

# NOTICE OF MEETING

## Finance & General Purposes Committee

7.45pm on Thursday 22 April 2021 (Virtual meeting)

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To Councillors

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Mrs Barnard, Ms Dulieu, Fitzwilliams, Strudley and Mrs Wallen

**You are summoned to attend a virtual meeting of the Finance & General Purposes Committee on Thursday 22 April 2021 at 7.45pm**

**The meeting will take place on the Zoom platform. Please use the link in the e-mail or use the following details**

Meeting ID: 839 3410 8935

Passcode: 647487

Any apologies for absence should be communicated to the Clerk ahead of the meeting.



**Jason Mawer**

Clerk to the Council

### **The seven principles of public life**

Selflessness | Integrity | Objectivity | Accountability | Openness | Honesty | Leadership

# AGENDA

## Meeting of the Finance & General Purposes Committee

7.45pm on Thursday 22 April 2021 (Virtual meeting)

Sound recording, photography, filming and use of social media at meetings that are held in public are permitted. Those wishing to record proceedings are however advised to contact the Parish Clerk for further information before the start of the meeting. **This meeting will be recorded by the Clerk through the Zoom platform to assist with the production of the minutes of the meeting.**

No.	Item	Page
001.	<b>Apologies for absence</b>	
002.	<b>Declarations of interest</b> Members are asked to declare any disclosable interest or affected interest in respect of any matter to be considered at this meeting.	
003.	<b>Minutes of the previous meeting</b> To approve the minutes of the Finance & General Purposes Committee of 23 March 2021	3
004.	<b>Matters arising from the previous meeting</b>	5
005.	<b>Finance update to end March 2021</b> To receive an update on the finances to the end of March 2021.	6
006.	<b>Standing Orders</b> To review the council's standing orders	16
007.	<b>Financial Regulations</b> To review the council's financial regulations	17
008.	<b>Financial Management Supporting Documents</b> To consider the financial management supporting documents	18
009.	<b>Asset Register as at 31 March 2021</b> To review the year end asset register	35
010.	<b>Responsible Financial Officers Report</b> To receive a verbal update from the Clerk	
011.	<b>Future agenda items and date of the next meeting</b> The next meeting will be on Tuesday 25 May 2021.	39
012.	<b>Closure of the meeting</b>	

**MINUTES OF THE PREVIOUS MEETING**

held **virtually** on **Tuesday 23 March 2021** at **7.45pm**

**Present:** Councillors Strudley (Chair), Mrs Barnard, Ms Dulieu and Fitzwilliams and Mrs Wallen

**In attendance:** The Parish Clerk

*Ahead of the meeting a minute silence was held on the national day of reflection on the anniversary of the first national lockdown to remember the victims of COVID-19*

**001. Apologies for absence**

No apologies were due.

**002. Declarations of interest**

No declarations of interest were received.

**003. Minutes of the previous meeting**

The minutes of the meeting of 16 February 2021 were circulated to members in advance of the meeting. Approval of the minutes was proposed by Cllr Ms Dulieu and seconded by Cllr Mrs Wallen and the minutes were **APPROVED** by members present.

**004. Matters arising from the previous meeting**

There were no matters arising from the previous meeting.

**005. Financial Report**

The Financial Report to the end of February 2021 was circulated to members ahead of the meeting. An update on debt would be presented at the March meeting.

The Clerk updated members on historic debt and explained the difference in figures resulted from the method of accounting for credit payment on accounts.

Regular income from hires reduced as a result of writes-offs agreed previously by the committee.

The report was noted.

**006. Potential funding for a response to the Bracknell Forest Local Plan**

A proposal to provide £2,000 funding for consultancy support in developing a response to the Bracknell Forest Local Plan was proposed by Cllr Ms Dulieu, seconded by Cllr Mrs Barnard and **APPROVED** by members present.

**007. Policy Development Framework**

The Policy Development Framework was circulated to members ahead of the meeting. Cllr Ms Dulieu proposed recommending the Policy Development Framework for approval by council. This was seconded by Cllr Mrs Barnard and **APPROVED** by members present, with one abstention.

**008. Complaints Policy**

The Complaints Policy was circulated to members ahead of the meeting. Cllr Mrs Wallen proposed recommending the Complaints Policy for approval by council. This was seconded by Cllr Ms Dulieu and **APPROVED** by members present.

**009. Financial Management Supporting Documents**

The Clerk circulated information on documents being prepared to support financial management. The documents would be brought forward to future committee meetings.

The report was noted.

**010. Future agenda items and date of the next meeting**

Items for future agenda items were circulated to members. The Clerk was asked to circulate the Parish Plan update and include the Co-option process onto the list, The date of the next meeting was agreed as Thursday 22 April 2021 at 7.45pm.

**011. Closure of the meeting**

The meeting closed at 8.41pm

**MATTERS ARISING**

**FINANCIAL UPDATE TO THE END OF MARCH 2021**

**1.0 Purpose**

1.1 This report contains the interim financial report to the end of March 2021. The report is interim as we complete the year end updates. It contains the usual financial data with the appropriate commentary. The report contains the financial report and balance sheet.

**2.0 Key points summary**

- Hall income was invoiced in March for pre-school and COVID Test Station
- Historic debt activity continued
- VAT repayment received
- General reserves exceed 3 month level required

**3.0 Balance Sheet**

3.1 The balance sheet shows the position to 31 March 2021.

3.2 The historic debt position has improved through the month and is detailed late in this report. The increase shown in the overall position is due to the invoicing for the COVID testing station at the end of March.

3.3 VAT reclaim was received in March for £18k and is accounted for in this report. A claim for the 2020-21 has been submitted as part of the year end work.

**4.0 Financial Report**

4.1 This report shows a predicted shortfall for the year. Adjustments have not yet been made to take account of planned transfers agreed as part of the budget process.

4.3 Members should note that direct costs associated with COVID-19 are recorded separately. These are costs related to preparing the halls, for additional cleaning and sanitising materials, as well as signage and protective equipment and screening.

4.4 hall income was generated in the period from rental charges to the pre-school at Whitegrove and the COVID testing station at Brownlow Hall.

4.5 Increased costs for energy use and contract cleaning at the Brownlow Hall are covered within the hire agreement for the testing centre.

**4.0 Items for attention**

4.1 General information

100	1090	Interest received	Interest rates were cut by the Bank of England early in lockdown. Advice is that this position will not change in the short to medium term.
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110	4060	Insurance	The additional insurance cost is due to cyber protection cover.
120	4130	RBS Licences	The overspend results from the additional module purchased earlier in the year to support the revised reporting tools.
140		Wages and salaries	The national pay award for 2020-21 has been agreed and can be met from the budget provision. Provision has been made for the recruitment of a Finance Officer and this accounts for part of the underspend to date.
150	4300	Neighbourhood plan costs	The overspend occurred from costs associated with review and submission of the HRA and is covered by reserves
600	1430	Cottage rent	The cottage rent payment schedule for 2021-22 is correct and all payments received. There appears to be an error with how the outstanding amount was carried over, that needs to be checked further.
600	4000	Rent	The rent payments for the hall are up to date. The next payment is due in March.
600	4015	Water	A revised bill of £1,066 has been received for the year, so the account line will be adjusted as part of the year end clear up.
610	4010	Energy costs	The Clerk has chased invoices for energy costs from BFC.
710	4254	Inspections	The Amenities Committee has agreed to remove the play area due to ongoing maintenance issues. The costs associated can be met from this budget.
720	1420	Allotment rent	Allotment rent payments were fully collected in early February 2021. The difference shown is due to some lets only taking place late in the year
720	4805	Allotment delivery costs	A final overspend of £5,090 is reported, although this has incorporated some spending originally budgeted for 21-22.

790	4590	Warfield 125 activity	A refund for the cancelled tree order was processed in February. This sum will be carried over to 2021-22.
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## 5.0 Historic Debt update

5.1 The historic debt profile as at 31 March 2021 was:

	Outstanding invoices
2017	£93
2018	£519
2019	£987
2020	£492
<b>Total</b>	<b>£2,091</b>

5.2 Work on outstanding debt is continuing. Of the historic debt, we have agreed repayment arrangements for £897.50. We are in dispute on a total of £870.92 which we are investigating. The remaining accounts are being worked through.

5.3 The above figure excludes an invoice raised on 31 March for £4,800 which is due for settlement by 30 April. The reported debt figure totals £6,692. The difference of £199.50 is due to a credit payment made in error by a hirer.

## 6.0 Carryover to 2021-22

6.1 At this stage the following items will be carried over for 2021-22:

170 4395 Parish Plan delivery costs - £3,000 (not required before April)

790 4590 Trees for Cabbage Hill - £750 (not required before Autumn 2021)

## 7.0 General Reserves at Year end

7.1 The General Reserve at year end is £62,728. As reported in September, the general reserve should be at a level that exceeds 3 months of the councils calculated Net Revenue Expenditure (NRE). The calculated 3 months NRE is £51,120. The year end figure reported represents over 3½ months NRE.

## 8.0 Questions

8.1 The Clerk will be happy to assist members with any queries following the meeting.

## Balance Sheet as at 31 March 2021

31st March 2020

31 March 2021

31st March 2020		31 March 2021	
<b>Current Assets</b>			
12,538	Debtors	6,692	
18,183	VAT Control Account	14,244	
16,230	Prepayments	2,463	
11,419	Lloyds Current Account	28,385	
22,532	Lloyds Instant Access Deposit	80,707	
364,045	Lloyds 32 Day Deposit	403,752	
100,277	CCLA Deposit	250,502	
40,000	Lloyds Fixed Term (Transfer)	0	
50	Caretaker's Float	50	
0	Nationwide 35 Day Saver	100,067	
<b>585,274</b>			<b>886,862</b>
<b>585,274</b>	<b>Total Assets</b>		<b>886,862</b>
<b>Current Liabilities</b>			
12,790	Accruals	11,469	
<b>12,790</b>			<b>11,469</b>
<b>572,483</b>	<b>Total Assets Less Current Liabilities</b>		<b>875,393</b>
<b>Represented By</b>			
33,251	General Reserves	62,278	
435,424	Reserves - CIL	759,431	
2,500	Reserves - Elections	2,500	
5,000	Reserves - Neighbourhood Plan	4,350	
25,000	Reserves - Parish Facilities	0	
3,000	Reserves - Whitegrove CC	3,000	
44,475	Reserves - Brownlow Hall - lea	20,000	
23,834	Reserves - Frost Folly upkeep	23,834	
<b>572,483</b>			<b>875,393</b>

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent
<b><u>Council Administration</u></b>						
<b><u>100 Parish Council Income</u></b>						
1076 Precept	212,670	212,670	0			100.0%
1090 Interest received	736	3,000	2,264			24.5%
Parish Council Income :- Income	<u>213,406</u>	<u>215,670</u>	<u>2,264</u>			<u>99.0%</u>
Net Income	<u>213,406</u>	<u>215,670</u>	<u>2,264</u>			
<b><u>110 Office costs</u></b>						
4000 Rent	23,500	23,500	0		0	100.0%
4010 Energy costs	883	1,000	117		117	88.3%
4025 Telephone & broadband	750	722	(28)		(28)	103.8%
4030 Postage	4	163	159		159	2.3%
4035 Stationery	924	875	(49)		(49)	105.6%
4036 Office printing	518	650	132		132	79.7%
4040 Contract cleaning	660	641	(19)		(19)	103.0%
4042 Window cleaning	80	240	160		160	33.3%
4045 Cleaning materials	99	100	1		1	99.0%
4050 Waste collection	176	180	4		4	97.8%
4060 Insurance	2,497	1,850	(647)		(647)	135.0%
4135 Data Protection	111	225	114		114	49.4%
4250 Responsive maintenance	533	500	(33)		(33)	106.7%
4254 Inspections	94	250	156		156	37.6%
4900 Other costs	436	500	64		64	87.2%
4999 COVID-19 cost	694	0	(694)		(694)	0.0%
Office costs :- Indirect Expenditure	<u>31,959</u>	<u>31,396</u>	<u>(563)</u>	<u>0</u>	<u>(563)</u>	<u>101.8%</u>
Net Expenditure	<u>(31,959)</u>	<u>(31,396)</u>	<u>563</u>			
<b><u>120 Administration</u></b>						
4080 Audit fees	2,240	2,000	(240)		(240)	112.0%
4085 Legal fees	0	2,000	2,000		2,000	0.0%
4090 Memberships	389	2,000	1,611		1,611	19.4%
4105 Website	360	500	140		140	72.0%
4110 IT hardware	3,284	3,400	116		116	96.6%
4115 IT software	399	525	126		126	75.9%
4120 Training	1,091	1,400	309		309	77.9%
4125 IT licences	1,979	1,745	(234)		(234)	113.4%
4130 RBS licences	1,831	1,309	(522)		(522)	139.9%
Administration :- Indirect Expenditure	<u>11,573</u>	<u>14,879</u>	<u>3,306</u>	<u>0</u>	<u>3,306</u>	<u>77.8%</u>
Net Expenditure	<u>(11,573)</u>	<u>(14,879)</u>	<u>(3,306)</u>			

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent
<u>130 Democratic Services</u>						
4380 Chairman's allowance	29	300	271		271	9.7%
4900 Other costs	223	225	2		2	99.0%
Democratic Services :- Indirect Expenditure	<u>252</u>	<u>525</u>	<u>273</u>	<u>0</u>	<u>273</u>	<u>48.0%</u>
Net Expenditure	<u>(252)</u>	<u>(525)</u>	<u>(273)</u>			
<u>140 Wages &amp; Salaries</u>						
4350 Salaries	61,579	71,196	9,617		9,617	86.5%
4355 Pension contributions	8,965	9,031	66		66	99.3%
4360 National Insurance cont.	4,676	4,982	306		306	93.9%
4365 Expenses	0	250	250		250	0.0%
4370 Payroll operating cost	135	150	15		15	90.0%
Wages & Salaries :- Indirect Expenditure	<u>75,355</u>	<u>85,609</u>	<u>10,254</u>	<u>0</u>	<u>10,254</u>	<u>88.0%</u>
Net Expenditure	<u>(75,355)</u>	<u>(85,609)</u>	<u>(10,254)</u>			
Council Administration :- Income	213,406	215,670	2,264			99.0%
Expenditure	119,139	132,409	13,270	0	13,270	90.0%
Movement to/(from) Gen Reserve	<u>94,267</u>					
<u>Regular commitments</u>						
<u>150 Parish Commitments</u>						
4200 Jealotts Hill Comm Lshare	8,600	8,600	0		0	100.0%
4201 JHCL restructure costs	0	5,000	5,000		5,000	0.0%
4210 BFC Loan repayment	8,191	8,191	(0)		(0)	100.0%
4225 Youth provision	180	2,570	2,390		2,390	7.0%
4300 Neighbourhood plan costs	1,650	1,000	(650)		(650)	165.0%
Parish Commitments :- Indirect Expenditure	<u>18,621</u>	<u>25,361</u>	<u>6,740</u>	<u>0</u>	<u>6,740</u>	<u>73.4%</u>
Net Expenditure	<u>(18,621)</u>	<u>(25,361)</u>	<u>(6,740)</u>			
6000 plus Transfer from EMR	650					
Movement to/(from) Gen Reserve	<u>(17,971)</u>					
<u>160 BFC Partnership Expenditure</u>						
4320 RoW management contribution	2,234	2,244	10		10	99.6%
4325 Lily Hill Park contribution	5,440	5,440	0		0	100.0%
BFC Partnership Expenditure :- Indirect Expenditure	<u>7,674</u>	<u>7,684</u>	<u>10</u>	<u>0</u>	<u>10</u>	<u>99.9%</u>
Net Expenditure	<u>(7,674)</u>	<u>(7,684)</u>	<u>(10)</u>			

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent
<u>180 Grants</u>						
4400 Section 137 grants awarded	12,120	12,350	230		230	98.1%
4405 Warfield Memorial Ground	9,000	9,000	0		0	100.0%
4415 Keep Mobile Comm. Transport	1,485	1,485	0		0	100.0%
4420 South Hill Park	1,250	1,250	0		0	100.0%
Grants :- Indirect Expenditure	<u>23,855</u>	<u>24,085</u>	<u>230</u>	<u>0</u>	<u>230</u>	<u>99.0%</u>
Net Expenditure	<u>(23,855)</u>	<u>(24,085)</u>	<u>(230)</u>			
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Regular commitments :- Income	0	0	0			0.0%
Expenditure	50,150	57,130	6,980	0	6,980	87.8%
Net Income over Expenditure	<u>(50,150)</u>	<u>(57,130)</u>	<u>(6,980)</u>			
plus Transfer from EMR	650					
Movement to/(from) Gen Reserve	<u>(49,500)</u>					
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<u>Planned expenditure</u>						
<u>170 Planned Expenditure</u>						
1120 Sales	0	500	500			0.0%
Planned Expenditure :- Income	<u>0</u>	<u>500</u>	<u>500</u>			<u>0.0%</u>
4095 The Wren - publication	18	1,450	1,432		1,432	1.2%
4096 The Wren - delivery	(0)	2,450	2,450		2,450	0.0%
4100 Other communications	171	1,000	829		829	17.1%
4215 Planning assistance costs	89	200	111		111	44.5%
4216 Speed awareness	0	200	200		200	0.0%
4220 Climate change provision	0	1,000	1,000		1,000	0.0%
4230 Green waste sack purchases	175	500	325		325	35.0%
4395 Parish Plan delivery costs	0	3,000	3,000		3,000	0.0%
Planned Expenditure :- Indirect Expenditure	<u>452</u>	<u>9,800</u>	<u>9,348</u>	<u>0</u>	<u>9,348</u>	<u>4.6%</u>
Net Income over Expenditure	<u>(452)</u>	<u>(9,300)</u>	<u>(8,848)</u>			
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Planned expenditure :- Income	0	500	500			0.0%
Expenditure	452	9,800	9,348	0	9,348	4.6%
Movement to/(from) Gen Reserve	<u>(452)</u>					

Amenities & Environment

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent
<u>600</u> <u>Brownlow Hall</u>						
1400 Hire - Regular	6,750	22,500	15,750			30.0%
1410 Hire - Casual	(462)	9,000	9,462			(5.1%)
1430 The Cottage rent	8,555	10,800	2,245			79.2%
1440 Sub Station rent	500	500	0			100.0%
Brownlow Hall :- Income	<u>15,342</u>	<u>42,800</u>	<u>27,458</u>			<u>35.8%</u>
4000 Rent	11,625	16,500	4,875		4,875	70.5%
4010 Energy costs	6,219	7,000	781		781	88.8%
4015 Water & sewerage	1,317	1,000	(317)		(317)	131.7%
4025 Telephone & broadband	400	379	(21)		(21)	105.5%
4040 Contract cleaning	5,730	4,080	(1,650)		(1,650)	140.4%
4042 Window cleaning	240	720	480		480	33.3%
4045 Cleaning materials	262	460	198		198	57.0%
4050 Waste collection	949	1,100	151		151	86.3%
4060 Insurance	1,049	1,005	(44)		(44)	104.4%
4250 Responsive maintenance	2,521	3,500	979		979	72.0%
4252 Planned maintenance	1,147	1,360	213		213	84.4%
4254 Inspections	761	850	89		89	89.5%
4260 Equipment purchase	211	500	289		289	42.3%
4620 Music licences	0	1,202	1,202		1,202	0.0%
4650 Tree & hedge maintenance	0	1,100	1,100		1,100	0.0%
4655 Hanging baskets	330	320	(10)		(10)	103.1%
4670 Caretaker payroll	5,661	5,692	31		31	99.5%
4685 Cottage maintenance	140	140	0		0	100.0%
4999 COVID-19 cost	1,423	0	(1,423)		(1,423)	0.0%
Brownlow Hall :- Indirect Expenditure	<u>39,987</u>	<u>46,908</u>	<u>6,921</u>	<u>0</u>	<u>6,921</u>	<u>85.2%</u>
Net Income over Expenditure	<u>(24,644)</u>	<u>(4,108)</u>	<u>20,536</u>			
<u>610</u> <u>Whitegrove Community Centre</u>						
1400 Hire - Regular	5,359	23,000	17,641			23.3%
1410 Hire - Casual	0	1,000	1,000			0.0%
Whitegrove Community Centre :- Income	<u>5,359</u>	<u>24,000</u>	<u>18,641</u>			<u>22.3%</u>
4000 Rent	200	200	0		0	100.0%
4010 Energy costs	79	3,000	2,921		2,921	2.6%
4015 Water & sewerage	(124)	0	124		124	0.0%
4025 Telephone & broadband	552	489	(63)		(63)	112.9%
4040 Contract cleaning	4,985	4,280	(705)		(705)	116.5%
4042 Window cleaning	240	720	480		480	33.3%
4045 Cleaning materials	290	460	170		170	63.1%

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent
4050 Waste collection	1,142	1,100	(42)		(42)	103.8%
4060 Insurance	630	1,200	570		570	52.5%
4250 Responsive maintenance	2,041	1,800	(241)		(241)	113.4%
4252 Planned maintenance	367	700	333		333	52.4%
4254 Inspections	784	750	(34)		(34)	104.5%
4260 Equipment purchase	194	500	306		306	38.7%
4600 Building improvements	130	14,000	13,870	13,500	370	97.4%
4620 Music licences	405	428	23		23	94.7%
4650 Tree & hedge maintenance	0	300	300		300	0.0%
4670 Caretaker payroll	5,661	5,692	31		31	99.5%
4999 COVID-19 cost	1,175	0	(1,175)		(1,175)	0.0%
Whitegrove Community Centre :- Indirect Expenditure	<u>18,752</u>	<u>35,619</u>	<u>16,867</u>	<u>13,500</u>	<u>3,367</u>	<u>90.5%</u>
Net Income over Expenditure	<u>(13,393)</u>	<u>(11,619)</u>	<u>1,774</u>			
<u>700 Memorial Ground Play Area</u>						
4000 Rent	1	1	0		0	100.0%
4250 Responsive maintenance	127	2,000	1,873		1,873	6.4%
4254 Inspections	1,069	1,202	133		133	89.0%
Memorial Ground Play Area :- Indirect Expenditure	<u>1,198</u>	<u>3,203</u>	<u>2,005</u>	<u>0</u>	<u>2,005</u>	<u>37.4%</u>
Net Expenditure	<u>(1,198)</u>	<u>(3,203)</u>	<u>(2,005)</u>			
<u>710 Brownlow Hall Play Area</u>						
4254 Inspections	130	206	77		77	62.9%
Brownlow Hall Play Area :- Indirect Expenditure	<u>130</u>	<u>206</u>	<u>77</u>	<u>0</u>	<u>77</u>	<u>62.9%</u>
Net Expenditure	<u>(130)</u>	<u>(206)</u>	<u>(77)</u>			
<u>720 Quelm Allotments</u>						
1420 Allotment rent	1,020	1,169	149			87.3%
Quelm Allotments :- Income	<u>1,020</u>	<u>1,169</u>	<u>149</u>			<u>87.3%</u>
4015 Water & sewerage	0	466	466		466	0.0%
4050 Waste collection	424	290	(134)		(134)	146.2%
4060 Insurance	629	610	(19)		(19)	103.2%
4250 Responsive maintenance	262	210	(52)		(52)	124.8%
4805 Allotment - delivery costs	20,090	15,000	(5,090)		(5,090)	133.9%
Quelm Allotments :- Indirect Expenditure	<u>21,405</u>	<u>16,576</u>	<u>(4,829)</u>	<u>0</u>	<u>(4,829)</u>	<u>129.1%</u>
Net Income over Expenditure	<u>(20,385)</u>	<u>(15,407)</u>	<u>4,978</u>			

	Actual Year To Date	Current Annual Bud	Variance Annual Total	Committed Expenditure	Funds Available	% Spent
<u>730 Frost Folly</u>						
4250 Responsive maintenance	20	0	(20)		(20)	0.0%
4252 Planned maintenance	2,927	4,548	1,621		1,621	64.4%
4650 Tree & hedge maintenance	250	300	50		50	83.3%
4999 COVID-19 cost	18	0	(18)		(18)	0.0%
Frost Folly :- Indirect Expenditure	<u>3,215</u>	<u>4,848</u>	<u>1,633</u>	<u>0</u>	<u>1,633</u>	<u>66.3%</u>
Net Expenditure	<u>(3,215)</u>	<u>(4,848)</u>	<u>(1,633)</u>			
<u>790 Events</u>						
4560 Family Cycle Ride	0	250	250		250	0.0%
4565 Vegetable Take & Grow	0	200	200		200	0.0%
4570 Arts Week	0	3,250	3,250		3,250	0.0%
4580 Summer of Fun event	0	4,000	4,000		4,000	0.0%
4585 Christmas tree	1,048	1,100	52		52	95.2%
4590 Warfield 125 activity	750	1,500	750		750	50.0%
Events :- Indirect Expenditure	<u>1,798</u>	<u>10,300</u>	<u>8,502</u>	<u>0</u>	<u>8,502</u>	<u>17.5%</u>
Net Expenditure	<u>(1,798)</u>	<u>(10,300)</u>	<u>(8,502)</u>			
Amenities & Environment :- Income	21,722	67,969	46,247			32.0%
Expenditure	86,484	117,660	31,176	13,500	17,676	85.0%
Movement to/(from) Gen Reserve	<u>(64,762)</u>					
Grand Totals:- Income	235,127	284,139	49,012			82.8%
Expenditure	256,225	316,999	60,774	13,500	47,274	85.1%
Net Income over Expenditure	<u>(21,098)</u>	<u>(32,860)</u>	<u>(11,762)</u>			
plus Transfer from EMR	650					
Movement to/(from) Gen Reserve	<u>(20,448)</u>					

**STANDING ORDERS**

This report will follow

**FINANCIAL REGULATIONS**

This report will follow

## **FINANCIAL MANAGEMENT DOCUMENTS**

### **1.0 Purpose of this report**

- 1.1 This report contains documents to support the financial management of the council.
- 1.2 These documents are designed to provide clarity and guidance on the approach to be taken with regards to short and medium-term planning. They provide a level of transparency in the financial management of the council's funds.

### **2.0 Documents for consideration**

- 2.1 The documents are:
  - Investment Strategy 2021-22
  - Financial Management Procedure
  - Reserves and Balances Policy
  - General Reserve Requirements 2021-22
- 2.2 A medium term financial plan is being prepared and will be presented at a future meeting.

### **3.0 Investment Strategy 2021-22**

- 3.1 The council is required to have an investment strategy for each year it holds investments of greater than £100,000.
- 3.2 The Investment Strategy has been reviewed for 2021-22. A section has been added on account management arrangements which outlines the minimum and maximum balances that may be held in each account during the financial year.
- 3.3 The Investment Strategy has to be approved by council.
- 3.4 The Investment Strategy is included in appendix 1.

### **4.0 Financial Management Procedure**

- 4.1 This document is produced for transparency purposes and sets out various aspects of the council's financial management. It covers an overview of the audit regime, precept and funding, the budgeting process, monitoring and reporting, an overview of reserves and investments, assets, insurance, banking, and risk management.
- 4.2 As a procedural document it is provided for information to the committee.
- 4.2 The Financial Management Procedure is included in appendix 2.

### **5.0 Reserves and Balances Policy**

- 5.1 This policy sets out how the council will manage its reserves including the general reserve and earmarked reserves.
- 5.2 The policy identifies the earmarked reserves of the council and how the balances will be used. This provides clarification if evidence is required at audit that council has properly considered the use of reserves.
- 5.3 This policy will require approval by council.

5.4 The draft policy is included in appendix 3

**6.0 General Reserve Requirement 2021-22**

6.1 This document shows the assessment of the general reserve requirements for the year based upon the calculation method set out in the Guidance on Governance & Accountability for smaller authorities in England. This will ensure the council meets the minimum requirements by publishing the figure annually.

6.2 This information has been issued separately for this year only and will be incorporated into the budget documents from the 2022-23 budget.

6.3 This report is for information only.

6.4 The General Reserve Requirement 2021-22 is included in appendix 4.

7.0 Recommendations

7.1 Members are asked to note:

Financial Management Procedure

General Reserve Requirement

7.2 Members are asked to recommend to council:

Investment Strategy 2021-22

Reserves & Balances Policy

# P02 - Investment Strategy 2021-22

Including Account Management Arrangements

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## 1.0 Introduction

- 1.1 Warfield Parish Council acknowledges the importance of prudently investing the temporarily surplus funds held on behalf of the community.
- 1.2 This strategy has been prepared in accordance with the Guidance on Local Government Investments ('the Guidance'), issued under section 15(1)(a) of the Local Government Act 2003, effective from 1st April 2018.
- 1.3 The Guidance states:
- a) Where a town or parish council expects its investments at any time during a financial year to exceed £100,000, the Guidance should apply in relation to that year.
  - b) Where a town or parish council expects its investments at any time during a financial year to exceed £10,000 but not £100,000, it should decide on the extent, if any, to which it would be reasonable to have regard to the Guidance in relation to that year.
  - c) Where a town or parish council expects its investments at any time during a financial year not to exceed £10,000, no part of the Guidance need be treated as applying in relation to that year.
- 1.4 Warfield Parish Council expects its investments during the 2021-22 financial year to exceed £100,000 and therefore has agreed to apply the Guidance as set out below.

## 2.0 Definitions

2.1 The following definition of terms apply;

- 2.1.1 **Investment** covers all of the financial assets of a local authority as well as other non-financial assets that the organisation holds primarily or partially to generate a profit; for example, investment property portfolios. This may therefore include investments that are not managed as part of normal treasury management processes or under treasury management delegations.

For the avoidance of doubt, the definition of an investment also covers loans made by a local authority to one of its wholly-owned companies or associates, to a joint venture, or to a third party. The term does not include pension funds or trust fund investments, which are subject to separate regulatory regimes and therefore are not covered by this guidance.

2.1.2 A **credit rating agency** is one of the following three companies:

- Standard and Poor's;
- Moody's Investors Service Ltd; and
- Fitch Ratings Ltd.

2.1.3 A **loan** is a written or oral agreement where a local authority temporarily transfers cash to a third party, joint venture, subsidiary or associate who promises to return it according to the terms of the agreement, normally with interest. This definition does not include a loan to another local authority, which is classified as a specified investment.

### **3.0 Investment Objectives**

3.1 Investments made by the council can be classified into one of two main categories:

- Investments held for treasury management purposes: and
- Other investments

3.2 In 2021-22 the council investments will only be held for treasury management purposes.

3.3 The council's investment priorities are:

- 1) the security of its reserves;
- 2) the liquidity of its investments

3.4 The council will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity being maintained.

3.5 All investments will be made in sterling and, as a minimum, surplus funds will be aggregated in an interest-bearing account.

3.6 The Government maintains that borrowing of monies purely to invest, or to lend and make a return, is unlawful and this council will not engage in such activity.

### **4.0 Security of Investments**

4.1 Financial investments can fall into one of three categories:

- Specified Investments;
- Loans; and
- Other non-specified investments

4.2 *Specified Investments*

4.2.1 An investment is a specified investment if all of the following apply:

- The investment is denominated in sterling and any payments or repayments in the respect of the investment are payable only in sterling.
- The investment is not a long-term investment. This means that the local authority has contractual right to repayment within 12 months, either

because that is the expiry term of the investment or through a non-conditional option.

- The making of the investment is not defined as capital expenditure by virtue of Regulation 25(1)(d) of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 [as amended].
- The investment is made with a body or in an investment scheme described as high quality or with one of the following bodies:
  - i. The United Kingdom Government;
  - ii. A local authority in England or Wales (as defined in section 23 of the 2003 Act) or a similar body in Scotland or Northern Ireland; or
  - iii. A parish council or community council.

4.2.2 For the prudent management of its treasury balances, maintaining sufficient levels of security and liquidity, the council will use:

- UK banks and UK building societies;
- Public Bodies (including the UK Government and local authorities);
- UK FCA regulated qualifying money market funds with a triple A rating.

#### 4.3 *Loans*

4.3.1 The council may choose to make loans to local enterprises, local charities, wholly owned companies and joint ventures as part of a wider strategy for local economic growth.

4.3.2 Such loans will conform with the strategy if:

- Total financial exposure to these type of loans is proportionate;
- The council has used an allowed “expected credit loss” model for loans and receivables as set out in International Financial Reporting Standard (IFRS) 9 Financial Instruments as adopted by proper practices to measure the credit risk of their loan portfolio;
- The council has appropriate credit control arrangements to recover overdue repayments in place; and
- The council has formally agreed the total level of loans by type that it is willing to make and their total loan book is within their self-assessed limit.

4.3.3 No provision to make loans has been made for 2021-22. Any such decision would require the approval of full council.

#### 4.4 *Non-specified investments*

4.4.1 Non-specified investments are usually for longer periods (i.e. more than one year) and with bodies that are not highly credit-rated.

4.4.2 No non-specified investments are included in the Investment Strategy for the council.

## **5.0 Liquidity of Investments**

5.1 The Parish Clerk (as Responsible Finance Officer) in consultation with the Finance and General Purposes (F&GP) Committee of Warfield Parish Council (or Full Parish Council) will determine the maximum periods for which funds may prudently be committed so as not to compromise liquidity.

5.2 The council's investments have a maximum liquidity period of 35 days.

## **6.0 Long Term Investments**

6.1 Long term investments shall be defined as greater than one year. The council will use the same criteria for assessing long term investment as identified above for specified investments.

6.2 The council does not hold any long-term investments.

## **7.0 Risk Assessment**

7.1 The Parish Council's reserves are covered by the Financial Services Compensation Scheme up to the deposit limits of the scheme and must therefore be carefully managed to mitigate the risk of losses.

7.2 The council will only invest in institutions of "high credit quality" as set out in section 3.2 of this strategy. Investments will be spread over different providers where appropriate to minimise risk.

7.3 The council will monitor the risk of loss on investments by reference to credit ratings. The council should aim for ratings equivalent to the Fitch rating A (low default risk). The council will also have regard for the general economic and political environment in which institutions operate.

7.4 The investment position will be reviewed monthly by the Responsible Financial Officer and reported to the Finance and General Purposes Committee and full council as part of the regular monthly financial report.

7.5 The council does not employ, in-house or externally, any financial advisors but will rely on information which is publicly available.

7.6 The risk assessment for 2021-22 is shown in appendix A.

## **8.0 Use of Investment Managers**

8.1 If external investment managers are used, they will be contractually required to comply with this strategy.

## **9.0 Investment Approval**

9.1 The Finance & General Purposes Committee has the delegated authority to consider and recommend any short-term investments (maximum of twelve months), in accordance

with this Investment Strategy, subject to the final approval of the investment provider by the parish council. All resolutions relating to investments will be noted in the minutes of meetings.

- 9.2 Any decision on loan activity may only be approved by the full council and will be noted in the minutes of the meeting.

### **10.0 Investment Reports**

10.1 The Responsible Financial Officer will include a report on investment activity in the monthly financial report for each F&GP Committee meeting, As is the practise, this report will be reviewed by full council at their meeting.

10.2 The Guidance requires councils to develop quantitative indicators to assess the councils risk exposure as a result of its investment decisions. The Responsible Financial Officer will produce these indicators quarterly based upon the recommendations of the Guidance.

### **11.0 Review and Amendment of Regulations**

11.1 The Investment Strategy will be reviewed annually. The Annual Strategy for the coming financial year will be prepared and reviewed by the Finance & General Purposes Committee (if applicable) which will then make a recommendation to the Full Council.

11.2 The council reserves the right to make variations to the Strategy at any time, subject to the approval of the Full Council. Any variations will result in an updated strategy being published.

### **12.0 Transparency**

12.1 This strategy will be posted on the Parish website and a hard copy will be available from the Parish Clerk.

### **13.0 Account Management Arrangements**

13.1 This section sets out the maximum and minimum balances to be held across the council's accounts during 2021-22.

13.2 The Parish Clerk will be responsible for maintaining balances within the parameters shown. Balances are reported each month in the financial report.

13.3 As large deposits, such as precept and CIL or movements between accounts usually occur at the end of the month, the Parish Clerk may hold a balance greater than the maximum specified for a limited period, until a transfer can be made. Where this occurs, it will be noted in the financial report.

13.4 Account balances

The minimum and maximum investments are based either upon the limits in place on individual accounts, or at levels required to for day to day management purposes.

<b>Account name</b>	<b>Minimum balance</b>	<b>Maximum balance</b>
Lloyds Current	£15,000	£50,000
Lloyds Instant Access Deposit	£1*	£100,000
Lloyds 32 Day Deposit	£10,000*	£400,000
CCLA PDSF	£25,000*	£550,000
Nationwide 35 Day Deposit	£25,000*	£550,000

\*minimum investments levels

- 13.5 The Parish Clerk will look to spread risk across the different financial institutions where accounts are held. In financial year 2021-22 this will be a maximum of £550,000 per banking group.
- 13.6 If combined balances are expected to exceed £1.65m in the year, as a result of CIL receipts, the Clerk will bring forward proposals to the Finance & General Purposes Committee.

**DRAFT**

## Appendix A

### Risk Assessment 2021-22

#### Fitch Credit Agency Ratings

Financial Organisation	Rating	As at
Lloyds Banking Group	A+	June 2020
Nationwide	A	June 2020
CCLA PSDF	AAAmf	31 January 2021

#### Financial Services Compensation Scheme (FSCS)

The first £85,000 of investment in each financial institution will be compensated in the event that a bank or building society fails. Where multiple accounts are held with bank that are part of the same banking group they are treated as one bank.

The CCLA Public Sector Deposit Fund is not covered by the FSCS.

#### Risk of failure

The risk of failure of any of the financial institutions used by the Parish Council is low. The UK Government is unlikely to allow a major high street providers to fail as evidenced by the Financial Crisis of 2007-08.

#### Negative returns

The Bank of England have asked financial institutions to prepare for the introduction of negative interest rates should this prove necessary. These details are not being made public at this stage. The parish council should therefore be aware that for a period of time investments may generate no return or in a worse case, lose money as the council pays to 'store' its money.

Negative interest rates may be introduced in the third or fourth quarter of 2021.

The Clerk will keep members advised of any changes and their impact on the councils investments.

# Financial Management Procedure

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## 1.0 Introduction

- 1.1 The parish council's financial year commences on 1 April and ends on 31 March in each year. The parish council's financial business is managed on a day-to-day basis by the Responsible Financial Officer who is also the Parish Clerk. Oversight of activity is performed by the Finance & General Purposes committee who report to full council.
- 1.2 Financial business is governed by the Financial Regulations, which are reviewed at least annually, at the annual meeting of the council.

## 2.0 The Audit Regime

- 2.1 The external audit regime is overseen by the Smaller Authorities Audit Appointments body which procure external audit services on behalf of the sector. It is the responsibility of the parish council to abide by proper practices set out by the Joint Panel on Accountability and Governance.
- 2.2 The parish council appoints an internal auditor on an annual basis.

## 3.0 Precept and Financial Resources

- 3.1 The parish council's financial resources are delivered by means of a small portion of the Council Tax that is levied on residents within the parish boundary. This levy is called the 'Precept'. It is collected on behalf of the parish council by Bracknell Forest Council, which also collects on behalf of itself, Thames Valley Police and Berkshire Fire & Rescue Service. The data on which the parish council calculates the effect of its precept on an average Band D property is supplied by Bracknell Forest Council. The funds are paid to the parish council in two equal instalments in April and September each year.
- 3.2 The costs of running all the services that the parish council provides for the residents of Warfield are known as the 'revenue budget'. The current annual revenue budget is the starting point for members and officers in preparing the following years annual budget. Unspent revenue funds are sometimes earmarked for future spending in an "earmarked reserve", to complement the revenue budget.
- 3.3 As well as revenue funding, consideration will be given each year to the capital funding required for one-off projects. This may be a major project such as new play equipment or equipment/machinery replacement.
- 3.4 Another type of capital funding is that produced when the parish council sells equipment or property. The funds raised by this method cannot be held against revenue

requirements. Members must first consider whether such funds should be used to repay any outstanding loans that the parish council has. Having considered this aspect, a decision can be made as to whether the funds should be set aside for capital projects.

3.5 This type of funding has no effect on the annual budget; it is kept in the accounts until it is allocated to a capital project.

#### **4.0 The Budgeting Process – Revenue Funding**

4.1 In October each year, the Parish Clerk/RFO will prepare the budget principles for the next financial year and will use Government issued inflation figures to make an informal assessment as to what increases should be included in the budget.

4.2 A preliminary revenue budget for the forthcoming financial year will produced for consideration in November.

4.3 At each stage of the budget setting process, the Finance & General Purposes committee will scrutinise the revenue requirements together with the projected effect on the average Band D Council Tax level. A balance will be struck between providing high quality services to the community and maintaining a reasonable level of precept. As new houses are built, this may be partially offset by increases in the “tax base”. Any reduction in the budget and precept will mean that savings will have to be made in the services provided by the parish council. Even a standstill budget will require savings to be made and making savings will mean cuts in service will be necessary.

4.4 Committees with income and expenditure responsibilities will be consulted through the process and will input suggestions and comments.

4.5 A recommendation will be put to the parish council in January on the proposed budget for the forthcoming year.

#### **5.0 The Budgeting Process – Capital Funding**

5.1 At the same time that the revenue budget is discussed, consideration will be given to each the capital budget. This budget will consist of ‘one off’ items that will not be repeated in forthcoming years. Examples of capital projects are: -

- Development of the Quelm Allotments
- Refurbishment of a hall
- Replacing play equipment

5.2 When a new capital project is identified, members will decide whether the project is to be carried out in the next financial year or in a future financial year. If the latter, then the capital requirement may be budgeted over several years, to effectively ‘save up’ to complete the project as a given point in time in the future. Other capital projects may be of a more urgent nature and the funding will be budgeted in a single financial year.

5.3 Any reports prepared by officers for consideration by members will always contain a resource appraisal section detailing the financial implications of the proposal. Members

will aim to achieve a sensible balance between providing services for the residents of Warfield at a cost which is reasonable.

## **6.0 Completion of the Budget Process**

- 6.1 The Finance & General Purposes committee will scrutinise the proposals and a recommendation on a level of precept will be formed. This recommendation will be put to a meeting of the full council in January to agree the annual budget and set the precept. Careful consideration will be given by all members to the effect of the proposed budget on the precept levels for an average Band D property in Warfield.

## **7.0 Monitoring and Reporting**

- 7.1 Once the budget is set for the forthcoming year, the Parish Clerk/RFO must account for any variation to the relevant committee.
- 7.2 Spending will be closely monitored throughout the year and monitoring reports for each committee will be provided at every meeting of that committee.
- 7.3 Any overspends, with reasons, on individual budget cost headings will be reported to the committee, which will consider whether any action is required to mitigate the over-spend.
- 7.4 Any under-spend identified at the financial year end will usually be automatically decanted into the general reserves. However, the Parish Clerk/RFO may consider that certain items should be 'rolled over' to the next financial year on the same cost heading. A list of this type of underspend will be prepared by the Parish Clerk/RFO and will be discussed by the council as part of end of year accounts.

## **8.0 General Reserves**

- 8.1 It is generally accepted that the parish council should set aside no less than the value of three months expenditure each year, as general reserves, to cover unexpected and unforeseen events. An example of the type of event that may occur is the borough council facing a delay in collecting its council tax and is unable to pay the parish council when it should, therefore jeopardising the ability for the parish council to pay its bills.
- 8.2 General reserves may also be used to cover expenditure on opportunities that may be presented during the financial year.
- 8.3 The council has produced a Reserves and Balances policy that sets out how reserves are allocated, and the general reserve required level calculated.

## **9.0 Investments**

- 9.1 Any surplus funds and earmarked reserves held by the parish council will be invested in line with its Investment Strategy.

## **10.0 Assets**

- 10.1 The Asset Register will be updated as and when new items are purchased, or items disposed of. Assets will be re-valued as required. This valuation will form the basis for the insurance cover required.
- 10.2 No depreciation of assets occurs under proper practices.
- 10.3 A Building Maintenance Schedule (BMS) will detail all the regular building maintenance required each financial year. As part of the budget process each year, the BMS will be

scrutinised and estimated expenditure requirements assessed. An amount will then be included in the budget of the Amenities committee for that purpose. The BMS will be reviewed on an annual basis to ensure it is kept up to date.

- 10.4 There is an inventory of equipment for each location. This is essentially for insurance purposes, but also to control the replacement of items at an appropriate time. The annual budget will include an amount for replacement and repair of equipment under the relevant committee's control. The inventory will be updated on an ongoing basis as old equipment is disposed of and new equipment purchased. It will also be subject to an annual review in February/March each year.

### **11.0 Insurance**

- 11.1 The council will take all reasonable precautions to ensure that there is adequate insurance in place and that all areas of risk are considered. An annual review of assets will be undertaken and used to update the annual insurance premium.

- 11.2 The Insurance Act 2015 has an obligation that the council has a duty to make 'fair presentation' when arranging insurance where there is now an obligation in place to disclose all material matters.

- 11.3 The Parish Clerk will present cover options to the Finance & General Purposes committee, which may include multi-year arrangements. The committee will make recommendations to full council for approval.

- 11.4 Insurance arrangements are regularly reviewed to ensure the council has appropriate cover.

### **12.0 Banking**

- 12.1 The parish council banks with several reputable financial institutions. The council will have a main current account for day-to-day financial obligations and other accounts to hold other balances.

- 12.2 The council will set an annual investment strategy in accordance with government guidelines and will place security of its investments above returns.

- 12.3 The Investment Strategy will also include account management arrangements which will set the minimum and maximum investment levels for accounts.

### **13.0 Risk Management**

- 13.1 The Parish Clerk will ensure that a robust and proportionate method of risk assessment and management of all the parish council's activities is in place.

- 13.2 The council approves the measures taken to mitigate financial risks and reviews the effectiveness of internal control on an annual basis.

### **14.0 Review of Financial Management Procedure**

- 14.1 This Financial Management Procedure will ideally be reviewed every two years. However, members or the Parish Clerk/RFO may request an intermediate review at any other time as circumstances dictate.

# Reserves & Balances Policy

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## 1.0 Introduction

- 1.1 The Council is required, under statute, to maintain adequate financial reserves to meet the needs of the organisation. Section 49 of the Local Government Finance Act 1992 requires that billing and precepting authorities in England have regard to the level of reserves needed to meet estimated future expenditure when calculating the budget requirement.
- 1.2 The Council's policy on the establishment, maintenance and adequacy of reserves and balances will be considered during the annual review of the Council's Medium Term Financial Plan (MTFP) and preparation of the annual budget.
- 1.3 The Council will hold reserves for these three main purposes:
- a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing - this forms part of general reserves;
  - a contingency to cushion the impact of unexpected events or emergencies - this also forms part of general reserves;
  - a means of building up funds, often referred to as earmarked reserves, to meet known or predicted requirements; earmarked reserves are accounted for separately but remain legally part of the General Reserve.

## 2.0 General Reserve Balance

- 2.1 The General Reserve balance, commonly termed the "working balance", is a balance on the Council's revenue account which is not held for any specific purpose other than to cushion the Council's finances against any unexpected short-term problems in the council's cash flow.

## 3.0 Policy

- 3.1 The General Reserve balance is to be maintained at a level based upon a risk assessment carried out annually by the Responsible Finance Officer when setting the budget for the forthcoming year. Any surplus on the reserve above the required balance may be used to fund capital expenditure, be appropriated to earmarked reserves or used to limit any increase in the precept.
- 3.2 The level of the General Reserve will be based on the recommendations published annually in the Guidance on Governance and Accountability for Small Authorities in England.
- 3.3 The risk assessment will be published annually.

#### 4.0 Financial Risk Management

4.1 In order to assess the adequacy of the general fund when setting the annual budget, the Responsible Finance Officer will take account of the strategic, operational, and financial risks facing the Council. The requirement of the level of the general fund balance for the forthcoming year will therefore be based upon a risk assessment of the Council's main areas of income and expenditure and consider any provisions and contingencies that may be required. This financial risk assessment will be based upon the main financial risks identified in the Council's Corporate Risk Register.

4.2 The main items to be considered are:

Financial Risk	Analysis of Risk
Pay inflation is greater than budgeted	The national agreement increase is above the level allowed for in the budget.
Contractual inflation is greater than budgeted	A general assumption is made when estimating the percentage increase on rates & utilities. This may increase above budgeted inflation. Professional and other services costs increase above estimate.
Treasury management income is not achieved	The actual interest rate realised is below the rate predicted at budget setting.
Rental income is below forecast	That a decrease in revenue is realised from budget.
Contingent liabilities are realised	That the Council becomes liable to pay contingent liabilities.

#### 5.0 Statutory Reserves

5.1 Local Authorities also hold reserves that arise out of the interaction of legislation and proper accounting practices. Warfield Parish Council has no identified requirement for a statutory reserve.

5.2 An example of a statutory reserve is:

Capital Receipts Reserves - this reserve holds the proceeds from the sale of assets and can only be used for capital purposes in accordance with regulations.

#### 6.0 Earmarked Reserves

6.1 Earmarked reserves represent amounts that are generally built up over a period which are earmarked for specific items of expenditure to meet known or anticipated liabilities or projects. The 'setting aside' of funds to meet known future expenditure reduces the impact of meeting the full expenditure in one year. The Council, when establishing an earmarked reserve, will set out:

- the reason/purpose of the reserve;
- how and when the reserve can be used;
- procedures for the management and control of the reserve;
- a process and timescale for review of the reserve to ensure continuing relevance and adequacy.

6.2 The following earmarked reserves will be held by the Council:

<b>Reserve</b>	<b>Use</b>	<b>Policy for Use</b>
Brownlow Memorial Hall	To hold funds for the maintenance of Brownlow Hall and to meet the costs associated at the end of lease	The expenditure to be met from this reserve is agreed by full council
Whitegrove community Centre	To hold funds for the maintenance and upkeep of the Whitegrove Community Centre	The expenditure to be met from this reserve is agreed by full council
Elections	To hold funds to cover the costs of elections to the parish council	The expenditure to be met from this reserve is agreed by full council
Neighbourhood Plan	To hold funds to meet costs associated with the development of the Warfield Neighbourhood Plan	The expenditure to be met from this reserve is agreed by full council
Frost Folly upkeep	To hold funds for the maintenance and upkeep of the car park at Frost Folly	The expenditure to be met from this reserve is agreed by full council
Community Infrastructure Levy	To hold funds for the provision, improvement, replacement, operation, or maintenance of infrastructure; or anything else that is concerned with addressing the demands that development places on an area	This money must be spent in accordance with Regulation 59 C, within 5 years of receipt from BFC.

## 7.0 Review of the Adequacy of Balances and Reserves

7.1 In assessing the adequacy of reserves the strategic, operational, and financial risks facing the authority will be considered. The level of earmarked reserves will be reviewed as part of the annual budget preparation.

# General Reserve 2021-22

## 1.0 Introduction

- 1.1 The General Reserve balance is to be maintained at a level based upon a risk assessment carried out annually by the Responsible Finance Officer when setting the budget for the forthcoming year.
- 1.2 This document sets out the assessment.

## 2.0 Guidance

- 2.1 The Guidance on Governance and Accountability for Small authorities in England (G&A) sets out the basis on which the calculation of the General Reserve should be based.
- 2.2 The relevant paragraphs in the G&A for 2021 are:

*Section 5.32. General Reserve — The generally accepted recommendation with regard to the appropriate minimum level of a Smaller Authority's General Reserve is that this should be maintained at between three (3) and twelve (12) months Net Revenue Expenditure (NRE). NRE (subject to any planned surplus or deficit) is effectively Precept\Levy less any Loan Repayment and/or amounts included in Precept\Levy for Capital Projects and transfers to Earmarked Reserves. The reason for the wide range (3 to 12 months) is to cater for the large variation in sizes of individual authorities. The smaller the authority the closer the figure should be to 12 months NRE, the larger the authority the nearer to 3 months. In practice, any authority with an NRE in excess of £200,000 should plan on 3 months equivalent General Reserve. In all of this it is important that each authority adopt, as a General Reserve policy, the level appropriate to their size and situation and plan their Budget so as to ensure that the adopted level is maintained. Changes in activity levels/range of services provided will inevitably lead to changes in the requisite minimum level of General Reserve in order to provide working capital for those activities.*

## 3.0 Calculation for 2021-22

- 3.1 The calculation of the NRE for 2021-22 is:

Precept	£221,808
Less loan repayment	£8,191
Less transfer to EMR	0
<b>NRE</b>	<b>£213,617</b>

- 3.2 With a NRE of £213,617 for 2021-22 the council should have a General Reserve of at least 3 months NRE.
- 3.3 The three month calculation for 2021-22 is £53,404.

**ASSET REGISTER AS AT 31 MARCH 2021****1.0 Purpose**

1.1 This report contains the asset register as at 31 March 2021.

**2.0 Notes on assets**

2.1 The term fixed assets mean property, plant and equipment with a useful life of more than one year used by the authority to deliver its services.

2.2 Fixed assets acquired in any year should be added to the asset register for management purposes. For accounting purposes, acquisitions and disposals of fixed assets should be treated as any other purchase or sale and recorded as part of annual payments or receipts, expenditure or income.

2.3 A particular method of asset valuation is not specified in proper practices so authorities may use any reasonable approach to be applied consistently from year to year. For authorities covered by the Joint Panel on Accountability and Governance, an appropriate and commonly used method of fixed asset valuation for first registration on the asset register is at acquisition cost. This means that in most circumstances once recorded in the asset register, the recorded value of the asset will not change from year to year, unless the asset is materially enhanced. Commercial concepts of depreciation, impairment adjustments, and revaluation are not required or appropriate for this method of asset valuation. For reporting purposes therefore, the original value of fixed assets will usually stay constant throughout their life until disposal.

**3.0 Changes in the register**

3.1 The following changes have been made to the register:

**Equipment**

<b>number</b>	<b>asset</b>	<b>Change made</b>
10	3 PC's	The assets are marked for disposal. Adjustment made to value for retention of monitors and keyboards
11	IT equipment	Addition – equipment retained from item 10
19	Laptop	Addition – laptop purchased
20	Laptop	Addition – laptop purchased
21	Laptop	Addition – laptop purchased
22	Laptop	Addition – laptop purchased
23	IT equipment	Addition – monitors, keyboards and dock stations for laptops

## Community Assets

number	asset	Change made
14	Height barrier	Addition – installed barrier at Frost Folly
16	Allotment building	Addition – addition of building and construction cost
17	Height barrier	Addition – installed at Allotment site
18	Allotment water tanks	Addition – purchase of water tanks

3.2 The value of equipment has increased by £2,725

3.3 The value of community assets has increased by £20,714

### 4.0 Recommendation

Members are asked to note the report and the asset register.

## Asset Register as at 31 March 2021

Equipment							
Asset	location	Date of acquisition	Cost at acquisition	Status	Expected life	Recorded value	Notes
1 Office fitout	Parish Office	Jun-03	£29,061	Current	20 years	£599	
2 Meeting room furniture	Parish Office	Mar-04	£4,603	Current	20 years	£500	
3 1 PC	Parish Office	Nov-14	£340	Current	3 years	£340	Value added in as reused.
4 1 Laptop	Parish Office	May-15	£300	Current	5 years	£300	
5 Colour copier	Parish Office	Nov-16	£1,900	Current	5 years	£1,900	
6 Printer	Parish Office	Nov-14	£240	Current	5 years		£1 awaiting disposal
7 NAS drive	Parish Office	Dec-16	£399	Current	5 years	£399	
8 Projection system	Whitegrove CC	Mar-16	£1,845	Current	5 years	£1,845	
9 Salt spreader	Brownlow Hall	Feb-16	£150	Current	5 years	£150	
10 3 PC's	Parish Office	Apr-17	£1,680	Current	5 years	£1,680	awaiting disposal
11 IT equipment	Parish Office	Apr-17	£400	current	5 years	£400	
12 Fire-proof safe	Parish office	Apr-17	£493	Current	20 years	£493	
13 Defibrillator	Brownlow Hall	Apr-18	£1,037	Current	5 years	£1,037	
14 Defibrillator	Whitegrove CC	Apr-18	£1,037	Current	5 years	£1,037	
15 Refrigerator	Brownlow Hall	Feb-19	£465	Current	5 years	£465	
16 Refrigerator	Whitegrove CC	Jul-18	£321	Current	5 years	£321	
17 Sentinel speed camera	Parish Office	Oct-18	£1,301	Current	5 years	£1,301	1/3 share of equipment
18 PC	Parish Office	Dec-19	£800	Current	5 years	£800	
19 laptop	Parish Office	Apr-20	£462	Current	5 years	£462	
20 laptop	Parish Office	Aug-20	£499	Current	5 years	£499	
21 laptop	Parish Office	Aug-20	£499	Current	5 years	£499	
22 laptop	Parish Office	Dec-20	£545	Current	5 years	£545	
23 IT equipment	Parish Office	Dec-20	£700	current	5 years		£700 inc. screens, keyboard and docking stations
						<b>£16,273</b>	

## Community Assets

Asset	location	Date of acquisition	Cost at acquisition	Status	Expected life	Recorded value	Notes
1 Frost Folly Car Park	Wellers Lane, Warfield		£1	Current	n/a	£1	
2 Brownlow Hall	Newell Green	Aug-07		Current	n/a	£880,000	Lease to May 2025
3 Play area	Memorial Ground	May-03	£18,670				Added in May 07 figures
4 Play area	Memorial Ground	May-07	£25,070	Current	15 years	£1	
5 Play equipment	Brownlow Hall	Apr-16	£700	Current	10 years	£700	
6 Storage shed	Brownlow Hall	Jun-16	£500	Current	7 years	£500	
7 Interpretive Panel	Lawrence Hill	Sep-11	£775	Current	10 years	£1	
8 Noticeboard	Quelm Park	Mar-12	£916	Current	20 years	£386	
9 Noticeboard	Hayley Green	Sep-12	£916	Current	20 years	£916	
10 Noticeboard	Church Lane	Jan-14	£994	Current	20 years	£994	
11 Noticeboard	Warfield Street	Dec-14	£996	Current	20 years	£966	
12 Noticeboard	Frost Folly Car Park	Apr-18	£1	Current	20 years	£1	
13 Play area and equipment	Whitegrove CC	Mar-19	£6,408	Current	20 years	£6,408	
14 Height barrier	Frost Folly Car Park	Jun-20	£1,667	Current	20 yea	£1,667	
15 Allotment site	Sopwith Road, Warfield	Aug-18	£1	Current	n/a	£1	
16 Allotment building	Sopwith Road, Warfield	Jan-21	£16,430	Current	30 years	£16,430	includes construction cost
17 Height barrier	Sopwith Road, Warfield	Jun-20	£1,667	Current	20 years	£1,667	
18 Allotment water tanks	Sopwith Road, Warfield	Apr-20		Current	10 years	£950	
						<b>£911,589</b>	

**FUTURE AGENDA ITEMS AND DATE OF THE NEXT MEETING**

**1.0 Future agenda items**

In addition to the standard agenda items the following items will be on the coming meeting agendas

Annual Governance & Accountability Return

Office accommodation

Co-option process

**2.0 Next meeting**

The date of the next meeting will be on Tuesday 25 May at 7.45pm.