

NORTH HORSHAM PARISH COUNCIL

**MINUTES OF A MEETING OF THE
FINANCE AND ADMINISTRATION COMMITTEE
HELD ON THURSDAY 14TH DECEMBER 2017 AT 7.30pm
AT ROFFEY MILLENNIUM HALL**

Present: Cllr. A. Britten*, Cllr. P. Burgess, Cllr M. Loates, Cllr R. Millington, Cllr J. Smithurst*, Cllr S. Torn (Chairman) and Cllr. Mrs S. Wilton.

* denotes absence

In attendance: Clerk, Pauline Whitehead BA(Hons) FSLCC and Deputy Clerk, Vivien Edwards. Mr E Giles, Parks and Countryside Manager at Horsham District Council (HDC) and one member of the Earles Meadow Conservation Group.

FA/189/17 Election of Vice Chairman

Following nomination by Cllr M Loates and being seconded by Cllr P Burgess, Cllr R Millington was elected Vice Chairman of the Committee.

FA/190/17 Public Forum

A member of the Earles Meadow Conservation Group spoke briefly to advise the Committee on the volume of work that the Conservation Group had undertaken over the last seven years and their ongoing commitment to the conservation of Earles Meadow.

FA/191/17 Apologies

The Committee received apologies and reasons for absence from Cllr A. Britten and Cllr J Smithurst.

FA/192/17 Minutes

The Minutes of the meeting held on 12th October 2017 were agreed and signed by the Chairman as being a correct record.

FA/193/17 Declarations of Interest

Cllr P Burgess and Cllr S Torn declared personal interests in item FA/197/17 Roffey Cemetery, and item FA/198/17 Horsham District Year of Culture as they are both Horsham District Councillors.

With the agreement of the Committee, the meeting was adjourned for a brief discussion with the HDC Parks and Countryside Manager regarding Roffey Cemetery (see FA/197/17). The Cemetery is jointly owned by HDC and North Horsham Parish Council (NHPC). There had been no evidenced support for the long standing cost of £6,000 per year charged to NHPC by HDC, but HDC had calculated a realistic annual figure for consideration by NHPC. The next step could be to get a local group to act as 'Friends of Roffey Cemetery.

FA/194/17 Chairman's Announcements

The contract for the office franking machine ends on 31st December 2017 and it

had not been intended to renew it as the annual cost was £307 and to break even 10,200 letters would need to be sent. As much correspondence as possible, including invoices, is now sent electronically, reducing the printing and postal costs. However, the supplier of the franking machine had offered a twelve-month contract on a lower rate of £15.05 per quarter and a free printing cartridge making the potential cost £60.20 per year. There is also a minor saving on the cost of first and second-class post, therefore the Clerk will accept this option.

Moore Stephens has been appointed as the External Auditors for West Sussex from 2017 – 2022 by Smaller Authorities Audit Appointments Ltd. (SAAA). Should there be any conflict of interest between any Councillor and the appointed auditors, the SAAA should be advised immediately. The Annual Return will be known as the "Annual Governance and Accountability Return" from 2017/18.

There are still guidelines coming from Government regarding General Data Protection Regulations that will come into force in May 2018. The Council must appoint an independent Data Controller and the Internal Auditor advises that the Chairman of the Council could be considered for this role.

FA/195/17 Financial Review to 30th November 2017

The Committee considered the detailed income and expenditure report, the income and expenditure summary and the balance sheet generated from the electronic financial system, along with the Excel reserves sheet to 30th November 2017, all circulated with the agenda. The Committee requested that in future, a manually produced Finance Report that pulls the figures from the report together be presented to the Committee as it was considered that it better assisted the monitoring of the budget.

It was RESOLVED to:-

- 1. Note the Financial Report, the reserve balances and balance sheet at 30th November 2017 (attached).**
- 2. Note that the Committee Chairman had verified and signed the November 2017 cash book, bank reconciliation and bank statements for Lloyds Bank accounts.**

FA/196/17 Interim Internal Audit

The Internal Auditor recommended the following actions following his interim internal audit:-

- To improve the access to statutory documents that are required to be published under the Transparency Code 2015 on the Parish Council website using Crowborough Town Council's site as a model.
- To amend Financial Regulation 3 to allow more time for preparation of the budget.
- To seriously consider the impact of setting a deficit budget. Grave concern was raised that the budget relies on general reserves to top up any deficit and a warning was made that with a predicted General Reserve at the year-end of only around one months' running costs, the Council could find itself in a position whereby it runs out of money and is referred to the

Secretary of State. The Internal Auditor cautioned the Council against cutting costs as this will impact on the ability to provide valuable community services and advised that it was a better strategy to increase the precept.

The Committee RESOLVED to action all recommendations.

FA/197/17 Roffey Cemetery

Two declarations of interest.

The maintenance of Roffey Cemetery costs £23,170 per annum. North Horsham Parish Council owns just over 32% of the Cemetery which equates to a cost of £7,460.74 per annum.

Activities required to provide the service include grass cutting, strimming, herbicide treatment, litter collection twice a week between April and October and once a week over winter, leaf collection, memorial/ safety inspections, horticulture, enquiries and records, materials and planting, tree works, footpath repairs, management costs, capital costs and footpath resurfacing. NHPC explored the possibility of taking responsibility for either all or elements of the service, but some activities such as memorial/ safety inspections and handling of the records require specialist training which would be relatively expensive for the Parish Council to provide. Comparative costs were sought for grass cutting and strimming, but all were significantly higher than those quoted by HDC. (£28 - £32 per hour against £25 per hour). To provide litter collection would require an additional staff member for NHPC, which again would cost more than HDC currently pay to provide the service. HDC had the benefit of economies of scale and a larger workforce to cover the maintenance at the cemetery with which the Parish Council could not compete.

It was RESOLVED that:-

- **HDC would retain the responsibility for maintenance at Roffey Cemetery.**
- **HDC would provide an annual financial report on Roffey Cemetery to the Parish Council every September/ October in readiness for budget setting.**
- **There would be open channels of communication between HDC and NHPC to allow partnership working on Roffey Cemetery in the future.**
- **The Parish Council would pay 32% of the cost of running Roffey Cemetery, which had been calculated at £7,460.74 in 2017/18, but that the increase in payment from the Parish Council would be phased over two years, with a payment of £6,500 in 2018/19 and £7,460.74 in 2019/20.**

FA/198/17 Horsham District Year of Culture 2019

Two declarations of interest.

The working party appointed by the Parish Council to consider involvement in the Horsham District Year of Culture 2019 had suggested two projects to celebrate the heritage of North Horsham.

1. A weekend pageant where Horsham's only listed Ancient Monument, the motte and bailey castle at Chennells Brook, is reconstructed as the main focus of a celebration including music and other activities relating to the period. No costings were available.
2. An exhibition of photographs 'North Horsham now and then' including a photographic competition. Cost maximum £3,500.

The Parish Council has not yet agreed the projects but HDC required an expression of interest for funding by 15th December. Without financial support from an external source, there was no available funding for these projects.

It was RESOLVED that the Clerk would submit two expressions of interest, one requesting an amount of £10,000 towards a weekend of celebration and promotion of the Chennells Brook motte and bailey castle and another for £3,500 for an exhibition of photographs 'North Horsham now and then' including a photographic competition.

FA/199/17 Property Portfolio

Cllr Torn suggested that investing in property that could be rented out at the market rate would be a way of improving the future financial outlook for the Parish Council and that this could be achieved by taking out a Public Works Loan Board loan which is a low-cost way of borrowing money underwritten by the Secretary of State. The proposal stimulated discussion about the opportunities that owning a property could provide for the local community.

It was acknowledged that there were not sufficient resources to pursue this initiative at this time, but **it was RESOLVED to review the proposal in one year's time.**

FA/200/17 Grant Applications

This item was brought forward on the agenda.

There remained £3,020 in the budget for 2017/18 for grant funding.

Earles Meadow Conservation Group had applied for a grant of £550 to continue work on the Parish Council owned Public Space at Earles Meadow.

Earles Meadow Conservation Group keep open accesses to the woodland and meadows, regularly cut the paths around and through the meadows and pathways beside the stream, keep the streams free flowing, carry out minor repairs to the board walks, cut back brambles, coppice and thin trees, open up

overgrown areas, do minor tree work, monitor anti-social behaviour and collect litter. They also monitor wildlife and carry out annual surveys, improve wildlife habitats and improve the biodiversity of the site, maintain an outdoor nature classroom and help facilitate nature events for local children. The Earles Meadow Conservation Group won a Silver-gilt Award from South and South East in Bloom in 2017.

The group has earmarked reserves of £126 accrued from previous years that will be used to provide first aid training.

Funding has previously awarded by the Parish Council as follows:-

June 2011	£200	Ongoing work
October 2016	£575	Ongoing Work

It was RESOLVED to award £550 to the Earles Meadow Conservation Group to continue work on the Parish Council owned Public space at Earles Meadow in recognition of the benefits this brings to local residents and the environment.

Cllr Peter Burgess gave his apologies and left the meeting.

FA/201/17 Precept for 2018/19

The precept calculation for 2018/19 is in two parts.

Part 1 Forecast from the current year (2017/18) put forward with the agenda.

Revenue expenditure	500,932	500,932
Income		
<i>Precept</i>	293,551	
<i>Council Tax Benefit Grant</i>	1,403	
<i>Environmental Grant</i>	9,691	
<i>Income from hall hires</i>	173,500	478,145
Deficit		22,787

Following discussion by the Committee it was it was **AGREED** to increase the estimated income on the multi courts from £13,000 to £17,000 and the income from Holbrook Tythe Barn from £26,200 to £28,000, this will increase income by £5,000 and better reflect reality. There is an additional £15 on allotment income not previously picked up.

The changes have been reflected in the revised forecast overleaf.

Part 1 Forecast from current year (2017/18) revised and recommended to the Council.

Revenue expenditure	500,932	500,932
Income		
Precept	293,551	
Council Tax Benefit Grant	1,403	
Environmental Grant	9,691	
Income from hall hires	178,515	483,160
Deficit		17,772

Whilst income/expenditure for the current year (2017/18) is forecast to be on target, the deficit of £17,787 results from lack of clarity in previous years' calculations.

Part 2 Precept for 2018/19 put forward with the agenda

Proposed expenditure	501,095	501,095
Income		
Income from hall hire	176,565	
Environmental Grant	9,691	186,256
Deficit		314,839

The NALC staff salary increase is forecast to be 2% in 2018/19 (1% was allowed for) adding another £2,726 to the budget. In addition, the agreed burial charge is £2,000 more than the £4,500 included for 2018/19. It was **AGREED** to include an additional £4,726 in the budget.

It was **AGREED** to increase the cost of all hires in 2018/19 by 3% apart from the two nurseries that meet at North Heath Hall whose hire charge would be increased by 1.5%.

The changes have been reflected in the revised budget below.

Part 2 Precept for 2018/19 revised and recommended to the Council

Proposed expenditure	505,821	505,821
Income		
Income from hall hire	183,365	
Environmental Grant	9,691	193,056
Deficit		312,765

The amount required to run the Council for 2018/19 is £312,765. This does not include putting any funds into the earmarked reserves or improving the General Reserve which is recommended by the Internal Auditor to be 50% of the Council's annual running costs i.e. £150,000.

It was RESOLVED to recommend to Council an increase of 4% at Band D equivalent making an annual cost to Band D taxpayers of £35.58 (Up from £34.21). This figure provides a precept of 308,080.

With the increased hire charges and reviewed income figures, the Committee had hoped to cover the amount required to run the Council for 2018/19 and put a small amount towards the reserves as part of a plan to increase the reserve deficit over five years, however, the final calculation leaves a deficit of £17,772 from 2017/18 and a deficit of £4,685 for 2018/19.

FA/202/17 Business Plan 2017 – 2022 Review

The Committee reviewed the three-year financial considerations within the Business Plan and **RECOMMENDED** that amendments be made in line with the proposals within the budget and put before the Council. See Annex 2.

FA/203/17 Date of next meeting

The next meeting is scheduled for Thursday 15th February 2018.

There being no other business, the Chairman closed the meeting at 9.45 p.m.

..... Chairman

.....Dated

Finance Report to 30th November 2017

Funding

Precept (full funding for 2017/18 received).	293,551
Council Tax Benefit (full funding for 2017/18 received).	1,403
Environmental Grant (full funding for 2017/18 received).	9,691
Total	304,645

Income to 30th November 2017

Cost Centre	Actual Income	Annual Budget
Admin	326	150
Allotments	765	765
North Heath Hall	39,718	60,200
Holbrook Tythe Barn	23,974	26,200
Multi Court Lettings	12,979	12,240
Roffey Millennium Hall	49,217	74,000
Total	126,979	173,555

Expenditure to 30th November 2017

Cost Centre	Actual Expenditure	Annual Budget
Admin	36,981	*67,943
Grants	6,980	10,000
Burial	6,000	1,500
Personnel	161,560	277,325
Planning, Env, Trans	2,000	2,000
Allotments	456	1,318
Amenity, Recs and Open Spaces	23,963	50,889
North Heath Hall	14,207	24,380
Holbrook Tythe Barn	15,364	22,213
Roffey Millennium Hall	21,301	38,455
Total	288,812	496,023

Net expenditure	(161,833)	(322,468)
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**includes £10,000 for a Neighbourhood Plan agreed by full Council after budget had been set.*

All funding for 2017/18 has been received from Horsham District Council.

This report was given verbally at the Finance Meeting on 14th December 2017 to support the electronic Finance and Expenditure Report to 30th November 2017.

Pauline Whitehead BA(Hons) FSLCC 14.12.17

NORTH HORSHAM PARISH COUNCIL

ANNEX 2

Business Plan 2017 – 2022 Financial considerations review					
	2015/16 Actual	2016/17 Actual	2017/18* Estimated	2018/19* Estimated running costs only	2019/20* Estimated running costs only
INCOME					
Finance	283	1,518	150	150	200
Allotments	500	750	765	765	765
NHH	56,362	57,651	60,000	61,400	63,242
HTB	26,397	27,068	28,000	28,840	29,705
Multi Courts	20,217	17,921	17,000	17,510	18,035
RMH	74,601	73,845	72,600	74,700	76,941
TOTAL	178,360	178,753	178,515	183,365	188,888
EXPENDITURE					
Finance	64,735	52,278	66,833	62,715	63,655
Grants	13,773	8,577	10,000	10,000	10,150
Burial	6,000	3,000	6,000	6,500	7,500
Planning	1,550	0	2,000	2,250	2,500
Allotments	1,179	717	1,300	1,350	1,370
Amenities	42,408	37,799	50,273	51,507	52,280
NHH	21,995	24,070	24,703	26,093	26,484
HTB	18,609	17,582	22,823	21,882	22,210
RMH	34,527	32,564	39,775	37,731	38,297
Personnel	287,220	293,325	277,225	285,793	290,079
TOTAL	491,996	469,912	500,932	505,821	514,525
NET EXPEND.	313,636	291,159	327,417	322,456	325,637
FUNDING					
Precept	278,908	282,726	293,552	312,765	315,946
Council Tax benefit	11,678	7,006	1,401	0	0
Environmental Grant	9,388	9,538	9,691	9,691	9,691
TOTAL	299,974	299,270	304,644	322,456	325,637

*income based on 3% increase in hires (except NHH nurseries).

Earmarked Reserves

There is money set aside in Earmarked Reserves, but the precept levels stated above do not allow for any increase in Ear Marked Reserves.

General Reserve

The precept levels above do not allow for any increase in the General Reserve.