



NORTH HORSHAM PARISH COUNCIL

MINUTES OF THE FINANCE AND ADMINISTRATION COMMITTEE MEETING HELD AT ROFFEY MILLENNIUM HALL, CRAWLEY ROAD, HORSHAM ON THURSDAY 13th OCTOBER 2022 COMMENCING AT 7.30pm

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

* denotes absence

In attendance: Sarah Norman - Clerk
Lisa Underwood - Deputy Clerk

FA/19/22 Public Forum

There was one member of the public present.

FA/20/22 Apologies

The Council **NOTED** the approved absence of Cllr. Shine as agreed at the Council Meeting held 7th July 2022 and further received apologies from Cllr. Turner.

FA/21/22 Minutes

The Minutes of the Finance and Administration Committee Meeting held on 23rd June 2022 were agreed and were signed by the Chairman as being a correct record.

FA/22/22 Declarations of Interest

At the appropriate time of the meeting, Cllr. Torn declared an Other Registrable Interest in Agenda item 15 as he is the Treasurer for the Grant applicant organisation and stated that he would leave the meeting.

FA/23/22 Chairman's Announcements

Members were reminded that at the last meeting the renewal of the engagement of the Internal Auditor, Mulberry & Co, was discussed (Min. FA/10/22 refers) and furthermore that as the Letter of Engagement for 2022/23 had been identical to the previous year's, the appointment had been confirmed.

At a recent meeting of another Committee, the VAT status of the Parish Council had been raised, with specific regard to the option to tax in relation to Roffey Millennium Hall and it was suggested that the matter be placed on a future Agenda for this Committee. Following investigation by the Clerk, it had been ascertained that the minimum 20-year period for opting to tax did not expire until May 2029 and therefore any consideration of the issue would be deferred until nearer this time.

The External Auditors Certificate had been received with no comments made, on 20th September 2022. As required, the Notice of Conclusion of Audit, together with a copy of the Certificate, were published on the Parish Council's website the same day and this would be noted at the Council Meeting in November.

Finally, in an addition to the circulated report, Members were advised that Rialtas Business Software (RBS) have advised that the company has been sold to Harris Computer Corporation but that there should be no changes to the service currently being received by the Parish Council.

FA/24/22 Review of Finances to 30th September 2022

i. Financial Report to show income, expenditure and reserves to 30th September 2022

Members **NOTED** the Financial Report as follows :-

Funding at 30th September 2022

Precept (full year)	349,011
Environmental Grant (full year).	10,678
Community Infrastructure Levy (CIL) Payment	11,805
Compensation from complaint relating to backdated NDDR	23,072
Total	394,566

Income to 30th September 2022

Cost Centre	Actual income	Annual Budget	Estimated income to 30 th Sept 2022*
Admin	100	100	50
Allotments**	983	900	900
North Heath Hall	31,505	50,000	25,000
Holbrook Tythe Barn	18,083	25,000	12,500
Multi Court Lettings	9,321	20,000	10,000
Roffey Millennium Hall	21,507	57,000	28,500
Total	81,499	153,000	76,950

Expenditure to 30th September 2022

Cost Centre	Actual Expenditure	Annual Budget	Estimated expenditure to 30 th Sept 2022*
Admin***	34,201	52,670	31,835
Grants	800	10,000	5,000
Burial ****	3,730	7,460	3,730
Personnel	152,756	326,000	163,000
Planning, Env, Trans	0	1,500	750
Allotments	541	1,580	790
Amenity Rec & Open Spaces	24,241	52,270	26,135
North Heath Hall	10,536	27,207	13,604
Holbrook Tythe Barn	9,019	21,830	10,915
Roffey Millennium Hall	16,342	37,074	18,537
Total	252,166	537,591	274,296

- * Total cost centre budget for 2022/23 divided by 6/12th.
- ** Includes, in Actual Expenditure, Annual Insurance Premium of £13,925 paid May 2022 and includes, in Estimated Expenditure, Full Year Budget for Insurance of £11,000
- *** Paid quarterly in Months 2,5,8 & 11
- **** Allotment invoices are sent out annually. The full income is expected by the end of April.

Supporting Finance documents including the Income and Expenditure and reserves reports as at 30th September 2022, were also circulated and **NOTED**.

Income

At the end of Month 6 of the 2022/23-year, actual income was exceeding the amount anticipated at this time of year by 6% (£4,549) - a slight improvement on the difference of 5% at the end of Month 5 (£3,092). Whilst income from all the halls combined was greater than the anticipated, the income from Roffey Millennium Hall continued to be lower than would be expected. At the end of month 6 the income was 25% lower than should be expected at this point in the year, but this was a very slight improvement on the 26% deficit at the end of month 5.

Expenditure

Expenditure was approx. 8% (£22,130) lower than the anticipated levels at the end of the month and this was an improvement from the end of Month 5 when the difference was 7%.

Reserves

As at 30th September 2022 remaining funds, including the full year precept payment received and General Reserves, stood at £427,464.

In addition, there were additional Earmarked Reserves of £264,457 a reduction of £660 from the end of month 5, due to Tree Works from the EMR.

Summary

As mentioned above, there was £4,549 more income than budgeted for at the end of Month 6 and expenditure was lower than expected by £22,130

ii. Bank Reconciliations

The cashbooks, bank reconciliations and bank statements for the Lloyds Bank Accounts as at 30th June, 31st July, 31st August and 30th September 2022 had been emailed to the Committee separately.

The Bank Reconciliations for the Lloyds Bank Accounts at 30th June, 31st July, 31st August and 30th September 2022 were **NOTED** and it was **AGREED** that these would be signed by the Chairman after the meeting to confirm their agreement with the bank statements.

iii. VAT Analysis

Members **NOTED** the VAT Analysis reports to 30th June and 30th September, as circulated with the Agenda, detailing the VAT across the different activities of the Council and that the De Minimus limit had not been exceeded.

FA/25/22 Internal Controls Working Party

Members **NOTED** the Notes of the Working Party meetings held 27th June and 14th September 2022, including that no issues had been identified.

FA/26/22 Internal Audit Report

The Interim Internal Audit was undertaken on 29th September 2022 and the resulting report as circulated was **NOTED**. Whilst there were no areas of concern for the Auditor when considering the agreed tests, the following points were raised:

- i. Email addresses - as had been noted in previous Internal Audit reports, the recommendation is for Members to all utilise .gov.uk email addresses. This is a project that was begun by the previous Committee Clerk but since their departure in the summer, the matter has not progressed further but will now be moved forward by other officers when the staffing is back to full strength. It was noted that for the use of Office365 for the email addresses there will be a cost implication which would need to come back to this Committee. The Chairman also asked that the IT Support provider be asked to submit options for a “free” set up not utilising Office365.
- ii. Timing of Bank Rec/Statement evidencing and discrepancy to Finance Regulation - whilst there is no reason for the Council not to undertake the evidencing of the Bank Reconciliations at Finance and Administration Committees, the Financial Regulations should be updated to reflect this practice. This matter will therefore be included in the review of the Finance Regulations in April 2023.
- iii. Addition of break down on the website into £5,000 bands for salaries over £50,000. It was noted that this had already been carried out.

Finally, Members were advised that the Final Audit of 2022/23 would be undertaken remotely on Wednesday 26th April 2023.

FA/27/22 Option to opt out of the SAAA central external auditor appointment arrangements

Members **NOTED** the requirement for the SAAA to offer authorities the option to opt-out of the central procurement and appoint scheme for the external audits.

Following discussion, it was **AGREED** to **RATIFY** the decision to not opt-out of the central procurement and appointment scheme with SAAA.

FA/28/22 Property Reinstatement Cost Assessments

Members **NOTED** receipt of the Reinstatement Cost Assessments.

Having noted the valuations in the Assessments, Members also discussed the assets held by the Council and other ways of making best use of them. The Clerk highlighted that the values were the estimated costs to rebuild the buildings in the event of a total loss and did not represent their actual value. It was also noted that the Roffey Millennium Hall is not owned Freehold and therefore the value to the Council is only in the bricks and mortar and not the land itself.

With regard to the insurance cover, it was **AGREED** to request a return of the premium following the reduction in the valuations.

FA/29/22 Upgrade to Digital Phone Lines, Including Wi-fi Provision at Holbrook Tythe Barn & North Heath Hall

Members **NOTED** the recommendation from the Property Committee meeting held 8th September 2022 (Min. PR/057/22 refers) to use the services of the Parish Council's current IT Network Support Contractor to upgrade the digital systems, including Wi-fi at HTB and NHH, at a quoted cost at £5,844.11 plus VAT (excluding ongoing monthly costs).

Following discussion, it was **AGREED** to **APPROVE** the recommendation and furthermore, it was **AGREED** that the upgrade costs (excluding ongoing monthly costs) would be funded through the Repairs and Renewals EMR.

FA/30/22 Budget Forecast for 2022/23 and Budget Proposals for 2023/24

Members **NOTED** receipt of the draft working papers as circulated with the Agenda and that this was very much the initial draft before closer consideration at the December Budget Finance and Administration Committee meeting.

Discussion took place regarding the Hire Fees, the potential to vary the increases between the three buildings and the impact on services such as the nurseries. Members requested that some apportionment of staff salaries (other than caretakers) be calculated to get a clearer picture of the costs involved in running the building. As was noted by the Clerk, Members acknowledged that this would not be a scientific or measured calculation as this would be impossible to quantify without an in-depth time and motion study which is not effective. Members also debated the maximisation of the usage of the buildings including the use of the stage which is only used by one theatre group a year.

Members also discussed the proposed earmarking (as follows) and decided that they were broadly in agreement with these :-

£15,000 for refurbishment of the downstairs washrooms at NHH
£25,000 for playground upgrade
£2,000 to £5,000 for future tree inspections
£5,000 for new RMH boiler

It was noted that by the December meeting, there would be several areas that could be forecast more accurately such as income and also there would hopefully be confirmation of the Tax Base and the salary increases.

Following discussion, it was **AGREED** to note the Draft Forecast and Budget and reconsider the updated position at the December Committee Meeting prior to making a recommendation to Council.

FA/31/22 HDC Update for Infrastructure Delivery Plan

Members **NOTED** the request from HDC for an update on projects identified in the Horsham District Infrastructure Delivery Plan 2016 and projects which were put forward as part of an update in 2017.

Following discussion, it was **AGREED** to revert to HDC to ascertain what Section 106 funds are still physically held by HDC and what has actually been spent.

FA/32/22 Financial Risk Assessment

Members **NOTED** the reviewed Assessment as appended to the Agenda and following discussion, **AGREED** to **APPROVE** the document.

Cllr. Torn left the meeting

FA/33/22 Grant applications

The Committee **NOTED** that a sum of £9,200 remained available in the Grant Budget and a copy of the application and supporting documentation had been circulated by email.

Following discussion, Members **AGREED** to the following :-

- i. Home-Start Crawley, Horsham and Mid Sussex - Grant Awarded £1,100

Cllr. Torn rejoined the meeting

FA/34/22 Date of next meeting

The next meeting was scheduled to take place on 8th December 2022 (Budget Meeting).

There being no other business, the Chairman closed the meeting at 8.27pm.

Signed

Date