

Minutes of the meeting on Wednesday 17th Nov 2021 of the Finance and Budget Committee on Grants, Budget and Precept for 2022/23

In attendance – Councillors :- Chris West (Chair), Tim Wright, John Judson and Treasurer Chris Hoy.

- 1. Resolution to exclude members of the public and press due to the confidential nature of the business to be transacted.** - The committee agreed to this resolution and that the minutes from this meeting would be put in the public domain following approval at the December 2021 meeting of the Parish Council.
- 2. Apologies** – none.
- 3. Declaration of Interests** – Tim Wright as Eden Valley Players member affiliated to the Village Hall.
- 4. Appointment of Chair** – Chris West.
- 5. Appointment of Minute Taker** – Chris Hoy
- 6. Minutes of Finance and Budget Committee on 13/01/21** – Approved.
- 7. Grant Applications for 2022/23** – see below.
- 8. Budget and Precept for 2022/23** – see below.
- 9. Date of Next Meeting** – deemed unnecessary in the present circumstances.

Prior to the meeting the committee members were forwarded from the Treasurer a copy of his report regarding Grants, Budget and Precept for 2022/23. This document has now been incorporated into the minutes of this meeting to provide detail in an attempt to find suitable recommendations for the Full Committee of the Parish Council to agree on the Grants, Budget and Precept.

7. Grant Applications for 2022/23

The Committee uses a detailed list of criteria for Grant Selection that has been compiled with advice from Cumbria Association of Local Councils. This has enabled the committee to recommend the following allocations. The benchmark guide is available for Parishioners to view upon request.

The following are recommended to the Full Committee of Councillors for consideration on 1st December 2021.

GNAA Applied for £250 **Recommendation £250** **Financial assistance for general running costs.**

The committee agreed the GNAA provided a vital service to the community and therefore recommends £250.

FellRunner Applied for £315.70 **Recommendation £316** **Providing a scheduled local bus service.**

The committee agreed FellRunner provided a vital service to the community and therefore recommends £316.

Lazonby Playgroup Applied for £700 **Recommendation £500** **Financial assistance towards new play equipment, toys and storage.**

The committee agreed that Lazonby Playgroup require new equipment to benefit their young toddlers and therefore recommends £500.

Lazonby V H Applied for £6500 **Recommendation £4000** **Financial assistance to undertake decorative work of the Main Hall.**

The Committee agreed that this application raised some concerns that centered around two important aspects.

The project costs were estimated at £7500 and the application requested £6500 the difference expected to be met by the Village Hall Committee as fundraising.

Firstly the application contained just one quote for the work and this quote was 2 years old, secondly the fundraising was lacking with any significant detail.

It was agreed that the Hall was in need of some serious attention and this would enhance the use of the Hall as part of its major refurbishment programme.

Therefore the Committee has recommended that a grant be allocated to the Village Hall of £4000 provided that a minimum of up to two up to date quotes are presented to the Committee for consideration.

Total Applications £7766 Total Recommendations £5066.

Total Applications £7766 **Total Recommendations £6066**

Queens Platinum Jubilee - The Committee also considered the expected celebrations and recommended a sum of £500 be allocated to the Budget and made available upon application for local groups to commemorate the occasion with Parishioners.

8. Budget and Precept for 2022/23

The Treasurer provided the Committee with figures that took into consideration the Budget allocated from last year and what is envisaged being received and spent up until this current financial yearend. **As at 31st March 2022** the projected reserves are estimated as **£22706**. (This assumes that the £3000 budgeted for the unapproved lights has not been spent).

This figure was agreed by the Committee as a starting point for calculating the future Reserves, Budget and Precept for 2022/23.

The Treasurer presented the Committee with the following points to enable the Committee to determine the setting of the Precept.

- 1 We have now received the final tranche of funding for the approved footway lights after 4 years of grants and annual costs will eventually inflate from a base of £2500 (includes Vat which is compensated as a reclaim in Budget). This is an updated estimate with the recent dramatic increases in utility costs. Since the first years grant the council took the decision to increase the Precept by £1500 each financial year to cover the costs, preceded by a full review. Estimates projected a total £6000 increase in Precept to support reserves over the 4 year grant cycle, last year we left the Precept unchanged showing a total increase of just £3000 over those 3 years.
- 2 The cost of implementing the unapproved lights of £3000 has also been a major factor in considering increasing the Precept. The prospect of a grant to cover this has been removed. With uncertainties surrounding the incoming authority the unapproved lights may not be resolved for some while if at all. A possibility could emerge from this by considering the use of the £3000 towards the fundraising project for the footpath project. Should the unapproved lights return to the table then this could be funded from Reserves and the fixing of the Precept would be reviewed accordingly in the years that follow.
- 3 The Lazonby Pool Service Agreement that allocates funding up to a maximum £2500 per annum has never yet breached £1800, however in speaking recently with the pool Chair some repairs will be necessary to the equipment next year. The Service Agreement expires in April 2022.
- 4 Rental income could be affected, it is not certain that the Chip Van will remain in use although Croglin Ltd has agreed to commit to another 5 year lease.
- 5 The Council has operated since my tenure as Treasurer with reserves between £17k and £20k, with a low inflation, low interest rate environment the surplus reserves are eroded in true value without any projects. This is why a clause was written into our Financial Regs to have a candid approach to setting the Precept with all the present day facts available

A reminder of the Financial Regs 3.4 :- offers the full committee the benefit either to leave the Precept unchanged, decrease or increase depending on the projected reserves being greater or less than the contingency reserve (£10k). A buffer

between £10k and £12k would act as a safety margin before any implementation.

The Treasurer then presented his Preliminary Budget for 2022/23.

This has now been revised with Committee decisions and a Budget for 2022/23 has now been recommended to the Full Committee for approval.

Budget 2022/23 For Full Committee Approval

Income

Precept	14350
Fishing Permits	500
Recycling Credits	350
Vat Recovery	750
Rents	3000
Wayleave	35

Total 18985

Expenditure

Salaries	8300
Staff Expenses	800
Local Grants	6066
Platinum Jubilee	500
Subscriptions	250
Training	200
Maintenance	3500
Operating Costs	5000
Capital/Projects (Footpath)	3000
Misc Exp	200

Total 27816

Total Income 2022/23	18985	Expected Yearend Reserves 31/3/22	22706
Total Expenditure 2022/23	<u>27816</u>	Preliminary Budget Deficit 2022/23	<u>(8831)</u>
Total Deficit 2022/23	(8831)	Total Reserves Expected 31/3/23	<u>13875</u>

The Treasurer had originally presented a Preliminary Budget to the Committee that showed no change to the Precept and a full allocation of grants yielding a Reserve for **31/03/23 of £11175**.

Despite the Committee recommending a reduction of £1700 in grant applications the Reserve figure projection was still a small concern. Therefore the Committee agreed to recommend a small increase in the Precept of £1000 to £14350.

This recommended increase in Precept was reinforced by the proposal that the monies budgeted for the unapproved lights (£3000) be returned to the Reserves and the funds be allocated towards the shortfall in the Footpath project. Any future decision to fund the unapproved lights should be met from Reserves and a review of the Precept at a future date.

With those recommendations the projected Reserves as at **31/03/23** would be boosted by **£2700** to **£13875**.

The Committee were mindful of the impact that an increase of the Precept would have on the Parishioners facing other cost implications on their personal finances but felt that the Footpath project and the grants to local organizations justified a more positive return of benefits with a small increase.

To Summize

The following Recommendations

- 1 To grant a total of £6066 to local organizations with a proviso for the Village Hall out of a total application of £7766.**
- 2 To grant £500 to local groups to celebrate the Queen's Platinum Jubilee.**
- 3 To use the Unapproved lights fund of £3000 towards the Footpath Project and consider the Unapproved Lights when deemed necessary.**
- 4 With the Approved Footway Lights grants ceased all future costings to be incorporated in the Budget under Maintenance.**
- 5 To increase the Precept by £1000 to £14350 to reflect the above recommendations.**

Finally

The maturing Lease agreement with Croglin Ltd was scrutinized and the Committee found no further changes were required to the clauses and that the existing wording is still applicable for the next 5 years. Only the dates, frequency of rental payment per annum and increased amount would need adjustment.

The meeting closed at 8.55pm

Chris Hoy
Treasurer
18.11.2021