



Appleton Parish Council

Appleton Parish Hall, Dudlow Green Road, Appleton, WA4 5EQ

Telephone 01925 268153 Email clerk@appletonpc.org.uk

Minutes of the meeting of the Finance and General Purposes Committee on Thursday 4th May 2023 at 9.45am

Present: - Councillor G Chapman, Councillor L Chapman, Councillor M Delaney and Councillor P Lewenz.

Clerk, Mrs J Monks and Assistant Clerk, Mrs I Derbyshire.

1. Welcome and apologies for absence

Councillor L Chapman welcomed everyone to the meeting. In the absence of the Chair of the Finance and General Purposes Committee, Councillor L Chapman chaired the meeting. Councillor K Critchley, Councillor C Critchley and Councillor M Marshall and Councillor M Jervis sent their apologies for the meeting. Councillor K Critchley had appointed Councillor L Chapman as a substitute in his absence for the meeting.

2. Members Code of Conduct

Councillor M Delaney declared a pecuniary interest in relation to agenda item five, automatic door at the Parish Hall. As such he left the room for this agenda item and did not take part in the discussion or decision.

3. Matters Arising

There were no matters arising from the previous Finance and General Purposes Committee meeting on 6th April 2023.

4. Installation of solar panels and energy audit

The quotes received for the installation of solar panels were discussed.

RESOLVED that;

the Parish Council does not pursue the installation of solar panels for the Parish Hall as it would not be cost effective and there would be no return on investment.

The clerk confirmed that the energy audit report had been undertaken on Thursday 9th March and a copy of the draft report has been circulated to all the Parish Councillors for their attention. A follow-up teams virtual meeting had been arranged for Wednesday 12th April and all Parish Councillors had been invited to attend. The energy audit report had made some recommendations as detailed in the report.

Recommended that:

The clerk obtains quotes to determine cost and suitability of cavity wall insulation.

Councillor M Delaney left the room for the next agenda item as he had declared an interest.

5. Automatic door at the Parish Hall

RESOLVED that;

The amount of up to £1,000 plus VAT was approved for Entrus/Auto Solution to fix the issues with the front door.

RESOLVED that;

The amount of £146.13 plus VAT was approved for KDE to connect the doors to the mains.

Councillor M Delaney re-entered the room.

6. Microphone licence for Parish Hall

RESOLVED that;

the expenditure of £135.00 for a two-year licence for the microphones can be made as the current licence expires on 10th May 2023.

7. Replacement Fire door

RESOLVED that;

Up to £4,000 plus VAT was approved for a replacement fire door for the Parish Hall. The decision with regards to the supplier was delegated to the Clerk.

8. Parish Hall routine maintenance

RESOLVED that;

The following expenditure was approved;

- (a) Annual PAT Testing, up to £100.00 plus VAT
- (b) Boiler service and annual gas inspection up to £250.00
- (c) Five-year electrical report up to £400 plus VAT, due before September 2023.
- (d) Purchase of replacement infant defibrillator pads for Parish Hall following expiry of current pads on 19.06.23, expenditure of up to £150 plus VAT.

9. Parish Van

RESOLVED that;

The following expenditure was approved;

- (a) Annual service and MOT up to £400.00 plus VAT.
- (b) Annual road tax up to £300 for twelve months
- (c) Annual van insurance up to £900.00 plus VAT.

10. Parish Hall Income/Expenditure and Hallmaster reports

The Hallmaster reports for the period 1st April 2022 to 31st March 2023 were circulated with the agenda pack for the meeting.

Recommended that;

the Hallmaster reports were accepted by the Parish Council.

The Parish Hall income and expenditure report for the period 1st April 2022 to 31st March 2023 were circulated with the agenda pack for the meeting.

For the period 1st April 2022 to 31st March 2023, the Parish Hall made a loss of £8,520.52. This figure did not however include the £17,000 cost of the replacement roof which had been taken out of the earmarked reserves.

The profit and loss for the Parish Hall for the last five years is as follows;

Parish Hall Profit /Loss per financial year		
Financial Year	Profit	Loss
2018/2019		-5390.43
2019/2020		-8834.83
2020/2021 (closed due to Covid)	4514.77	
2021/2022 (closed 1.04.22 to 01.09.22 Covid)		-10,405.05
2022/2023		-8520.52

Recommended that;

The Parish Hall income and expenditure report was accepted by the Parish Council.

11. End of Year banking reconciliation

The clerk confirmed that the bank balance as at 31st March 2022 was £284,797.79.

The end year banking reconciliation as at 31st March 2023 is £283,533.70.

The balance therefore has been reduced by £1264.09

RESOLVED that;

The following banking reconciliation was approved.

<u>Bank Accounts</u>	31.03.22
Natwest	49760.94
Mansfield	85000.00
Nationwide	65036.85
Hanley BS	85000.00
Less unrepresented cheques	0.00
Other adjustments	0.00
Total of bank accounts 31.03.22	284797.79

Annual Precept	169588.00
Total other receipts	32567.74
Staff costs	100728.90
Total other payments	102690.93
Balance as at 31.03.23	283533.70

<u>Bank Accounts</u>	31.03.23
Natwest	58,533.70
Mansfield	85,000.00
Nationwide	55,000.00
Hanley BS	85,000.00
Less unrepresented cheques	0.00
Other adjustments	0.00
Total of bank accounts 31.03.22	283,533.70

12. Internal Auditors report 2022/2023

The internal auditors report was as follows;

The internal audit of Appleton Parish Council is carried out by undertaking the following tests as specified in the AGAR Annual Return for Local Councils in England:

- Checking that books of account have been properly kept throughout the year
- Checking a sample of payments to ensure that the Council's financial regulations have been met, payments are supported by invoices, expenditure is approved, and VAT is correctly accounted for
- Reviewing the Council's risk assessment and ensuring that adequate arrangements are in place to manage all identified risks
- Verifying that the annual precept request is the result of a proper budgetary process; that budget progress has been regularly monitored and that the council's reserves are appropriate
- Checking income records to ensure that the correct price has been charged, income has been received, recorded and promptly banked and VAT is correctly accounted for
- Reviewing petty cash records to ensure payments are supported by receipts, expenditure is approved and VAT is correctly accounted for
- Checking that salaries to employees have been paid in accordance with Council approvals and that PAYE and NI requirements have been properly applied
- Checking the accuracy of the asset and investments registers

- Testing the accuracy and timeliness of periodic and year-end bank account reconciliation(s)
- Year end testing on the accuracy and completeness of the financial statements

The interim internal audit provide evidence to support the annual internal audit conclusion on the AGAR Annual Return for local councils.

Conclusion

On the basis of the internal audit work carried out, which was limited to the tests indicated above, in our view the council's system of internal controls is in place, adequate for the purpose intended and effective, subject to the recommendations reported in the action plan overleaf. As part of the internal audit work for the next financial year we will follow up all recommendations included in the action plan.

The internal auditor raised three issues as follows;

1. 2022/23 was the second financial year in succession the council has exceeded the £200,000 threshold for submitting income and expenditure accounts. Recommendation; If the £200,000 accounts threshold is exceeded in 2023/24 the council will have to submit income and expenditure accounts and restate the 2022/23 comparatives in the 2023/24 AGAR on the same income and expenditure basis.

The clerk and assistant clerk have confirmed that the £200,000 threshold will be exceeded in the 2023/2024 accounts. The Parish Council will need to consider the purchase of accountancy software to do 2023/2024 accounts and the clerk will investigate restating 2022/2023 on an income and expenditure basis.

2. As the substantial earmarked schemes have not yet been delivered, which would reduce reserve levels, the council should re-appraise the level of fidelity cover as it does not currently cover maximum projected cash and bank balances. The fidelity cover is currently £250,000. However, fidelity insurance should aim to cover the maximum projected cash and bank balances which is estimated as the year end cash and bank balances of £283,534 plus the next precept instalment of £173,799, which is an estimated maximum projected balances of £457,333. Recommendation; As part of risk assessment procedures, the council should annually estimate maximum projected cash and bank balances, taking account of earmarked schemes being delivered, and set the level of fidelity insurance accordingly. Recommendation; As part of risk assessment procedures, the council should annually estimate maximum projected cash and bank balances, taking account of earmarked schemes being delivered, and set the level of fidelity insurance accordingly.

The clerk confirmed that she had contacted the Parish Council's insurance provider and increased the level of cover from £250,000 to £500,000.

3. A negative earmarked reserve is recorded in the list of reserves as follows: Queens Jubilee Lottery Grant - £35.17. Recommendation: The council cannot hold negative

earmarked reserves and this amount should be set off against general reserves in the accounts to provide a net general reserve figure.

The clerk confirmed that this earmarked reserve has been removed for 2023/2024 as this project has now been completed.

Recommended that;

The internal auditors report was accepted by the Parish Council.

RESOLVED that;

The expenditure of 247.50 plus VAT was approved for the internal auditor's report.

13. Accounting software packages

This item was deferred pending further demonstrations from different providers.

14. 2022/2023 and Annual Governance Statement and Accounting statements and variance explanation

The Finance and General Purposes Committee examined the Governance Statement and Accounting statements for 2022/2023 and the variance explanation.

Recommended that;

These were to be approved by the Parish Council.

15. Budget review for all income and expenditure for 2022/2023

The income and expenditure from 1st April 2002 to 31st March 2023 is as follows;

Receipts	Budget	Actual 2022/2023
Precept	169588	169588.00
Bank Interest	50	1912.44
Parish Hall	10000	22007.00
Other	0	130.75
reserves	0	0.00
		0.00
Net		193638.19
VAT	1500	8517.55
Total Receipts	181138	202155.74
		169588.00
Total receipts excluding precept		32567.74

The clerk reported that bank interest was considerably higher than expected due to increase in interest rates and inflation following covid. The Parish Hall income had exceeded expectations following re-opening after Covid on 1st September 2021. The Parish Hall income prior to covid for 2019/2020 was £18,896.00 which shows that Parish Hall income has now exceeded pre-covid levels. Bookings at the Hall show that it is near to capacity. As such income will not increase as it is at maximum capacity.

Payments	Budget 2022/2023	Actual 2022/2023
Staff Costs	102000	100728.90
Maintenance of Parish Council Assets	2000	1525.46
Utilities	6000	10717.85
Insurance	2000	1646.46
Safety Inspections	0	0.00
Office Supplies	3000	3167.72
Annual Subscriptions	1500	500.00
Advertisements	0	0.00
Elections	4000	0.00
Website	0	310.00
Grants	6000	8638.00
Chairman's allowance	400	2.37
Training	1500	906.00
Refuse Collections	1200	820.94
Window cleaning	600	731.00

Equipment	1000	437.52
Parish Hall Improvements & maintenance	10000	9495.40
Bank charges	250	220.75
Environmental Working Group	6000	3415.60
Media budget	1000	0.00
PCSO	18000	16640.00
Youth	2000	0.00
Ranger costs	4000	2736.48
Community projects	0	0.00
Library	150	0.00
General Contingencies	5538	95.88
Emergency Grass cutting	0	0.00
Events Committee budget	3000	3.44
Parish Hall (ER)		17225.00
Community Scheme/Consultants costs for PDO (ER)		5338.25
Elections (ER)		0.00
Queens Jubilee Lottery Grant (ER)		1414.17
South Warrington Library, Stockton Heath (ER)		1494.5
Public Amenity (ER)		6520
Net payments excluding staff costs		
VAT		8688.14
Gross payments excluding staff costs		102690.93
Total Payments including staff costs	181138	203419.83

The clerk reported that there had been an overspend on the staff budget due to pay increases and increase in hours for the clerk and Parish Ranger. The Utilities budget was overspent due to the dramatic increase in the cost of gas. The grant budget was overspent. However the new procedure relating to grant applications will assist with managing this budget more effectively. The window cleaning charges did include several repairs to the guttering which was undertaken by the window cleaner but the Parish Council had been sent invoices for both the repairs and window cleaning. The Parish Hall earmarked reserves of £17225 was the roof replacement and £6520 has been spent from the Public Amenity earmarked reserves for the two new speed indicator devices.

Recommended that;

The review of income and expenditure for the period 1st April 2022 to 31st March 2023 was approved by the Parish Council.

16. Ear Marked Reserves

Earmarked Reserves 2022/2023

The clerk confirmed that the earmarked reserves as at 31st March 2023 were as follows;

The clerk confirmed that the Parish Council has spent £31,991.92 in reserves for the period 1st April 2022 to 31st March 2023.

The new roof for the Parish Hall had been taken from the Parish Hall earmarked reserve.

Ear-Marked Reserves	Reserve brought forward	Reserve for 2022/23	Utilised Reserve	Reserve carried forward
Elections (ER)	5075.98	10000	0.00	10000.00
Parish Hall (ER)	60000	50000	17225.00	32775.00
Youth Work (ER)	30000	30000	0.00	30000.00
Parish Ranger Van Replacement (ER)	4000	20000	0.00	20000.00
Environmental Improvement Schemes (ER)	8000	10000	0.00	10000.00
Community Scheme/ consultant costs for PDO (ER)	20108.12	40000	5338.25	34661.75
South Warrington Library, Stockton Heath (ER)	15000	3000	1494.50	1505.50
Contingencies (ER)	75000	45400	0.00	45400.00
Inland Border Facility Payment from WBC (ER)	25000	0	0.00	0.00
Queens Jubilee Lottery Grant (ER)	1379	1379	1414.17	-35.17
Public Health (ER)	0	37500	0.00	37500.00
Public Amenity (ER)	0	37500	6520.00	30980.00
Total	243563.1	284779	31991.92	252787.08

The costs for the Local Plan for the period 1st April 2022 to 31st March 2023 was £5,338.25.

A grant for 2022/2023 of £1494.50 had been given to Stockton Heath Library and the cost of this has been taken from the South Warrington Library earmarked reserve.

The amount of £6520.00 taken out of the public amenity earmarked reserve is for the two speed indicator devices.

The amount of £1414.17 was for the Queens Jubilee which was the £1500.00 grant from the National Lottery.

The reserve budget for 2023/2024 was reallocated as follows;

Ear-Marked Reserves	Reserve brought forward from 2022/2023	Reserve for 2023/24
Elections (ER)	10000	10000
Parish Hall (ER)	32775	40000
Youth Work (ER)	30000	30000
Parish Ranger Van Replacement (ER)	20000	20000
Environmental Improvement Schemes (ER)	10000	10000
Community Scheme/ consultant costs for PDO (ER)	34661.75	30000
South Warrington Library, Stockton Heath (ER)	1505.5	1500
Contingencies (ER)	45400	50950
Inland Border Facility Payment from WBC (ER)	0	0
Budget deficit 23/24 (ER)	0	16079
Public Health (ER)	37500	37500
Public Amenity (ER)	30980	37500
Total	252822.25	
less Queens Jubilee earmarked reserve	35.17	
number of reserves as at 31.03.23	252787.08	283529.00

Recommended that;

The earmarked reserves budgets for 2022/2023 and the reallocated earmarked reserves budget for 2023/2024 were approved.

17. Investment Strategy, Authorised Persons for Banking and Bank Transfer for future payments

RESOLVED that;

The amount of £30,000 was to be transferred from the NatWest current account to Nationwide Savings account to bring the total in the Nationwide to £85,000.

The assistant clerk reported that the account for Skipton Building Society has not been opened as she cannot obtain the signature and documentation from Councillor S Brookes.

RESOLVED that;

The Parish Council opens an additional bank account with Skipton Building Society.

That an account be opened with the Skipton Building Society and that the persons detailed be authorised to operate the account, noting that those operations will be the account holders and, if the account is a shared account, members of the Society (subject to its rules).

RESOLVED that;

the names of authorised persons to be named on the account as follows;

Mrs Joanne Monks. Mrs Irene Derbyshire, Councillor Ghazala Chapman and Councillor P Lewenz. (Maximum is 4)

RESOLVED that;

to operate the account three signature will be required for any transactions.

RESOLVED that;

The account with the Skipton Building Society was to be opened after 1st April 2023 with a deposit of £100.00.

The Parish Council will then make a further deposit when the account is operational and after the precept is received of £84,900.

The assistant clerk had contacted Warrington Borough Council with regards to investments for Parish Councils but had not received any reply. The assistant clerk was not aware of any Parish Council which had investments with Warrington Borough Council. Any investment with Warrington Borough Council would not be protected under the financial compensation as they were not a bank.

RESOLVED that;

If the Parish Council wanted to invest in stocks and shares and make any investment with Warrington Borough Council, they would have to employ a financial adviser.

18. Five Year Review of income and expenditure

The five-year review of income and expenditure is as follows;

Payments	Budget 2023/2024	Projected 2024/2025	Projected 2025/2026	Projected 2026/2027	Projected 2027/2028	Projected 2028/2029
Staff Costs	122078	128182	132027	135988	140068	144270
Maintenance of Parish Council Assets	2000	2100	2163	2228	2295	2364
Utilities	29000	30450	31364	32304	33274	34272
Insurance	2000	2100	2163	2228	2295	2364
Office Supplies	3500	3675	3785	3899	4016	4136
Annual Subscriptions	500	525	541	557	574	591
Elections	4000	4200	4326	4456	4589	4727
Website	400	420	433	446	459	473
Grants	6000	6300	6489	6684	6884	7091
Chairman's allowance	100	105	108	111	115	118
Training	1000	1050	1082	1114	1147	1182
Refuse Collections	1000	1050	1082	1114	1147	1182
Window cleaning	600	630	649	668	688	709
Equipment	500	525	541	557	574	591
Parish Hall Improvements & maintenance	9000	9450	9734	10026	10326	10636
Bank charges	200	210	216	223	229	236
Environmental Working Group	4000	4200	4326	4456	4589	4727
PCSO	20000	21000	21630	22279	22947	23636
Ranger costs	4000	4200	4326	4456	4589	4727
Events Committee budget	1000	1050	1082	1114	1147	1182
Totals	210878	221422	228065	234906	241954	249212

Receipts	Budget 2023/2024	Projected 2024/2025	Projected 2025/2026	Projected 2026/2027	Projected 2027/2028	Projected 2028/2029
Precept	173799	182489	187964	193603	199411	205393
Bank Interest	1000	1050	1082	1114	1147	1182
Parish Hall	20000	21000	21630	22279	22947	23636
Other	0	0	0	0	0	0
reserves	16079	16883	17389	17911	18448	19002
		0	0	0	0	0
Net	210878	221422	228065	234906	241954	249212

5% increase for 2024/2025 and the 3% increase for every year after this.

Recommended that;

The five-year review of income and expenditure was approved by the Parish Council

19. Annual review of Internal Financial Controls

RESOLVED that;

the present arrangements for financial controls as detailed below are acceptable:

- a. All payments are raised in accordance with a payment schedule, which includes agreed direct debit and bacs payments, with supporting documentation available, are signed at the Parish Council monthly meeting.
- b. Details are then again provided to Members as a schedule for formal approval with the subsequently produced Parish Council Meeting minutes which includes a copy of the relevant payments Schedule for the month.
- c. The Chair at the next Parish Council meeting reconciles the Receipts & Payments Schedule and the Bank Statement by signing the Account Balance Summary.
- d. With regard to internet banking the payment are input on the Parish Council's internet banking account by the Assistant Clerk and then are checked by the Clerk. Once input each payment needs dual authorisation from two Parish Councillors to approve and authorise the payment in accordance with payment schedule. Once a payment has been input and approve by either party it cannot be amended in any way by the internal banking system it can only be cancelled. Payments are made in accordance with the Financial Regulations adopted by the Parish Council.
- e. Samples of payments are selected at random each month and these invoices are cross matched with the internet banking payments in order to match the bank details on each invoice with the payments being made.

20. Review of Standing Orders and Financial Regulations

Recommended;

That the Parish Council adopts the amended Standing Orders and Financial Regulations subject to the minor amendments requested.

21. Air Quality monitors

This item was deferred pending research.

22. Non-return of tenancy agreements and risk assessments for Parish Hall

The clerk confirmed that the tenancy agreement and risk assessment has now been completed and returned.

23. Grant application for £1,000 for the Bawming of the Thorn event

The grant application for £1,000 was considered.

The clerk confirmed that in the financial year 2022/2023 a grant of £500.00 was given.

The grant budget for 2023/2024 was £6,000 and a grant of £1,100 has already been given to Stockton Heath festival which leaves a balance of £4,900.

Recommendation;

That the Parish Council was to give a grant of £600.00 for the Bawming of the Thorn event in Appleton Thorn.