

NORTH HORSHAM PARISH COUNCIL

MINUTES OF THE FINANCE AND ADMINISTRATION COMMITTEE HELD ON-LINE ON THURSDAY 10TH DECEMBER 2020 COMMENCING AT 7.30pm

Present: Cllr. P. Burgess, Cllr M. Cockerill, Cllr J Gough, Cllr J. Smithurst (Vice Chairman), Cllr S. Torn (Chairman), Cllr R. Turner and Cllr. S. Wilton*.

* denotes absence

In attendance: Clerk, Pauline Whitehead BA(Hons) FSLCC and Deputy Clerk, Vivien Edwards.

FA/417/20 Public Forum

There was one member of the public present.

FA/418/20 Apologies

The Committee received apologies for absence from Cllr S Wilton.

FA/419/20 Minutes

The Minutes of the Finance and Administration Committee Meeting held on 8th October 2020 were agreed and will be signed by the Chairman as being a correct record, at the earliest opportunity.

FA/420/20 Declarations of Interest

Cllr Turner declared a personal interest in agenda item FA/422/20 as a relative is a member of the Earles Meadow conservation group.

FA/421/20 Chairman's Announcements

There were no Chairman's announcements.

The Chairman brought forward the agenda item on grants with the agreement of the Committee as the member of the public attending was involved with the Earles Meadow Conservation group and had an interest in the grant application.

FA/422/20 Grant applications

There remained £8,430 available for grants in 2020/21.

The Committee considered a grant application from the Earles Meadow Conservation Group for £415 towards ongoing works. Earles Meadow open space is owned by the Parish Council and the work undertaken by the Earles Meadow Conservation Group is supported by local residents.

Following discussion, the Finance Committee RESOLVED to award £415 to the Earles Meadow Conservation Group towards ongoing works and noted their appreciation to the Group.

The member of public left after the above item.

The Committee considered a grant application from West Sussex Mediation Service for £600 for ongoing work, taking into account grants that had been given previously since 2005 and the indication that 140 people in North Horsham directly benefit from the Mediation Service and many more benefit indirectly.

The Finance Committee RESOLVED to award £600 to West Sussex Mediation Service towards ongoing work.

FA/423/20 Finance Review to 31st October 2020.

The Committee considered the Financial Review to 31st October 2020 contained in Appendix 1 (full details circulated with the agenda). A copy of the relevant bank statement, bank reconciliation, cash book and a list of reserves which showed the balances in all bank accounts as at 31st October 2020 were circulated with the agenda.

The Committee RESOLVED:-

- 1. To note the Financial Report to 31st October 2020 including reserve balances.**
- 2. To note the bank statement, bank reconciliation and cashbook as evidence that there was no difference between the cash book and bank statement at 31st October 2020 which stood at £359,023.64. To note that there was total cash and bank accounts at 31st October 2020 of £614,256.50.**

The Committee expressed appreciation for the efforts of all staff members in relation to the Parish Council halls during the Covid-19 pandemic and in bringing the facilities back safely into use as efficiently as possible, using public funding with extreme care and consideration.

FA/424/20 External Audit

The Committee noted that the External Audit had been returned unqualified and that a copy has been placed on the Parish Council website and noticeboards with the Conclusion of Audit.

FA/425/20 Fixed Rate Bond

The Parish Council invested £85,000 in a Fixed Rate Bond with Lloyds Bank on 31st January 2020 at a rate of 1.05%. The bond matures on 18th December 2020 with estimated interest of £787.36. The interest rates for reinvesting the money in a Fixed Rate Bond were very low, yielding less than £10 over a year.

After consideration, the Committee RESOLVED to release the funding and interest within the Fixed Rate Bond into the Lloyds Bank savings account.

FA/426/20 Precept for 2021/22

Following consideration of individual budgets put forward by each Committee, the Finance and Administration Committee had reviewed initial precept calculations at the previous Finance and Administration Committee Meeting and suggested further work be undertaken to refine the figures.

The Clerk offered 3 considerations for the precept for 2021/22. Using the calculations provided, the Chairman proposed an increase of 1.01612% on the precept for 2020/21 (£338,600) which gives a 1.9% increase on the 2020/21 calculation for Band D council tax payments as follows:-

Forecast	
Predicted General Reserve at 31.3.21	£195,056
Deficit from 2020/21	£ 23,187 (-)
Total funds left from 2020/21	£171,869
Budget for 2021/22	
Requirement for 21/22	£356,436
Roffey Millennium Hall boiler Ear Marked Reserve	£ 5,000(+)
Money left from 2020/21	£171,869 (-)
Less proposed General Reserve at 31.3.2022	£149,033 (+)
Precept requirement for 2021/22	£338,600

The tax base for North Horsham for 2021/22 is 8654.2, which means that a precept of £338,600 results in residents in the Band D council tax bracket paying £39.12 per annum. This compares with a precept in 2020/21 of £335,194 and a Band D council tax payment of £38.38.

The Committee RESOLVED to put a precept calculation of £338,600 to the Parish Council in January 2021.

FA/427/20 Community Infrastructure Levy

The Parish Council holds £10,434 CiL contributions from 2019/2020 and has received an additional £2,394.55 which represents the neighbourhood portion of

the total CiL receipts for North Horsham between 1 April 2020 and 30 September 2020. The additional sum is in respect of Planning Application DC19/2030 and relates to the erection of a new dwelling adjacent to 44 Littlehaven Lane.

Following recommendations from the CiL working the Parish Council agreed to:-

- schedule permanent re-lining work at the Multi Use Games Courts at a cost of £1,500 plus VAT. (The work is due to be completed before the end of December 2020).
- Order a picnic table, additional bench and additional football goal for Holbrook Tythe Barn at a maximum cost of £2,500. (The football goal has been purchased and installed. The picnic table and bench will be purchased and installed as soon as possible).
- Install a bench on North Heath Lane near Coltsfoot Drive subject to any required pre-planning advice from HDC and approval by West Sussex County Council (WSSCC) at a maximum cost for advice, supply, delivery and installation of £1,500. (This was delayed due to the Covid-19 pandemic but will be progressed as soon as possible).
- Investigate providing fitness equipment, potentially at Holbrook Tythe Barn open space and invite comment via the website, noticeboards, Facebook and Horsham Pages. (It has not been possible to arrange a meeting with the Parks advisors at Horsham District Council due to working restrictions, workloads and other issues associated with Covid-19, so this has been put on hold).
- To look into whether additional bollards at Roffey Corner to protect verge damage would be eligible for CiL money. (The Planning, Environment and Transport Committee is looking into applying for a Temporary Road Order to install double yellow lines at Roffey Corner in the first instance).

Covid-19 restrictions have resulted in the work schedule being disrupted as it was difficult to arrange for the necessary work to be undertaken for large parts of the year.

Cllr Knight, Cllr Searle and Cllr Smithurst form the CiL working party and it would be helpful for them to meet online in early 2021 to review the above projects, consider if there are any additional projects and to make recommendations to the Parish Council.

The Committee noted that £2,394.55, which represents the neighbourhood portion of the total CiL receipts for North Horsham between 1 April 2020 and 30 September 2020 had been received by the Parish Council. It was further RESOLVED that the CiL working party meet online in early 2021 and report back to the Parish Council.

FA/428/20 Property Portfolio

On an annual basis, the Committee takes the opportunity to review if there are benefits in exploring the possibility of increasing their property portfolio as a way of investing the Parish Council's reserves and increasing income. As the financial climate is quite fragile at the moment due to Covid 19, it **was RESOLVED to be alert to any opportunities for investment in property over the next twelve months, but not to take a proactive stance at this time due to the uncertainty posed by the impact of Covid-19.**

FA/429/20 Financial Risk Assessment.

The Committee considered a Financial Risk Assessment circulated with the agenda.

It was RESOLVED to note the Financial Risk Assessment, updated to reflect changes caused by the Covid-19 pandemic.

FA/430/20 West Sussex Pension Fund.

Annual Return 2020 - Employer Performance Benchmarking, Funding Strategy consultation and Exit Cap information update

The West Sussex Pension Fund has notified the Parish Council about several items:-

Annual return 2020 - Employer Performance Benchmarking

West Sussex Pension Fund has completed their review of employer performance for the 2020 Annual Return in line with their Administration Strategy. All employers have been benchmarked for timeliness, financial control and data quality following the submission of the 2020 Annual Return. WSCC Pension Fund will make contact with individual employers if there are any concerns with how data was returned.

Funding Strategy Statement consultation.

A copy of the West Sussex County Council Local Government Scheme Funding Strategy and a pdf which sets out how the document has changed from the version published following the consultation in the summer were circulated on 19.11.2020, when the notification e-mail was e-mailed to all Councillors.

Amendments to the Funding Strategy Statement

The Ministry of Housing, Communities and Local Government has published new Regulations on employer flexibilities which came into force from 23 September 2020. This follows their consultation in May 2019 on changes to the local valuation cycle and management of employer risk.

The newly introduced flexibilities relate to:

- The ability to review contribution rates between formal valuations due to significant changes to the liabilities (already allowed), significant changes in covenant (this is new) and if an employer requests it (this is new).
- The power to agree payment plans when employers have exit debts.
- The introduction of deferred employer status, which allows an employer to stay in the Fund even if their last active member leaves with contributions set at triennial valuations (for deficit recovery).

An update to the Funding Strategy Statement has been prepared to ensure that these flexibilities are reflected. The changes are as below:

- A definition of a “Deferred Employers” as “a Scheme employer which enters into a deferred debt agreement with the Administering Authority to defer their obligation to make an exit payment and continue to make contributions at the secondary rate (“a deferred debt agreement”). Further information about Deferred Employer status has been included under “Exiting employers”.
- The basis for setting employer contribution rates for a “deferred Employer” using the same discount rate as prior to their deferral, with a probability of meeting their funding target of 75% (which is the most prudent basis for employers participating in the Scheme) using a maximum time horizon of 50% of the duration of the liabilities or a period set by the Administering Authority.
- To reflect that the Administering Authority will consider a request from the Scheme employer to review contributions where the Scheme employer has undertaken to meet the costs of that review and sets out the reasoning for the review (which would be expected to fall into one of the above categories, such as a belief that their covenant has changed materially or significant restructuring impacting their membership).
- To advise that “Except in exceptional circumstances, such as an employer nearing cessation, market volatility and changes to asset values will not be considered as a basis for a change in contributions outside a formal valuation”.
- To set out the basis for a Deferred Debt Agreement. The section from the Funding Strategy Statement in relation to Exiting employers which covers this fifth aspect has been appended as this reflects the most substantial amendments.

As this is a substantial change to the Funding Strategy Statement WSCC is consulting employers in the Fund. Comments were requested to be submitted by 7th December 2020.

Exit cap payments

The Government is making changes to the way in which exit payments are dealt with when an individual is subject to redundancy or business efficiency. These changes have been introduced via statutory regulations which came into effect

on Wednesday 4 November 2020. Unfortunately, these regulations are currently out of line with the existing Local Government Pension Scheme regulations, consequently, until the two sets of regulations are brought into line, there will be a significant amount of uncertainty about which statutory regulations take legal precedence.

The Local Government Association has published an information note for employers on the exit cap to help you as an employer meet your responsibilities under the regulations in force from 4 November 2020. The document sets out a process for you to follow from 4 November 2020 for redundancy and efficiency exits, where your employee is a member of the Local Government Pension Scheme (LGPS) and aged 55 or over. Further updates were notified on 4th December 2020.

Following consideration, the Committee AGREED to note updates from the West Sussex Pension Fund regarding Employer Performance Benchmarking, changes in the Funding Strategy and amendments to Exit Cap payments, further information had been circulated to the Committee.

FA/431/20 Date of next meeting

It was noted that the next meeting is scheduled for Thursday 11th March 2021.

There being no other business, the Chairman closed the meeting at 8.30 p.m.

Signed

Date.....

Appendix 1

Finance Report to show income, expenditure and reserves to 31st October 2020

To be presented to the Finance and Administration Committee on 10th December 2020

Period covering 1st April 2020 to 31st October 2020

Funding at 31st October 2020

Precept (full year)	335,194
Environmental Grant (half year).	10,234
Grant from HDC (Covid-19)	25,000
Community Infrastructure Levy (CiL) Payment	2,395
Total	372,823

Income to 31st October 2020

Cost Centre	Actual income	Annual Budget	Expected income at 31 st October 2020*
Admin	112	200	116
Allotments	928	875	875
North Heath Hall	13,473	65,625	38,281
Holbrook Tythe Barn	4,480	37,800	22,050
Multi Court Lettings	5,240	23,140	13,498
Roffey Millennium Hall	2,285	85,200	53,250
Total	26,518	212,840	128,070

Expenditure to 31st October 2020

Cost Centre	Actual Expenditure	Annual Budget	Expected expenditure at 31 st October 2020*
Admin	29,390	51,670	33,974
Grants	1,570	10,000	5,833
Burial	3,420	6,750	3,937
Personnel	161,888	311,250	181,562
Planning, Env, Trans	0	2,250	1,312
Allotments	981	1,575	918
Amenity, Recs and Open Spaces	16,653	52,085	30,383
North Heath Hall	6,836	27,854	16,248
Holbrook Tythe Barn	9,316	23,757	13,858
Roffey Millennium Hall	9,744	41,567	24,247
Total	239,798	528,758	312,272

Net expenditure	(213,280)	(315,918)	(184,202)
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*Annual budget divided by 12 multiplied by 7.

** Includes full estimated amount for insurance paid in one lump sum in June 2020.

Income

Over the first seven months of the year income is £101,552 lower than expected. Hires at all buildings and multi courts increased during October.

Community Infrastructure Levy money of £2,395 was received during October. This will be discussed as a separate agenda item at the Finance and Administration Committee meeting.

Expenditure

Actual expenditure is £72,474 less than anticipated. This is due to only essential health and safety work being carried out on the buildings and grounds and reduced salary costs as some staff were on furlough.

Summary

The net result of the loss of income and lower expenditure is that the Parish Council has spent £29,078 more than had been budgeted for at 31st October 2020. However, net expenditure of £213,280 is still well within the funding of £372,823 received for the year ending 31st March 2021. (The CiL payment of £2,395 has to be spent according to specific criteria and will be allocated to an Ear Marked Reserve)

Reserves

After the first seven months of the 2020/21 financial year, there is £205,855 in Ear Marked Reserves and a General Reserve of £387,204.

The allocation of reserves in the budget 2020/21 (£25,000 towards playground upgrades and £10,00 towards the boiler at Roffey Millennium Hall) to be allocated in November 2020 will increase the Ear Marked Reserves and reduce the General Reserve.

Pauline Whitehead 19.11.2020