



Finance Steering Group

MINUTES of Plaistow and Ifold Parish Council's Finance Steering Group Meeting held on 8th July 2021, 20:00, via remote conference call (Zoom).

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

1. **To receive apologies for absence**

None received.

2. **Declarations of Members' Interests.**

None received from Councillors.

3. **Last Steering Group meeting**

Due to NALC's recently confirmed legal advice to the effect that Working (Steering) Groups are considered to have the status of committees/sub committees, the Parish Council resolved, on 23rd June, that the FSG should become a committee. This is therefore the last FSG meeting. All future meetings will be conducted in public and in person and subject to the usual statutory requirements for service of Notices etc. If the Finance Committee needs to discuss confidential matters, then it can resolve to exclude the Press and Public from the meeting in accordance with S1(2) of the Public Bodies (Admissions to Meetings) Act 1960 on the grounds that it may involve the likely disclosure of exempt information. Nevertheless, NALC's Best Practice advise is that Members' deliberations should be held in public to ensure the business and decision making of the Parish Council is open and transparent.

4. **Verification of bank reconciliation for April – June 2021**

As part of a broader overhaul of the Council's internal control systems currently being undertaken by the Clerk, a review/verification exercise of the bank statements, corresponding reconciliation statements, cash book and balance sheet for each quarter will be undertaken by a Member of the Finance Committee, in rotation, who is not a bank signatory. The Member shall sign the documents via Secured Signing, as evidence of verification, and the documents will then be reported to the full Council. In the event of any irregularity, the Chair of the Finance Committee will be notified, and a meeting of the Finance Committee will be convened to produce a report to full Council.

Cllr. Ribbens will undertake this initial review for the end of quarter 1, 2021/22.

5. **PWLB application update**

It has been confirmed that the Council's PWLB application, which was initially submitted on 18th February, was mislaid by the MHCLG. A further copy was provided by West Sussex Association of Local Councils (WSALC) 9th April, which was also lost. Following a further intervention by WSALC in mid-June, advising that the Council would have no other choice but to seek the assistance of Gilian Keegan MP in the matter, the application was found and expedited. On 1st July, the MHCLG sought further information/clarification on some matters. Please refer to Appendix 1, which includes the Council's responses to the questions raised.

It is possible that the MHCLG misunderstood the stated net overspend as at 31.03.2022 of (£51,511.25) (pg. 9, Appendix 1). This net figure does not include the offset of the £50,000 loan applied for. With the loan in place, the net figure deficit will only be (£1,511.25). This would reduce the Council's reserves at the end of 21/22 from £41,701.26 to £40,190.01. If the loan is not approved, the expenditure included against the playpark (£55,000) would be stayed and reduce the expenditure accordingly.

Cllr. Taylor correctly highlighted that since the Council does, in fact, receive other income i.e., grants, CIL and New Home Bonus (NHB) payments in a financial year it is not accurate to state that the only income source of the Council is the Precept. However, the meeting agreed that the full explanation provided by the Clerk correctly and adequately explained the Council's income situation and that given the response had already been re-submitted to the MHCLG no further action should be taken.

6. **To consider the 2021/22 Budget Forecast Comparison spreadsheet at Quarter 1
*Please refer to Appendix 2***

FSG Members worked through the Forecast Comparison spreadsheet at Quarter 1.

The areas of note/movement which were highlighted are as follows:

- **Insurance** (cell 14L) The projected budget forecast has been increased due to the higher actual cost of the annual insurance (£1,337) and the inclusion of a potential eight (8) months cyber insurance premium. The Clerk is currently working on a review of the Council's internal control systems, which includes GDPR and cyber security and will report to full Council in due course. *If* full Council resolves to take out cyber insurance, following this report, the budget has been amended to reflect this additional expenditure.
- **Subscriptions** (cell 18L) All subscriptions for 2021/22 have been made and so the slight underspend will be moved to the general reserves.

- **Website Maintenance & Update** (cell 29L) The projected budget forecast has been increased to accommodate potential costs for a Planning Tracker (£24pa, to be considered by the Planning Committee on 13.07.2021) and upgrading to TEEC's premium package for website hosting/email (£30pm) so that the Council has sufficient Council email addresses for all Members. The full Council will consider the Clerk's report on this matter in due course (see above explanation for cyber insurance).
- **Grass cutting** (cell 61L) The projected budget forecast has been increased to account for a missed accrual of March's grass cutting. The Council moved to an accrual accounting system in 2021/22 and this accrual item was unintentionally overlooked.
- **RoSPA Play Area Inspection** (cell 65L) The annual safety inspection took place in June 2021; the slight underspend will be moved to the general reserves.
- **Interest on Public Works Loan (PWBL)** (cell 79L) The projected budget forecast has been adjusted (reduced) due to the time delay on taking out the loan. Loan figures are now calculated as of 1st August – 8 months capital and interest payments.

Due to the above budget movements, the projected net overspend as at 31.03.2022 is (£57,122.00) (cell 106L); which is an increase of £627. If the Council does not receive a loan to finance the playpark rejuvenation project, then the Council is projected to close the financial year with negative reserves of (£16.74) (cell 140L). However, considering the £40,000 PWLB loan, the projected Year End position is £34,649.93 (cell 145L), which is an increased position of £706.34 due to the reduced number of months loan capital and interest payments that will be applicable to the current financial year.

7. **Neighbourhood Plan grant re-payment.**

The Parish Council received a grant of £4,097.00 in 2020/21 to be spent within the financial year towards progressing/assisting the Neighbourhood Plan process post Regulation 16 public consultation. During 2020/21, £597 was spent against the grant:

- £488 postage – whole Parish newsletter, which included an update regarding the Neighbourhood Plan to revive community interest in the process.
- £65 printing – newsletters
- £44 – cost of holding electronic Neighbourhood Plan Steering Group meetings (Zoom).

In May 2021, the Council was asked to account for its grant expenditure to date and a subsequent request to return the unspent £3,500 was issued. Unfortunately, Groundwork UK (the grant provider) was not minded extending the grant period beyond the financial year given the delays caused by the pandemic (two Reg. 16 consultation periods and a protracted Independent Examination hindered by

government travel restriction guidance). Therefore, the Council re-paid the underspend (09.07.2021).

The Council can reapply for the loan; however, there could be some unbudgeted expenditure against the Neighbourhood Plan cost centre in the immediate future. The Clerk does not believe any future grant can be applied retrospectively i.e., to reimburse costs incurred which predate receipt of the grant; however, enquires will be made and the position clarified.

8. **Date of next meetings**

End of second Quarter (end of October) exact date TBC.

Action
Clerk

There being no further business, the Chair closed the meeting at 20:48 hours.

Signed, Chair of the FSG:

Signed, Chair of the Parish Council:

Signed, Clerk & RFO: