardens had indicated that they were suitably qualified and that they were using their own equipment. The Activity Centres Treasurer was not certain whether others should be trained (or perhaps were suitably qualified).

(7) **Mast Rental Income:** In compiling the budget the Activity Centres Treasurer had not included the rental from the mast as part of the income - indicating that he thought of this as the District's money. The Chairman agreed to ask the Executive Committee for approval to allocate this money as income to the sites, for this year.

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One additional item was covered which has been recorded as a separate, private minute.

c. **Proposals for an Increase in Fees:** The Activity Centres Treasurer was of the firm opinion that there should be an increase in some of the fees - at least in line with inflation. He presented information in relation to costs at other, local sites and felt that we were cheaper than many. However, the Chairman pointed-out that sometimes it was not possible to make a direct comparison as facilities were not always identical. Those present understood the reasoning why there should be an increase in fees - as highlighted by the Activity Centres Treasurer. It was reported that at the most recent meeting of the Activity Centres Management Board members were of the opinion that it would be better not to increase fees this year.

d. **Activity Centres Budget - Way Ahead:** It was acknowledged that we were discussing the budget so late in the day because the Activity Centres Management Board had not submitted proposals to the Executive Committee (through the Finance sub-Committee) at the budget-setting time last year. An earlier attempt, by the District Chairman, to short-circuit the process was not accepted by the District Executive. Any price rise could only be applied to bookings made after the date of the approval of the budget and fees [by the District Executive Committee]. The full effect [of any price rise] would not be realised for this financial year as a number of bookings had already been received. The District Chairman invited the Activity Centres Treasurer to attend the next meeting of the District Executive (on 15 March 2018). Before that there would be an opportunity for the Activity Centres Management Board to review these discussions at their meeting on 7 March 2018. The Chairman indicated that in advance of the meeting of the District Executive he would need the revised budget, proposed fees and the comparison figures for other sites.

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6. Expenses Policy - Review of Mileage Rate:

At the commencement of this agenda item the Chairman (as District Chairman) declared a particular interest in this matter as he was one of the principal claimants of this expense. He would also bear this in mind should it be necessary for any vote to be taken.

The Chairman reminded members that we had been asked to review the mileage rate and that the decision had been delegated to the sub-Committee. For the information of the sub-Committee, the Chairman had recently undertaken some research as to the rate paid to volunteers by other local youth organisations:

a. **West Lancs County:** 25p per mile.

b. **Districts:** Of those five approached the rates were 15p, 20p, 25p and 25p per mile - with one District not certain if they had a rate (as no claims had been made in recent years). These figures does not include Lonsdale District (also 25p per mile).

c. **Cadet Force Volunteers (paid by MOD):** 25p per mile.

In addition, the HMRC recommended rate for business use is 45p per mile for the first 10,000 miles and then 25p per mile subsequently.

It was acknowledged that these results did not remove the necessity to consider the matter further.

Our rate was last reviewed in 2011 and at that time fuel costs were:

- a. **Petrol:** 135.8p per litre in June 2011 (compared with 120.4p per litre in December 2017).
- b. **Diesel:** 139.6p per litre in June 2011 (compared with 123.0p per litre in December 2017).

Thus, on cost of fuel alone, it was clear that no increase in mileage rate would be necessary. It was noted that there was within the rate of 25p per mile an element to cover other running costs of a vehicle (such as tax, insurance, maintenance and depreciation) but no information could be found which would enable an estimate of such (average) costs to be made. At the present time it was agreed that the mileage rate paid would remain at 25p per mile but that at the next budget setting cycle a more concerted effort would be made to formulate a more systematic approach to determining the rate (particularly the element to cover running costs).

7. Annual Accounts:

The sub-Committee reviewed page-by-page the first draft of the Annual Report and Accounts for the year to 31 December 2017 and discussed (and agreed) a number of changes (both textural and relation to the presentation of some data) to be made to the document. In addition to further work to be undertaken by the Treasurer and Activity Centres Treasurer, the following actions were agreed:

- a. The achievement and performance section on page 2 to be reviewed by the DC.
- b. Confirmation of the date of the term of office of the former District Youth Commissioner.

8. 14-25 Finance and Support Group:

In the absence of the Chairman of the 14-25 Finance and Support group there was no report

9. Group Accounts:

The Chairman reported as follows:

- a. **Group Accounts:** Little had changed since he presented the consolidate list of returns, at the last meeting, except that we had offered to meet with one Scout Group's Chairman and Treasurer to undertake the examination of last year's accounts and that he had been working with another Group to assist with the resolution of some errors in their end of year accounts. As yet there had been no responses to take these matters further.
- b. **Sharpe Bequest:** Members of the sub-Committee were content with the additional, financial information provided by the 3rd Morecambe and Heysham Scout Group. It was identified that the Group had yet to provide the other information which had been requested: an itemised and costed list of the equipment they proposed to purchase; the Chairman undertook to follow this matter through.

10. **Lancaster Scout and Guide Shop:** The Chairman, as the District Commissioner's appointed representative on the Management Committee, reported that a meeting had been planned for Monday 15 January 2018. Despite this having been arranged at the last meeting on 2 October 2017, one of the Guide Divisions could not be represented - so the meeting was cancelled. During informal discussions it was indicated that sales on the Scout side were holding up but that no information was available for the Guide side. A major topic for a future meeting would be to review sales methodology and to publicise the Shop more widely. The Shop Manageress had indicated that a visit to Preston District's Scout Shop was planned for the near future.

11. Any Other Business:

No items were identified.

12. **Date of Next Meeting:** The date of the next meeting of the sub-Committee had previously been agreed as Thursday 3 May 2018 (at the District Headquarters, commencing at 7.30 pm).

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