

RFO Finance Report to Parish Council Meeting 20th January 2020

The Finance Working Group (FWG) met on 7th January 2020. The following matters and recommendations have been agreed to inform the Council, with regard to specific finance items on the Agenda for the Parish Council Meeting on 20/1/20.

1. BUDGET MONITORING CURRENT YEAR (19/20)

The Income and Expenditure Report was discussed. All outstanding approved works/expenditure is allowed for. The Clerk identified budget heads where movements from Earmarked Funds or General Contingency had been made to cover approved expenditure (some already paid, some outstanding), as shown in the following tables:

| FROM | | | TO | | |
|---|----------------------------|-----------------|-------------|-------------|---|
| BUDGET CODE | DESCRIPTION | AMOUNT | BUDGET CODE | DESCRIPTION | REASON |
| Moved from Earmarked Reserves - to budget - approved expenditure | | | | | |
| 9012/900 | EMF Highway Safety Matters | 2,731.00 | 4067/307 | Highways | Station Rd. yellow line project (balance) |
| | | 2,731.00 | | | |

| FROM | | | TO | | | |
|-------------|----------------------|----------|-------------|---|--------------------|--|
| BUDGET CODE | DESCRIPTION | AMOUNT | BUDGET CODE | DESCRIPTION | REASON | |
| 307/4070 | *General Contingency | 250.00 | 4042/305 | Pav/toilets maint. | Vandalised windows | |
| | | 400.00 | 4007/101 | Conferences & Training | Underbudgeted | |
| | | 3,500.00 | 4144/401 | New Notice Boards | 2655/2 & 2741 | |
| | | 100.00 | 4020/303 | Info lectern Jubilee Gdn | 2740/3/a (balance) | |
| | | 500.00 | 4075/307 | Feasibility Study Knelle / Langham RD | 2707/2 | |
| | | 700.00 | 4145/401 | New defib Heathfield Gdns (part) | 2742/2/a | |
| | | 700.00 | 4141/401 | New Xmas light sockets | 2638/1 | |
| | | 140.00 | 4020/303 | Trim willow arch & hedge Jubilee Garden | 2740/3/b | |
| | | | | | | |
| | | | | 6,290.00 | | |

Other items were clarified by the Clerk as follows:

- 4000/101 Admin Salaries – there will be a surplus at year-end of approximately £1,200 (funds brought forward from previous year in anticipation of a salaries review). It was agreed that

there should be a salaries review in February/March and that any surplus at year-end should be carried forward.

- 4020/303 Jubilee Garden – £770 currently available is £625 for the info board (on order) and an outstanding invoice for trimming the willow arch.
- 4067/307 Highways - £2831 available is for the balance of the match-fund scheme for double yellow lines in Station Road; invoice pending.
- 4075/307 – Misc. Amenity - £500 available for the feasibility study by ESCC for pavement improvements in Knelle/Langham Road to enable RCC students to walk more safely to school.
- 4020/313 Misc. Costs Station Road Toilets – likely to be £1,000 surplus at year-end.
- 314 Village Steward codes – balances at year-end for mileage, misc. costs and materials could be carried forward at year-end (so no precept figure needed 20/21)
- 401 Capital Schemes – funding 4135 Car Park and 4136 Toilets will be used towards the relining and refurbishment works.

Members agreed the virements as listed and were happy for them to be recommended to Council for approval 20/1/20.

2. FINANCIAL REGULATIONS

The FWG Members considered the draft document, which was produced from the NALC Model, in detail. Text and specific figures were agreed for recommendation for approval by Council on 20/1/20.

3. FINANCIAL RISK ASSESSMENT

The updated document was discussed and agreed by the FWG for recommendation to Council.

4. REVIEW OF EFFECTIVENESS OF INTERNAL CONTROLS

This has to be done annually and is one of the 'assertions' made by Members in Section 1 of the Annual Governance and Accountability Return (AGAR). The FWG carried this out by considering paragraphs 1.14 to 1.20 in Governance and Accountability for Smaller Authorities in England. The FWG was satisfied that each item is adequately covered and could be positively answered, subject to new Financial Regulations being approved 20/1/20 (see item 2. above).

5. NEW BANKING INSTITUTION

Cllr Todd and the Clerk had carried out preliminary investigations into appropriate banks and identified some for further investigation, to ensure that a suitable option could be found. It was agreed that Cllr Todd would obtain further, more detailed information, as some of the identified accounts were found to not be available to parish councils. It is hoped that a specific recommendation will be agreed in time for the Council Meeting on 20/1/20 (banking arrangements, including setting up, changes, mandates, authorised signatories and limits of authority **must** be agreed by full Council at a properly convened Meeting, so a decision cannot be delegated).

6. BUDGET / PRECEPT 2020/2021

Members discussed the first draft budget, with a precept figure of £96,606. The Clerk advised figures regarding the Tax Base:

The Tax Base for 19/20 was 1033.8 (precept of £95,560 divided by 1033.8 = £92.44 per Band D household.)

The Tax Base for 20/21 is 1041.3 so the draft precept figure of £96,606 divided by 1041.3 would give an annual payment of £92.77 per household (Band D).

Discussion included the following specific matters:

- **Salaries** - The admin salary figure (101/4000) is the employee (Clerk and Asst. Clerk) gross figure, less employee pension contributions, as these are included in 101/4023 Pension Contributions, with the employers' contributions. All salaries have been calculated on the current pay scales, as 20/21 has not been agreed yet. Employer National Insurance contributions (101/4001 and 314/4001) and Employee pension contributions (101/4000) have been calculated on the current year rates.
- **102/4090 & 4091 Grants and Donations** – not many given in the current year to date, so the amount for 20/21 has been reduced; any surplus at year-end could be carried forward.
- **301/1151 Annual Agreement Football Club** – due for review, so a small increase included.
- **304 Cemetery income** – although fees are due to increase, income has been down, so the anticipated figures have been left the same as current year.
- **304/4042 Cemetery Misc. Costs** – usually carry forward the balance; no precept amount.
- **305/4063 Pavilion / Toilets electricity** – anticipated increase.
- **306/4042 Pocket Park maintenance general** – increased to £1,300 in anticipation of major works (towards match funds if necessary).
- **307/4045 Recreation Ground car park** – underbudgeted 19/20 so small increase (grass cutting).
- **307/4059 High Street Lawns** – as above.
- **307/4067 Highways** – the additional cost of the extra (four) urban verge-cuts from ESCC Highways is included.
- **310/4065 Dog waste bins** – two new bins approved (outstanding – Heathfield Gardens & George Hill) so increased emptying costs (7 bins to 9).
- **313 Station Road Toilets:**
- **4020 Misc. costs** – no expenditure in current year; consumables etc are included in daily servicing, so no figure included.
- **4026 Daily Servicing** – increased to reflect actual amount required.
- **4042 Maintenance General** – reduced as no expenditure current year.
- **314 Village Steward** – salaries and NIC figures included, but no precept for the other codes as there will be sufficient surpluses at year-end to carry forward.

- **401 Capital Schemes – 4144 New Notice boards** – includes an amount for a new board at Bishops Meadow (as this has been flagged at AWG as possibly needed within next year).

Members were satisfied with the budget / precept figures and the level of reserves / contingencies. General increased costs, additional verge cutting costs, new dog bins and upgrading of the Station Road toilets can all be achieved with just a very small increase in the precept. This is as a result of careful budgeting and the use of some earmarked funds and anticipated surpluses. The small increase in the precept from £95,560 to £96,606 results in an increase of just 33p per household (Band D) per year. It was agreed that the draft budget, with a precept figure of £96,606 be recommended to Council for approval 20/1/20.

RECOMMENDATIONS:

1. To approve the budget virements made to date as detailed.
2. To approve the Draft Financial Regulations.
3. To approve the Financial Risk Assessment Document.
4. To note that the Review of Effectiveness of Internal Controls has been completed for the current year (subject to approval of Financial Regulations at 2. above)
5. To approve details for the setting up of additional banking arrangements.
6. To approve the Draft Budget and Precept of £96,606.