

Maker with Rame Parish Council



Chairman: Cllr John Weale

Clerk: Carolyn Y. May

A209 Victoria Advent House
Station Approach
Victoria
Roche PL26 8LG
Tel: 01726 21013

MAKER WITH RAME FINANCE & ECONOMY COMMITTEE

MINUTES for the Meeting Held on 28th FEBRUARY 2022

Present: Cllr. Weale (Chair), Cllr Kidd, Cllr. Ferguson
Clerk: Carolyn Y. May

Apologies: Cllrs Lingard and Newcombe

DOI: All Finance Committee

The Chairman (Cllr. Weale) opened the meeting at 6 p.m

Cllr Weale advised Members that the meeting had been called because of the changes caused by the National Energy Crisis and the scheduled £53 million savings to be made by Cornwall Council. As a result of these matters, it has been necessary for the Parish Council to review its' 2022/23 Budget.

Prior to considering proposed changes to the Parish Council, it was necessary for Members to be reminded of the Budget Setting Principles, which were agreed by the body. These are summarised as follows:

1. The precept application is to support 'in-year' expenditure necessary to sustain parish annual activity;
2. Sufficient financial reserves to be retained to support capital and community projects;
3. Income generation of funds to be identified to support 'in-year' community projects;
4. Appropriate audit trail and legislation is necessary to support all project funding.

1.0 Revised Budget

- 1.1 Members considered the 'proposed revised budget' document (Appended at 'A'). From the document it can be noted that the reserve sum had been set at £40,000.

- 1.2 **Reserve Sum** - Current Parish Council expenditure is in excess of £120,000 per annum. The Chairman proposed that the Finance Committee should consider that the reserve should be increased, to a sum that represents 50% of the Parish Council's outgoings costs, which amounts to circa £60,000.

It was **proposed** by Cllr Weale that the Finance and Economy Committee should approve and recommend to the full Council that we should consider a reserve of £60,000, considering the increases to be accommodated and the cuts to Cornwall Council's spending in 2022/23.

Cllr Ferguson asked if it was necessary to increase the reserve sum, as the budget which was set in November allowed for increases in utility costs. Cllr Weale suggested that Members should consider the revised budget document, prior to discussing Cllr. Ferguson's question.

It was noted that the contingency sum was listed as £34,764 over the reserve sum set previously. That would give the Parish Council a total reserve account of £94,764. We are projecting an £85,000 carried forward sum from the end of the current financial year (2021/22), which will result in a total of £179,764.

Adding the projected 2022/23 precept (£83,749) to the total sum (ibid), the Parish Council will manage a sum of around £263,500.

- 1.3 **Precept** - The Parish Council's precept is determined by the body's projected expenditure for the following financial year. When setting the precept for 2022/23, the Parish Council elected not to increase the sum requested. The precept was agreed and requested prior to the announced utility price rises; those rises were not therefore accounted for in the agreed sum. The precept sum requested cannot be increased. We are now tracking through expenditure which we are forecasting in order to revise the 2022/23 budget.

- 1.4 **Variations to Precept** - Cllr Weale stated an intention to address only the variations from the agreed budget.

- As a consequence of appointing the new Clerk, the Parish Council has incurred a liability for **Pension Contributions and National Insurance Contributions**. These items were not previously accounted for under budget headings and will total circa £3,000 p.a.

Cllr Ferguson asked if these costs had been included in the £30,000 salary allocation. Cllr Weale advised that he was acting with caution, as the allocated hours for the Clerk were most likely being exceeded.

- **Admin expenses** have been reduced from £3,000 to £2,500.
- **Grass Control** raised from £5,000 to £12,000. This current financial year the Parish Council has expended £10,500.
- **Dog Waste Bags**. This sum has been increased from £200 to £400.
- **Lavatory Cleaning**. This sum has been reduced from £15,000 to £10,000. It was felt, based on current spending that £15,000 was excessive.

- **Lavatory Lighting.** This sum has been increased from £1,500 to £2,000, in order to meet the predicted increases in electricity prices for 2022/3. The allocated sum for this utility was increased from £1,000 to £1,500 in the November 2021 Budget Setting Exercise, the Parish Council has, therefore, increased the allotted sum by 100%,
- **Lavatory Water** costs are likely to rise in the 2022/3 financial year. Therefore, the budget sum has been raised to £1,500, from £12,000 (set in November 2021). In total, this budget heading sum has now been raised by 50%.
- **Street Light Electric & Maintenance** . This sum has been raised by 50% overall, from £2,000 to £3,000.
- **Street Light Upgrade to LED** – This budget heading has been removed from the budget. This work will be undertaken as a project, when the Parish Council has capacity.
- **Clock Tower Repairs and Upgrade** - This budget heading has been removed from the budget. This work will be undertaken as a project, when the Parish Council has capacity.
- **Repair and Renew Benches** - This sum is reduced from £3,000 to £1,000.
- **Defibrillators** - £2,000 to be retained for future purchase, over and above the in-year purchases for 2021/22.
- **Platinum Jubilee** - This budget heading has been introduced and an allocation of £10,000 attributed to the same. The whole allocation may not be required. However, the Parish Council needs to be assured that there is funding available.
- **Institute Insurance** - This budget heading has been introduced and an allocation of £ 2,700 attributed to the same.

1.6 Based on the amended figures, it can be noted that the projected expenditure of the Parish Council for the period 2022/23 is £126,532.00. This sum represents a figure of £42,000 in excess of our income. Taking the reserve sum of £60,000 into consideration, along with a projected 'carried forward' sum of £85,000 and the £ 35,764 in the savings account, the Parish Council should have a total of £137,000 for the year, with everything paid.

It was felt that it was unlikely that the Council would expend £126, 500 in 2022/23. However, it is important that the funds are available to meet costs.

1.7 Cllr Ferguson alluded to the sum of £6,556 under S.137 grants. She acknowledged that the sum was set by Government. She requested to know if there was any other pot of money for grants that did not fall into the ambit of S.136 funding?

Cllr Weale responded by advising the meeting that, whilst some funding applications could be met from S.137 funding, other provision had been made through the Parish Council Committees, which had each been allocated a budget. Should committees wish to grant

funding to an organisation, then consideration could be given to using the allocated budgets. Anything not falling within the remit of either pots of money can be considered as an agenda item.

- 1.8 Cllr Weale cautioned that the Clock Maintenance contract had not been factored into the budget, that contract was likely to amount to, circa, £1,500 p.a, which would be taken from the salaries budget. The **salaries** budget will therefore have to be increased by £1,500 to £31,500. This will raise the predicted expenditure for 2022/3 to £128,032, reducing the total sum available to £ 135,500.

It was **proposed** by Cllr Weale, **seconded** by Cllr. Kidd and RESONVED that the Finance and Economy Committee would accept the amended budget and recommend acceptance by the full Parish Council. Unanimous. **Carried.**

2.0 Institute Insurance

- 2.1 Members discussed the Institute Insurance contribution. It was understood by all that the clock itself is owned by the Parish Council and falls within the remit of the body's insurance policy. Therefore, other than any informal agreement made by previous Council's, there is no obligation for the Parish Council to contribute to the Institute's insurance cover.

Cllr Weale stated that the Institute is an iconic building in the parish, and he did not perceive that the Parish Council would not wish to contribute. The Institute has £70,000 and requires £25,000 of that sum for their insurance excess. He added that the Parish Council needs to look at the totality of what it is doing in regard to the Institute and hold a meaningful discussion in relation to what the body wishes to do in the future.

3.0 Projects

- 3.1 Cllr Weale highlighted the fact that, at present, the Parish Council does not have a work programme of projects to be undertaken. This is something that will have to be considered. The reserves are not exceptionally high, and projects will require careful selection. A project list will have to be drawn up, projects prioritised and costed, and planning undertaken in order to advance the same.

4.0 Lavatory Expenses

- 4.1 Cllr Kidd raised the continued high costs for electricity and water at Kingsand lavatories. It was felt that some action should be undertaken to investigate the costs incurred and to establish whether there is, perhaps, a water leak.

5.0 Street Lighting

- 5.1 The Parish Council street lamps were discussed. The budget allocation may not meet the total cost incurred in 2022/23. Cllr Kidd felt that the cost may be nearer to £4,000 (rather than the £2,500 allocated). Cllr Weale felt that there were two options open to the body:

Carry the risk or increase the budget to £4,000. The contingency held by the Parish Council would ensure that the additional liability could be met. It was **agreed** that the risk would be carried.

- 5.2 It was established that the lights could not be controlled. Cllr Ferguson asked if they could be turned off? It was agreed that such an action could be undertaken. Cllr Weal advised the meeting that there was, in fact a happy medium. The street lights that are absolutely necessary could be identified and kept active; the rest could be turned off. This solution would also reduce the conversion project costs. It was **agreed** that the Parish Council would enter into discussions with affected persons.

The meeting closed at 17:35 hrs

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