



Finance Steering Group

MINUTES of Plaistow and Ifold Parish Council's Finance Steering Group Meeting held on 8th April 2021, 19:45, via remote conference call (Zoom).

Present Cllr. Phil Colmer (FSG Chair); Cllr. Paul Jordan (Chair of the PC); Cllr. John Bushell;
Cllr. Nicholas Taylor and Catherine Nutting (Clerk & RFO)

1. To receive apologies for absence

Apologies were accepted from Cllr. David Ribbens. Additionally, Cllr. Ribbens has stepped down from the FSG. A new Member is sought, and invitations have been extended to Cllr. Brown and Cllr. Griffiths as newly elected Councillors.

Cllr. Jordan joined the meeting at 20:14

2. Declarations of Members' Interests.

None received from Councillors.

*Please note, for completeness the Clerk is Secretary of Plaistow Pre-School, which has applied for an annual grant from the Parish Council.

3. Leaving gift recommendations for former Councillors Alan Pearson (out-going Chair) & Paul Reynolds

Members agreed that Cllr. Jordan, as Chair of the Council with previously approved discretion to set the budget (see [C/21/013c](#), pg. 6 dated 13.01.2021), be responsible for deciding what is appropriate.

4. PWLB application update

The County Officer for West Sussex, Trevor Leggo, has confirmed that the Parish Council's application was submitted, by post, on 19th February 2021. Mr Leggo has chased the Ministry of Housing, Communities and Local Government (MHCLG) on a couple of occasions. Significant delays at the MHCLG to turnaround Parish loan approval applications were discussed at the County officers' fortnightly meeting on 7 April 2021. Currently applications are taking six (6) months to approve; however, there are no indications that applications are being refused. Representatives from MHCLG will be invited to the next County Officers' Forum and NALC will continue to support cases where there have been especially severe delays.

5. **To consider the 2020/21 Budget Actual Comparison spreadsheet at Year End**

FSG Members worked through the Budget Actual Comparison at Year End (31.03.2021) spreadsheet. Please refer to Appendix A. An accrual/prepayment column has been added for those expenditure items which have either been incurred in 2020/21, but will not be paid until 2021/22 e.g., March 2021 telephone bill; or have been paid in 2020/21, but benefit part of 2021/22 e.g., the Council's insurance which runs June – June, similarly its data protection registration. Significantly, at the beginning of 2020/21 the annual budget projected a £519.75 overspend. However, due to the peculiarities of the last twelve months and anticipated projects and associated expenditure not going ahead, the Council ends the financial year with a £30,284 underspend. Many of the projects and their associated budgets (agreed in 2020/21) have been pulled over into the new financial year. The Council's reserves as at 31.03.2021 are £56,759.

6. **To consider a 2021/22 annual budget recommendation to be approved by the full Council on 21st April**

FSG Members worked through the Draft Budget spreadsheet. Please refer to Appendix B. Focus was around those items highlighted in blue.

Column I is the Year End figures pulled over from Appendix A. **Column K is the recommended draft budget for the full Council's consideration and approval.**

Column K, row 142 shows the Council's projected annual financial (reserve) position as at 31.03.2022 **without** taking a loan. Columnss O, Q, S & X show the Council's Year End position as at March 2022, based on a £20,000 (O), £30,000 (Q), £40,000 (S) or £50,000 (X) loan. These columns include the interest costs (as at 26.04.2021), which have been amended to reflect 6 months repayment in 2021/22 (June 1st). Based on the information [above at 4](#), it is unlikely that the Council will take a PWLB loan before June at the earliest; therefore, the interest figures could change again within the year.

The Council has applied for a £50,000 loan over five (5) years; however, once approved, the Council can apply to draw down less than this maximum amount. On this basis, columns O, Q and S have been left to offer the full Council the opportunity to consider amending its loan requirements.

The FSG recommends that a loan of £40,000 over five (5) years is more appropriate, given the reserve position at the 2020/21 Year End.

The draft budget figures are either based on known costs e.g., subscriptions for WSACL/NALC and grass cutting, or are based on the 2020/21 expenditure with a slight degree of inflation/contingency built in.

The Clerk's salary is the Council's largest expense. The FSG recommends that budgeted overtime (above the Clerk's contracted 30 hours per week) should be significantly limited and not used as a default fall-back to advance Council projects where Members are unable / not prepared to commit their own time to progress. The Clerk does not want to work more hours and is committed to completing CILCA by 31st January 2022. Any unavoidable, pre-authorised overtime will be financed from the reserves / over budget, rather than budgeting for a set number of monthly overtime hours, as previously done (30 + 5 per month in 2020/21). The situation will be reviewed each quarter. A limited increase on 2020/21 is recommended to take into consideration any unforeseen increases to the administrative costs associated with the Clerk's salary (outsourced to WSCC payroll).

The FSG recommends the Publicity and Communications budget to reflect the possible use of a designated software package to produce the E-Newsletter. Community publicity and communications is a key undertaking for the Council and underpins the legitimacy of all Council activity, especially expenditure.

Grant payment recommendations are considered below. The budget reflects the maximum figure each group has requested.

The Parish Council event will include the Annual Assembly, later in 2021. If the Council is not minded to organise a larger event, then this budget can be reviewed throughout the year and re-allocated. Likewise, the new project contingency can be re-allocated if the Council decides not to pursue something new this year. However, the New Homes Bonus grant is lower this year (£2,158); therefore, the Council may need budgeted funds to 'top up' the chosen project expenditure.

The exact budget requirements for the Winterton Hall legal fees will be better understood in due course, once the Solicitor has set out a roadmap and associated costs. This budgeted figure will be kept under review throughout the year.

The draft budget includes ring-fenced reserves of £5,000 for Crouchlands Farm planning and traffic consultancy fees.

At the end of March 2022, the draft budget shows a projected **overspend** of £43,140. Based on the current reserve levels, **without taking a loan of any amount** the Council's projected Year End reserve position will be £13,619.26.

Best practice is that the Council's reserves should be around 50% of its precept. However, **the FSG recommends that a reserve position of c.£30,000 is sufficient for the Council's needs and does not recommend that the Council borrow more money to inflate the reserve account. Therefore, taking a £40,000 loan, which**

would see a projected Year End reserve position of £46,597.59 as at 31.03.2022 would be more appropriate (column S).

The FSG recommends the draft budget to the full Council for approval at its meeting on 28th April 2021.

7. **To consider Tranche 1 grant applications to be approved by the full Council on 28th April (to be paid to groups no later than 30th April)**

FSG Members worked through the Grant Application Summary spreadsheet.

The FSG's recommendations regarding payments can be found at Appendix C.

Please follow the dropbox link to see the full applications:<https://www.dropbox.com/sh/nviam2gwok30u34/AAAu1G4GkNxT84YyIZkAKMSya?dl=0>

8. **Internal Audit**

Mr Peter Frost has confirmed that this will be a remote desk-top audit, as carried out in April 2020. The Clerk will organise to send Mr Frost the required paperwork during April.

Action
Clerk

9. **AOB**

The FSG will review the budget requirements for the Winterton Hall legal investigations once the Solicitor has set out a roadmap and associated costs.

10. **Date of next meetings**

End of first Quarter (end of July) exact date TBC.

Action
Clerk

There being no further business, the Chair closed the meeting at 21:10 hours.

Signed, Chair of the FSG:

Signed, Chair of the Parish Council:

Signed, Clerk & RFO: