

Minutes of the meeting on Tuesday 29th November of the Finance and Budget Committee on Grants, Budget and Precept for 2023/24

In attendance – Councillors :- Chris West (Chair), Angie Miller 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 2022 meeting of the Parish Council.
- 2. Apologies** – Tim Wright
- 3. Declaration of Interests** – Tim Wright as Eden Valley Players member in Apologies.
- 4. Appointment of Chair** – Chris West.
- 5. Appointment of Minute Taker** – Chris Hoy
- 6. Grant Applications for 2023/24** – see below.
- 7. Budget and Precept for 2023/24** – see below.
- 8. 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 2023/24. 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.

6. Grant Applications for 2023/24

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 7th December 2022.

Lazonby Festive Donation Tree Club

Applied for £120

Recommendation £ 50

Financial assistance to cover the cost of purchasing a Christmas Tree, decorations and additional lights to raise money by donating to Jigsaw Charity. The tree will be placed outside the Midland.

The Committee agreed that this application was for charitable purposes, however felt that it was difficult to award a full allocation as it failed to meet all our grant criteria. No evidence was submitted of any other fundraising program and no evident constitution or financial accountability. Thus a recommendation of £50 as a one off grant only under guidelines that recurring grant applications for the same activity will not normally be considered unless under special circumstances was proposed.

Eden Valley Players

Applied for £2306

Recommendation £1200

Financial assistance to purchase wireless microphone headsets and 1 handheld microphone for productions.

The Committee agreed that this application met our grant criteria and would provide many benefits to the parish and therefore proposed that £1200 be granted to cover the cost of the wireless mic headsets that would enhance both the players and audiences experience.

Total Applications £2426

Total Recommendations £1250

7. Budget and Precept for 2023/24

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 2023** the projected reserves are estimated as **£14392**.

This figure was agreed by the Committee as a starting point for calculating the future Reserves, Budget and Precept for 2023/24.

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

- 1 The Council has operated since my tenure as Treasurer with reserves between £17k and £20k. Reserve projections now show a reduction of between £5 - £8K from historic levels. The Council has spent substantially on grant allocations £5066, Jubilee grants £375 and Ukrainian Appeal £500. New fencing for Parish Field £1560, New Garage Door for stores £2000, full adoption of 6 more village footway lights £2520 and £3000 contributed to Footway Project.
- 2 Salaries are expected to rise more considerably if inflation becomes deeply entrenched over the next few years, from 2019 to 2023 an increase of £3000.
- 3 The Lazonby Pool Service Agreement that allocates funding up to a maximum of £2500 per annum has never yet breached £1800, however the new 5 year agreement will allocate some extra cost for repairs and replacements to equipment for the first time which may result in a maximum cost in future years.
- 4 Rental income could be affected, it is not certain that the Chip Van will remain in use although Croglin Ltd has another 4 years on its lease.
- 5 Footway Lights in village may cost considerably more if electricity remains expensive, £1000 extra has been allocated to mitigate this possibility.

6 Treasurers Review :- The Council has spent significantly and wisely and is correct to have reduced reserves with a very minor increase in the precept of £1000 in this current financial year. The reserves are projected with some good health considering some £18k has been absorbed in grants, maintenance, lighting, projects and salaries recently. Looking further forward I believe the main expenditure concerns are inflationary costs incurred in staff salaries and the supply of electricity for our village lighting. Inflation is back forever albeit eventually into single figures but very high in recent times. Local grants are unpredictable to expect and the Lazonby Pool agreement has a ceiling.

I would avoid any increase in Precept this year as we have some reserves around the contingency base, enough to support the Parishioners who are facing at least two years of rising costs impacting their disposable incomes and pensions.

In my view raising the precept should be a reaction to costs that cannot be budgeted in advance over a few years when unaided with relevant information for guidance, local grant allocation is one example and in the new financial year take up for consideration is very small in comparison.

The Council's decision to adopt the footway lights was correct and costs whilst higher in the short term should not reflect the Council's decision to raise the precept further on that premise. Staff costs pro rata to the precept could be a debatable area going forward.

Therefore I am of the opinion that no change is necessary at present when enough reserve is available, reacting only to substantial changes as I have mentioned.

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 2023/24.

This has now been revised with the Finance Committee proposals and a Budget for 2023/24 has now been recommended to the Full Committee for approval.

Budget 2023/24 For Full Committee Approval

Income

Precept	14350
Fishing Permits	500
Recycling Credits	500
Vat Recovery	1650
Rents	3150
Wayleave	35

Total 20185

Expenditure

Salaries	10000
Staff Expenses	800
Local Grants	1250
Subscriptions	275
Training	200
Maintenance	3500
Operating Costs	5250
Capital/Projects	0
Misc Exp	200

Total 21475

Total Income 2023/24	20185	Expected Yearend Reserves 31/3/23	14392
Total Expenditure 2023/24	<u>21475</u>	Preliminary Budget Deficit 2023/24	<u>(1290)</u>
Total Deficit 2023/24	(1290)	Total Reserves Expected 31/3/24	<u>13102</u>

The Treasurer initially presented a Preliminary Budget that included an unchanged Precept from 2022/23 and 100% allocation of grant application to determine the impact on Reserves for 2023/24.

The Committee recommended a reduction of £1176 in the grant applications for 2023/24 which would have the effect of boosting Reserves by that amount, well above the contingency base as reported in Fin Regs 3.4

With those recommendations the projected Reserves as at **31/03/24** would be boosted by **£1176** to **£13102**.

The Committee therefore proposed that **no increase in the Precept was necessary**, Reserves were adequate with no projects unfunded scheduled. Reserves were deemed enough to support Parishioners facing rising costs impacting their disposable incomes and pensions.

To Summize

The following Recommendations

- 1 To grant a total of £1250 to local organizations.**
- 2 To leave the Precept unchanged at £14350 to reflect the above recommendations.**

The meeting closed at 11.30am

Chris Hoy
Treasurer
29.11.2022