

Godstone Parish Council

(incorporating the Villages of Godstone, South Godstone and Blindley Heath)

Clerk to the Parish Council

Mrs S Endersby

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Minutes

of the Finance Committee of Godstone Parish Council on Friday 8 December 2017 at 10.00 am in The Bounty.

Committee Members: Cllrs C White, R Johnson, B Hubery and M Gillman

In attendance: S Endersby (Clerk)

1. Apologies for absence – None

2. Election of Chairman

RESOLVED – The committee unanimously resolved that Councillor Colin White be appointed Chairman of the Finance Committee.

3. Declaration of Interest -

3.1 - **Item 13 - Precept for the year 1 April 2018 - 31 March 2019** - The Clerk had granted dispensations to each Member of the committee to enable them to vote on the setting of the authority's Council Tax recommended precept for 2018/19. These dispensations had been granted on the grounds that the transaction of business would have been impeded given the number of Councillor's who would otherwise be prohibited from participating in this particular item of business.

4. Minutes of the meeting held on 3 May 2016 were reviewed

RESOLVED - Councillors unanimously agreed that the minutes were an accurate record of the meeting and that they be signed by the Chairman.

5. Audit

5.1 Parish Council Procedures Audit

5.1.1 Finance Regulations - Councillors reviewed the proposed new version of the Parish Council Finance Regulations, which brought the Parish regulations up to date with the 2016 regulations.

5.1.2 It was noted that the Financial Regulations would reflect that the Parish council no longer uses petty cash.

5.1.3 Certain drafted points highlighted were clarified and agreed.

ACTION – FC – 12/2017 – 1 – Clerk to update draft of points clarified and agreed in the Financial Regulations.

RESOLVED – Following the draft being updated with points clarified and agreed Councillors unanimously approved the Parish Council Finance Regulations, for recommendation to the full Parish council.

5.1.2 Fixed Asset Register – Councillors reviewed the Fixed Asset Register.

RESOLVED – Councillors unanimously agreed that the Fixed Asset Register was an accurate record and noted that columns recommended by the Internal Audit had now been included.

5.1.3 Financial Risk Assessment – Councillors reviewed the Financial Risk Assessment document and certain changes were discussed and agreed.

RESOLVED – Following the draft being updated with points amended Councillors unanimously approved the Parish Financial Risk Assessment.

ACTION – FC – 12/2017 – 2 - Updated Financial Risk Assessment to be reported to the full Parish council.

5.1.4 Business Continuity Plan – Not discussed.

5.2 Internal Audit – Review of Interim Audit 2017/18

5.2.1 The full Interim Audit 2017/18 report had been circulated in advance of the meeting.

5.2.2 The committee considered the following recommendations detailed in the Internal Auditors report and any actions required were noted:

Internal Audit Year Ended 31st March 2018 - Interim Audit – Summary of Recommendations

<u>ITEM</u>	<u>ACTION</u>
A. <u>Books of Account</u>	
i. Recommend a review of the formula for consistency	Complete - Corrected

ii. Recommended to the Clerk that it would be sensible to carry out a brief audit against the requirements of the Code to ensure that the Council is fully compliant for when the law changes; and	Transparency Code (TC) – Noted law changing next year – the Parish council works towards areas of the TC already and will continue to.
iii. Signposted Crowborough Town Council as a good site to review.	Noted and intend to as part of the Website work taking place.
B. <u>Financial Regulations & Payments</u>	
i. It was noted the set on the web site were an older version again - Recommend these are replaced as soon as possible.	Corrected website to correct current PC version.
ii. Recommend on next review the tender thresholds are aligned.	ACTION - Amend the standing orders to match the Financial regulations in terms of monetary limits for contracts.
iii. Financial regulations need to be updated to allow online payments.	Current Finance Reg did not allow online payments, Finance Regulations updated during the course of this meeting – 5.1.1-5.1.3 and are to be recommended to the full Parish council on 8 January 2018.
iv. Reminded the clerk to use the contacts finder when this threshold is breached.	Noted requirement to use https://www.gov.uk/contracts-finder
C. <u>Risk Management & Insurance</u>	
i. Asset cover appears adequate; however, money cover appears low (£150,000) and should be reviewed at next renewal.	ACTION – On next renewal increase Fidelity cover from £150,000 in comparison to the potential amount in the bank and also, use Asset register as a working document to review our insurance policy on renewal
D. <u>Budget, Precept & Reserves</u>	
i. The Council was able to demonstrate that budget monitoring reporting to members is completed on a monthly basis. Reporting is comprehensive, and is minuted, although the minutes could be more descriptive.	Noted – Notes put in place to ensure this.
ii. Salaries and Rent will exceed budget and need to be discussed at council vis virements. I recommend the agendas have a regular item to discuss budgets.	Noted – Notes put in place to ensure report this and ensure monitored more effectively in the future.
iv. Councils general reserves are in accordance with regulation.	Noted – No action.
H. <u>Assets and investments</u>	
i. Recommend that overtime the following is added to the register.	
• Insurance value – to show if an item is incurred and appropriately insured	Noted – Column added
• Condition	Noted – Column added
• Last physically seen/vouched.	Noted – Column added

ACTION – FC – 12/2017 – 3 – Actions highlighted in red above to be completed as soon as practicable.

5.2.3 Further notes from Audit noted by the committee –

- i. Review of budget – Recommendation to consider checking the budget in more detail at more regular intervals, perhaps Quarterly, was noted by the committee; and
- ii. GDPR – recommendation for all councilors to have council email addresses, rather than using personal email address. The committee noted the potential costs of £45.60 per email address which includes Sharepoint (only one quote gathered so far as an estimate following the matter being raised). It was noted that the Parish Council had declined the suggestion to date for individual email addresses.

5.3 External Audit 2016/2017

5.3.1 Recommendations from External Auditor and review systems of internal control and agree any changes in view of audit comments:

- i. It was noted that there was a governance issue noted in the External Auditors report, which stated, '*The Annual Return had been returned for amendment*' and '*The smaller authority should ensure that the annual return is fully and correctly prepared in future years*'.
- ii. The committee discussed the issue raised by the External Auditor.
- iii. The Clerk reported that the annual return had been returned to correct the figure stated for Box 9 – Total Fixed Assets – Section 2 – Accounting Statements 2016/2017.

- iv. The figure had originally been stated as £193,239 and was corrected to £190,740 due to donated office furniture being included on the asset register and stated as a cost of £2,500, when it should have been recorded as £1 as the asset was gifted to the Parish Council.
- v. The Clerk acknowledged the correct understanding of how to register gifted items to the Parish Council on the asset register and the committee agreed that no further action was needed.

5.3.2 New External Auditors appointed

- i. The committee noted the appointment of PKF LITTLEJOHN LLP, as the new external auditors and the scale of fees for bodies subject to limited assurance review (based on bands of annual income or expenditure, whichever is the higher) and detailed below along with other potential costs:

INCOME/EXPENDITURE BAND (£)	FEE FOR LIMITED ASSURANCE REVIEW (£)
0 - 25,000	0 (see note)
25,001 - 50,000	200
50,001 - 100,000	300
100,001 - 200,000	400
200,001 - 300,000	600

- Reminder letters - £40 for each reminder.
- Additional work and variations to the scale fees - Maximum hourly rates for additional work at smaller authorities

STAFF GRADE	MAXIMUM £ PER HOUR
Engagement lead	355
Senior manager/manager	215
Senior auditor	140
Other staff	105

- Value Added Tax (VAT) - The fee scales exclude VAT, which will be charged at the prevailing rate on all work undertaken.
- ii. The committee noted that the auditors were appointed Under powers set out in Regulation 3 of the Local Audit (Smaller Authorities) Regulations 2015, and Smaller Authorities Audit Appointments Ltd (SAAA) were appointed by the Secretary of State for Communities and Local Government as "a person specified to appoint local auditors" and as the Sector Led Body (SLB) for smaller authorities.

6 Review of Areas of responsibility within the Parish

- i. The committee considered that the Parish plans, goals and aspirations for the future evolve and there maybe matters that arise from the Annual Parish meeting.
- ii. The Committee noted the importance of Short, medium and Long-term planning.
- iii. The committee noted and considered the following points for the different areas within the Parish, noting the necessity to consider different factors when setting the budget and charges for 2018-2019.

6.1 Allotments:

- i. Allotments to be charged by Sqm and allotment agreement to be updated.
- ii. £340 due for Hilly fields annual rent and the agreement ends May 2019.
- iii. Committee agreed that no deposit would be requested when a person takes on an allotment
- iv. Summary of research from other Parish and District council charges noted for a comparison.

ACTION – FC – 12/2017 – 4 – Clerk to update Allotment Agreement to include charge by the SQM.

6.2 Neighbour Hood Plan Committee:

- i. Grants are being applied for, but there may still be potential funding requirements.

6.3 Burial grounds and Memorials

- i. The new Memorial garden will need to be included in the burial fees and the burial ground regulations in the future, i.e. how many ashes in one memorial plot, how much to inter ashes in the memorial garden, how much in current grave.
- ii. Long term plans for the burial ground such as a water drainage system.
- iii. Budget information - average over 10 years of income from the Burial ground is around £14k per year.
- iv. Consider budgeting for plans to mark 100-year anniversary of the end of World War 1 in 2018.

6.4 Across villages

- i. Committee discussed highways, footpath and ground maintenance service levels carried out by Surrey County Council (SCC). Noting these areas remain the responsibility of SCC.
- ii. Election May 2019
- iii. Tree survey to be included in the budget as agreed at September Parish Council meeting.
- iv. Maintenance Contract – Rates are already agreed and in place.

6.5 Godstone

- i. Playground equipment repairs and replacements as per inspections and report from September 2017.
- ii. CAR Park – Consider is the allocated amount is still reasonable.
- iii. Consider costs for Godstone Village Speed sign and Air monitor.

- 6.6 South Godstone
 - i. Erection of a Memorial as noted in 6.3iv.
- 6.2 Blindley Heath
 - i. Painting the Car Park lines
 - ii. Blindley Heath SSSI – 3-year plan increase each year (retail price index)
 - iii. Potential installation of a car park barrier
 - iv. Repair/maintenance of Bung/ditch
- 6.7 The Bounty
 - i. Budget for HPS (IT) and PEAR (Mapping) continued support services.
 - ii. Redecorating the Bounty as per requirement of the lease.
- 6.8 Tillburstow Hill/The Enterdent
 - i. Potential costs to deal with Japanese Knotweed.
 - ii. Maintaining or new barriers.
 - iii. Tree management.

7 **Financial Position – General Review (year to date 2016/2017)**

- 7.1 Review the latest receipts and payments report; agree any virement – The committee reviewed the latest receipt and payment report.
- 7.2 Designated Funds – The committee reviewed the current balances of the designated funds.
- 7.3 Restricted Funds – The committee reviewed the current balances of the restricted funds.
- 7.4 Estimated carry forward for general funds at 31 March 2018 – The estimated carry forward for general funds is £25k, as noted in the Internal Audit Report November 2017.

8 **Insurance Cover - To review insurance cover and agree any changes**

- 8.1 The committee noted that on renewal of the insurance policy the internal auditor had recommended that the Fidelity cover be increased from £150,000 in comparison to the potential amount in the bank.
- 8.2 Asset register to be used as a working document to review our insurance policy on renewal
- 8.3 Noted that the Insurance renewal will come up in October 2018 following three-year deal.
 - i. At the time of the meeting it was too early for our current providers to give a confirmed range of quotations for the 2018/19 period of cover and this won't be possible until the end of July/August 2018 when they will be in a position to provide three quotations from the insurers who now make up the panel used for the local council scheme.
 - ii. As an indication for budgeting purposes, a premium of £1,550.00 for a one-year policy was suggested, but it was noted that a new 3-year long term agreement will again be offered from which the Council can benefit from a 5% discount.

9 **Grants**

- 9.1 Continuous Grants
 - i. The committee noted the Continuous grant information provided year to date; and
 - ii. The previous years to also assist in setting the budget for 2018/19.
- 9.2 Other Grants
 - i. The committee noted the Other grant information provided year to date; and
 - ii. The previous years to also assist in setting the budget for 2018/19.
- 9.3 Terms and Conditions (T&C's) and Awarding Policy
 - i. T&C's – There were no changes made.
 - ii. Setting a limit per grant – The committee agreed that no limit for a grant award would be set.
 - iii. Model policy SSALC – Grant Awarding Policy – The Policy was noted, but the committee was confident that the Parish's own T&C's cover the process and an additional policy was not necessary.
 - iv. Consider splitting grant budgets between wards – The committee agreed that it was not necessary to specifically separate the amount of grant available per ward.

10 **Review of fees and charges for 2018/19**

- 10.1 Burial Grounds
 - i. Councillors noted the current charges and information provided by the clerk demonstrating other charges within the district.

RESOLVED – The committee unanimously agreed that burial and memorial fees for Parishioners and 7-year Parishioners be increased by 5%.

RESOLVED – The committee unanimously agreed that burial and memorial fees for Non-Parishioners be increased by 10%.

- ii. The new charges are detailed below:

Graves and Memorial Charges	Parishioner	7-year Parishioner	Non-Parishioner
Purchase of grave space	£316	£632	£2667
Interment in a purchased grave	£211	£421	£1667
Addition of ashes to a burial	£158	£316	£667

Right to erect or place a headstone with inscription	£211	£421	£833
Additional Inscription	£80	£163	£344
ADMINISTRATION AND SEARCH FEE	£53	£53	£56

ACTION – FC – 12/2017 – 5 – Clerk to ensure new fees are available on the Parish website and circulated as appropriate.

10.2 Allotments - Current charges

- i. Salisbury Road site: The committee considered the information provided by the clerk demonstrating other charges within the district
- ii. The committee noted that the allotments need to be charged by as a square metre rate.

RESOLVED – Allotments at the Salisbury Road site would be charged at £7.35 per 25sqm, with a minimum charge of £15 to be applied and there would not be a request for a deposit from each allotment holder.

- iii. Due to the expiry of the lease in May 2019 of the Hilly Fields allotment site the committee agreed that the charges would remain as Full plot: £30 and a Half plot: £18.

10.3 Wayleaves and Easements and Garden Plot Licenses

10.3.1 Wayleaves and Easements

- i. Wayleave letters – It was noted that a notice of increase in rent for the year to 30 September 2018 had been sent in June and the rent amount agreed at the Finance committee meeting in December 2016 had been requested.

- ii. Wayleaves – The committee considered the current charge for wayleaves

RESOLVED - Subject to the terms in the wayleave that might prevent, or control increases all wayleave charges would increase by 5% from 1 October 2018. Noting it will be necessary to check each wayleave agreement before sending out invoices.

ACTION – FC – 12/2017 – 6 – Clerk to ensure the required notice is sent in advance of October 2018.

10.3.2 Garden Plots

- i. The Enterdent – The condition of the garden plots was discussed.

ACTION – FC – 12/2017 – 7 – Councillor B Hubery to visit the garden plots and report the condition to the Parish council.

- ii. It was noted that garden plots rents are historically collected in October for payments for a year from 25 March. Notice of increase has been sent. It was noted that due to certain circumstances the last rent collected was £21.50 in letters sent in October 2017. This letter included notice that rent will go up and will be confirmed following this committee meeting.

- iii. It was noted that the rents for a garden plot had not increased since 2005/06

- iv. Garden plot rents – The committee considered the current charge for Garden plots.

RESOLVED – The committee agreed that the charges for the garden plots at The Enterdent would be £40 for a small plot and £80 for a large plot in line with the decision made at the December 2016 finance meeting, but not implemented due to the appropriate notice not being sent in the time period required.

ACTION – FC – 12/2017 – 6 – Clerk to ensure that a letter is sent as a priority to ensure agreed rates detailed would be charged in 2018.

10.4 Use of Godstone Green and Blindley Heath –

10.4.1 Deposit for the use Godstone Green and Blindley Heath

- i. A deposit, currently a £100 for any damage to the green, is required from the fair and any other users.

RESOLVED - The committee agreed that the deposit requested from organisations using the Greens would remain at £100.

10.4.2 Charge for the use of Godstone Green and Blindley Heath

- ii. Non-local organisations

RESOLVED - The committee agreed that the Charge for the use of Godstone Green and Blindley Heath *common would remain at the discretion of the council.*

- iii. Local organisations

RESOLVED - The committee agreed that the Charge for the use of Godstone Green and Blindley Heath *common would remain at the discretion of the council.*

- iv. Fairs

RESOLVED - The committee agreed that the Charge for the use of Godstone Green and Blindley Heath *common would not increase and would be charged as £200 for an operational day; and £100 for a non-operational day.*

11 **Annual review of staff salaries, hourly paid wages and hours and Allowances (Part 2)**

11.1 Office Cleaning – See Part 2

11.2 Clerk – See Part 2

11.3 Admin Assistant – See Part 2

11.4 Pensions – See Part 2

11.5 Chairman's Allowance - Review and set allowance for 2017/18

12 **Budget for the year 1 April 2018-31 March 2019**

12.1 The committee reviewed and drafted a budget noting the following considerations:

Audit Report

- i. At the audit date, the council had £192k in bank balances, in the absence of spending on the car park by the end of the year this will reduce to circa £160k of which £112k is earmarked for the car park and £20k for playground and £3k for others, leaving a projected general fund balance of circa £25K.
- ii. At a precept level of £53k rule of thumb calculations would indicate that a general reserves balance of circa £26k as adjusted for local conditions would be reasonable. (General Reserve should be around 3-6 months of the Parish council's precept.)
- iii. Improvement required in reporting differences of £100 or 15% of budget line

Considerations, points noted from training session for reference; and any additional matters not detailed in the review of the areas:

- i. The requirement of the Parish's Finance Regulations is to have a Three-year forecast
- ii. Consider opening another bank account with a different bank to protect per £85,000.
- iii. Surplus - Should be reviewed at a full council meeting to reallocate reserves for a new project
- iv. Overspend – Should be reviewed at a full council meeting to consider if we have overspent then why.
- v. Reference numbers have been included for reference and if in the future virements were necessary.
- vi. It is important that when the budget is presented and prepared that the parish council is absolutely clear about what is included in each line.
- vii. Band D equivalent – Once this is confirmed it should be published on the Parish council website.
- viii. Use virements if a project budgeted and planned for is then not going to happen.
- ix. CIL is ringfenced funding – Noting the difficulty to predicting the potential CIL payments in the future other than reviewing the recent planning applications with CIL noted.
- x. What projects does the Council want/need to plan for and is it necessary to start building up reserves.
- xi. SSALC subscription for 2018/19 is:

Surrey ALC Subscription	1374.231
NALC Subscription	310.2778
Total Due	1684.5088

Proposed Budget –

- i. A draft budget circulated in advance of the meeting was reviewed and all the separate elements were discussed in detail and a number of changes were made before agreement was reached.
- ii. The meeting did agree a number of items to be included in the budget for 2018/19 as follows: Provision for the Neighbourhood Plan, a tree survey for the Parish and provision for potential legal fees in relation to the inspection stage of the Tandridge District Councils Garden Village consultation if the Parish decide to make representation.
- iii. Following the committees review the budget was agreed and is detailed in Appendix A.

RESOLVED – The committee agreed that the drafted budget be presented and recommended to the full Parish council for approval.

13. Agree Precept for the year 1 April 2018 - 31 March 2019

RESOLVED – The committee, by a majority vote, agreed that the precept for 2018/19 be set at £55,683, and this will be recommended to the Parish Council at the meeting on 9 January 2018 for approval.

9 Date of next meeting – The date of the next Finance Committee in May 2018 is to be confirmed.

Part 2 – Passed a resolution that pursuant to Section 1 part 2 of the Public Bodies (Admission to Meetings) Act 1960, the public be excluded from the meeting during the consideration of any business on the grounds that it is likely if the public were to remain, there would be a disclosure of exempt information.

APPENDIX A – Budget 2018-2019

GODSTONE					
RECEIPTS AND PAYMENTS ACCOUNT					
Ref No.		Oct-17	Month	8	
		Actual to date	Annual	Pro rata	
		2017/18	2017/18 Budget	2017/18 Budget	2018/19 Budget
Receipts					
R1	Precept	53683.00	53,683	53,683	55,683
R2	CIL	8,127	-	-	4,000
R3	Burial Grounds	13210.00	10,000	6,667	12,000
R4	Greens and Commons	1750.00	1,600	1,067	1,600
R5	Rents	1601.76	5,000	3,333	5,000
R6	Bank Interest, Donations & Grants	417.00		-	-
R7	Christmas Lights	0.00		-	400
R8	VAT Refunds	5173.76		-	
R9	Neighbourhood Plan	0.00		-	9,000
R10	Monies held for Local organisations	1000.00			
	TOTAL	84962.50	70,283	64,750	87,683
Payments					
		2017/18	2017/18 Budget	Pro Rata 2017/18	
Administration					
P1	Salaries and Clerks Expenses	15279.64	19,000	12,667	22,500
P2	Rent/Rates/Insurance	6869.70	4,500	3,000	4,500
P3	Heating/Water/Lighting/Telephone/Postage etc	1464.17	2,500	1,667	2,500
P4	Training Councillors and Staff	75.00	1,000	667	700
P5	Maintenance/Office Equipment	1622.62	2,500	1,667	3,500
P6	Audit/Memberships/Allowances/Sundries	2982.19	5,000	3,333	3,700
	Total Administration	28220.96	34,500	23,000	37,400
P7	Burial Grounds	7700.00	7,000	4,667	8,000
Greens and Commons					
P8	Maintenance Contract	9237.52	10,000	6,667	12,000
P9	Godstone Green	5619.98	5,000	3,333	5,900
P10	Blindley Heath Common - Grass cutting not SSSI	4873.55	6,000	4,000	3,000
P11	Hilly Fields	0.00	1,000	667	500
P12	Allotments - Salisbury Road/Hilly Fields				840
P13	Tilburstow Hill Common	245.00	1,000	667	1,000
P14	Tree Survey (Across the Parish)				10,000

	Total Greens and Commons	19976.05	23,000	15,333	33,240
P15	Notice boards and bus shelters	652.24	25,000	16,667	3,000
P16	Grants and Donations	865.98	25,000	16,667	25,000
P17	CIL	-	0	-	
P18	Hilly Fields Car Park	3360.17	120,000	80,000	120,000
P19	Children's Playground Maintenance	5000.00	25,000	16,667	2,000
P20	Blindley Heath SSSI - GPC Management	0.00	7,000	4,667	1,500
P21	Blindley Heath SSSI - SWT			2,300	2,100
P22	Christmas Lights	96.78	6,000	4,000	2,500
P23	Neighbourhood Plan	0.00			9,000
P24	Pond (GG)	0.00		-	500
P25	War Memorials	129.72		-	5,000
P26	Monies held for Local organisations	0.00		-	
P27	Fees for Professional Services (Local Plan Consultation - Inspection Stage)	0.00			3,000
P28	VAT for Reclaim	3061.83		-	
	TOTAL PAYMENTS	69063.73	295,500	199,300	252,240
	Surplus/Deficit	15898.77	- 225,217	- 134,550	- 164,557
	Accumulated fund brought forward	176,991			200,624
	Accumulated fund carried forward	192,890			
	Represented by:				
	Current Account	192497.29			
	Cash in hand				
	Fixed Term Deposit				
	Total	192497.29	-	-	