

KESGRAVE TOWN COUNCIL

Minutes of the meeting of the Finance and Governance Committee held on 15 November 2021 (held at the KTC Council Chamber)

Councillors present:

Cllr K Archer

Cllr N Beecroft-Smith – (Chairman of Town Council)

Cllr G Lynch

Officers present:

J Abbott – Town Clerk

A Dougall - Responsible Financial Officer (RFO)

1. **Welcome and Apologies for Absence** – Cllr Beecroft-Smith chaired the meeting and welcomed those present. Confirmed apologies were received from Cllr Comber (personal), Cllr Gibson (personal) and Cllr Ogden (work) and these were accepted following the vote.
2. **Declaration of Interests** – none
3. **Minutes of the last Meeting** held on the 4 October 2021, the Committee received, considered and all agreed following the vote.
4. **Clerks/Officer Report/Update** – J Abbott reported that the Fireworks had been a huge success with ticket sales income exceeding the VAT threshold for being non-VAT registered. Having spoken to HMRC the Council will need to register for VAT by 30 December 2021 as there is another Fireworks Event planned in 12 months. This means that VAT will have to be included in all sales (output VAT), but this can be offset against the VAT on purchases etc. (input VAT).
5. **Members of the Public** – none present.
6. **Bank Reconciliation** – A Dougall presented the Bank Reconciliation Reports dated 30 September 2021. Bank statement balances as at 30/09/2021 were £169,315.07 (current account) and £536,459.48 (savings account). Cllr Beecroft-Smith confirmed the reports agreed with the hardcopy bank statements. Councillors received, considered and all agreed following the vote.
7. **Receipts and Payments** – A Dougall presented accounts for September 2021. These were received, considered, and agreed following the vote.
8. **Detailed Income and Expenditure to 30 September 2021** – A Dougall presented the report for information only.
9. **Trial Balance for September 2021** – A Dougall presented the report for information only. It was suggested that the narrative 'General Reserve' could include reference to the fact that the reserves retained should be at least 3-12 months of the net revenue expenditure as recommended in the JPAG Practitioners Guide 2021 (extract below for information). The Council aims to retain between 6-9 months. It was agreed that A Dougall should include a narrative in the budget to explain the need to hold large reserves to cover unexpected expenditure or emergencies. CIL income was discussed and it was noted that this ring-fenced funding will be spent to benefit Kesgrave residents according to the guidelines provided to local councils.

Extract from JPAG Practitioners Guide - 2021

Reserves:

5.31. As with any financial entity, it is essential that authorities have sufficient Reserves (General and Earmarked) to finance both its day-to-day operations and future plans. It is important, however, given that its funds are generated from taxation/public levies, that such reserves are not excessive.

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.

5.33. Earmarked and Other Reserves — None of the above in any way affects the level of Earmarked and/or Capital Receipts Reserves (EMR/CRRs) that an authority may or should hold. There is, in practice, no upper or lower limit to EMR/CRRs save only that they must be held for genuine and intended purposes, and their level should be subject to regular review and justification (at least annually) and should be separately identified and enumerated. Significant levels of EMRs in particular may give rise to enquiries from Internal and/or External Auditors

10. **2022/23 Draft Budget (version 4)** – A Dougall presented the Draft Budget explaining the only change from Version 3 was the addition of the actual tax base received from East Suffolk Council (as per paper attached). It was agreed that the Council preferred to avoid a significant increase to residents, while recognizing the need to progress the Town in line with the Kesgrave Business Plan etc. It was agreed that the Draft Budget will be discussed at the next Full Council meeting.
11. **Grant Requests** – Each grant request was reviewed with reference to the KTC Grant Approval Policy and Procedure, noting the benefit to Kesgrave residents.
 - DAS (application form attached) – It was agreed and approved to grant £500.00 as provided in 2020/21.
 - Kesgrave Friendship Club (papers attached)– It was agreed and approved to grant £150.00. In addition, it was agreed that the group may have access to the MJH subject to availability free of charge, to help promote the group as it provides vital support to local residents.
 - Headway Suffolk (Application form attached) – It was agreed and approved to grant £250.00 as provided in 20/21.
12. **Other/Urgent Communications** – J Abbott reiterated the importance of acknowledging the Meeting invites to ensure the meeting is quorate.
13. **Date of Next Meeting** – Monday 10 January 2022 at 7.15pm, Council Chamber, Town Council office.
14. **Agenda Items for Next Meeting** – none.
15. **Resolution to exclude the Public under the Public Bodies (Admission to Meetings) Act 1960** – no public present.
16. **Confidential Minutes of the last Meeting held on 4 October 2021** – the Committee received, considered and all agreed following the vote. There were no confidential agenda items for discussion.

The meeting *finished at 8.10 pm*

Chairman.....

Date.....