

Codsall Parish Council

Minutes

**Finance Committee Meeting
Wednesday 22nd November 2017 - 7.00 p.m.
Parish Council Chambers**

Before commencement of the meeting, Councillors unanimously voted Cllr Mrs M Barrow as Chairman of the Finance Committee

Present: Councillors Mrs M Barrow (Chairman), Mrs V Chapman, Mrs K Ewart, B Holland, T Jeavons, S Jenkinson and Mrs C Millar

Part I - Public Session

1. APOLOGIES – were received and accepted from Cllr Michell
2. DECLARATION OF INTEREST AND DISCLOSABLE INTEREST - none
3. PUBLIC PARTICIPATION - none
4. PUBLIC BODIES (ADMISSION TO MEETINGS) ACT 1960
In pursuance of the powers contained in Section 1 of the above Act, it was **resolved** that the press and public be now excluded from the meeting on the grounds that the business about to be transacted is of a confidential nature and that publicity will be prejudicial to the public interest as defined in the appropriate paragraph(s) Section 1 [2] - Public Bodies/Admission to meetings Act 1960.

Confidential

Part II - Closed Session

The Clerk reminded Councillors that the discussion this evening is confidential and forms part of the tendering process. As part of the tendering process any disclosure of information to any third party would be in breach of the Fraud Act 2006 and Anti-Fraud, Corruption and Bribery Act 2010. Breaches of the above acts have serious consequences such as large fines and custodial sentences.

The definition of Fraud under the above act:

Fraud by abuse of position. Actions which constitute fraud – disclosing confidential and proprietary information to outside parties¹.

Contracts: Collusion with others² during the tendering process.

5. The Clerks Summary Report and draft Precept/Budget options for 2018/19 which includes the estimate costing for construction of the Car Park on Oaken Lanes of £110,000.00 were received and consideration given for a proposal of recommendation to put to the Main Council for the meeting of the 13th December 2017.

In accordance with the Parish Councils resolution on 27th September 2017, item 7.2 - "The Finance Committee review the estimate costing, for budgeting purposes, and then to bring any recommendations to the Main Council for consideration."

The below Budget/Precept 2018/19 draft options have been prepared to include the estimate costings for construction of the Car Park on Oaken Lanes of £110,000.00.

Option 1 – shows the budget/precept being calculated with an increase to the Wages Budget of £2,558.00 (see below), but all other budgets and reserves (except for the Car Park Reserve now at £110,000.00) remaining the same as the 2017/18 Budget. If this budget was approved and adopted the precept would increase by 11.7% from £158,785.29 to £177,361.24.

Option 2 has been calculated as follows:

PAYMENTS/EXPENDITURE

Salary



Finance Committee suggested an increase of £2,558.00. The wages budget will increase from £79,928,00 in 2017/18 to £82,486.00 for 2018/19.

¹ Any person who is not a Councillor or Officer of the Parish Council

² Others- any person

Office

To remain as last year - £16,300.00. A third of the budget is allocated for the Parish Councils Liability Insurance.

The Parish Office will, as usual, try to obtain better value in all its acquisitions of services/purchases.

Land Maintenance

Recommendation that £6,200.00 of the £28,100.00 2017/18 budget is transferred across from the Land Maintenance Budget to the Station Car Park Reserve. The Land Maintenance Budget for 2018/19 to be reduced from £28,100.00 to £23,300.00 – a reduction of £4,800.00.

The list of projects put forward by the Open Spaces Committee with the inclusion of costs in maintenance, is estimated to cost approximately £42,000.00. To include all the projects the budget would have to be increased by 64%.

The Open Spaces Budget has been increased quite considerably over the last few years from £18,000.00 in 2011/12 to £27,100.00 in 2015-16.

Election Contingency

To remain the same.

Christmas Lights – Christmas

Proposed to remain the same.

Grants and Sponsorships

Proposed to remain the same.

Village Improvements Expenditure

Recommendation that £2,107.35 remaining of the £6,200.00 2017/18 budget is transferred across to the Station Car Park Reserve. Monies normally set aside for the Village Improvement Budget (£6,200.00) in the 2018/19 budget is assigned to the Station Car Park Reserve.

Professional Fees

To remain the same.

RESERVES

Parish Building Maintenance and Repair

Suggested that the parish building maintenance/repair reserve remains at £23,500.00 – as the Parish Council should start to think of improving the buildings access via the main entrance.

Wheel Field

Suggested reducing the Wheel Field Budget by £2,000.00 from £5,000.00 to £3,000.00.

Station Car Parking Reserve

Suggested that this will increase from £32,500.00 to £98,000.00.

Project Contingency Reserve

Suggested that this reduced at £25,000.00 to £15,000.00.

Election 2019 Reserve

To put to abeyance the reserve contribution of £6,600.00 for this year until 2019/20. If £6,600.00 is set aside in the 2019/20 budget, this would then enable us to meet the 2019 election costs, [potentially the 2019 elections costs could be £20,000.00].

The Budget/Precept would relatively remain the same £158,653.92 compared to £158,785.29 in 2017/18.

None of the drafts have taken into consideration changes to the Base Rate as District Council are unable to provide us with the figures until the first/second week of December.

All the above draft budget options have been calculated excluding VAT on all the councils' expenditure including the station car park quotation. If, however, the Parish Council resolves to charge for parking, then under the regulations for claiming VAT we will have altered the type of activity from a non-business to a business activity. (Under the regulation non-business activities i.e. those performed under obligatory legislation or for no charge, can be reclaimed on a VAT 126 form, or our business exempt activities within the de-minimis limits, Vat Notice 749 paragraphs 7 & 8). The amount of our VAT claim for business exempt activities however, would fall above the de-minimis limits, because the tax incurred on the project would be above 5% of our normal claim. In short, if the council resolves to make any form of charge for the car park, our Internal Auditor has advised we would not be able to claim VAT back on the car park construction expenditure or indeed, any of the council's expenditure for the whole of the tax year, because of the de-minimis rule. Ultimately for the Parish Council, this would mean a 20% increase on all our expenditure. The Parish Council may register with HMRC to make taxable supplies Notice 700; however, our administration burden will increase.

Option 3 - draft budget shows option 2 adjusted for nonrecoverable VAT. Thereby option 2 would change from a 0% budget/precept increase/decrease, to a 20.9% increase and a 20% decrease value to the remaining budgeted reserves.

The Parish Council should also take into consideration guidelines outlined by NALC, that Parish Council's should keep any precept increases to a minimum (below 2%).

Outlined Options which include the Car Park Estimate

Option 1 - Budget precept calculation – INCREASE of 11.7%

In order to meet increases to the wage bill and to provide for the car park construction, a 11.7% increase to precept is required bringing the precept from £151,844.44 to £156,855.29; a £1.02p per year on band D properties.

Option 2 - Budget precept calculation – 0.0% No Change

To meet increases to the wage bill and to provide for the car park construction a reduction in reserves and savings made in expenditure for 2017/18 and a reduction in the Land Maintenance budget for 2018/19 as outlined in detail above.

Option 3 - Budget precept calculation – 20.9% Increase

The Parish Council makes charges for use of the Car Park - Option 2 start point with an increase of 20% on expenditure and a resulting 20% decrease value to the remaining budgeted reserves.

The meeting then went on to discuss how we would manage the car park, Councillor Holland said if the budget was approved then the Car Park Committee would consider and bring a proposal to the Main Council for approval.

The meeting also considered reducing some of the grants, but this was then dismissed.

Following further discussion, Councillor Holland proposed that we resolve to approve Option 2 but with a 2% increase to be assigned to Village improvements – [subject to and amended, with consideration to any increase/decrease to the 2018/19 Business Rate figures once they have been determined by District Council].

Precept requirement £162,030.99 plus or minus Business Rate adjustment.

A vote was taken: for 5; Against 1; Abstentions 1.