



LPC FINANCE COMMITTEE MEETING

Minutes of the Finance Committee, October 27 2020.

Attending: Thomas Briggs (Chair), Bernie de Haldevang, Laila Turner and Mark Wilson,

1. Apologies for absence
None. JT did not join due to technical issues.
2. Amended Financial Regs and Section 137 Grant Application Form

s137

Only major changes to original draft: The Council can impose reasonable conditions. Also deleted necessity to respond within a certain timeframe as this may not be realistic. Discussion over timing of use of funds before requirement to return. This should most likely be within a 12-month period from receipt of funds.

Financial Regulations

Threshold of £1000 for online banking. TB/Clerk believe this should be deleted. There are adequate measures in place already with need to ratify all payments at meetings and as second signatory has to see / approve all online payments.

MW does not agree. Believes that Cheque method for £1000 and over requires two signatures, although is happy for threshold to be over £1000 (say £1500), but 2 people still have to approve.

BdH advises we adopt sensible procedure for approve via email regardless of amount – under or over £1000. During Covid restrictions, it is impractical to be using cheques. *Note from Clerk - Cheques will no doubt be obsolete soon anyway, so we need to make a decision on this.*

Protection of reserves - TB - In terms of security we could put the reserves in a non-online account so they're ringfenced.

BDH – suggests we do move our banking to Starling Bank. We could move one account over to Starling Bank to try it out. TB agrees to propose this to the council as it's effectively changing the mandate.

Approval of Clerk/Finance chair of expense items (already as part of an approved line item) – threshold to be increased from £250 to £500 for approval without need for full council approval.

Any other edits/suggestions to be sent by present councillors ASAP.

BDH notes if we change bank, we will need to change risk assessment as well as the Financial Regulations in terms of payment process, so these are working documents.

3. FY 2021-2022 Budget Process Overview – SEE ATTACHED BUDGET NOTE
 - a. **Process** - budget estimates vs detailed project approval. Short discussion over the level of detail required for budget proposals. These must be flexible to a point.

With regard to unspent but agreed project budgets (e.g. recent footpaths activity held up due to Covid-19), if they are required to be carried over to following year, we simply need to agree and note this at full council meeting.

Expense items may also be approved via email.

- b. **Timing** – Ideally, we need to approve the budget in or before December.

TB advises we circulate the budget well before the November meeting for review and comments, for an initial discussion at November council meeting and a more detailed discussion (if required) and sign off at December meeting. Budget must be finalised by January 2021.

4. Budget Assumptions

- c. FY 2020/21 snapshot and anticipated carryover
- d. Precept assumption – Agree that there will be no increase for next year. We have not spent all this year's budget so cannot justify any increase. Future increase should be more substantial but with proper justification and identified projects.
- e. CIL Income assumption – we have some latitude in the CIL budget including potential s137.

TB – to remove £500 and add note that we may receive larger sum of money.

3rd payment for Gresham Road may be made within 2021/22, but otherwise there is no forecast CIL income, so CIL income should be set as £0.

Green Hedges and Priest Hill may qualify, but most likely not next year.

MW – Church noticeboard. Need to make note in minutes of appropriate LPC meeting of receipt from the Church for their share of costs (ex VAT).

BDH – need to separate “unfunded” projects vs those that have been discussed and approved. The “unfunded” projects are more of a 5-year plan. We should look at the proposed projects and prioritise them.

Some items such as the Bus Shelter refurbishments/repairs may be prioritised, because they are necessary/urgent to preserve council property.

BDH would like to put most expenditure where we can against CIL as this has an expiry date. SM to forward CIL deadline spreadsheet.

TB agrees we should be using CIL money first.

BDH agrees with village parking “reserve” – If village parking comes up for example, we would have £10,000. MW agrees and notes we can raise the rest in public works loan.

BdH We should be aware that there may be a lot of expenses coming our way in terms of general maintenance etc that TDC and SCC may no longer pick up. We will need funds allocated for things like street cleaning, signage, minor repairs, gritting.

- f. VAT refund assumption as per note/spreadsheet.
- g. Sec. 137 funds – To start at £2000 with Miscellaneous / unforeseen expenditure items at £1000 – could be split £2500/£500. Agreed not to advertise funds.

5. Finance Committee Budget – General Admin/Other.

6. Review draft LNP Budget for 2021/2022 – ASAP for November meeting discussion.

Committee members to return comments ASAP before circulation to all.

7. AOB – Debit Card. Clerk suggests we apply for a debit card to pay for things like Dropbox, website hosting/domain renewal/stationery & postage, which all have to be paid online. No objections from committee as debit cards have threshold anyway. This will avoid need for Clerk to reimburse herself for expenses.

Thomas Briggs (Chair)

Sophie Martin (Clerk)

TO: LPC Councillors
FROM: T C Briggs – Chair, Finance
Committee
CC: Sophie Martin – Clerk & RFO
DATE: 29 October 2020
RE: Draft FY 2021-22 Budget

The Clerk and I have prepared a draft budget for the upcoming FY 21-22, which was discussed at the Finance Committee meeting held on 27 October. The attached budget summary and spreadsheet have been modified to reflect the comments of the Finance Committee.

The budget, project priorities, and related finance procedural issues will be discussed initially at the full Council meeting in November, with the intent that a budget be passed at the December meeting. The Council should approve the budget and the Precept no later than the January 2021 meeting. I have attached the spreadsheet to this email so you can examine the numbers and send any questions to me and the Clerk ahead of the November meeting.

I must emphasize that the budget is not an authorisation to spend. It is a strategic document designed to evaluate the aggregate funds available for expenditure and an allocation of funds into strategic categories. Spending on specific items or Projects is only authorised by a separate vote of the Council after sufficient cost and project detail is provided. Payment of authorised spending is vetted through the payment controls mechanisms deployed by the Clerk and the Council.

The budget numbers have been developed within the following constraints and assumptions:

- The Chart/Playground account and the CIL account are ring-fenced and expenditure from these accounts are limited to the stated purpose. Although an expansive interpretation of the CIL rules gives us some flexibility, I have assumed that most of the “infrastructure” projects that are caused by housing expansion are funded from CIL. However, any project can be paid for from our general account, which is funded primarily from the Precept.
- I have assumed no spending from the Chart account, leaving a balance of £7,334.43 after setting aside the agreed £10,000 Reserve.
- After paying for the approved commitments out of the CIL account (I assume they will all be paid in FY20-21), we will have £14,694.07 available for CIL eligible projects. We have assumed no CIL income for FY21-22, due to uncertainty on projects and payment schedules.
- Proposed (unapproved, not costed) projects that can be funded from CIL total £29,050. This total includes a £5,000 reserve for the Village playground and a reserve of £10,000 for village parking.
- The main operating (precept) budget of £33,508 is comprised of the running costs, running cost contingency, the balance of the CAAMP project (incl. contingency), a section 137 grant budget of £2,000, and miscellaneous councillor discretionary spending of £1,000.

- Revenue available (excluding Chart funds) for FY21-22 of £71,477.20 is comprised of the anticipated carry over from the current fiscal year (excluding Reserve of £16,657.50), the Precept of £33,315, a VAT return reflecting VAT from the CAAMP project, and the anticipated contribution from the Church for the notice board.
- Estimates of expenditure (with the exception of approved items and running costs) are included in the draft budget for discussion purposes only. More cost detail and prioritisation are required before the proposed items can be discussed or approved by the Council.

FY 21-22 Budget Summary

Funds Available for Expenditure	
FY20-21 carryover (excluding Reserve)	19,809.94
FY21-22 Precept	33,315.00
VAT Return	2,579.50
Church Contribution to sign	948.75
other anticipated CIL income	129.94
CIL balance after committed projects	14 ,694.07
Total FUNDS	71 ,477.20
Total Expenditure	
Running Costs/Non CIL Spend/Contingency	33,503.80
Unapproved CIL Spending & reserves FY 21-22	29,050.00
Total Proposed Expenditure	62 ,553.80
Surplus (Deficit)	8,923.40