



# Ashington Parish Council Finance Committee Meeting

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## Minutes of Ashington Parish Council Finance Committee Meeting held at 8.00pm on Thursday 25th April 2024

**Present:** Councillors G. MacPherson, J. Morris, T. Moss, N. Spiers, M. Woolley

**Parish Clerk:** Lee English

**Members of the public:** 0

**Declarations of Interest:** none

**1. Apologies for Absence** – none

**2. Public Adjournment** – no public present

**3. Councillor discussion and approval of draft accounts and Annual Report**

The year-end accounts for 2023-2024 had been prepared by the Clerk / RFO and circulated to the committee prior to the meeting.

The following areas were discussed and noted –

- a. The Wardens costs are invoiced 12 months in arrears, therefore the amount shown relates to 22/23 costs.
- b. VAT paid had also not been recovered before the end of the financial year, therefore the figure shown relates to VAT recovered against 22/23.
- c. Rates of return on savings had increased due to improved bank interest rates.
- d. “Monies held” previously on behalf of village organisations had been transferred to appropriate earmarked reserves (Ref 367/23 4. a) b)).
- e. No income had been generated from the Parish Yard due to ongoing issues with planning and water neutrality (outgoing costs were reduced to utilities only).
- f. There was a deficit of £20,607.77 between receipts and payments for the year. It was noted that expenditure includes payments that are allocated to existing earmarked reserves – funds which had been set aside as planned in previous years. When all year end allocations were made to and from the earmarked reserves, the expenditure was 1.8% over budget.
- g. A 5-year bond was considered a prudent investment for the council as the £67,000 invested was slightly under the s106 Planning Agreement Developer Funds amount currently held in an earmarked reserve for “Open Spaces” – areas handed over to the council after various housing developments were built, for the maintenance of the open spaces’ areas in perpetuity. The capital to be invested, and interest to be used for the maintenance costs.

A review of banking arrangements and investments meant that 3 new accounts had been opened in this financial year – a 95-day notice account, a 1-year Bond and a 5-year Business Bond (a 4th account, a 1-year bond, was still in the application stage at year end).

The acquisition of the 5-year Business Bond meant that the amount invested (£67,000) was considered a long-term investment, therefore was shown as a “payment” from the cash book and added to the Assets Register (until the maturity date when it will come back in as a “receipt”). This therefore meant that it was counted as a fixed asset, rather than in the bank balances figure.

The general reserves figure was calculated at 60% (7 months) of annual expenditure. Recommended levels are between 3 and 12 months. It was acknowledged that there was an invoice for the 2023-24 Wardens costs (always invoiced in arrears) for £67,436 paid in April, but that the first payment for the precept of £54,066.50 was due in at the end of April to replenish the general reserves held.

It was noted that due to the parish council not owning any buildings, or facilities such as a recreation ground, that any significant or unexpected expenditure would most likely come from an existing earmarked reserve.

The committee approved the accounts. The Clerk will meet with the internal auditor on 10th May. The council will undertake the final approval of the accounts, the Annual Review of Financial Controls and the Annual Return at the June 13th meeting, so that the Chairman can sign the documents in time for the submission to the external auditor before the deadline of 30th June 2024.

#### **4. Review of current banking arrangements and investments**

The current balances held were discussed. It was noted that there was £80,000 committed to a new investment that was still at application stage.

It was proposed to move £40,000 into a Lloyds 95-day notice account at 4%. To be put to council for approval in May. Agreement to be sought that should the rate change before then, that an investment for the same amount for a comparable account can be opened instead, subject to approval by the Finance Committee.

It was agreed to add Cllrs MacPherson and Morris to the 2 x Redwood Bank investments (95-day notice account and 1-year bond) and the Hampshire Trust Bank (5-year Business Bond). Agreement to have 2 of 3 to sign (one of signatories is the clerk).

#### **5. Review of finance procedures / policies**

##### **a. Terms of Reference**

The draft Terms of Reference was discussed, revised and will be put to full council for approval.

##### **b. Investment Strategy**

The draft Investment Strategy and Reserves Management Policy was discussed, revised, and will be put to full council for approval.

**Confidential Matter (exclusion of Press and Public) – none**

Meeting finished at 9.30pm

Signed ..... Date .....