

**Finance Committee Meeting**

**MINUTES** of the Finance Committee Meeting held on 19th November, 2018

**PRESENT**: Cllr C Beglan, Cllr P Heeley, Cllr G Lockerbie and Cllr R Thomas

**ALSO**: Clerk to the Council Miss Zoe Savill

**Members of the public:** 0

**Absent**: Cllr Ross

**The Chairman opened the meeting at 19:05 hrs**

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

**RESOLVED** to accept apologies from Cllr Ross (holiday)

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

 **and agree dispensations**

 **RESOLVED** to **NOTE** there were no declarations.

1. **To approve the Minutes of the last Finance Committee meeting of 21st May, 2018**

**RESOLVED** to **APPROVE** the Minutes as a true record of the last meeting on 21st May 2018 and these were duly signed by the Chairman.

1. **To Review repayments of Public Works Loan for the Village Hall.**

Members discussed the various options of making an early part repayment of the Public Works Loan (currently £24,000). The Board does not allow the terms of any loan to be changed. However partial repayments are permitted on existing loans but the remaining part of the loan would then continue on its existing terms, and schedule repayments reduced on a pro-rata basis.

The Council’s loan was taken out in December 2008, over 25 years, to help with the costs of replacing the Village Hall roof. The repayments cost the Council £3,115 this financial year, split between 2 payments. Each year the principal is reduced by £2,000 and interest is reduced by £91. Worked examples from the PWLB were circulated. It showed a revised schedule of future repayments if the Council paid a lump sum of £5,000. This would reduce the annual Principal payments to £1,657.80 (£432.20pa reduction) and annual EIP Payments reduced

by £226.32pa. The Chairman commented that a £5,000 payment would not only be sound financial practice in reducing the Council’s currently very healthy reserves, but would also reduce the Council’s future outgoings when paying off the reduced balance. There was no financial saving in making a partial or full repayment of the total loan as a penalty would be levied - the Board calculates the interest it could have had, and charges it in full. Cllr Lockerbie suggested repaying £10,000. This would show the total reserves going down and would have a more positive effect on the budget. Cllr Beglan criticised the early repayment penalty charges and queried whether these were commensurate and fair according to current business practices. If not the Council might benefit from a refund of any overpayment.

**RESOLVED** to **RECOMMEND** early part-repayment of the Public Works Loan and to request a quotation for £10,000 repayment option as of February 1st 2019 with statement to include costs. Clerk to write to the banking ombudsman regarding the penalty payments and interest charges, and report to Council

1. **To Review and Recommend the draft Budget and Precept for 2019/20 precept**

Working papers for the draft budget 2018/19 were received. It was NOTED that the Local Authority is yet to provide the parish draft tax base figures.

**RESOLVED** to defer this item to the next meeting on January 7th subject to revisions of figures discussed and confirmation of the tax base figure.

**The Meeting was closed at 20:00 hrs**

**Signed…………………………………………….**

 **Dated……………………………………………..**