

FELSTED PARISH COUNCIL



Minutes of the Finance Committee Meeting

held on 12th October 2022 at 6.00 pm by Zoom video conference.

- Present** Councillors Roy Ramm (Chair), Frances Marshall, John Moore and Richard Silcock (joined F22/54)
- F22/45 **Apologies for absence and declarations of interest**
Apologies were received from Councillor Richard Silcock for his late arrival. There were no Declarations of Interest.
- F22/46 **Approval of Minutes of the meeting held on 27th July 2022**
The Minutes of the meeting were approved. They will be signed by the Chairman at his next meeting with the RFO.
- F22/47 **Matters arising from the previous Minutes (not covered elsewhere on this Agenda)**
None.
- F22/48 **Bank Reconciliation and PAYE records**
The bank reconciliations were reviewed and will be signed by the Chair and Councillor Frances Marshall at their next meeting with the RFO.
- F22/49 **Conclusion of the 2021-22 External Audit**
The RFO noted that the External Auditors had concluded their audit and provided their report and certificate which stated that the 2021-22 Annual Governance and Accountability Return (AGAR) was in accordance with Proper Practices. It was also noted that there were no other matters noted in the audit.
The Members expressed their thanks to the RFO for his work on the audit.
- F22/50 **Review of Financial Risk Assessment**
Members considered the draft Financial Risk Assessment which had been prepared by the RFO and unanimously agreed the proposed amendments.
The document would be formally approved at the November Full Council meeting.
- F22/51 **Review of Asset Register**
Members considered the revised Asset Register compiled by the RFO. It was noted that the Land Valuations would need to be recalculated in 2023 and careful consideration should be given to valuation in early 2023.
The document would be formally approved at the November Full Council meeting.

Review of Accounts for the current year

Members studied the budget comparison prepared by the RFO (appended on page 5) and noted the following items:

Income:

- Magazine advertising and donations were estimated to be around £1,700 lower than budgeted given receipts in the year to date.

Expenditure:

- It was noted that the Salary and Expenses budget line was still under budget, however it was noted that this would likely come more in line with the budget once the PAYE/NI payments were made.
- Street lighting was still expected to come in significantly over budget in the current year due to the expiry of the current fixed price contract and the large rise in electricity prices. It was noted that given the current cost of electricity and the government support level there were no options at present to reduce expenditure.
- Maintenance, Repairs and Upkeep was now expected to be ~£3,200 under budget following receipt of the grant of £8,000 from the Football Foundation.
- The projects budget line was £1,000 over budget. This reflects expenditure on the Platinum Jubilee event and is not forecast to increase further.

The RFO noted that the current year end estimate was approximately £3,200 under budget but cautioned that there was significant uncertainty for the remainder of the year given the current levels of inflation.

Councillor John Moore enquired whether the Crix Green Mission Hall was generating any income and Councillor Frances Marshall replied that there were still a few items to be completed before the Hall was fully complete and attractive for rental. It was noted that the Hall was a good venue but generally suitable only for smaller occasions and that there would be a piece in the Winter issue of the Felsted Focus about the Hall which may generate some rental interest.

Review of Schedule of Donations

The schedule of donations was reviewed and it was agreed that the donations should be put to Full Council for payment at the November meeting. It was suggested that the donation for prizes for the Primary School Art competition could be something that the Crix Green Mission Hall Trust would be able to fund. Councillor Frances Marshall agreed to contact the Chair of the Crix Green Mission Hall Trust to discuss this and would report back to the Finance Committee.

Initial consideration of the 2023-24 Budget

The RFO presented an initial draft budget for 2023-24 (appended on page 5) which was considered by members.

The RFO noted that setting the budget for the coming year would be particularly challenging given the current high inflation rate and uncertainty over wage settlements, electricity prices and insurance costs in the coming year.

The RFO noted that the increase in official's wages is linked to the outcome of the National Joint Council negotiations and that these had only just been concluded for the 2022-23 period. As such the increase for 2023-24 would need to be estimated. The RFO noted that from his research the negotiations at present stand at between 4% and 10% and as such his recommendation would be for an estimated 6% increase to salaries in the budget.

Councillor John Moore questioned whether a 6% increase in payments to the village attendant was appropriate given the big increases that had been agreed over the past year. The RFO noted that it was better to budget for annual inflation linked increases to wages and costs to avoid having to make larger sporadic one off increases.

[Councillor Richard Silcock joined the meeting]

It was agreed to leave the wage increase at 6% for both the officials and the village attendant but to revisit this prior to the adoption of the budget at the January Full Council meeting should circumstances be materially different.

Councillor John Moore also questioned the provision of £2,000 in the budget for further consultant's fees on the doctor's surgery. Councillor Roy Ramm informed members that the new NHS commissioning group (the Integrated Care Board which replaced the West Essex Clinical Commissioning Group) had requested that rent paid on the surgery be lower than previously agreed. Given the complex issues beyond the knowledge of Councillors the consultant had again been instructed but would be used sparingly.

It was recommended by the Committee that a request for reimbursement of the consultant's fees be made to the Trustees of the Felsted Community Trust once the first years rent has been received by the Trust.

Councillor John Moore raised the need for a toilet block in the village centre as a potential project for future years. Members agreed that this sort of facility could be put to the Felsted Community Trust for consideration once it was operational.

The Street Lighting budget line was discussed. The RFO noted that with the uncertainty over future costs after the expiry of the Government energy price guarantee the budgeted amount would have to be a best estimate and there could be considerable variance in the actual cost. The RFO had proposed a budget of £7,000 based on the previously received 3y fixed price. Members considered that it was better to be prudent on electricity costs given the current environment and agreed on a budget of £10,000.

Members discussed income and expenditure for the allotments. The RFO noted that the current allotment charges had been reviewed by the Clerk in the current year and had been found to be in line with other local allotments. The RFO noted that the expected income would cover the budgeted expenditure. Members agreed that given the financial circumstances any major expenditure on the allotments should be avoided.

The budget would be considered further at the Finance Committee meeting on 23rd November in order to recommend the budget and Precept level for Full Council consideration and approval at the 7th December Full Council meeting.

F22/55

Review of Financial Regulations

The RFO confirmed that there had been no update to the Model Financial Regulations and that as there had been no changes to the financial operations of the Council it was not necessary to update the Financial Regulations at present. The RFO will continue to check for updates to the Model Financial Regulations via NALC.

F22/56

Felsted Village Events Committee – potential donation of funds

Members discussed the potential donation of funds by the Felsted Village Events Committee and noted that any such funds would need to be held in a separate bank account and expenditure would solely be for village events and would need to be overseen and approved by a Village Events Subcommittee.

Councillor Roy Ramm proposed that the Finance Committee recommend to Full Council that a separate bank account with Barclays (for simplicity) be opened to hold the funds and that the authoriser for any payments from the account be specified to be a member of the Village Events Subcommittee.

It was also proposed that the RFO contact HMRC directly regarding the need to register for VAT and if required arrange for the VAT registration for the Council and the filing of appropriate VAT returns to include expenditure and income relating to the Village Events monies.

F22/57

Review of Conduct of future Finance Committee Meetings

It was agreed that the 23rd November Finance Committee Meeting would take at 6pm in the Committee Room of the URC Hall (subject to availability).

F22/58

Any urgent matters and proposals for future agenda items

None.

F22/59

Next meeting

The meeting closed at 7.30pm.

The next meeting will be held on 23rd November 2022 at 6.00pm in the Committee Room at the URC Hall, Stebbing Road, CM6 3JD.

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Chairman

Dated

F22/52 - Review of Accounts for the current year

	Budget 2022-23		Actual 2022-23		Year End Estimate		YE Estimate - Budget	
	£	£	£	£	£	£	£	£
 FPC - Budget Comparison to 30 September 2022								
Opening Balance		59,782		59,782		59,782		
RECEIPTS								
Precept	106,000		106,000		106,000		0	
Allotments Rents	1,700		-75		1,700		0	
Playing field rent	500		500		500		0	
Grants	0		0		0		0	
Sundry other receipts	0		0		0		0	
Magazine advertising & donations	4,516		540		2,800		-1,716	
Total Receipts		112,716		106,965		111,000		-1,716
PAYMENTS								
Salary and Expenses		48,598		20,967		43,251		-5,346
Street Lighting		5,453		3,130		7,335		1,881
Administration		11,523		5,985		11,554		32
Maintenance, repairs and upkeep		40,807		23,603		37,576		-3,231
Projects		6,958		3,096		8,054		1,096
Sundry		4,762		3,643		5,393		631
Total Payments		118,101		60,424		113,164		-4,938
Closing Balance		54,397		106,323		57,619		3,222

F22/54 - Initial consideration of the 2023-24 Budget

Felsted Parish Council - Draft 2023-2024 Budget



	Actual 2021-22	Estimated 2022-23 Year End	Draft Budget 2023-24
Opening Balance	99,286	59,782	57,619
RECEIPTS			
Precept	85,000	106,000	106,000
Allotments Rents	1,723	1,700	1,700
Playing field rent	0	500	500
Grants	2,351	0	0
Sundry other receipts	2,502	0	0
Magazine advertising & donations	3,263	2,800	2,800
Total Receipts	94,839	111,000	111,000
PAYMENTS			
Salary and Expenses	34,210	43,251	47,116
Street Lighting	4,640	7,335	12,456
Administration	11,837	11,554	12,417
Maintenance, repairs and upkeep	51,628	37,576	31,754
Projects	28,055	8,054	8,890
Sundry	3,973	5,393	5,257
Total Payments	134,343	113,164	117,890
Closing Balance - Accrual Basis	59,782	57,619	50,729