

## FELSTED PARISH COUNCIL

### Minutes of the Finance Committee Meeting held on 14 October 2020 at 5.00 pm by Zoom video conference.

- Present** Councillors Graham Harvey (Chair) (left following completion of item F20/35), Frances Marshall (took over Chair following departure of Cllr Graham Harvey on completion of item F20/35), Roy Ramm and Penny Learmonth.
- F20/23 **Apologies for absence and declarations of interest**  
Apologies were received from Councillor Peter Rose. There were no Declarations of Interest.
- F20/24 **Minutes of the meeting held on 29 June 2020**  
The Minutes of the meeting were agreed. They will be signed by the Chairman at his next meeting with the RFO.
- F20/25 **Matters arising from the June meeting**  
**25.1 Woodleys Car Park resurfacing (Item F20/15)** – Members noted that the works had not commenced and it was agreed Ted Anderson would be contacted to confirm a start date for the works.  
**25.2 Nature Area account signatories with Metro Bank (Item F20/15.2)** – The RFO confirmed that he has emailed the completed mandate change documents to the account manager at Metro Bank and was waiting to hear back. Once the mandate change was complete the RFO would arrange a payment from the Metro Bank account to settle all nature area invoices that have been paid from the Barclays Community Account.
- F20/26 **Bank Reconciliation and PAYE records**  
Due to the Coronavirus situation these could not be signed. The RFO also noted that under the councils Financial Regulations (point 2.2) “a member other than the Chairman of the Council shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO”. This role was previously performed by Cllr John Moore as chair of the Finance Committee but as Graham Harvey is now chair of both the Finance Committee and the Council it was agreed that Cllr Roy Ramm would perform the verification. The RFO will distribute the unsigned reconciliations to both Cllr Roy Ramm and Cllr Graham Harvey for verification and signature in order to bring the review of reconciliations and PAYE records up to date.
- F20/27 **Review of Financial Risk Assessment**  
Members considered the draft Financial Risk Assessment which had been prepared by the RFO and unanimously agreed the proposed amendments. These included an update to allow online payments subject to authorisation by 2 council signatories in preparation for the move to online banking, protection of computer records by backup to Cloud drive at least monthly and the requirement for a review of alternative insurers due in June 2021. Following discussion it was agreed to reduce the rent for the football clubs for use of the playing fields from a total of £500 p.a. to £250 p.a. (that is £125 each from Felsted Rovers and Rayne and Felsted Youth team). The document would be formally approved at the November PC meeting.
- F20/28 **Review of Asset Register**  
Members considered the revised Asset Register compiled by the RFO and unanimously agreed the suggested amendments. The document would be formally approved at the November PC meeting. The RFO informed members that from March 2021 the Asset Register forming the basis of the annual Audit return would revert to insurance valuations rather than Audit Base Level valuations as in recent years. The Internal Auditor had suggested that consideration be given to moving to an insurance valuations basis for the current annual audit. It was unanimously agreed to move to insurance valuations for the 2020-21 Audit return. It was noted that the Land Valuations would need to be recalculated in 2021 and agreed that a suitable professional valuation would be sought in early 2021.

F20/29

### **Review of accounts for the current year to date**

Members studied the Budget Comparison prepared by the RFO. The proposed Budget levels remain unchanged from the June finance committee meeting and the RFO had produced an Estimated Year End amount for each item. The following items were noted

#### **29.1 Receipts**

- 'Grants' estimated year end figure was amended to £2000 in anticipation of receipt of Uttlesford Community Grant which has been applied for.
- 'Magazine advertising' figure was noted at £1820 but there were a number of outstanding invoices due for settlement so this would likely be higher.

#### **29.2 Payments**

- 'Public Lighting Maintenance' was estimated at £2500 as more expenditure was forecast over winter than had occurred during the year to date.
- 'Parish Magazine' expenditure was noted as running at approximately £850 per month. The RFO noted that there was a financial control risk as the magazine was being produced monthly but the advertising income was uncertain (and this was worse due to the Covid19 situation). It was agreed to consider the frequency of publication at the full council along with the need to ensure adequate financial control over potential costs to the council.
- 'Play equipment repairs/inspection' expenditure was increased £9500 to include the cost of purchasing benches as matched funding to the Uttlesford Community Grant.
- 'Projects – Crix Green Mission Hall' expenditure was estimated at a further £46,000 to complete the internal fit out once the external building works were complete. This was to be compared to the original quote for the full building works received from the contractor.

The above amendments would result in Estimated Receipts of £83,505 and Estimated Payments of £136,405. Members noted the £52,900 deficit which would reduce the Council's reserves to a level in the region of £79,460, just above the lower end of the expected 1x to 2x precept range.

It was also noted that payments for Nature Area costs were currently being made from the Parish Council Barclays Community account as one of the two current signatories is unavailable while shielding due to Coronavirus. These costs are being recorded and will be reimbursed from the Metro Bank account to the Barclays Community account once the signatory change has been completed (F20/25.2).

F20/30

### **Initial Consideration of expenditure and projects for 2021-22**

The RFO presented a draft budget for 2021-22 based on actual expenditure in the previous year and projected year end expenditure for the current year. Members considered the draft budget and agreed that with the large expenditure in the current financial year it would be prudent not to plan for any large projects in 2021-22 but rather to rebuild the reserves.

F20/31

### **Review of Felsted Nature Area Financial Policy**

Members considered the draft policy which had been prepared by the RFO. After some discussion the policy was proposed by Cllr Roy Ramm and seconded by Cllr Penny Learmonth and was unanimously approved. The policy will be referred to the next full PC meeting for formal approval.

F20/32

### **Consideration of Mobile VAS sign quotes**

The Clerk informed members that her research showed a VAS sign could now be obtained for around £2,775 + VAT (compared to approximately £8,000 [a few years ago](#)). Members fully appreciated the need for a replacement mobile VAS sign but it was agreed that this project should be paused given the discussion on expenditure and the need to rebuild the reserves.

F20/33

### **Crix Green Mission Extension – Fit out works**

Members considered the proposal to commence the internal fit out works for the Crix Green Mission Hall as the external works were nearing completion. Cllr Graham Harvey confirmed that the estimate of a further £46,000 expenditure as discussed during the review of the accounts for the year to date was accurate and he agreed to pass on the contractors quote for the full project to the RFO. It was agreed that recommendation should be made to the full council to proceed with the works while noting that the year-

end reserves were likely to be close to the 1x precept level.

F20/34

**Staff Matters**

**End of RFO Probation period**

It was noted by members that the probation period for the RFO had now finished and the RFO was now employed part time as per the agreed and signed contract.

**Pension Arrangements**

The Assistant Clerk confirmed she was still in the process of investigating pension schemes which may be of interest when she takes up the Clerk role.

**Assistant Clerk Salary Review**

Members considered the Assistant Clerks salary as she moved to the role of Clerk and agreed that from 1 December 2020 her salary point should increase from SCP 25 to SCP 32 which would reflect her increased responsibilities as Clerk and her forthcoming completion of the CILCA qualification. Members noted that the Assistant Clerk did an excellent job and this was reflected in the salary review. Pension contributions would need to be considered on top of this if the Assistant Clerk requested a pension be provided when she moves into the Clerk's role.

F20/35

**Bank Account Review**

**Change of Signatories**

It was agreed that following Cllr John Moore's resignation as both Chairman and member of the Finance Committee that the bank signatories needed to be updated. Cllr Roy Ramm volunteered to become signatory for the Nature Area bank accounts (both the Metro Account and the Barclays Premium Account). The RFO will arrange the necessary paper work.

It was further agreed to request Cllr John Moore remain as signatory on the Felsted Parish Council Barclays Community Account pending the completion of the online bank set up in order to ensure there is no disruption to the process. Following completion of the online banking set up, Cllr Roy Ramm would replace Cllr John Moore as signatory on the Barclays Community Account.

**Felsted Community Trust Account (FCT)**

It was agreed that the RFO would apply for a Community Account with Barclays Bank with initially 2 signatories (Cllr Graham Harvey and Cllr Frances Marshal). Once the account was opened it was agreed that a sum of £5000 would be transferred to the account by Felsted Parish Council to ensure the balance on the account met requirements for registration of the FCT with the Charities Commission. As previously agreed, the residue of funds from the Felsted Neighbourhood Plan Steering Group would be transferred to the PC to partially cover this 'transfer to the FCT' and the remainder would be repaid from Felsted Community Trust revenue when available.

NOTE: Cllr Graham Harvey left the meeting and Cllr Frances Marshall took over as Chair of the meeting.

F20/36

**Change of Accounts basis as recommended by Internal Auditor**

The RFO explained that the Internal Auditor had suggested that the basis for the preparation of the accounts for the annual Audit be changed from a cash basis to an income and expense (accrual) basis. While the council still qualifies to produce accounts on a cash basis the Internal Auditor noted that the accounts were becoming more complex and a move to income and expense reporting would better reflect this. The change to income and expense accounting basis was proposed by Cllr Roy Ramm and seconded by Cllr Penny Learmonth and unanimously agreed.

F20/37

**Any urgent matters and proposals for future agenda items**

None.

F20/22

**Next meeting**

The meeting closed at 7.35 pm.

The next meeting will be held on Wednesday 25 November 2020 at 5.00pm

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Chairman

Dated .....