

Elsenham Parish Council

Finance Committee Meeting held on 16 June 2023
at 1.30pm in Old Franks, Elsenham.

Present:

Mr. B Burlton (Chairman BB), Mrs. F Lambert (FL), Dr. G Mott (GM),
Mr. B Ogilvie (BO) and Mrs. L Johnson (Parish Clerk LJ).

Members of the public:

None.

Minutes

1. Election of Chairman.

Proposal: BB is elected Chair of the Finance Committee for the coming year.
GM proposed, FL seconded the vote was carried unanimously.

2. Apologies for absence. None.

3. Declarations of Interest. BB declared that he had been Chair for the Co-op Bank Parent co-operative in 2004 – 2009. BB no longer has any association with the bank.

4. Signing of the minutes.

The minutes of the meeting held on 24 March 2023 were agreed as a true record and signed by the Chair.

5. Budgets for 2023/2024.

EPC currently have £143,000 in a Co-op Bank non-interest-bearing account. EPC also have £19,000 in a NSI account earning 0.6% interest.

BB and LJ had completed a cash flow chart for the year up to 31 March 2024. However only the regular payments and receipts had been inserted. The chart showed that EPC's cash balance was always above £100,000. The month showing the least amount was September, £109,841 and only then if the Isabel Play equipment had been installed and payment was due.

EPC has £143,000 in the Co-op Bank, but only £85,000 is protected by the government guarantee scheme.

BB had carried out some research on suitable accounts that EPC could use to earn some interest.

Co-op Bank 95-day notice savings account.

This account is currently paying 2.21% per year, 95 days' notice must be given for free withdrawals. Money may be withdrawn without notice but a fee of 95 days interest is charged.

Unity Trust Bank Instant Access Savings Account.

This account is currently paying 2.30% interest. To withdraw funds a written request must be made and then the funds are paid via CHAPS. So, this could take two or three days but no longer than two weeks.

The Investment Policy states that.

The Council's investment policy will be prudent and have two underlying (principal) investment objectives:

- *Security – protecting the capital sum invested from loss; and*
- *Liquidity – ensuring the funds invested are available for expenditure when needed.*

Lloyds Bank has a savings account that pays 3% interest, with free withdrawals, but you must have a current account. EPC could think about changing their account to Lloyds Bank.

Lloyds Bank is putting interest rates up again in the coming weeks, other banks are likely to do similarly.

In the future the majority of the £18,000 in NS&I could be transferred to the Co-op Bank, just keeping a small amount in the account so it remains open.

BO proposed that the Finance Committee recommend to the Full Council at July's meeting that £85,000 is transferred into a Unity Trust Bank Instant Access Savings Account.

BB seconded the vote was carried unanimously.

It was agreed to have three signatures on the account Bob Burlton, Ray Franklin and Graham Mott, with any two to sign.

The Annual Strategy which was adopted in May 2022 needs updating to cover 2023/24. BB agreed to update the strategy.

6. Environment and Climate Change Committee.

It had been agreed at the June's Parish Council meeting to set up a new committee with a £2,000 budget.

LJ to curate a new budget line, Environment and Climate Change, with a nil budget. If the committee spend any funds it will show as an overspend.

7. Budgets 2024/2025.

GM said he would like to change the budget system next year so that the budgets that are agreed at the beginning of the year do not change. Money is not moved from one budget to another to cover an over-spend. At the end of the year, it is then clear which budgets have overspent.

GM said he wanted to increase the precept last year, but other members of the Finance Committee did not. Compared to other villages the same size as Elsenham, Elsenham's precept is very low. Also, the government may start capping parish councils.

BB said EPC are eating into their reserves. BB said the receipts and payments should break even ideally. But this year if all goes according to what EPC has projected the receipts are £94,650 and the payments £145,570, this will make a deficit of £50,920. However, this figure includes the £25,000 main reserve, which should only be used in emergencies, but that would still leave a £25,000 deficit, which if EPC projected figures are correct, would have to be taken from the funds brought forward from last year. If this trend continued, the funds brought forward at the end of each year would be less and less.

BB said he would re-check the accounts information to confirm if this position is actually the case.

GM said we may also need a new budget to help the Elsenham News to continue to be published, as they are losing money because of the increase of new houses in the village.

8. Insurance for the Chapel.

EPC's current insurance company would not insure the Chapel unless it was inspected every day. Therefore, since the 1 June the chapel has not been insured.

LJ to obtain some quotes for standalone buildings.

9. Internal Auditor.

LJ to circulate the internal auditor's report to members of the committee

10. Any other business.

The Pesticides Policy which was adopted at EPC's June meeting states that phasing out of pesticides should be immediate. However, this cannot apply to the grass cutting contractor, whose present contract states he can use weed killer in many parts of the village.

The Grass Cutting Contract will need to be re-written before the new contract begins on 1 April 2024.

The meeting finished at 3.05pm.