

MINUTES of the Finance Committee meeting held at Newburgh School, Newburgh on Wednesday 15 January 2019 at 7.30pm.

PRESENT: Cllrs Citarella, (Chair), Moore, O'Keefe, Baker (Finance Committee) and Clerk S Jones.

Cllrs Turner, Atty, Roughneen and Casey also attended.

1. APOLOGIES: None
2. DECLARATIONS OF INTEREST
Cllr Casey declared an interest in all items regarding Newburgh Fair as she is Chair of the Newburgh Fair Committee.
3. SPENDING PLANS 2019/20 AND BUDGET 2020/21
Discussions centred on the appendices attached to the Agenda, which were examined and understood.

Forecast Year End Expenditure and Income 2019/20

It was noted that a small underspend in running costs is predicted for the end of the current financial year compared to the budget, partly due to less money being spent on village environment issues during the year than originally planned. Less expenditure has been incurred as Parish Councillors and residents have been litter picking and taking part in other tasks during the year to keep the village tidy. In addition, the Parish Council was successful in gaining a grant from the Lancashire County Council Parish Champion, which helped to contribute towards the cost of Newburgh Fair and also received a grant from Lancashire County Council towards the cost of monitoring the village footpaths. The Clerk confirmed that the Concurrent Grant from West Lancashire Borough Council is forecast to be fully spent by the end of the financial year. The proposed transfer of Bluebell Wood and the adjoining field into Parish Council ownership has incurred legal and planning costs during this financial year, however, these should be covered by the cash back obtained by changing the Parish Council bank account during the year.

Forecast Year End Reserves 2019/20

Overall, reserves are expected to be increased by the forecast underspend. The breakdown of the resulting reserves will be amended, although the Twinning, External Audit, IT, Elections and CPRE (contribution towards a demographer regarding the West Lancashire Borough Council Local Plan) reserves will remain unchanged. The Footpath Delegation Scheme reserve will be increased from £1,110 to £1,145 to take account of the additional monies received from Lancashire County Council during this financial year. Any additional monies from the forecast underspend could be added to the general reserve, Village Maintenance reserve or Bluebell Wood reserve, depending on the decision taken at the January Parish Council meeting.

Budget 2020/21

- a) Although there are some unknowns this year, many budgets are proposed to stay the same. Some budgets recommended to increase include the clerk's salary and Parish Council insurance. The clerk's salary budget increase is due to additional hours agreed during 2019 following an increased workload for the previous two years. The insurance budget has been increased as the current three year deal is due to end in May and at this stage the cost is unknown, especially if the proposed transfer of Bluebell Wood and field takes place. The overall impact of these changes is an increase of £1,000 to the current year budget, prior to any capital expenditure or a dedicated budget for Bluebell Wood and adjoining field.
- b) With regards to income, the Concurrent Grant budget from West Lancashire Borough Council has stayed the same. It is also not known at this stage whether Lancashire County Council will offer a grant this year for the monitoring of village footpaths (£250 received this year).

- c) Items of capital expenditure were discussed by Councillors and focussed on two main areas:

- costs relating to the Bluebell Wood and adjoining field transfer

A draft budget has forecast expenditure of approximately £4,000 for the first year although there could be further costs depending on how the transfer progresses. It was suggested to split the cost between the precept budget and current reserves, which would result in a further £2,000 being added to the budget. Councillors felt that this project was the priority for the next 12 months.

- Additional lights for the Christmas tree on the green

Some residents had been in contact with the Parish Council to request extra lights for the Christmas tree. The current set of lights bought a few years previously had cost over £500 so an additional set was likely to cost £600 plus. Councillors discussed the issue but felt that as additional funds had to be raised for Bluebell Wood it would not be fair to ask residents to pay for a further addition to the budget. However, it was agreed to reconsider the issue in the Summer when there would be greater certainty over the expenditure for Bluebell Wood and possibly an underspend elsewhere in the budget, which may cover the cost of the lights.

- d) It is hoped that an application for a grant could be made to the West Lancashire Borough Council Capital Scheme towards some of the expected costs for Bluebell Wood, however, confirmation will only be received around May and as this is not guaranteed, this income could not be included in the budget calculation.

Although the Parish Council will use reserves when required, it is important that all the reserves are not used up in case an unforeseen emergency may arise, for which we would not get grant funding. The level of current reserves should be sufficient when considering expenditure known to the Parish Council at this stage. However, without increasing the budget, we would have to use some of the reserves to pay for all the costs proposed for the Bluebell Wood transfer as outlined above.

The Council is asked to consider three options at the Parish Council meeting on 22 January:

- **Option 1: Increase the budget to £14,710**
- **Option 2: Increase the budget by £1,000 to £15,148 to provide for the additions to the clerk's salary budget and Parish Council insurance budget for 2020/21 as outlined in paragraph 3a. However, this would leave all the estimated costs for Bluebell Wood of approximately £4,000 having to be met by reserves.**
- **Option 3: Increase the budget by £3,000 to £17,148 to provide for a greater proportion of the forecast costs of Bluebell Wood to minimise the use of reserves.**

4. LEVEL OF PRECEPT 2020/21

Precept history was presented and considered at the meeting.

The Council is asked to consider the three options as outlined above:

- **Option 1 will result in the cost per household staying the same as this current year, currently £30.02 based on a Band D property**
- **Option 2 will result in an increase of £1,000 which represents a 2.83% increase to the precept and an additional £0.85 increase to the current rate of £30.02 (new rate £30.87) for a Band D property**
- **Option 3 will result in an increase of £3,000 which represents 16.7% increase to the precept and an additional £5 increase to the current rate of £30.02 (new rate £35.02) for a Band D property.**