

CHURCH CROOKHAM PARISH COUNCIL

Finance & Policy Committee Minutes

Initial:.....

Date:.....

Date and Time: Monday 14th October 2024, 7.45pm

Place: Acorn Hall, Church Crookham Community Centre

Present:

Councillors: Bruce Bulgin (BB), Debbie Moss (DM), Gill Thomas (GT).

Clerk: Claire Inglis

There were 0 members of the public present

Meeting commenced at 7.47pm

24/039	Apologies for absence Apologies received from Cllr Saunders and Baskett																																																								
24/040	Dispensations To receive any written requests for disclosable pecuniary interest dispensations from members. None received																																																								
24/041	Declaration of interest relating to any item on the agenda None received																																																								
24/042	Chairman’s Announcements None received																																																								
24/043	Public session This is an opportunity for members of the public to bring matters to the attention of the Finance Committee. No members of the public present																																																								
24/044	Actual vs budget To review the actual vs. budget figures for 2nd quarter 2024/25 and approve updates to likely outturn against budget. Please note the headlines: <u>S106 Actual vs Budget</u> <table><tr><td colspan="2">Precept or S106 S106</td><td></td><td></td><td></td><td></td><td></td></tr><tr><th colspan="2"></th><th colspan="5">Values</th></tr><tr><th>Inc or Exp</th><th>Type</th><th>Sum of Budget 24/25</th><th>Sum of Actuals year to date</th><th>Sum of Forecast</th><th>Sum of Total year to date</th><th>Sum of Variance</th></tr><tr><td>Income</td><td></td><td>0</td><td>100,000</td><td>0</td><td>100,000</td><td>100,000</td></tr><tr><td>Exp</td><td></td><td>-95,035</td><td>-69,652</td><td>-74,790</td><td>-144,442</td><td>-49,408</td></tr><tr><td>Project</td><td></td><td>-13,000</td><td>5,697</td><td>-20,667</td><td>-14,970</td><td>-1,970</td></tr><tr><td>EMR</td><td></td><td></td><td>-48,623</td><td>0</td><td>-48,623</td><td>-48,623</td></tr><tr><td>Grand Total</td><td></td><td>-108,035</td><td>-12,578</td><td>-95,457</td><td>-108,035</td><td>-1</td></tr></table>	Precept or S106 S106									Values					Inc or Exp	Type	Sum of Budget 24/25	Sum of Actuals year to date	Sum of Forecast	Sum of Total year to date	Sum of Variance	Income		0	100,000	0	100,000	100,000	Exp		-95,035	-69,652	-74,790	-144,442	-49,408	Project		-13,000	5,697	-20,667	-14,970	-1,970	EMR			-48,623	0	-48,623	-48,623	Grand Total		-108,035	-12,578	-95,457	-108,035	-1
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S106 Income-

Maturing investment relates to Nationwide deposit on Flagstone which became less than 12months to maturity hence moved from Investment status to cash

S106 Expenditure

Non-Project spend £18k YTD vs annual budget £88k

Grounds maintenance contract renewal commenced September 1st so new run rate will be billed going forward hence low spend vs actual ytd.

Tree works has been completed and invoices only just received to be processed in October

Investment Spend - surplus Flagstone cash reinvested for 4 years - Inflationary protection

Project Spend

Public Art - completion of Sensory Garden pieces

Planting project - Cllr Saunders due to hold meeting with tree surgeon to discuss Spring planting plans

EMR movements

Public Art - EMR now spent and closed

Net Flagstone investment movements offset Maturing Investment and Investment spend above

Precept Actual vs Budget

Precept or S106 Precept		Values				
Inc or Exp	Type	Sum of Budget 24/25	Sum of Actuals year to date	Sum of Forecast	Sum of Total year to date	Sum of Variance
Income		404,678	346,227	105,861	452,088	47,410
Exp		-368,064	-172,608	-215,791	-388,399	-20,335
Project		-9,000	-300	-27,580	-27,880	-18,880
EMR		-27,875	-10,241	-18,915	-29,156	-1,281
Grand Total		-261	163,078	-156,425	6,653	6,914

Precept Income-

Facility Income - (football bookings and Community centre bookings) likely to be £15k better than budget due to cautious budgeting

Interest received- on Flagstone investments and bank interest likely to be £16k better than budget due to increase Flagstone cash investment based on managed cashflow requirements

Sundry income - Grant due from Hart DC reference UKSPF Access to Athletics budget £14.7k, and grant from Football Foundation for goal posts £1k.

Precept Expenditure-

Employment - likely to be £10k better than budget due to change to employee profile

Bank Charges - second half year forecast may improve due to Flagstone management fee removed as reflected in lower interest rates.

Comm Centre Rates - Budgeted for anticipated charge but received discretionary discount (therefore will continue to budget for rateable value) £7.5k less cost this year

Open space maintenance - £19k costs taken in year for pitch renovations and £15k Knee rail project to protect open spaces - hence potential overspend against budget to seek recommendation to full council.

Project Spend - £19k Athletics cost partially offset by HDC UKSPF grant of £15k.

EMR movements - as budgeted

It was resolved to recommend to Full Council to consider a budget for a Future Art Project for installations outside of Crookham Park, to accept Pitch renovations £18,915 as a cost in the year

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	rather than deplete the EMR for Open space projects and to increase current year Open Spaces maintenance by £15k to implement Knee rail project to safeguard and improve protection of open spaces. Proposed BB, seconded GT, all in favour.
24/045	Ear Marked Reserves To review ear marked reserves and general reserves as at 30th September 2024 S106 EMR movements YTD: Public Art - EMR now closed as fully expended Allotments and Open Spaces - shows 1st Qtr amount expended (plan to make annual adjustments in future and remaining 24/25 at end of March) Flagstone - movement of investment to cash (£100k Nationwide) and cash to long term investment (£49,407 - 4-year deposit) inflation protection Precept EMR movements YTD: In addition to the annual budgeted EMR movements total 24/25 £27,875 the following movements have taken place: £2k added to EMR from general reserve to cover additional new PCs for new starters and release from EMR relating to purchase of one PC £0.7k £19k released from Open spaces but as per agenda item 24/044 F&P recommend to Full Council to reverse EMR release and take cost in current year
24/046	Creditors and Debtors reports To review reports and recommend for approval at Full Council Creditors report shows balance £27.61 Castle Water unclaimed DDR - RFO investigating as they state DDR has been cancelled. But not by CCPC. Debtors balances total outstanding end of Sept £9,258 £4,126 new debt raised end September £4,968 August billing with grass pitch invoices balance payable end of December (value £4,500) £164 balance no concerns but TNFC have been chased to get their account up to date.
24/047	Investment quarterly review To review the performance of the council's investments, deposits, and instant access accounts and approve placing deposits on Flagstone upon maturity in December. CCLA Current investment £900,000 with a unit shareholding of 276,314 As at 30th Sept 24 the current mid-market valuation was 2.760355 per unit thus a valuation of £762,724.73 slightly up on August close. The valuation will be monitored. An EMR CCLA mitigation was set up in 2023/24 to build reserves to mitigate for any capital loss on this investment. The EMR balance is currently £6,600 The total dividend payout since investment has been £170K net of fees Dividend for July to September 2024 is due to be paid at the end of October. The dividend to date has been added to the general reserves for expenditure as per minute reference 08/20 in 2020 CCPC continues to view the CCLA investment as a long-term investment of at least 10 years since

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	investment in 2019, based on the annual expenditure of S106 funds on management and maintenance of Crookham Park, currently estimated at £100k per annum. Investments held with Flagstone have been structured to release £100k per annum until end 2031/32, so the CCLA investment should not be required before 2032/33. The EMR to mitigate will be discussed as part of the budget setting process in January 2025 F&P meeting. Flagstone Cash Deposits In September the Flagstone platform ceased the requirement to hold a reserve to cover management fees. This is now reflected in a reduced interest rate on deposits. Currently held on Flagstone: £530k Precept cash £185k S106 Cash £773k S106 Investment (i.e. longer term held cash) £3k Holding Account cash All Flagstone Deposits are held with financial institutions that met (and continue to meet at time of reporting) the Treasury and Investment policy guidelines on minimum credit ratings CCPC is likely to benefit from £40k interest in current financial year from the Flagstone deposits. Two Deposits are due to mature in December Sainsburys (Precept cash) £149,600 Nationwide (S106 cash) £100,000 It was resolved to recommend to Full Council that the two maturing deposits are both placed on 3 month deposit with the holding account cash added to the maturing Sainsburys deposit. Nationwide S106 cash will be utilised to reimburse General reserve with current year S106 expenditure in March. Proposed BB, seconded GT, all in favour.
24/048	General Reserve To review the current level of General Reserve in line with the Treasury & Investment Policy. As set out in the council's Treasury and Investment Policy - The council's general reserves (excluding Ear Marked Reserves) will equate to a minimum of 4 months and a maximum of 6 months net revenue expenditure. Currently the General Reserve is running at £314k due to receipt of the second tranche of Precept received. Anticipated second half year net revenue expenditure is £156k therefore the general reserve is running at 6 months net expenditure in line with the Treasury and Investment Policy.
24/049	External Audit report To receive the external audit observations and recommend for approval at Full Council External Auditor Report is acknowledged and Other matters raised within report discussed: The AGAR was not accurately completed before submission for review: A minor error of omission box should have been ticked to answer NO. A simple error to correct in future years. The Internal auditor did not cover all the recommended objectives to confirm compliance that the relevant procedures and controls in operation were being achieved throughout the year Objective L relating to relevant information on website. This is ticked N/A - Will be discussed with Internal auditor at interim audit.

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	Independence of internal auditor not minuted - this is disputed as this was considered and minuted under minute reference 24/009 in January 24. Subject to comment from Internal Auditor External Audit report is recommended for approval at Full Council.
24/050	Date of next meeting Monday 13th January 2025

Meeting closed at 8.08pm

Signed _____

Date _____