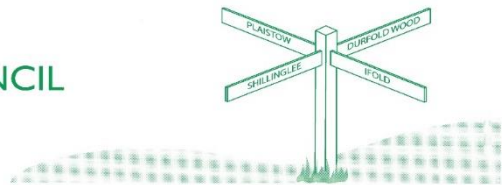


PLAISTOW AND IFOLD PARISH COUNCIL



MINUTES of the Finance Working Group (FWG) of Plaistow and Ifold Parish Council held on **Thursday 5th January 2023**, via Zoom.

Please note: - The Working Group cannot make any decisions; it can make recommendations for the Finance Committee and/or full Council to consider and resolve upon. In relation to the Council's budget and Precept, only the full Council can resolve upon these matters – they cannot be delegated to a Committee/Working Group and/or Officer.

The Finance Committee will meet at 7:00pm on 11th January 2023 - before the full Council meeting - to consider and resolve upon the recommendations set out below.

Present Cllr. Phil Colmer (Finance Committee /Working Group Chair); Cllr. Paul Jordan (Chair of the Parish Council); Cllr. John Bushell; Cllr. Rick Robinson; Cllr. Nicholas Taylor and Catherine Nutting (Clerk & RFO)

Item 1 **Apologies for absence**
None.

Item 2 **Disclosure of interests**
Recommendation: - To deal with any disclosure by Members of any disclosable pecuniary interests and interests other than pecuniary interests, as defined under the Plaistow and Ifold Parish Council [Code of Conduct](#) and the Localism Act 2011, in relation to matters on the agenda.

None received.

Item 3 **VAT – Qtr. 3**
The FWG **ACKNOWLEDGED** the end of Qtr. 3 **HMRC VAT RECLAIM** for the period of 01/10 – 31/12/2022 (£3,274.23).

Item 4 **Verification of bank reconciliations for Qtr. 3 (October – December 2022)**
The FWG **ACKNOWLEDGED** the bank statements, corresponding reconciliation statements, cash book and balance sheet for quarter 3 and **AGREED** to **RECOMMEND** these documents to the Finance

Actions:
Cllr. Robinson /
Clerk
(after 11th
January)

Committee on 11th January and commend **CLLR. ROBINSON** to **SIGN** the documents, via Secured Signing.

Item 5

Banking

On 14th December 2022, the Finance Committee tasked the Clerk/RFO to ensure that no banking fees would be charged for moving money between the Council's accounts and that access to the funds would be instant ([F/22-23/016\(4\)](#)). The FWG **ACKNOWLEDGED** the update that no fees would be charged, and access is instant.

The FWG **RECOMMENDS** to the Committee that **£32,000** is **MOVED** into the [BUSINESS RESERVE ACCOUNT](#). This being the difference between the current balance and the projected End of Year position (as at 31.03.2023).

Interest Rates

Rates effective from 10th November 2022

Amount	AER %	Gross Rate % p.a.
£0-9,999,999	0.80	0.80
£10,000,000+	0.85	0.85

i Interest rates are subject to variation. Gross Rate - the interest rate you are paid without the deduction of UK income tax. Annual Equivalent rate (AER) - this is a national rate of interest used for interest bearing accounts, which illustrates the rate if paid and compounded each year. It helps you to compare the effective rates of credit interest on different accounts.

The FWG **ACKNOWLEDGED** the update regarding the complaint the Clerk lodged with NatWest, on behalf of the Parish Council, regarding their automatic transfer of the Council's account onto their standard businesses Ts&Cs, with the various charges that apply, without notification.

The Parish Council's bank account was opened on 20th February 1969 and has remained a 'free banking' Community/Charity account since this time. Although the Council pays for the services of 'Bank Line' – NatWest's online banking platform – it has hitherto not been charged transactional banking fees. However, in September 2022 the account was changed to a 'business account' as the Parish Council's turnover (within a 12-month period) had exceeded £100,000, which is the threshold for a 'free banking' Community/Charity account.

NatWest have apologised and advised that Plaistow and Ifold are not the only Parish Council's to raise a complaint. Smaller local authorities fall into a grey area and so the complaint had to be considered by senior banking officials.

In conclusion, the Parish Council's account has reverted to a 'free banking' Community/Charity account and the fees levied since September 2022 have been refunded. It has been confirmed that provided the activity within the current account remains below £100,000 the account will remain a Community/Charity account. NatWest confirmed that any money moved / held in the reserve account will be discounted from the overall turnover calculation. Therefore, to avoid the situation arising again, the Council will need to regularly move and hold money in its reserve account.

As an apology, NatWest have organised to send the Council some hampers. The Finance Committee / full Council will need to consider what should happen with the hampers in due course.

Item 6

To consider the 2022/23 [Budget Forecast Comparison spreadsheet](#) at Quarter 3

Actions:
Cllr. Colmer /
Clerk

The FWG **REVIEWED** the Budget Forecast Comparison spreadsheet at Quarter 3 and **NOTED** the highlighted areas of movement (see Column N, [highlighted in blue](#)).

The FWG **RECOMMENDS** the following **SPECIFIC AREAS** for **CONSIDERATION** by the Finance Committee: -

Column L is the projected End of Year (31.03.2023) budgets for each item of expenditure. This Column's figures are pulled over into the draft budget (see agenda item 7 below) and are used to consider the position for 2023/24. Any significant movement between end of Quarter 2 and end of Quarter 3 are highlighted in blue (column N).

Of significance is: -

Column L, Row 71, Tree Surgery: - This budget has **increased** to account for the tree works highlighted in both the Village Green and Coxes Pond tree surveys undertaken in 2022. Tree surveys are conducted every 18 months/3 years – depending on the risk the area poses to the public/property. The level of identified / scheduled tree works in this current financial year is not anticipated to be required in 2023/24. Although, some less urgent tree works on the village green will be undertaken after April 2023 (in 23/24), to spread the cost between the two financial years.

Column L, Row 79, Traffic Calming: - This budget has **increased** to take account of known costs associated with the TRO applications currently in train within Plaistow.

Column L, Rows 87 & 88, Crouchlands (WFP) and Foxbridge Planning Application: - The budgets now show the up-to-date expenditure on these two planning applications – although the Crouchlands budget has a £2,200 contingency built in, for any further technical support required for the Whole Farm Plan (WFP) application. Therefore, these budgets have been reduced.

However, it is important to note that as of 5th January the Rickman’s Green Village applications have been validated by CDC and these will have a budgetary implications for the remainder of the current financial year. The current budget of £10,525.00 will increase and this will impact the end of year projected figures further. Although it is anticipated that the costs will straddle 2023/24.

As a result of the movement during Quarter 3, the projected closing position has worsened by about £4,000 – from an anticipated overspend of -£14,403.78 to -£18,475.78 (Columns H and L, row 110). This gives a projected closing reserve position – without the loan – of £13,801.96; or, with the loan, of £48,541.69*. Likewise, if the Crouchlands budget increases significantly before 31.03.2023 this will have a further negative impact the end of year figures i.e., it will worsen the closing reserve position.

*Bear in mind that by the end of the loan period (2026) the Council will need to have built up its own reserves to between £30,000 – 40,000.

Item 7

Draft 2023/24 budget & Precept

The FWG **DISCUSSED** the draft budget and Precept requirement at length and **RECOMMENDS** the **DRAFT BUDGET AS PRESENTED** to the **FULL COUNCIL** and a **2023/24 PRECEPT** of **£102,500** being a **5% UPLIFT**.

Setting a draft budget by which to agree a Precept against is always a ‘best guess’ exercise and not an exact science. Putting together the draft 2023/24 budget has been challenging owing to the cost increases across the board. No official guidance has been issued from NALC/SLCC/WSALC etc. Each Parish/Town Council needs to consider its individual circumstance. Many Councils are applying a

straight 10% uplift across most budget headings, except where they know that prices will be higher/lower. The thinking is that it will even out over the year. Others are applying between 5% - 10% on staffing; 100% on energy; 10% for general inflation on general supplies and services.

Regarding the 2023/24 pay review (NALC/ Joint Council for Local Government Services (NJG)) the 2022/23 works out at around 7.6% increase. Many Clerks are anticipating next year's pay review to be similar. However, the RFO has used 3% increase, to represent what they consider would be a more reasonable uplift to accept, given the other budgetary pressures.

The main purpose of the meeting is to consider the draft budget and discuss the nuances. The Precept level – and (draft) budget - is for the full Council to decide on 11th January. The Finance Working Group / Committee acts in an advisory capacity only.

Ultimately, once the 2023/24 Precept is set, the Parish Council has no other reliable income to manage costs within the financial year.

Column F is the projected End of Year position for all the budget headings (as at 31st March 2023, end of Qtr.4) – this has been pulled across from Column L of the [Budget Forecast Comparison spreadsheet](#) at Quarter 3.

Column H is the draft budget for consideration. This draft will be put to the full Council to be agreed and for a Precept decision to be made against on 11th January. Column H also shows the situation if the Precept remains unchanged from its current 2022/23 level of £96,000.

Columns L, N, P and R (or scenarios 1 – 4) looks at the draft budget against various Precept uplifts.

Rows 154 – 158 shows the impact of any uplift on Council tax bands.

The draft budget (predicted expenditure) was arrived at by a combination of known figures e.g., grass cutting (Column H, row 64); some 10% uplifts (e.g., Column H, row 18, telephone and internet); some annual 'standards' e.g., grant donations which remain similar year-on-year and are discretionary in nature; and budgetary knowledge e.g., tree surgery.

The predicted 2023/24 expenditure is shown at Column H, row 93.

Best practice is for the Council's reserves to be around 50% of its precept.

The 2022/23 precept is £96,000.

The Finance Committee has previously recommended that a working reserve of between £30,000 - £40,000 is realistic and appropriate for the Council's needs.

By the end of the loan re-payment term (2026) the Council will need to have built up its own reserves to sufficient levels.

At the end of the current financial year the projected 'own' reserves are set to be £13,801.96 (which are likely to change (worsen) owing to the new Crouchlands planning applications).

To arrive at a suitable Precept, it is a question of looking at the

- projected End of Year reserve position (Column F, row 147)
- adding the anticipated Precept income (row 110 – which provides various Precept scenarios)
- deducting the projected annual expenditure (Column H, row 93).

Row 147 provides the Council's own projected reserve position as at Year End 2024; row 149 gives the outstanding loan amount and row 151 gives the predicted overall reserve position as at 31.03.2024.

The initial draft budget considered showed negative 'own' reserves at 31.03.2024. The Precept scenarios (Columns L, N, P and R (or scenarios 1 – 4) and row 110) were set to begin at 'break even' (Column L, row 147).

The meeting agreed that the Ifold Playpark, Planning applications and the cost of the Clerk were the three main budgetary issues.

Ifold Play Park

The meeting considered the cost of taking a loan for the Ifold play park – a £20,000 loan (at the current 4.7% interest rate) for 3 years would cost £1,500; or over 5 years, £2,500 – but agreed that funding projects by way of loans was not good practice and it would be

prudent to postpone any big project expenditure to 2024/25, if the project is considered necessary (the public consultation runs until 31.01.2023).

The meeting agreed to amend the draft budget to allow £1,500 in 2023/24 to begin the project e.g., legal fees for the lease and postpone the major expenditure (£19,000) until 24/25 (Column H, row 80 and 68).

Grants

The budget was updated to remove the grant to Little Acorns, as this Preschool has since closed (Column H, row 41).

Planning applications

The meeting agreed to uplift the Crouchlands budget to £10,000 considering the Rickman's Green Village applications (Column H, row 89).

Traffic calming

The meeting agreed to drop this budget down to £2,000.

Clerk & Administration

Discussion was had regarding the increase costs to the Council to employ a Clerk. Since 2019/20 the cost has increased 230%. The meeting agreed that the Clerk's salary was appropriate and in accordance with guidance and is aware (via NALC/WSALC/CDALC) of the national shortage of Clerks (particularly qualifies Clerks) and the increasing difficulty in the recruitment and retention of Clerks. The national advice is that pay should not be a barrier and Councils should follow market forces and pay clerks accordingly as the loss of a Clerk can often be more costly than increasing their pay¹.

However, the number of hours the Clerk worked was queried. Debate was had regarding the increased workload for the Council and Clerk due to planning applications in particular; and that the administrative credentials of the Council had improved over the period owing to having a CiLCA qualified Clerk who ensures the Council operates correctly. Discussion was had that the Council undertakes more public services / projects – guided by public consultation – which also increases the workload of the Council/Clerk. Although discussion was had regarding the Council doing less, the meeting was unable to specify/agree where it

¹ [WSALC, Minutes - 13th October 2022 pg. 2, Item 4\(e\) – CEO Update](#) (CEO is Trevor Leggo)

should/could cut back. Discussion was had that the workload of the Council and Clerk is set to continue to increase with further largescale and controversial planning applications. The Council has one employee (joint Clerk/RFO), who manages all the Council's administrative/project/financial activity.

Cost of living

The meeting agreed that asking people to pay a 10% uplift in Council Tax at this difficult time could not be justified and therefore any increase should be limited.

A 5% uplift was considered an acceptable compromise and the meeting spent time looking at the actual annual increase for a Band D property with various Precept scenarios.

The meeting was mindful not to reduce the Council's 'own' reserves significantly by 31.03.2024 – it agreed that it needs to maintain positive 'own' reserves. Nevertheless, the meeting acknowledged that the movement for the Council's own reserves would be negative, and it is impossible to anticipate what the situation would be in 18 months' time.

Ringfenced reserves

The Council has various ringfenced reserves such as the Community Reserve Fund and Village Maintenance (rows 127 and 128). This provides the Council with some financial comfort for any 'worse case' scenarios which are not expressly budgeted for.

Further to the various budgetary amendments undertaken, the draft budget being presented to the full Council on 11th January, projects a closing 'own' reserve at 31.03.2024 of around £10,000 – some £3,000 less than the anticipated End of Year position for 2022/23. Nevertheless, with the remaining loan, the Council has projected reserves of around £35,000.

The FWG are happy to commend this draft budget and Precept recommendation to the Finance Committee and Full Council for consideration on 11th January 2023 and it represents at 5% uplift.

The Clerk recommends that the Council conducts a small-scale public consultation – similar in nature to the current Sussex Police precept survey – to help consider the role of the Council in the

coming years; the services that it currently delivers and the services that residents would like it to deliver.

The Council has the benefit of a comprehensive largescale public survey conducted in June 2021, which has given it a 3 – 5 year 'business plan'. However, given the change in the world since summer 2021, it would be useful to canvas the public once more to recalibrate requirements / expectations. This survey does not need to re-do / replace the June 2021 consultation; but keep the Council and public in 'contact' and for a reality check for both parties.

Item 8

Meeting Dates

The end of Qrt.4 meeting will take place on 12th April 2023.

Actions:

Clerk

There being no further business to discuss the Chair closed the meeting at 20:50