



Garstang Town Council

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Finance Committee Meeting, 29th November 2021 Minutes

Minutes of the Finance Committee meeting, held at Garstang Methodist Church, on 29 November 2021, 7.30pm

Present

Chairman: Councillor Atkinson

Councillors present: Allan, Atkinson, Halford and Pearson.

Also present: Town Clerk/RFO Edwina Parry and Councillor Brooks.

38(2021-22) Apologies for Absence

Councillor Mitchell

Councillor Lees was not present

39(2021-22) Declaration of Interests and Dispensations

41(2021-22) Councillor Atkinson declared an 'other interest'. He is the Town Councillor representative on Kepple Lane Park Trust and a member of the Scarecrow Festival Committee.

41(2021-22) Councillor Pearson declared an 'other interest'. He is the Town Councillor representative on Kepple Lane Park Trust and Chair of the Garstang Scouts and Guides Headquarters.

41(2021-22) Councillor Allan declared an 'other interest'. He is a member of the Garstang & District Heritage Society (GDHS) and involved in the project of the Heraldic Banners.

The RFO reported that dispensation forms were on file for Councillors Allan and Halford who had a pecuniary interest as they resided in the parish. The approved dispensation forms allowed them to participate in precept discussions and decisions.

40(2021-22) Public Participation

Councillor Pearson arrived at the meeting.

The meeting was adjourned to allow members of the public to speak.

Councillor Brooks asked questions relating to the Christmas Lights Payment, budget code 4630. Clarification was provided by the Chair, Councillor Atkinson on invoice payments and the monies held in Cashbook 4, HSBC Christmas Lights account.

Councillor Brooks asked about the Town Council's involvement of reclaiming of VAT monies and the review, to date, of the Town Council's procedures of reclaiming VAT for the Christmas lights payments. The Chair and RFO responded that a letter had been sent to HMRC to establish if the Council's procedures to date have been correct and in order. Councillor Brooks requested a summary sheet detailing VAT payments made by the Town Council. It was agreed that this would be followed up by the Chair, Councillor Atkinson and RFO.

The meeting was reconvened.

41(2021-22) **Budget 2022/23**

Background Information

Councillor Atkinson provided the background to the budget.

The Joint Panel on Accountability and Governance Practitioners' Guide March 2021 states:

5.7. The preparation of an annual budget is one of the key statutory tasks to be undertaken by an authority, irrespective of its size. The budget has two main purposes:

- *it results in the authority setting the precept for the year (or rates and special levies for IDBs); and*
- *it provides a basis for monitoring progress during the year by comparing actual spending against planned spending.*

The Town Council's budget is comprised of its anticipated revenue expenditure for the year, based on the annual running costs and what information the RFO has received from Cllrs about any new projects which need to be included. This sits alongside decisions by the Council on reserve levels.

The Town Council's principal income is derived from its precept. The precept is calculated as follows:

- The Tax base is calculated each year after receipt from the Valuation Office of the latest Valuation list.
- A "tax base" is the number of Band D equivalent dwellings in a local authority area. To calculate the tax base for an area, the number of dwellings in each council tax band is adjusted to take account of any discounts, premiums or exemptions.
- The Town council is notified of the Tax Base (set by Wyre Council, around 2nd/3rd week of December). The TC will then be able to use this information to calculate the Band D equivalent, by taking the precept requirement divided by the tax base. The Town Council set a precept figure of £90,742 for 2021/22.

	2020	2021
Precept Amount	£76,809.00	£90,742.00
Tax Base	1831.90	1797.98
Band D Equivalent	£41.93	£50.47

For reference, the Chair, Councillor Atkinson, summarised the following comparative data for Councillors:

- In 2021/22 Garstang Town Council had a Band D Equivalent of £50.47, this made up 2.5% of the total council tax amount a Band D equivalent household would pay. The total council tax amount (LCC, Wyre Council, Police & Crime commissioner, Fire Service) a Band D equivalent household would pay increased 4.4% in 2021/22.
- In the 6 years prior to the increase in 2021/22 the Town Council increased the Band D Equivalent by an average of 1.3% a year, whilst the average English Band D equivalent rose on average by 4.9% per year over the same period.
- In 2021/22 the average Band D Equivalent in England was £71.86 whilst the average Wyre Band D Equivalent was £40.57.
- The general trend in the English Band D Equivalent Data is that there is a positive correlation between tax base and precept, so as tax base rises, so does the amount a town/parish council precept. This data can provide a calculated Band D equivalent based on tax base, so a council with a tax base of 1797.98 (Garstang Town Councils in 2021/22) would be expected, based on the tax base, to have a precept of £114,736.76, which would equate to £63.81, £13.34 more than Garstang Town Councils Band D Equivalent in 2021/22.

2022/23 Budget

Members had been circulated a draft budget to consider alongside the current position of the Councils reserves and overall finances.

On 18/11/2021, the Committee noted that the RFO had attended a budget webinar organised by SLCC. Following advice from the trainer, the budget had been prepared on an excel spreadsheet rather than using the Rialtas budget tool. Councillor Atkinson had adapted the SLCC template, for the Town Council's use.

The precept based on the draft 2022/23 budget was currently £94,064.

In terms of Band D equivalent the Chair, Councillor Atkinson, explained that this would need to be determined following receipt of the Tax Base from Wyre Council. However, to provide committee members with an initial indication, the calculation, detailed below, had been completed using both the 2020/21 and 2021/22 Tax Base.

Committee members noted that the decrease in the Tax Base in 2021/22 was believed to be heavily affected due to an increase in council tax support payments and a reduction in the collection rate.

	2020/21 Tax Base	2021/22 Tax Base
	1831.90	1797.98
Draft Precept/Tax Base = Band D Equivalent	£51.35	£52.32
Change on Previous Year	£0.88	£1.85
% Change on Previous Year	1.74%	3.66%

a) Points considered

The Committee considered the draft budget paper, line by line to review the budget for each code and agree upon any revisions.

All Councillors were made aware of Financial regulations 7.4

The Chair, Councillor Atkinson, highlighted the following points to review:

- 4011: National Insurance: [Rates and thresholds for employers 2021 to 2022 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/national-insurance-rates-thresholds-for-employers-2021-to-2022)
- 4101: Office Accommodation: Item 16, 16th August 2021, Clerk's Office Accommodation, *In the longer term, the Chair of Finance and Personnel are seeking authority to explore hybrid working options which may be available within the Town, in order to support the Clerk with the management of the Lengthsman, meetings with councillors, community groups and members of the public.*
- 4702: Lengthsman's Assets
- Tree Surveys
- General Reserves
- Remembrance Sunday

Committee members noted that the following underspends are estimated/projected in this year's budget.

Code	Description	Amount
4101	Office accommodation	-£ 1,000.00
4105	Office Exp-Tel/Email/Post/Mile	-£ 50.00
4400	Stationery	-£ 180.00
4701	Training	-£ 250.00
4520	Mayor Meeting	-£ 150.00
4715	Town Crier	-£ 100.00
4641	Festivals Contribution	-£ 200.00
	Total	-£ 1,930.00

These underspends will negate expected overspends on 4590 Lengthman's Other Expenses and 4462 Payroll, with residual underspend still remaining.

The Committee worked through the budget line by line.

The Committee agreed that cost centre 201, budget line 4011 should be amended considering the September government announcement of an increase to employers' and employees' National Insurance Contributions (NICs) for 2022/23 to fund health and social care.

The Committee accepted the figure detailed on Staff Costs (Confidential).

Proposal: Committee members were asked to recommend an initial draft budget to Full Council for comment, for the meeting on 6 December 2021, Finance committee will then recommend a final budget at the meeting on 11 January 2022, ahead of final approval at Full Council's meeting on 17 January 2022.

Resolved: The Finance Committee recommended the draft budget as outlined on Garstang Town Council: Draft V0.2 Budget 2022/23 with a proposed precept figure of £94,733 to Full Council for initial comment, for the meeting on 6 December 2021. The Finance Committee will then recommend a final budget at the meeting on 11 January 2022, ahead of final approval at Full Council’s meeting on 17 January 2022.

The Committee noted the Draft band D figures below, noting that the Tax base is not yet confirmed. An initial indication of the calculation, detailed below, had been completed using both the 2020/21 and 2021/22 Tax Base.

	2020/21 Tax Base	2021/22 Tax Base
	1831.90	1797.98
Draft Precept/Tax Base = Band D Equivalent	£51.71	£52.69
Change on Previous Year	£1.24	£2.22
% Change on Previous Year	2.46%	4.40%

b) Project Fund Requests and EMRs

155(2020-21) 2022/23 Precept and budget figures for projects from Councillors

Resolved: The following projects were put forward:

- a) *Councillor Atkinson -Hereford Avenue Community Orchard, a contribution to be made to Wyre Council of £500 as part of the Queens Platinum Jubilee Budget Request.*
- b) *Councillor Allan -North West Stages Rally 2022-2023, £1,000.*
- c) *Councillor Halford –a projector for use at Full Council and Committee meetings. The Clerk advised that an item be submitted to Full Council for the meeting on 6/12/2021 to ascertain if there was support from the Council. Thought would need to be given as to where the item would be stored and how it would be operated during meetings.*
- d) *Councillor Webster–War Memorial. £300.*
- e) *Councillor Atkinson, on behalf of absent Councillor Leech –Queens Platinum Jubilee -£2,000*
- f) *Councillor Allan–Heraldic banners -£5,000*

Cllr Atkinson has spoken with Cllr Allan, who has agreed that surplus MTWG funds can be reallocated. Remaining MTWG funds are as follows:

Number	Description	Amount
EMR 345	MTWG EMR	£ 7,148
4842	MTWG Strategy Plan Consultancy	£ 4,500
4840	MTWG events	£ 1,000
4841	MTWG projects/admin	£ 445

1702	Grants Received Other underspend of RHSSF Wyre Grant £2,360	£ 380
	Total	£ 13,473

The proposed reallocation by Cllr Atkinson is as follows:

Number	Description	Amount
EMR 345	Heraldic Banners (EMR name to change)	£ 5,000
New GGPB EMR	GGPB	£ 4,500
EMR 320	Queens Jubilee (EMR name to change)	£ 2,000
EMR 320	Queens Jubilee Community Orchard	£ 500
EMR 330	Projector	£ 500
EMR 332	War Memorial Review Project	£ 300
EMR 325	General Reserves	£ 673
	Total	£ 13,473

This encompasses all of the requested funds as stated in the resolution above.

Proposal: Committee members were asked to consider the above proposed reallocation of remaining MTWG funds and agree upon any other changes to EMRs to be recommended to Full Council at December's meeting for final approval.

Resolved: The Finance Committee recommended the reallocation of remaining MTWG funds, detailed below be recommended to Full Council at December's meeting for final approval.

Current EMR's

Number	Description	Amount
EMR 345	MTWG EMR	£ 7,148
4842	MTWG Strategy Plan Consultancy	£ 4,500
4840	MTWG events	£ 1,000
4841	MTWG projects/admin	£ 445
1702	Grants Received Other underspend of RHSSF Wyre Grant £2,360	£ 380
	Total	£ 13,473

Proposed reallocation, approved by the Finance Committee:

Number	Description	Amount
EMR 345	Heraldic Banners (EMR name to change)	£ 5,000
New GGPB EMR	GGPB	£ 4,500
EMR 320	Queens Jubilee (EMR name to change)	£ 2,000
EMR 320	Queens Jubilee Community Orchard	£ 500
EMR 330	Projector	£ 500
EMR 332	War Memorial Review Project	£ 300
EMR 325	General Reserves	£ 673
	Total	£ 13,473

42(2021-22) **Date of next meeting**
11 January 2022 at 7.30pm.

The Meeting Finished at: 8.28pm