

Finance Working Group Meeting 12th January 2022, 5pm – Notes of Meeting

Meeting held remotely, via Zoom

Present: Karen Ripley (Clerk/RFO); Cllr Nick Brown; Cllr Sean O’Hara; Cllr David Todd

Documents referred to:

- 1) *Accounts Management Reports (computerised accounts programme):*
 - i) *Income and Expenditure Report* – detailed report of income and expenditure under each head of budget to 31/12/21, showing actual expenditure against that planned in the budget (Financial Regulations 4.8 refers) and funds unspent at end of year.
 - ii) *Budget Detail Report (2nd Draft)* - detailed report showing 21/22 precept figures against each head of budget, brought-forward amounts from 20/21, all virements made during 21/22 and draft precept figures for 22/23.
 - iii) *List of Earmarked Funds at 31/12/21.*
 - iv) *List of notes from Budget Reports explaining contents of various budget codes (for info)*
- 2) *Budget Monitoring Sheet* showing virements to date, and an explanation of various balances at 31/12/21.
- 3) *General Contingency (307/4070) detail for showing expenditure and balance for 21/22.*
- 4) *RFO Notes to 2nd Draft Budget, including Tax Base details*
- 5) *Paper by David Todd showing summary of movements between precept 21/22 and draft budget for 22/23*

1. BANK RECONCILIATION (Financial Reg. 2.2)

The RFO confirmed that reconciliations have been completed to 30/11/21. Reports / bank statements have been reviewed by Members up to 30/11/21 for account 1. December reconciliation of accounts 1, 2 , 4 (Hodge Bank), will be done with the January payments review later this month. (Account 2 and 4 are quarterly.)

Hodge Bank has changed the date of our quarterly statements to June, Sept, Dec and March (were Apr, July, Oct. Jan), to align with our financial year.

2. REVIEW OF THE EFFECTIVENESS OF INTERNAL CONTROLS

This has to be carried out annually and is one of the ‘assertions’ made by Members in Section 1 of the Annual Governance and Accountability Return (AGAR). Cllr Todd will carry out the review before the next FWG meeting on 9th March 2022. (RFO to send him the latest version of the ‘Accountability and Governance Practitioners’ Guide’)

3. BUDGET MONITORING 20/21 (Financial Reg. 4.2; 4.8; 4.9)

The Income and Expenditure Report and budget virements were discussed, as detailed in the monitoring sheet provided. The recommended virements agreed are shown in the following tables (F/R 4.2):

Budget Monitoring December 2021				21/22	
FROM			TO		
BUDGET CODE	DESCRIPTION	AMOUNT	BUDGET CODE	DESCRIPTION	REASON
Virements made to Cover Approved Expenditure					
307/4070	*General Contingency	1,500.00	401/4145	New defibrillators	Heathfield Gdns
		1,300.00	900/9012	EMF Highway Safety Schemes	Balance for VAS
		2,000.00	307/4075	Misc. Amenity	Tree Surveys
		2,205.00	306/4020	Pocket Park Misc. costs	Replacement bridge
		1,200.00	101/4020	Admin. Misc. costs	Council review
		50.00	302/4043	B.Meadow	underbudgeted
		5,200.00	304/4020	Cemetery Misc. costs	Resurfacing Cemetery entrance
		150.00	304/4042	Cemetery Maintenance general	underbudgeted
		100.00	307/4067	Highways	Data analysis traffic
		420.00	313/4064	Water rates, Station Road Toilets	towards overspend water rates
		14,125.00			
102/4091	Other Grants /Donations	1,000.00	102/4091	Local Grants / donations	To cover grant to Rob. Children's Services towards drainage.
900/9007	Earmarked Funds Cemetery Works	2,425.00	304/4020	Cemetery Misc. costs	New oak gates / fencing
313/4062	Rates, Stn. Rd. Public Conveniences	648.00	313/4064	Water rates, Station Road Toilets	towards overspend water rates

After the above virements the balance in General Contingency will be £3,095. Members agreed the virements to recommend to Council for approval 17/1/22. Various balances were explained by the Clerk as follows:

101/4018	Website / Internet	1,205.00	To cover new website (Accessibility Regs) - high priority!		
101/4020	Misc. Costs Admin	1,524.00	£1,200 to cover Council Review		
101/4021	Office rent	2,500.00	Office closed due to Covid-19. Probable surplus		
304/4020	Cemetery Misc.	8,625.00	Payments due: £3,498 gates/fencing; £5,100 resurfacing		
304/4040	Cemetery Grass cut	710.00	Instalment 4 of 4 for 21/22 = £730 due March		
306/4020	Pocket Park Misc.	2,205.00	To cover replacement boardwalk bridge		
306/4042	Pocket Park Maint.	445.00	£260 winter maint. payment due March; £185 available		
307/4075	Misc. Amenity	2,000.00	To cover professional tree surveys		
307/4076	History Group Books	-204.00	Stock purchased - overspend will clear as books sell		
310/4065	Dog bins	636.00	will be surplus (two new bins to add for 22/23)		
310/4077	Grit bins	2,787.00	Each refill of all bins costs over £1,000. Number unknow (weather dependent) All bins currently full; c/f at year-end		
313/4026	Stn.Rd Toilets - daily servicing	2,041.00	1st instalment paid. Balance due in March		
401/4131	Capital - Playgrounds	2,500.00	Upgrades/replacements - move surplus to EMF at year-end		
401/4132	New Street lights	3,653.00	£3,000 budgeted to service anticipated PWLB loan		
401/4145	Capital- New Defibs	1,500.00	To purchase new defib Heathfield Gardens		

4. BUDGET / PRECEPT 22/23

The Clerk advised that the Tax Base figure from RDC for 22/23 is 1027, which is only a very small change from last year (1024.9) The draft budget detail completed by the Clerk, and Cllr Todd's projection of overall budget requirements, were discussed, which indicated a fairly high increase in the precept. The three main reasons for this were: the increase in Admin. Salaries following review, (+ £8.000) the Knelle / Langham Road Highway improvements (Match Fund Project with East Sussex Highways) (£5,000), and inclusion of £5,000 for General Contingency. Specific items were discussed as follows:

- **Salaries** – the increase is necessary and has to be included.
- **Highway Schemes** - if the Knelle Road project is accepted, we will need £5,000; it was agreed that this should be included in the precept. (Funds to purchase Vehicle Activated Signs (VAS) are already available in Earmarked Funds.)
- **Lighting Upgrades** - £3,653 available in the current year (401/4132 Capital Projects) will be carried forward to service the PWLB loan and a further £2,000 added to the precept. However, energy costs and maintenance will both reduce significantly when the new lamps are installed, and it was agreed this should be reflected in the budget/precept. It is anticipated that installation will be complete by September, so six months savings are reflected in 201/4030 Electricity and 201/4031 Maintenance. So there is no net increase in precept in 22/23 to fund the project and the whole-year savings in future years will result in a significant net reduction in the precept.
- **General Contingency (G/C)** – this will be substantially depleted at year-end, due to significant expenditure in the current year; we normally carry forward the balance at year-end, plus the sum of any general surpluses across the budget, but these too will be much lower this year. However, there will be some surpluses, including up to £2,500 in office rent due to the Clerk's working from home (Covid-19 rules) and it was agreed this should be transferred to G/C in March and that no money should be added to the Precept for G/C for 22/23. It was felt that the PC should publicise clearly the significant amount of positive work carried out in the current year to improve amenities for the benefit of all in the parish.
- **Village Steward** - significantly reduced hours completed 21/22 so large surplus accrued; some may be required to pay for additional contractors, but any surplus can be re-allocated in March, prior to year-end. It was agreed not to include any precept for all other VS codes and to carry forward the balances at year-end.
- **Other expenditure** – no amounts have been specifically included in the precept for the Platinum Jubilee or tree planting /replacements which have been suggested by Members, or any specific ongoing maintenance on amenities. It was agreed that these will be considered in March when the surplus is clearer, and allocations can be made by virements, including £1,500 for Jubilee matters and £1,000 for trees.
- **Earmarked Funds** – Members considered these and felt they were justified. It was agreed that they would consider them again in March, prior to year-end.

After some other very minor tweaks, Members were satisfied with the a **Precept of £107,770 for 21/22**, an increase of 9.56% on 21/22. This represents an increase of £8.96 per year – or 17p a week – for each council tax paying (Band D) household.

21/22 £98,370 ÷ 1024.9 = £95.98 per year (Band D)

22/23 £107,770 ÷ 1027 = £104.94 per year (Band D)

5. HODGE BANK INVESTMENT

On 22 January it will be one year since the Council opened the 90-Day Notice Account with Hodge Bank to invest £85,000, protected under the Financial Services Compensation Scheme. It was agreed that as interest rates had not risen significantly, the funds are fine where they are. This can be reviewed again in a few months time, if there are changes to interest rates that mean we might get a better deal elsewhere.

6. FURTHER (THIRD) BANKING INSTITUTION

The current balances in Unity Trust Bank are well within the £85,000 limit for protection under the Financial Services Compensation Scheme. However, this will not be the case when the first half of the new precept is received from Rother District Council in April. It was agreed that David Todd will investigate a further suitable institution, to report to FWG at the next meeting on 9th March. This will enable a recommendation to be made to Council at the PCM on 21st March.

Recommendations by the FWG for Parish Council Meeting 17/1/22:

- To approve all budget virements as detailed in item 3 above
- To approve a Precept for 22/23 of £107,770
- To leave £85,000 in the 90 Notice Account with Hodge Bank for the time being, to be reviewed by FWG in March.

Date of next FWG Meeting: 9 March 2022, 5pm via Zoom