

UPPER CLATFORD PARISH COUNCIL
MINUTES OF THE FINANCE COMMITTEE MEETING (VIRTUAL) ON
THURSDAY 19TH NOVEMBER 2019
AT 7.30PM OVER ZOOM

Present:	Parish Cllrs R Bennett, D Coole, S Kennedy (Chairman), C Williams, Minutes – C Emmett, Parish Clerk
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1	Apologies for Absence Cllr Wilson	
2	To receive and accept declarations of interest Nil	
3	Public Participation No members of public attended.	
4	<p>Review previous budget year, predicted income and cash reserves – Set Long Term Reserves and Special Purpose Reserves</p> <p>1. Cllr Kennedy, as Chairman of the Finance Committee, thanked all for attending and stated that the purpose of the meeting was to develop a proposed budget of Expenditure matched by Income which would include the identification of the Precept required. This was to be agreed and proposed to the full Parish Council on 9 December 2020. The Precept must be approved by not later than the end of January 2021. Cllr Kennedy indicated that this had been a hard year for many parishioners and she advocated a prudent budget with little or no rise in the precept.</p> <p>2. The Clerk had prepared and sent to Committee members estimates of all receipts and payments, including the use of reserves and all sources of funding for the following financial year in the form of a budget to be considered. At this stage he referred to his estimate for the forecast outturn for the current financial year which indicated a small excess of income and predicted reserves of £55,000 due to lower spend than planned. Of this £6,000 is in designated reserves for Wet pour play surface replacement and £1,000 (assuming double glazing , facia and cess pit fencing work completed this FY) leaving £48,000 It was noted that this was high in relation to previous planned expenditure and that working capital should not exceed 1 years budget (FY 20/21 £42,149, FY 21/22 proposed at £34,395 but as a minimum should cover anticipated income from the Chalk Pit, £10,594. The Clerk recommended:</p> <p>a. Wet pour surface replacement be slipped back to FY 22/23 as condition of the worst surface is fair and increasing the designated earmark to £12k total. This will allow a further surface replacement in future years. Agreed (but see item 8)</p> <p>b. Pavilion. There are numerous works on the projects list including improving the trackway and external repainting. Professional advice is that the latter will be costly and need sand blasting to prepare the surfaces. It was recommended that the earmark be raised to £6k. Agreed. (but see item 8)</p>	

	<p>c. Consideration of new earmarks. The Committee asked to defer this until Item 7 having determined proposed expenditure.</p>	
5	<p>Essential Expenditure – Review RFO summary. The summary indicated essential expenditure to meet current obligations at £27.25k. These are highlighted in green on the attached spreadsheet. Either the contracted uplift or an estimated RPPI uplift of 2.5% had been applied to previous year’s figure. It was noted that services currently provided by TVBC had been re-costed ‘more realistically from FY19/20 hence a significant rise in the cost of these essential items (Waste bin clearance £700 up to £1200 and revised method of charging for GM). All recommendations agreed by Committee. See Annex A.</p>	
6	<p>Desirable Expenditure – Review RFO summary The Clerk had recommended figures based on previous years budget/spend and recommended an expenditure budget of £37,695 significantly less than FY20/21 due to the conclusion of the NDP project. This would require a Precept and/or Parish reserve contribution of £23,909.</p>	
7	<p>Council Aims and Aspiration - Projects and Other Expenditure – Finalise Expenditure Recommendation The Committee recommended an uplift to expenditure recommended by the Clerk and proposed a budget in the region of £40,000 but agreed this would be reviewed at the next stage against affordability and prudence. This was subsequently reduced to a budget of £34,395 with more use of designated reserves after the income review at Item 8. See Annex A</p>	
8	<p>Income Review and Recommended Precept The Clerk had identified an income of £13,768 excluding precept and any use of undesignated reserves. This comprised mainly Chalk Pit rental income £10.59k and predictable VAT rebates, £3.00k based on forecast outturn with major known payments still due to TVBC for contracted services, leaving a need for further income of £26,000. Initial thoughts were to recommend a small rise in precept to £16,000 and use £10,000 from the General Reserve. A counterview was put forward that it should all come from precept rather than progressively whittling away at cash holdings. It was further suggested that the immaturity of some of the projects and the historic underspend in some areas might be better handled via reduced budget lines and more extensive use of designated reserves which could be called upon by Council should projects reach an appropriate stage of maturity or contingencies exceed budget lines. There was some debate about such use of reserves which was to be re-examined by the Clerk however it was proposed that budget lines be reduced to those shown at Annex A with Precept, and General Reserves supported by designated reserves as follows:</p> <ol style="list-style-type: none"> 1. Proposed Budget Expenditure (all Revenue). £34,395.00 2. Designated Reserves – Earmarks from General Reserve (£48,000): <ol style="list-style-type: none"> a. Transfer £7,000.00 to Wet Pour and re-designate as ‘Playgrounds Maintenance Contingency’ This is to include wet-pour and in year maintenance or repair in excess of budget line (Total earmark £13,000) b. Pavilion. Raise to £8000.00 (assumes £1000 remain from 	

	<p>budget in FY 20/21). To be used for essential maintenance and aspirational projects as yet unapproved/ undeveloped / un-costed.</p> <p>c. Elections Fund £1000.00 (To be called upon in the event of Parish Council By-Elections. Current charge in the order of £2.50 per elector).</p> <p>d. Community Projects. £2000.00. To be used for aspirational projects listed in the projects register but as yet unapproved/ undeveloped / un-costed.</p> <p>3. Transfer from General Reserve £4539.00. (Not using the Gen Res would increase the Precept required to £20,609 or a 31% increase and cost for Band D of £7.59p increase to £31.76p)</p> <p>4. Precept - £16070.00. This represents a 2.5% rise in precept or £0.60p rise for a Band D dwelling up to £24.76p).</p>	
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The Meeting Closed at 10:05 pm

Annex A to
Minutes of the
Finance Committee Meeting
on 19 Nov 20

Expenditure	Revised Budget @ 14 Oct 20	Fin Ctee Rec'd
Office Expenses	£650.00	£700.00
Clerk Salary (Gross)	£6,500.00	£6,810.00
Training	£500.00	£500.00
Councillor Expenses	£200.00	£250.00
Legal Fees	£1,000.00	£1,000.00
Insurance	£1,126.59	£1,155.00
Audit Charges	£450.00	£465.00
Section 137	£150.00	£200.00
Grounds Maintenance	£8,190.00	£8,400.00
Footpaths	£1,000.00	£500.00
Tree Maintenance	£2,500.00	£3,000.00
Dog Bins	£1,540.00	£1,580.00
Street Lighting	£2,000.00	£2,050.00
Pavilion	£750.00	£770.00
Sports Field	£1,573.00	£1,615.00
BBPF and AVPF	£2,000.00	£1,000.00
Subscriptions	£509.47	£800.00
NDP	£2,350.00	£600.00
NDP Locality Grant	£1,900.00	£0.00
Safety Measures	£0.00	£0.00
Events/elections	£0.00	£0.00
Miscellaneous	£0.00	£0.00
Projects	£2,822.00	£2,000.00
Website	£38.38	£0.00
Pavilion (Essential Maint & Projects)	£4,000.00	£1,000.00
Covid 19 Measures	£400.00	£0.00

TOTAL EXPENDITURE	£42,149.44	£34,395.00
Income	FY 20/21	Fin Ctee
Precept	£15,680.00	£16,070.00
Bank Interest	£10.00	£2.00
Chalk Pit Rent	£10,335.00	£10,594.00
Grants	£2,000.00	£0.00
Website Sponsorship	£0.00	£0.00
Pav. Running Cost Contributions	£0.00	£0.00
Section 106 / CIL	£0.00	£0.00
VAT Repayment	£2,400.00	£3,000.00
Miscellaneous Income	£0.00	£0.00
NDP Grants	£500.00	£0.00
NDP Ward Grants	£0.00	£0.00
Parish Funds	£8,745.00	£4,539.00
Lengthsman Scheme	£0.00	£0.00
Village Hall (Grass)	£180.00	£190.00
COVID-19 Grant	£400.00	£0.00
Total Income	£40,250.00	£34,395.00
Balance Expenditure/Income		£0.00

Earmark Policy

The following levels of designated reserves are to be set with the approval of full Council. Expenditure from those reserves must be authorised by full Council for the purpose for which they have been earmarked:

- 1. Wet Pour. £13,000.00** Re-designate as '**Playgrounds Maintenance Contingency**' This is to include wet-pour and in year maintenance or repair in excess of budget line.
- 2. Pavilion. Raise to £8000.00** (assumes £1000 remain from budget in FY 20/21). To be used for essential maintenance and aspirational projects as yet unapproved/ undeveloped / un-costed.
- 3. Elections Fund £1000.00** (To be called upon in the event of Parish Council By-Elections. Current charge in the order of £2.50 per elector).
- 4. Community Projects. £2000.00.** To be used for aspirational projects listed in the projects register but as yet unapproved/ undeveloped / un-costed.

General and Designated Reserves

Ser	Item	Value	Value
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(a)	(b)	(c)	(d)
1	Est Cash on Hand 31 Mar 21 £55,000	£55,000.00	
2	Existing Earmarks -£7000 (Wet Pour £6000, Pav £1000)	<u>£7,000.00</u>	
3	General Reserve less Earmarks at 31 Mar 21		£48,000.00
4	Proposed New Earmarks		
6	Playground Maintenance (was Wet Pour) + £7,000 (Total £13,000)	£7,000.00	
7	Pavilion + £7,000 (Total £8000)	£7,000.00	
8	Elections + £1,000 (Total £1000)	£1,000.00	
9	Com Proj + £2,000 (Total £2000)	<u>£2,000.00</u>	
10	New Earmarks sub-total	£17,000.00	
11	General Reserve after 2021 earmarks approved		£31,000.00
12	Transfer from Gen Res to Budget 21/22 Income		<u>£4,539.00</u>
13	General Reserve Remaining		£26,461.00
14	Proposed Nett Revenue Expenditure (NRE) 21/22	£34,395.00	
15	General Reserve as Percentage of		76.93%