

HENFIELD PARISH COUNCIL - FINANCE RISK & CHANGE GOVERNANCE COMMITTEE

Meeting of the **Finance Risk & Change Governance Committee** held on **Tuesday 20th December 2022 at 7:00pm** in the Committee Room at The Henfield Hall.

Present: Cllrs E Goodyear (Chairman), M Eastwood, G Perry, A Donoghue, J Jones and R Shaw.

In attendance: Mr K Wright (Clerk) and Mrs R Grantham (Operations Manager).

MINUTES

1. **DECLARATION OF MEMBERS' INTERESTS**

None.

2. **APOLOGIES**

Cllr N Farrell.

3. **APPROVAL OF THE MINUTES OF THE MEETING HELD ON 15th NOVEMBER 2022**

Approved, signed and dated by the Chairman.

4. **MATTERS ARISING**

There were none.

The Chairman adjourned the meeting.

OPEN FORUM

There were no members of the public present at the meeting.

The Chairman reconvened the meeting.

5. **CHAIRMAN'S ANNOUNCEMENTS**

All mid-term performance reviews have been carried out for Parish Office staff.

The Clerk will be having an operation on the 3rd January and will require several weeks sick leave to recuperate. The Chairman asked Councillors to bear this in mind in that there will be reduced Parish Office resources at this time.

Cllr Donoghue joined the meeting.

6. **MOTION: APPROVAL OF 2023/24 BUDGETS FOR SUBMISSION TO FULL COUNCIL**

The draft budget had been accepted by Full Council in December, however there was some concern expressed regarding the depletion of General Reserves (GR). Therefore, various options were discussed including the following;

- To fund Cemetery Reserves £5,000 and Playing Field Reserves £1,500 from precept rather than GR, thereby increasing precept by 10.8%, leaving GR 40% of precept. Cemetery and Playing Fields are both statutory obligations.
- To fund Cemetery Reserves £5,000 only, resulting in a 10.2% increase in Precept.
- To fund £4,000 of the £5,000 Cemetery Reserves from Precept, resulting in a 9.9% increase in Precept.
- To fund £3,000 of Recreation and Open Spaces (ROS) and Parish Council Operations Reserve from Precept, resulting in a Precept increase of 9.5%.

Following further discussion, it was felt that it would be appropriate to keep any increase in Precept to below 10%, therefore the third option was selected, funding £4,000 of Cemetery Reserves from Precept. This takes GR to £120,673 (39.6% of Precept), total expenditure to £354,939 and a Precept of £304,789.

It was **PROPOSED** by the Chairman, **SECONDED** by Cllr Eastwood and **VOTED ALL IN FAVOUR** to approve the 2023/24 budget with total expenditure of £354,939 for submission to Full Council.

Action Point: The Clerk to inform all Councillors and issue a revised draft budget.

7. **MOTION: APPROVAL OF 2023/24 PRECEPT FOR SUBMISSION TO FULL COUNCIL**

See discussion under item 6.

It was **PROPOSED** by the Chairman, **SECONDED** by Cllr Shaw and **VOTED ALL IN FAVOUR** to approve the 2023/24 Precept of £304,789 for submission to Full Council.

8. **CONSIDER AND RECOMMEND PARAMETERS FOR FUTURE GENERAL RESERVES & EARMARKED RESERVES**

As advised by the auditor, it was agreed that for a Parish Council of this size, a suitable average for future GR should be 50% of Precept and that setting minimum and maximum percentages would also be advisable. Initially 30% minimum, 50% average and 70% maximum was selected, with an overall total reserve (including allocated) being 80% minimum, 150% average and 220% maximum. Following discussion, it was felt that the parameters for total reserves were too wide, so the following was agreed:

- Total Reserves minimum 100%, average 150%, maximum 200% of Precept.
- Allocated Reserves minimum 50%, average 100%, maximum 150% of Precept.
- General Reserves minimum 30%, average 50%, maximum 70% of Precept.

It was **PROPOSED** by Cllr Shaw, **SECONDED** by Cllr Perry and **VOTED ALL IN FAVOUR** to recommend to Full Council the parameters agreed above for future General and Allocated Reserves.

Action Point: The Clerk to include a motion for the above on the agenda for Full Council in January.

Action Point: The Clerk to ensure that the parameters are added to the Financial Regulations if approved by Full Council.

Cllr Eastwood requested that the Tree Reserve is renamed as the Tree and Commons Restoration reserve in order to demonstrate to Horsham District Council that funds are set aside in order for them to match fund for restoration works to the Commons. This whole reserve would remain the responsibility of the ROS committee. This removes the need to fund £4,000 Commons reserve from GR. This change was **all agreed**, and as it is only a change of budget name, a motion is not deemed to be necessary.

Cllr Eastwood also requested that a further £10,000 is set aside for Scout Community Building project, taking the total Parish Council contribution to £30,000 which represents 10% of the original project cost. This could be funded by £5,000 from CIL and £5,000 from the Community Buildings reserve. A fixed price contract has now been signed for the works and steels have been purchased. Construction begins in January 2023 and the project is still £60,000 short on funds needed. Any Parish Council contribution will not be paid until the works are near completion.

It was all agreed to support a recommendation to Full Council that a further £10,000 contribution is considered for the Scout Community Building Project at such time that they can demonstrate that the costs are fixed and works are near to completion.

9. **FEEDBACK FROM THE BIODIVERSITY OVERSIGHT GROUP**

An updated Carbon Tracker was circulated prior to the meeting. The Chairman explained that she will be seeking advice from the Centre for Sustainable Energy in order to complete a more in-depth energy audit and supplier audit. It was agreed to begin with the top three suppliers in terms of cost. Ongoing projects also include promotion of the impact tool, encouraging Councillors to track and reduce their own carbon impact. It was also agreed to promote four to five clear carbon reduction statements. These will all be discussed further at a Biodiversity Oversight Group meeting in January.

Action Point: The Operations Manager to arrange a meeting date for January 2023.

10. **REVIEW THE PARISH COUNCIL'S H R POLICIES**

Both the Chairman and Clerk had reviewed the documentations and It was all agreed to update the reference to the Data Protection Act to GDPR 2018 and to include that the Parish Council now have some employees on Zero hours contracts with the rate of pay as the National Living Wage. Cllr Shaw agreed to review the Pension Policy and the Clerk confirmed that he has updated the details with

the regulator recently for the two works officers ,who are above pension age. This was prompted the three yearly review conducted by the Pension Regulator. The new Safeguarding policy will need to be included once approved by Full Council.

Action Point: The Clerk to include the Safeguarding Policy in the HP Policy Overview once approved by Full Council.

Action Point: Cllr Shaw to review the Pension Policy.

11. FINANCE

- a) Confirmation of Reconciliation of Bank Accounts (November).
Each signed and dated by two Councillors.
- b) Internal Controls (To Include Audit Check of Expenditure) – November.
Signed and dated by two Councillors.
- c) Approve Setting Up an Ethical Bank Account.
This was a commitment set out and agreed in the Carbon Reduction policy. In addition, the auditor recommended opening a further account as the balance in the HSBC account is in excess of the amount protected by the Financial Compensation Scheme. Cllr Eastwood advised considering fixed and variable rates of return as well as ethical and sustainability credentials when selecting a new savings account. Therefore, it was agreed that the Biodiversity Oversight Group would conduct further research in order to make a recommendation to this committee in the New Year. Two further accounts may be needed to reduce the HSBC balance sufficiently.
- d) Switch £2,300 From the Kings Field Trust Account.
This was included in the budget for this year and is due to reduce to £1,900 in 2023//24. It was **all agreed** to proceed with the transfer.
- e) Consider Payments to the St Peter's Church and Henfield Club.
This was included in the budget. It was **all agreed** to make the usual payment of £200 to the Henfield Club towards Remembrance and maintenance of the War Memorial and £500 to St Peter's Church towards graveyard maintenance.
- f) To Approve Payment for a Community Fridge.
£1,000 was set aside towards the Cost of Living Crisis. It was **all agreed** to spend £350 of this on an energy efficient Community Fridge to be located in the Leisure Centre reception, as well as £50 for the annual cost of the electricity. The Chairman explained that volunteers are in place to collect out of date produce daily from local businesses. There will also be some shelving for bread and vegetables. The food will be available for anyone to take and will have a positive effect on tackling waste.
- g) To Approve the Increase in Fidelity Insurance Cover From £400K to £500K.
This was a recommendation by the auditor due to the balance often in Parish Council bank accounts. It was **PROPOSED** by Cllr Eastwood, **SECONDED** by Cllr Shaw and **VOTED ALL IN FAVOUR** to increase the fidelity insurance cover to £500,000.

Action Point: The Clerk to arrange the increase in cover and to advise the committee of the additional premium.

12. ANY OTHER URGENT MATTERS TO BE RAISED BY COUNCILLORS

Cllr Donoghue advised that, following a cemetery fees review discussion, it had come to light that the Works Officers carry out cremated remains plot preparation for additional payment, sometimes during Parish Council working hours. It was **all agreed** that in principle this should not take place on Parish Council time, but that if it does the time is made up elsewhere. The committee agreed that they are confident that this is already the case.

Action Point: The Clerk to reinforce with funeral directors that payments must be made directly to the works officer concerned and not through the Parish Council.

13. DATE OF NEXT MEETING

Tuesday 31st January 2023.

Meeting Closed at 8.38pm.