

Downton Parish Council

Terms of Reference

Finance and Strategy Committee September 2019

Under Standing Order 15 of Downton Parish Council's Standing Orders and approved by Minute 141.19 of a Meeting of the Parish Council held on 9th September 2019, it was agreed that a Standing Committee be set up with the following terms of reference:

Background

There are four recognized elements of financial management: (1) planning, (2) organising and directing including risk management (3) decision making and (4) regulating.

The last two of these can and should be managed by the full Parish Council – the Strategy and Finance committee can support this by taking responsibility for the first two elements. An organisation needs to have both a strategic plan and a budget. The strategic plan lays out the direction and goals of the organisation and guidelines for actions to achieve those goals, while the budget looks at the money needed to support achieving those goals. A Parish Council has limited ability to gain income above the set precept and must act within its budget. Undertaking all the activities that may be desired by residents will not be possible; therefore residents will need to be given information to understand the cost consequences, obligations, limitations and benefits of budget expenditure.

Terms of the Committee:

- To include the chair of the Amenities Committee in addition to the Parish Council chair and deputy chair as ex officio members and be quorate only if at least four of these are present.
- To work within the Council's financial regulations at all times.
- To work with the Council's responsible financial officer (the clerk) to ensure that the Committee is fully informed of the Council's financial resources and expenditure obligations.
- Be responsible for making recommendations to the Council on budget requirements, including recommendations for the precept level to ensure the Council manages its finances to meet its short and long term goals by
 - Advising the Council of the potential cost of new services

- Taking into account the estimates of services identified by other committees (e.g. the Amenities committee and Staffing Committee)
- Considering forward planning and necessary earmarked reserves for the replacement of equipment, vehicles, buildings and specific items of expenditure required in the future in order to lessen the precept burden in any one year
- Ensure that the budget is directly linked to the tasks identified in a 3 year strategy and the management of the Council's assets and responsibilities
- To develop a strategy to manage the Council's business that is fully informed by residents of Downton by consultation, open meetings and actions managed by the communications workgroup. The Communications workgroup is not a Parish Council committee but will provide information to the Finance and Strategy committee.
- The Finance and Strategy Committee is expected to only meet two times per year; 1. to coordinate the outcomes of consultation, analyse feasibility, create a strategy that considers risk and benefits and identifies the budget implications and 2. to review the progress midway through the financial year.
- To arrange extraordinary meetings if new legislation or external impacts are considered to have financial consequences that require recommendations to full Council to significantly change the strategic plan. Extraordinary meetings will only be arranged at the request of a full Parish Council meeting or may be called by the clerk, as responsible finance officer, if she considers that matters of risk or financial security require such a meeting **and** should be for matters that are deemed inappropriate to be considered in an ordinary Parish Council meeting.
- In relation to risk management, the Finance and Strategy Committee will develop a strategy and budget for the Parish Council in compliance with the Council's Risk Management Policy and its stated role contained therein.
- To make recommendations as to any professional and/or legal advice deemed necessary by the Committee to ensure that strategic development is maximised.
- To co-opt any person or persons (up to a total of 3) it deems appropriate to the Committee. Such co-opted members will not have voting rights.
- To designate committee members with key responsibilities for consultation and liaison with the Communications working group, for research, for budget presentation and for identifying legal obligations.