 **Finance Committee Meeting**

**Monday 6th January 2020**

**At 18:45 in the Washington Village Memorial Hall**

**Draft MINUTES** of the Finance Committee Meeting held on Monday 6th January, 2020

**PRESENT:** Cllr C Beglan, Cllr P Heeley (Chairman), Cllr G Lockerbie and Cllr a Lisher

**ALSO:** Clerk to the Council

**Members of the Public:** 0

**Absent:** Cllr J Henderson

**Cllr Heeley the Meeting at 18:45**

1. **To consider accepting apologies for absence**

Apologies were received and accepted from Cllr Henderson (work).

1. **To record declarations of interest from members in any item to be discussed and agree dispensations**

None declared

1. **To approve the Minutes of the last Finance Committee meeting held on 19th**

**August, 2019**

The minutes of the Finance meeting held on 19th August 2019 were previously circulated. **RESOLVED** they are a correct record and were duly signed by the Chairman.

1. **Quarterly Internal Financial Control Review**

The Chairman reported that the next quarterly internal financial control review will be conducted by Mr J Ross on 7th January 2020 and reported to the Full

Council Meeting on 3rd February.

1. **To Review repayment of Public Works Loan**

Members considered early repayment of the final £11,895.56 balance of its Village Hall buildings loan to the Public Works Loan Board. The Board’s revised repayment schedule with projected Year End 2019/20 budget position, were circulated prior to the meeting. Members noted that in February 2019, the Council made an early repayment of £12,149 the loan in February 2019. This was made up of a principle repayment of £10,000 plus £2,095.53 and £53.60 prevailing interest. Members discussed various options and agreed it would be financially prudent to repay the remaining balance. The Chairman explained this could be safely achieved, still meeting the Council’s outstanding liabilities and unforeseen expenditure, by reducing the current unspent allocation to reserves by c£12,000, reducing some of the operating costs, and increasing the 2020/21 parish precept.

**RESOLVED** unanimously to agree in principal to recommend the early repayment

of the loan balance in the current financial year. This is subject to the consent

of the PWLB and Full Council agreement.

1. **To Review and Recommend the draft Budget and Precept for 2020/21**

The Chairman’s proposed £41,808 precept/budget for 2020/21, the Clerk’s summary 2019/20 figures and predicted 2020/21 budget requirements were previously circulated. The Chairman adjusted the figures and made the following precept proposal for the draft budget and early repayment of the Council’s buildings loan balance:

* The initial unadjusted budget formulation shows a **deficit** of £5,753 after all costs and reserves.
* If the council wishes to repay the buildings loan in the current year, the opening balance in April 2020 will be reduced by c£12,000
* Therefore, a feasibility test needs to be applied to see whether the above sums can be absorbed within a balanced budget.

**Measures to balance the budget**:

* Increase the precept
* Reduce the operating budget
* Reduce the amount allocated to reserves

**Precept proposal:**

* An increase of 2.5%
* Current band D £37.30
* Increase by 2.5% £38.23
* £38.23 x tax base 1093.6 = **£41,808** (£1380 **increase over 2019/20)**

**Operating budget:**

Reduce by £5,504 (including £1658 loan repayments planned)

The new operating figure is £38,365, and this reduction balances the budget before

considering reserves to facilitate loan repayment.

**Reserves**

Reduce by £12,185. Historically, the council has built up significant reserves to avoid

budget surpluses. These have never been required. In the current year, less than

£7000 will be spent from reserves of over £65,000.

Total reserves for 2020/21 will still be £57,685 under these proposals.

**Revised Budget:**

Opening balance April 2020: £52,116 (assumes loan repayment prior)

Precept income £41,808

Other income £2,178

**Total funds £96,102**

Less operating Costs £38,365)

**Balance available for reserves £57,737**

Less reserves identified (£57,685)

**Surplus £52**

Members discussed the draft budget and precept proposals in detail.

The Committee **AGREED** unanimously to **RECOMMEND** the draft 2020/21

Budget to Full Council

The Committee **AGREED** unanimously to **RECOMMEND** to Full Council a 2.5%

increase in the annual Parish Precept for 2020/21.

1. **To Report and Review online banking arrangements**

Members discussed a banking error in which an online payments schedule was accidentally entered twice by the Clerk and then authorised by the Chairman. All payments were promptly refunded by payees. The Chairman put it down to teething problems with first-time use of the system, as well as a number of technical ‘glitches.’ The payment control for ‘two to authorise’ was set up by another Councillor signatory. Neither they nor the Clerk realised that this can include the Clerk when setting up payments. It was suggested that the best course of action is to amend the Clerk’s online Delegated Access to “Limited Power Signatory”. This would enable two Councillor signatories to authorise payments as previously agreed.

**RESOLVED** unanimously to the amended access and for the Chairman to be the primary contact. The name of former Cllr Ross, a signatory for the Council, to be removed. Mandate variations were duly signed by two Councillor approved signatories.

1. **Date and Time of the next Meeting**

To be arranged and agreed when required.

**The Meeting closed at 19.27hrs.**

**Signed……………………………………. Dated……………………………**