

FINANCE WORKING GROUP MEETING 16th January 2023, 6pm – Notes of Meeting

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

Meeting held remotely, via Zoom

1. **Bank Reconciliations** – the Clerk / RFO confirmed that:
 - reconciliations have been completed to 31/12/22 for account 1 (Unity Trust Current account), 31/12/22 for account 2 (deposit account) and to 8/12/22 for Hodge Bank (account closed).
 - Reconciliation Reports and bank statements have been reviewed by a FWG Member (DT) up to 30/11/22 for account 1, and 31/12/2 for account 2, and up to 8/12/22 for account 4 (Hodge Bank).
2. **Matters Arising from FWG 14/11/22**
 - **Internal Audit 21/22 Recommendations by Auditor** – KR and DT to meet to discuss prior to year-end.
 - **Review of Cemetery Fees** – new fees approved November PCM and in place from 1/12/22.
 - **Asset Inventory** – to be progressed for year-end.
 - **Review of Financial Regulations** – approved at November PCM as recommended by FWG.
3. **Further (third) banking Institution** – Cllr Todd is investigating Aldermore Bank to see if they provide for parish councils. The current balance in Unity Trust is around £124,000, due to receipt of the PWLB loan of £44,000. Members agreed that a further bank is necessary to protect funds under FSCS (up to £85,000 per banking institution). This needs to be in place before 31 March, as half the 23/24 precept will be received in April. Members also proposed moving £25,000 from Unity Trust to Cambridge & Counties asap, which would take the balance in there up to £85,000. And to use £10,000 from Unity to open the new account.
4. **PWLB Loan for Lighting Upgrades** – the funds have been received into the Unity Trust current account. Some changes / additions are proposed to the project; Cllr O’Hara will report on these for approval at the 30 January PCM.
5. **Budget Monitoring 22/23 – to end December (month 9) 2022** – Members considered the detailed Income and Expenditure Report and the monitoring table to 31/12/22. Items incorrectly coded (some noted at last FWG) had been corrected. Discussions included:
 - 401/4133 Capital Highway Schemes - £5,000 in here is for the Knelle/Langham Rd Match Fund scheme and will not be required until 23/24, so it should be moved to Earmarked Reserves (EMR).
 - There are areas in the current year that will require additional expenditure, including Vehicle Activated Signs (VAS), Streetlight project additional upgrades in Salehurst and Conservation Area. It was agreed these should be funded within the current year if possible – further monitoring and virements of surpluses prior to year end will be required. There will also be significant savings in Village Steward that can be reallocated.
 - **Funding Highway Schemes** - Village Gateways (VG) and VAS were discussed. VAS is already approved and well progressed, although insufficient funds are currently

allocated. It was agreed to recommend that the VG scheme be abandoned and the earmarked reserve of £5,139 be used elsewhere, including to cover the shortfall for VAS.

Virements to cover approved expenditure were discussed and recommended, as per the following table:

Budget Monitoring to end December 2022					22/23
FROM			TO		
BUDGET CODE	DESCRIPTION	AMOUNT	BUDGET CODE	DESCRIPTION	REASON
Journals made to correct codings (prior to I&E report)					
101/1153	Admin Misc. Income	187.50	301/1151	Rec. Gnd. F/ball fees	incorrect code used Fball fees
		30.00	301/1153	Rec. Gnd. Misc Income	Boot sales - incorrect code
101/4020	Admin Misc. costs	30.00	101/4019	IT, Software, Licences	Data Protection Reg. incorrectly coded
401/4132	Capital New lights	1332.00	201/4032	Lights General	Remove column incorrectly coded
Virements to Cover Approved Expenditure					
307/4070	*General Contingency	400.00	304/4042	Maint.Cemetery	no allocation made for refurb. materials
		730.00	101/4000	Admin salaries	Underbudgeted
		120.00	101/4023	Pension contributions	Underbudgeted
		253.00	308/4000	Salaries playgrounds	Underbudgeted
		480.00	305/4000	Salaries pav/toilets	Underbudgeted
		25.00	304/4000	Salaries Cemetery	Underbudgeted
		57.00	101/4011	Books & Publications	Underbudgeted
		1,500.00	201/4030	Lighting Power Supply	Underbudgeted - delay with new lighting
		968.00	201/4031	Lights Maint. Contract	Underbudgeted - delay with new lighting
		2,525.00	201/4032	Lights gen. repairs	Underbudgeted - delay with new lighting. Plus £1,807 removal of Willowbank column. Clear £2175 overspend + £350 for Jan-March
		360.00	313/4026	Daily servicing Station Road Toilets	Underbudgeted (significant increase)
		7,418.00			
314/4000	Village Steward	275.00	304/4020	Misc. Costs Cemetery	Strimming/weeds etc
101/4001	E/er NIC's	280.00	101/4023	Pension contributions	Surplus NI to underbudget pensions
101/4020	Admin. Misc. Costs	400.00	101/4019	IT; Software; Licences	Move spare funds to cover underbudget
307/4067	Highways	600.00	307/4075	Misc. Amenity	surplus to cover timetable cases and condolence book!

6. Budget / Precept 23/24

The Clerk advised that there is a very small decrease in the tax base this year, down from 1027.00 for 22/23 to 1025.07 for 23/24. The initial working draft budget detail was discussed, including the following specific items:

- **Salaries** – all salary related items are based on a 5% increase on 22/23 figures. Members felt this was a realistic figure in the current climate. If a lower award is made, any surpluses could be reallocated.
- **Lighting upgrades** – the actual repayment figures for the loan have been included; energy costs and maintenance have been reduced to reflect the savings as a result of the new LED lamps. So no net increase in the precept for these.
- **Vehicle Activated Signs (VAS)** – funds to cover the cost of purchase and installation will be covered in the current year (see budget monitoring). But no provision has currently been made for 23/24 to cover the contractor costs of occasionally relocating the signs. However, this too can be provided for with surpluses / carry-forwards from the current year.
- **Coronation of HM King Charles III** – Members felt that a sum should be included to cover commemorations and/or celebrations for the historic event, which is a good opportunity for community events. A sum of £1,500 is included in the precept. Members also noted that 2025 will mark the 800th anniversary of the village, so any surplus could be used to save towards that.
- **Cemetery** – Members felt it would be sensible to add an additional £500 to the maintenance, to start building a fund to cover future expenditure e.g. refurb or replacement of the pavilion, purchase of additional land, major maintenance etc. Any surpluses at the end of 23/24 to be moved to an earmarked reserve for the purpose.
- **Insurance** – this was increased to cover any increases resulting from the lighting upgrades and provision of VAS.
- **Donations / Grants** – this was increased, as Members felt that the current cost-of-living crisis could result in more hardship for groups and organisations.
- **Conferences and Training** – this has been increased because of the Ordinary Elections in May 2023. We may have new Members that require training.
- **Elections** – £500 added to the precept to add to fund in earmarked reserve, as there will be a cost for the election this year; the cost is significantly higher if there is a poll.
- **I.T. / Software / Licences** – increased to cover cost of Asset Management software.
- **Grit Bins** - £500 added towards refilling – carry forward any surplus at year-end.
- **Station Road Public Toilets Daily Servicing** – the contractor cost has increased significantly, resulting in an overspend in the current year; £600 increase included.

After a few other minor tweaks, Members were satisfied with a Precept of £116,912 for 23/24, an increase of 8.48% on 22/23. This represents an increase of £9.11 per year – or 18p per week - for each council tax paying household (Band D).

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

23/24 £116,912 ÷ 1025.07 = £114.05 per year (Band D) / £9.50 per month / £2.19 per week

7. **SAAA central auditor appointments** – the Clerk reported that PKF Littlejohn has been re-appointed as our external auditor for 22/23 to 26/27.
8. **East Sussex Pension Fund** – Consultation on Funding Strategy Statement – the Clerk advised that comments have been requested from the PC as a Local Government Pension Scheme (LGPS) employer and asked whether Members would be able to look at it. Cllrs Brown and Todd agreed to read the documents and suggest whether any comments are needed. Cllr Todd suggested that the LGPS should be added to the remit of the FWG to oversee; it was agreed to recommend this to Council.
9. **Risk Assessment** – the Clerk advised that she is reviewing the Council Risk Management Document ready to send to Cllr O’Hara ready for review and approval at next PCM.
10. **Recommendations** to PCM 30/1/23
 - To transfer £25,000 from Unity Trust Bank to Cambridge & Counties Bank
 - To open an account with a third banking institution, potentially Aldermore Bank, prior to 31/3/23, and transfer of £10,000 to open it.
 - To approve the budget virements as detailed
 - To move £5,000 for Knelle / Langham Match Fund Project to Earmarked Reserves
 - To consider abandoning the Village Gateways scheme and using the allocated funds elsewhere across the budget, including VAS
 - To approve a Precept of £116,912 for 23/24
 - To add monitoring / overseeing the Local Government Pension Scheme to the remit of the FWG (currently only done by the Clerk/RFO).
11. **Date of next FWG Meeting** – Wednesday 8 March 2023, 5.30pm via Zoom