

FELSTED PARISH COUNCIL

Minutes of the Finance Committee Meeting held on 28 July 2021 at 5.00 pm by Zoom video conference.

- Present** Councillors Roy Ramm (Chair), Frances Marshall, John Moore (left meeting during F21/42) and Richard Silcock (joined meeting from F21/33).
- F21/28 **Apologies for absence and declarations of interest**
Apologies were received from Cllr Graham Harvey. There were no Declarations of Interest.
- F21/29 **Approval of Minutes of the meeting held on 25 May 2021**
The Minutes of the meeting were approved. They will be signed by the Chairman when the committee next meets in person.
- F21/30 **Matters arising from the previous Minutes (not covered elsewhere on this Agenda)**
None.
- F21/31 **Bank Reconciliation and PAYE Records**
It was agreed that Cllr Frances Marshall would take over the role of reviewing the Bank Reconciliations and PAYE records alongside Cllr Roy Ramm in his new position as Chair of the Finance Committee. The bank reconciliations will be reviewed and signed by the Chair and Cllr Frances Marshall at their next meeting with the RFO.
- F21/32 **Accounts for Approval and Payment**
Members considered the list of payments on page 4. Proposed by Cllr Frances Marshall, Seconded by Cllr John Moore, the payments list was unanimously approved.
- F21/33 **Consideration of options for Allotment Fencing**
The committee discussed the 3 proposals for the installation of gates and replacement of the existing wire fencing with a timber post and rail fence. It was agreed that the quotation provided by Dunmow Fencing was acceptable, but in light of budget constraints and other likely demands on funding, that it would be prudent to defer a decision on fencing replacement until later in the budget year.
- F21/34 **Approval of Schedule of Donations**
Members studied the Donation List prepared by the RFO and noted that donations totalling £2,660 had been made in 2020-21. This included one off donations of £500 to the Felsted Memorial Hall toilet improvement works and £1000 to Stop Stansted Expansion that had been approved at Full Council in addition to the agreed 2020-21 donation list.
- Members reviewed the Council's donation policy and concluded that no changes to the 2021 donation list were required. Bearing the policy in mind it was agreed to approve donations as follows, subject to budget review at the October finance committee meeting, for 2021-22:
- Herts and Essex Air Ambulance - £325
Uttlesford Citizen's Advice Bureau - £300
East Anglian Children's Hospital (EACH) - £300
Felsted Primary School Art Competition prizes – up to £200
Royal British Legion Poppy Appeal - £75
TOTAL - £1200
- F21/35 **Consideration of appointment of Internal Auditor**
The committee reviewed the responses received from the 3 internal auditors recommended by EALC and noted that 2 of the auditors recommended had indicated that they were unable to provide services to the council due to their current workload. The committee unanimously agreed to recommend the appointment of Val Evans as the internal auditor at the coming Full Council meeting. It was requested that Mrs Evans provide a copy of her professional indemnity insurance prior to appointment.

- F21/36 **Internet Banking Update**
 It was noted that the RFO, Cllr Frances Marshall, Cllr John Moore and Cllr Roy Ramm had completed the online banking application. Cllr John Moore noted that Barclays had requested to speak to him to confirm further information regarding the application and the RFO informed the committee that a letter had been received regarding Cllr Frances Marshall's application requesting further information. The RFO will follow up directly with Barclays and liaise with councillors. The required pin sentry and authorisation cards and pin numbers had not yet been received by anyone for their applications.
- F21/37 **Update on accounts query from Parishioner**
 The RFO updated the committee on a number of queries received from a parishioner regarding the 2020-21 accounts and his response to those queries. The committee considered the RFO's response to be accurate and comprehensive. Queries and responses appended at the end of these minutes. The queries and responses are appended on page 5.
- F21/38 **Consideration of publication of annual budget**
 The committee discussed the publication of the budget, including updates during the year.
 It was not known why, historically, the budget had not been published. The committee agreed that the budget will in future be published when proposed by the Finance Committee and agreed by full Council as part of the setting of the precept. Further the updates to the budget during the financial year that take place at the finance committee meetings will also be published as part of those minutes and also as part of a budget update to the full council at the following meeting and included in the full council minutes.
- F21/39 **Land value survey update**
 The quotes for a revaluation of land values received from the surveyors recommended by RCCE were reviewed and it was noted that the lowest cost would be £2000 ex. Vat. The RFO noted that it was a recommendation of the internal auditor that a land revaluation be undertaken every 3 years. It was agreed by the committee that, given the restrictive covenants on all lands held by the council, the valuations could not materially change and the cost of such frequent revaluation was therefore not justified. It was proposed by Cllr Roy Ramm and seconded by Cllr Frances Marshall that it be recommended to Full Council that such valuations be undertaken on a 5 yearly basis.
- F21/40 **Review of Accounts for current Year to Date**
 Members studied the budget comparison prepared by the RFO (appended on page 6) and noted the following items:
- Income:**
- Magazine advertising and donations were estimated to come in around £8,500 lower than budgeted due to the move from monthly to quarterly publication.
- Expenditure:**
- Administration costs were likewise estimated to come in around £10,600 lower, primarily due to the move from monthly publication to quarterly publication of the parish magazine.
 - Maintenance, Repairs and Upkeep were estimated to come in around £9,000 higher, primarily as a result of the rollover of the works to remove the Copper Beach tree in the church yard being expected to be completed in the previous budget year and thus not included in the current budget.
 - Projects were estimated to come in around £27,800 higher, again due to the rollover of final works on the Crix Green Mission Hall project which was expected to be completed in the previous budget year and thus not included in the current budget.
- It was further noted that the Clerk had informed the council that the pavilion at the playing field in Felsted village was in a state of very poor repair and would most likely require either demolition and/or rebuilding in a relatively short time period. This unexpected item is not included in the budget and even limited essential repair, protection or demolition works have the potential to push the budget significantly further into deficit

The committee agreed that given existing and potential budgetary pressures, unless spending was essential it should be deferred and that expenditure vs budget should be closely monitored during the year.

The Crix Green project was discussed and it was noted that the total cost of the Crix Green project had been agreed as a 50/50 split between the Parish Council and the Crix Green Mission Trust. It was also agreed that the potential for sharing revenue from hall lettings between the Crix Green Mission Trust and the Parish Council, considering the parish's contribution to the works, would be researched and discussed at the next Finance Committee meeting.

F21/41 **Review of conduct of future finance committee meetings**

It was agreed by majority of the committee that the coming Finance Committee meeting would be held by Zoom. This would be reviewed at each Finance Committee meeting going forward.

F21/42 **Any urgent matters and proposals for future agenda items**

Cllr Richard Silcock informed the committee that grants of up to 75% of cost were currently available for the installation of charging points for electric vehicles. There would be a net cost upfront for the parish, but installation would generate an ongoing revenue stream. Cllr Richard Silcock would investigate further and come back to the finance committee with estimates of costs and potential revenue.

F21/43 **Next meeting**

The meeting closed at 6.25pm.

The next meeting will be held on 13th October 2021 at 5pm.

..... Chairman Dated

F21/32 - Accounts for Approval and Payment

Felsted Parish Council				12:17 PM	
Unpaid Bills Detail				26/07/21	
As of 3 August 2021					
	Date	Num	Memo	Open Balance	Cheque Number
Barbara Hollingsworth					
	31/07/2021	Jul 21	Unlocking car park 1 - 4 weeks - July 2021	60.00	
Total Barbara Hollingsworth				60.00	103160
Command Pest Control Ltd					
	06/07/2021	818876	Rodent control visit - 05/07/21 to 05/10/21	54.00	
Total Command Pest Control Ltd				54.00	103161
E A L C					
	13/07/2021	14244	Standing Orders Course - 01/07/21 - H Read	84.00	
	13/07/2021	14205	Law & Procedures Course - 09/06/21 - G Harvey	108.00	
Total E A L C				192.00	103162
E.ON					
	02/07/2021	H1A06516D4	AC # 0113 9823 6360 - Street light electricity for 01/06/21 to 30/06/21 - MPAN 1013095287825 - U...	289.21	
	17/07/2021	H10E71E5A9	Ac # 3605 5026 48 - Pavilion electricity 14/06/21 to 14/07/21 - MPAN 1012485770570 - Meter # D11...	21.12	
Total E.ON				310.33	Direct Debit
Edge IT Systems Ltd					
	21/07/2021	35359	Advantedge Planning service Sept 2021-22	181.20	
Total Edge IT Systems Ltd				181.20	103163
NEST Pensions					
	31/07/2021	Jul21	Pension Contribution - H Read - Jul21	49.40	
Total NEST Pensions				49.40	Direct Debit
Officials - Salaries					
	31/07/2021	Jul 21 - Salary		1,895.53	
Total Officials - Salaries				1,895.53	103164, 103165, 103166
Officials - Expenses					
	31/07/2021	Jul 21 - Exp		355.24	
Total Officials - Expenses				355.24	103164, 103165, 103166
S P Barnard					
	31/07/2021	Jul21	Village attendant - July 2021	630.00	
Total S P Barnard				630.00	103167
TOTAL				3,727.70	
Additional Payments:					
			Reimbursement of £150 to RPT Chauffeurs for advertising following move to Quarterly publication of Focus	150.00	103168

F21/37 – Update on accounts query from Parishioner

Felsted Parish Council Accounts 31st March 2021.

Some queries and Questions re the above accounts.

Dear Mr Plunkett

I believe any queries should be addressed to yourself, prior to any queries to the Auditor.

I am sure that the notices on the boards are in the correct format, but will be somewhat confusing to people that don't follow the Finance Meeting Minutes. The notice boards show a Bank Balance at the year end of more than £238000. Looking at this one could wonder why the precept was increased by 10%? Of course this includes the Bank Account for the Nature Reserve Trust, a little confusing.

The format of the accounts presented is as required by the External Auditors (PKF Littlejohn). You are correct that the total bank balance at the year-end of £238,000 includes the monies specifically apportioned to the Nature Area.

Obviously the largest project of 2020 -2021 was the small extension to the Crix Green Mission, but it is very confusing as to how much is being spent, and with so much of the precept being spent, I feel the parishioners should be able to know the proper figures. At the end of March, I asked the Clerk how much the Crix Green Trust had contributed, and, after consulting with yourself, said 1 x £10K in July and two amounts of £18K in August and September, so £46K. I can find the receipts of £10K and 1 of £18K in the minutes, but not the second £18K? Probably I have missed it. I think the total spent was £71372. Presumably the VAT to be recovered is deducted, so £59475 nett less £46K from the Trust, hence £13475 in the Accounts. Stage 2 of the fit has now been paid, £10175 nett, are there any more payments to be made?

We are awaiting the final invoice from the contractor and this has already been chased up.

Expenditure to date has been £71,221.50 (excluding VAT), we have received contributions from Crix Green Mission Trust of £46,320.00, leaving a total cost to date of £24,901.50 (excluding VAT) paid by the Parish Council. The above figures are ex-VAT as the VAT is recovered.

I ask this as I cannot find anywhere what was the price agreed for the fitting out? The minutes of the 4th November 2020, 20/190/3 says "Approval of Crix Green Works Contract to fit out shell." No figures, surely the parishioners should know these figures. Were any other quotes obtained?

Three quotes were obtained from contractors for the entire project (construction of the external water tight shell and fit out of the interior) which ranged from £88,000 to £97,000 ex-VAT. The project was then split into the 2 separate phases both to be handled by the same contractor. The accepted quote for the entire project was for £88,000 ex-VAT being the cheapest of the 3 quotes received for the works.

At the Finance Committee Meeting on 24th February 2021, some 5 weeks from the year end, you stated that the Bank Balance was expected to be £73K at the year end, so below the precept. It ended at £99K, £12K down to Crix Green payment delay, but the other £14K? Also, at the meeting it would be known that a large VAT refund was expected? In fact in the minutes of the 5th May 2021, it says that a VAT Rebate of £21445 was received. So with the VAT refund due the real balance at the year end could be assessed at £120K, some 1.6 x the Precept for 2020 to 2021. However the Precept, and thus our parish council tax was increased by 10%, for the second year in a row?

As stated in the minutes of the 5th May Finance committee meeting (F21/14), receipts had come in higher than forecast by £13k and payments lower than forecast by £11k. These figures are all ex-vat as VAT is reclaimed and so already included in the calculation of the final balance of £99k. The future income and expense forecasts are based on my best estimates but are always inexact and subject to revision as actual figures become available.

The Budget for 2021 – 2022 was approved by the committee on 24th February, again no figures were published, are these available somewhere else on the website, or are Parishioners not privy to this information? It is after all, our taxes being spent, and I trust more prudence will be shown this year, as another 10% increase would not be acceptable.

The publication of the annual budget will be discussed at the coming finance committee meeting at 5pm on 28th July.

I accept that my interpretation for the above queries may be wrong, but maybe more clear minutes, especially when a large project is involved, would have helped.

F21/40 - Review of Accounts for current Year to Date

FPC - Budget Comparison to 26th July 2021

	Budget 2021-22		Actual 2021-22		Year End Estimate		YE Estimate - Budget		Notes
	£	£	£	£	£	£	£	£	
Opening Balance		99,183		99,183		99,183			
RECEIPTS									
Precept	85,000		42,500		85,000		0		
Allotments Rents	1,535		0		1,535		0		
Playing field rent	250		0		250		0		
Grants	0		0		0		0		
Sundry other receipts	1,215		0		1,215		0		
Magazine advertising & donations	10,128		500		1,569		-8,559		Lower income due to move to qtrly publication
Total Receipts		98,128		43,000		89,569		-8,559	
PAYMENTS									
Salary and Expenses		31,058		7,233		30,782		-276	
Street Lighting		4,838		2,453		4,017		-822	
Administration		18,252		2,951		7,632		-10,620	Lower expenditure due to move to qtrly magazine publication
Maintenance, repairs and upkeep		27,893		11,227		37,162		9,269	Cost for Copper Beech Removal rolled over from 2020-21
Projects		9,354		13,069		35,307		25,953	Final Crix Green works rolled over from 2020-21
Sundry		3,817		2,933		4,183		365	
Total Payments		95,213		39,866		119,083		23,870	
Closing Balance - Income and Expense		102,098		102,317		69,669		-32,429	