

NORTH HORSHAM PARISH COUNCIL

MINUTES OF THE FINANCE AND ADMINISTRATION COMMITTEE HELD ON-LINE ON THURSDAY 8TH OCTOBER 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/403/20 Public Forum

There were no members of the public present.

FA/404/20 Apologies

There were apologies for absence from Cllr R. Turner.

FA/405/20 Minutes

The Minutes of the Finance and Administration Committee Meeting held on 16th July 2020 were agreed and will be signed by the Chairman as being a correct record at the earliest opportunity.

FA/406/20 Declarations of Interest

Cllr S Torn declared a prejudicial interest in the grant application for Home Start Crawley, Horsham and Mid Sussex referred to at FA/400/20 as he holds an official position within the Charity.

FA/407/20 Chairman's Announcements

Asperger's Voice had been awarded a grant of £1,000 towards an awareness event in North Horsham, but the event remains postponed due to the Coronavirus (COVID-19) pandemic.

The West Sussex Pension Fund was not able to hold an Employer AGM due to the Coronavirus pandemic, however a draft of the Annual Report which includes a summary of the Fund's position and the work carried out during the year was circulated to the Parish Council and members were invited to submit any questions they had. The Parish Council was also notified that recent changes to the Local Government Pension Scheme (LGPS) had resulted in some anomalies and as a result there was a consultation on ways to redress the issues. No comments were put forward from Parish Council members.

New legislation relating to exit arrangements from the LGPS came into force in March 2020 and as a result an Exit Credit Policy had been drafted by West Sussex County Council. There was a consultation open until 6th August 2020,

but no response was offered.

Victim Support had sent a letter of thanks for the recent grant of £500 and explained that they “still rely on donations to maintain the enhanced services they like to be able to provide to victims and witnesses of crime in the North Horsham area.” The hirer who had received a small discount on their hire charge also sent in a note of appreciation.

The government had rolled out further measures to Make Tax Digital. From April 2022 all VAT registered businesses will need to keep VAT records in a digital form. The Parish Council is already compliant.

Age UK Horsham District has withdrawn their grant funding application as they were not able to predict when they could hold events where people met face to face due to the Coronavirus pandemic. They would monitor the situation and come back to the Parish Council should the situation change.

Home Start Crawley, Horsham and Mid Sussex sent a letter of appreciation for their grant of £700 awarded in October 2019 to support vulnerable children and families in North Horsham and some information about how the money was spent.

FA/408/20 Finance Review to 31st August 2020.

The Financial Review to 31st August 2020 is contained within Appendix 1 attached and was circulated with the agenda.

The Committee was briefed regarding the limited re-opening of all Parish Council community buildings and the reduction that this had on the workload of some staff members. Measures had been introduced to temporarily reduce staff hours to respond to the smaller workload. Only essential expenditure and expenditure related to health and safety work was being made on all facilities.

The Committee RESOLVED:-

- 1. To note the Financial Report to 31st August 2020 including reserve balances.**
- 2. To note measures in place to reduce the impact of the loss of income during the Coronavirus pandemic on the financial status of the Parish Council.**
- 3. That the Chairman would attend the office at the earliest opportunity to sign the bank statement, bank reconciliation and cashbook as evidence that there was no difference between the cash book and bank statement at 31st August 2020 which stood at £367,938.60.**

FA/409/20 Finance and Administration budget

The Committee considered a draft forecast and budget for Finance and Administration Committee (Code 101). The Committee considered whether the grants budget was sufficient, bearing in mind that many charitable organisations in the parish may need financial support due to the Coronavirus pandemic. The Committee was advised by the Chairman that should it be necessary, funds could be transferred from the General Reserve to the grant award fund with the agreement of the Council.

Following consideration, the Committee noted the draft forecast for 2020/21 and the budget for 2021/22 for the Finance and Administration Committee and acknowledged that there could be changes when the final precept calculation was completed.

FA/410/20 Precept for 2021/22

The Clerk offered an initial draft precept to the Committee using figures considered and noted by the Property Committee, Personnel Committee, Planning, Environment and Transport Committee and the Finance and Administration Committee. The Chairman of Finance and Administration suggested that based on the Finance Report to 31st August 2020, where net expenditure was much less than had been anticipated, the predicted forecast for 2020/21 was pessimistic and recommended that the figures were recast. It was also felt that the budget for 2021/22 could be revisited with the benefit of having six months of financial information available and further information regarding the government's Job Support Scheme (JSS) due to start on 1st November 2020. The JSS follows on from the government's Job Retention Scheme which finishes on 31st October 2020, however, it was not clear if local authorities are eligible to participate in the scheme.

The Committee reviewed the initial precept calculations and instructed the Clerk to recast the figures with the benefit of further information in readiness for the next Finance and Administration Committee meeting.

FA/411/20 Fees for 2021/22

The Committee discussed the fee structure, the reduction in hall capacity, the additional cleaning requirements to support buildings achieving Covid-19 safe status and the difficulties being encountered by hirers who were trying to maintain their livelihoods and provide activities for the community. These factors would be borne in mind during the precept setting process.

The Committee noted the need to review the hire charges for 2021/22, and the need to monitor them during the precept setting process. The Committee would discuss this again when the fee list was presented to the Committee early in 2021.

FA/412/20 Internal Controls Work Programme for 2021/22

The Committee noted the difficulty in meeting face to face during the current Coronavirus pandemic but, were willing to undertake internal controls checks remotely where they could.

It was RESOLVED that the Internal Control Working Party suspends its activities until 2021 and then 4 meetings are held over the year to cover activities as identified in Appendix 2 attached.

FA/413/20 Internal Audit 2020/21 – letter of engagement and scope of Internal Audit.

The Committee considered a letter of engagement and scope of audit dated 1st September 2020 circulated with the agenda.

It was RESOLVED:-

- 1. To agree the letter of engagement and scope of the Internal Audit.**
- 2. To note that information had been sent to the Internal Auditor so that a remote interim Internal Audit for 2020/21 could be carried out.**

FA/414/20 Bad debt

Attempts have been made to recover an outstanding amount of £507.82, which represents two months of hires in February 2020 and March 2020. The hirer pledged to pay the outstanding amount when her situation improved, but this was prior to lockdown and the Coronavirus pandemic. The hirer has moved from her given address.

Following consideration, the Committee AGREED to recommend to full Council that £507.82 is written off as a bad debt.

FA/415/20 Grant application

One declaration of pecuniary interest. Cllr Torn left the meeting.

Cllr Smithurst took the Chair.

There remained £9,500 available for grants in 2020/21.

The Committee considered a grant application from **Home Start Crawley, Horsham and Mid-Sussex** for £1,070. The funding will provide training for a volunteer to deliver support for one vulnerable family in North Horsham.

Previous grants have been awarded to Home Start Crawley, Horsham and Mid-Sussex as follows:-

February 2011	£1500	Ongoing work
July 2009	£1000	Ongoing work
March 2008	£1000	Ongoing work
October 2015	£1500	Ongoing work
October 2016	£1500	Service Provision
October 2017	£700	Service provision
October 2018	£700	Service provision
October 2019	£700	Service provision

Following discussion, the Finance Committee RESOLVED to award £1,070 to Home Start Crawley, Horsham and Mid-Sussex to enable training to support a family with additional needs in North Horsham.

FA/416/20 Date of next meeting

It was noted that the next meeting is scheduled for Thursday 10th December 2020.

There being no other business, the Chairman closed the meeting at 8.22 p.m.

Signed

Date.....

Appendix 1

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

Presented to the Finance and Administration Committee Meeting on 8th October 2020

Period covering 1st April 2020 to 31st August 2020

Funding at 31st August 2020

Precept (half year)	167,597
Environmental Grant (half year).	5,117
Grant from HDC (Covid-19)	25,000
Total	197,714

Income to 31st August 2020

Cost Centre	Actual income	Annual Budget	Expected income at 31 st August 2020*
Admin	107	200	83
Allotments	595	875	600**
North Heath Hall	5,291	65,625	27,344
Holbrook Tythe Barn	761	37,800	15,750
Multi Court Lettings	1,855	23,140	9,642
Roffey Millennium Hall	391	85,200	35,500
Total	9,000	212,840	88,919

Expenditure to 31st August 2020

Cost Centre	Actual Expenditure	Annual Budget	Expected expenditure at 31 st August 2020*
Admin	17,871	51,670	26,843***
Grants	500	10,000	4,166
Burial	3,420	6,750	2,812
Personnel	116,607	311,250	129,687
Planning, Env, Trans	0	2,250	937
Allotments	563	1,575	656
Amenity, Recs and Open Spaces	12,142	52,085	21,702
North Heath Hall	4,716	27,854	11,605
Holbrook Tythe Barn	6,361	23,757	9,899
Roffey Millennium Hall	6,082	41,567	17,320
Total	168,262	528,758	225,627

Net expenditure	(159,262)	(315,918)	(136,708)
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*Annual budget divided by 12 multiplied by 5.

** Estimated income expected at 31st August 2020 less £275 annual rent for Harwood Allotments.

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

Income

Over the first four months of the year income is £80,000 lower than expected.

The community halls closed on March 23rd 2020. Measures were introduced to reduce the risk of spreading Covid-19 to enable North Heath Hall to open on 1st June 2020 to allow two nurseries to operate. Limited hires continued throughout July and August. Holbrook Tythe Barn opened for limited hires in August 2020. Storage fees are being paid for Roffey Millennium Hall. The multi courts have been in operation since 1st June 2020.

The Parish Council has received a Grant of £25,000 from Horsham District Council awarded to small businesses with fixed property costs.

Expenditure

Actual expenditure is around £57,000 less than anticipated. Payments for ongoing and essential services are being made, but no additional work is being undertaken. Rate relief has been allowed at North Heath Hall and Roffey Millennium Hall. Staff have been furloughed to reduce salary costs. The furlough scheme ends at the end of October 2020.

The net result of the loss of income and lower expenditure is that the Parish Council has spent £22,554 more than expected over the first five months of the year. (The unexpected grant award from Horsham District Council has been included in that calculation).

Reserves

After the first five months of the 2020/21 financial year there is £203,920 in Ear Marked Reserves and a General Reserve of £268,510. The deficit in income will impact on the General Reserve.

The allocation of reserves in the budget 2020/21 will be undertaken in September after agreement from the Parish Council.

Recommendation:-

To note the Financial Report to 31st August 2020.

Pauline Whitehead 03.09.2020

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Appendix 2

Potential Internal Control working party activities for 2020/22

The Action Plan for financial activities agreed by the Finance and Administration Committee for 2019/20 was interrupted in March 2020 due to the Covid-19 pandemic. Whilst the year end close down of accounts took place as usual in April 2020, other activities were delayed or cancelled and changes in timings were given for submission of accounts and displaying the electors rights.

Due to difficulties in meeting safely, it is suggested that the Internal Control Working Party suspends its activities until 2021. In 2021 4 meetings are held over the year to consider the following:-

	To review safe and efficient safeguarding of public money; prevent and detect inaccuracy and fraud;
1.	that salaries have been properly reviewed:- <ul style="list-style-type: none"> • Check that the Personnel Committee has approved annual salaries in line with contracts and /or minutes. • Make sure no records are missing in the Financial records. • Petty cash testing and procedures
2.	identifying the duties of officers and segregation of duties; authorisation of payments; hierarchical review and that a commitment over £5,000 is compliant:- <ul style="list-style-type: none"> • Expenditure testing and procedures • Confirm back ups. • Test a payment of over £5,000 through the system.
3.	to review that risk levels are properly managed and compliance with the publication rules for the Local Government Transparency Code 2015:- <ul style="list-style-type: none"> • Review levels of reserves • Check list of information against website • Check that the Annual return is published on the PC website.
4.	identifying the duties of officers and segregation of duties; procedures for bad debts and bank mandate review, Bank reconciliation and procedures, test that the budget is reviewed against the actual figures:- <ul style="list-style-type: none"> • Sales testing and procedures • Review list of creditors and debtors. • Confirm that bank mandate is up to date • Confirm that bank reconciliations are signed at least quarterly <p>Confirm that there is regular budget monitoring.</p>