
MINUTES OF THE FINANCE & GENERAL PURPOSES COMMITTEE MEETING HELD ON MONDAY 13TH JUNE 2022 HELD AT SHORTLANESEND VILLAGE HALL AT 8.34PM

PRESENT: CLLR. I HOLROYD (CHAIRMAN), CLLR. HARRY (VICE CHAIRMAN), CLLR. ROBINSON, CLLR. F J DYER MBE, Cllr. A Jones

Also present: Mrs K J Harding – Clerk to Kenwyn Parish Council

1 member of the public

073/2022 APOLOGIES: CLLR. K LA BORDE & CLLR. R PENHALLURICK

074/2022 DECLARATIONS OF INTEREST

No declarations of interest.

075/2022 PUBLIC PARTICIPATION (10 MINUTES MAXIMUM, 3 MINUTES' MAXIMUM PER PERSON ON FINANCE & GENERAL PURPOSES MATTERS ONLY)

No public participation.

076/2022 TO CONSIDER CURRENT EARMARKED RESERVES REPORT PRODUCED BY THE CLERK AND THE FUTURE OF THE PROJECTS IDENTIFIED IN THE EARMARKED RESERVES

Account	Opening Balance	Net Transfers	Closing Balance
320 EMR - Clerk's Gratuity	23,500.00		23,500.00
321 EMR - Kenwyn Community Benefit	141,439.33		141,439.33
322 EMR - Election Reserve	5,948.92	6,000.00	11,948.92
<u>323 EMR - Village Hall Sewer</u>	<u>4,559.00</u>		<u>4,559.00</u>
324 EMR - Playing fields	22,821.75	16,453.96	39,275.71
325 EMR - Signs	2,200.00		2,200.00
326 EMR - Professional Fees	2,231.38	5,000.00	7,231.38
327 EMR - Noticeboards	2,131.70		2,131.70
328 EMR - Devolved Services	0.00	6,000.00	6,000.00
330 EMR - Section 106/CIL	0.00	340.33	340.33
<u>331 EMR Climate emergency</u>	<u>19,769.45</u>		<u>19,769.45</u>
332 EMR - I.T	7,349.35	1,261.83	8,611.18
<u>333 EMR - COVID 19</u>	<u>24,123.88</u>	<u>-410.00</u>	<u>23,713.88</u>
<u>334 EMR - CCTV</u>	<u>13,217.99</u>		<u>13,217.99</u>
<u>335 Community Projects Committee</u>	<u>11,658.54</u>		<u>11,658.54</u>
<u>336 Play Equipment Purchases</u>	<u>10,000.00</u>		<u>10,000.00</u>
337 Fence Renewal Shortlanesend PF	25,000.00		25,000.00
338 Fence Renewal Threemilestone PF	25,000.00		25,000.00
339 Community Chest Fund	0.00		0.00
<u>340 New Website</u>	<u>8,500.00</u>	<u>-70.00</u>	<u>8,430.00</u>
	<u>349,451.29</u>	<u>34,576.12</u>	<u>384,027.41</u>

Please see the figures in **BLUE** which represent EMRs (Earmarked Reserves) that we need to discuss. These EMRs have been set aside by the council to fund projects, services, functions etc that as yet have not been progressed/delivered.

As of today, 31st May 2022, the General Reserves Fund (separate to the Earmarked Reserves Fund stands at £140,450.14. This is money not allocated to anything at present. As a general rule it is expected that councils should hold between 50% - 85% of gross expenditure in its General Fund annually.

Comment was made in the Internal Audit report on these levels as follows:

Adequacy of Reserves

After allowing for earmarked reserves of £346,295 the general reserve stands at £184,790;

equating to 54% of gross expenditure which is within generally accepted parameters.

The percentage would be considerably higher if one-off expenditure in 2021/22 was excluded. The external auditor will also require an explanation for the overall high level of reserves.

I have provided explanations to the External Auditor on the high level of reserves in the

best way I can but the reality is we have set aside a lot of funds for projects we have not delivered. We need to address this situation now and members must decide how.

- EMRs can be used for their original purpose and the projects must be delivered.
- EMRs can be reallocated to other projects that will be delivered.
- A much lower precept could be set in the next financial year and the EMRs wound up and reallocated to meet the shortfall, this is not a recommended way forward as the tax payer would be right to comment as to what the parish council is actually delivering.

Some suggestions from the Clerk/RFO

323 EMR - Village Hall Sewer

4,559.00

4,559.00

Suggestion – this was the sum left over from money set aside from the Burrington Homes Development where we charged an amount to improve our village hall sewer connection to the main sewer. Burrington Homes wished to come across our car park with their sewer which we allowed for a sum of money. We have now replaced our sewer connection and the £4559 is the sum remaining.

My suggestion would be to reallocate this to the new toilet block for Shortlanesend. The money was collected and set aside for sewer work at Shortlanesend Village Hall/Playing Field so it would make sense to reallocate this to the toilet build.

331 EMR Climate emergency

19,769.45

19,769.45

This EMR was created pre Covid.

Suggestion would be to revisit the Climate Emergency Plan adopted by the Council and see what can be implemented from it. If that fails, a reallocation to a project that will be delivered needs to be considered.

333 EMR - COVID 19

24,123.88

-410.00

23,713.88

Grants were received during the first year of the Covid-19 Pandemic. The grants were given to assist the village hall through the pandemic. From it we used funds for the Sani Stations, extra cleaning facilities, new tables and chairs to assist with distancing and we still use the grant to cover the cost of the industrial dishwasher we rented to assist with deep cleaning of kitchen equipment.

As the grants were for Covid related support the money should be spent in hall improvements that would tackle Covid related issues or future virus issues.

Suggestion – it may be possible to install air cleaning units (such as at Threemilestone Community Centre) to extract the air, clean it and return it. We could also look at internal improvements to the hall that would improve the sound quality, addressing hearing issues, broadcasting meetings to allow hybrid viewing by members of the public etc.

334 EMR - CCTV

13,217.99

13,217.99

Suggestion – whilst some of this fund will be used to provide the extra coverage at Shortlanesend Playing Field there will still be a substantial amount left in the reserve. Members could look to providing more CCTV at Threemilestone or elsewhere or could reallocate the funds.

335 Community Projects Committee

11,658.54

11,658.54

Suggestion – when the decision was taken to disband most of the council's committees this work was abandoned but with no consideration as to how to reallocate the funds being held. This EMR was set aside to progress the projects agreed in 2021. Committees have been disbanded but Working Parties could be created to progress these projects along with members of the public should they wish to become involved. This extra help and support would be welcome given the low number of parish councillors we currently have. All suggestions and spending would have to be supported by the full council but this would move the projects forward.

336 Play Equipment Purchases

10,000.00

10,000.00

Suggestion – both ‘Friends of’ groups for the playing fields could make a bid for this funding. A case would need to be taken to the full council for a final decision. Plans would need to be drawn up to put before the full council.

340 New Website

8,500.00

-70.00

8,430.00

Suggestion - £10,000 was set aside as an EMR for the new website as this was the amount members felt the new website could cost. In fact it cost a lot less and we now have £8430 in the reserve. There are some hosting expenses but £6000 of this could be reallocated. Members need to decide where to reallocate the extra funds. One possible suggestion could be a Marketing Budget for the Village Hall particularly if significant further improvements are made to it from the Covid-19 remaining EMR.

New EMRs can be created and members should discuss and decide if these are required. One EMR in particular should be created for the new toilet facilities planned for Shortlanesend.

Members should decide on a reasonable level of General Fund Reserves.

If we do not take steps to address the situation with the reserves, projects and audit commentary we will rightly be asked why we have done little to address these points. I have nothing to offer in response when asked that question so this needs addressing as a matter of some urgency. I am passing it back to the members to come up with answers.

As your Clerk/RFO I need a steer on the future plans the council has in mind, particularly in relation to setting future precepts. To work on the annual budgets I need to know what members have in mind and what plans, services, facilities they wish to progress. At present I don't have sufficient knowledge to work on the next annual budget.

If the Council decides that it does not wish to progress projects then members must decide on an explanation to the public addressing the reasoning behind these decisions.

Hopefully the Finance & General Purposes Committee can, from this meeting, make recommendations to the Full Council for Approval in July.

All the remaining agenda items were taken together as not all members did not wish to extend the meeting past 9pm.

077/2022 TO CONSIDER FUTURE PROJECTS AND REALLOCATE EARMARKED RESERVES AS REQUIRED OR CREATE NEW EARMARKED RESERVES

078/2022 TO FORMULATE A PLAN TO MOVE ALL PROJECTS FORWARD AND SPEND THE FUNDS HELD IN THE EARMARKED RESERVES AND TO EXAMINE THE LEVEL OF RESERVES IN THE GENERAL FUND

079/2022 TO MAKE A FORMAL RECOMMENDATION TO THE FULL COUNCIL FROM THIS MEETING

Recommendation – To form Working Groups to progress work on the Climate Change Plan and Projects Committee. Working Groups to progress the work, spending to be authorised by the Full Council.

Regarding the situation with the Earmarked Reserves –

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321	EMR - Kenwyn Community Benefit	141,439.33		141,439.33
322	EMR - Election Reserve	5,948.92	6,000.00	11,948.92
323	<u>EMR - Village Hall Sewer Reallocate to new Toilet Facilities at Shortlanesend EMR</u>	4,559.00		4,559.00
324	EMR - Playing fields	22,821.75	16,453.96	39,275.71
325	EMR - Signs	2,200.00		2,200.00
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328	EMR - Devolved Services	0.00	6,000.00	6,000.00
330	EMR - Section 106/CIL	0.00	340.33	340.33
331	<u>EMR Climate emergency Working Group to progress with spending to be authorised by Council</u>	19,769.45		19,769.45
332	EMR - I.T	7,349.35	1,261.83	8,611.18
333	<u>EMR - COVID 19 Installation of ventilation systems and other hall improvements to be brought to Council for approval</u>	24,123.88	-410.00	23,713.88
334	<u>EMR – CCTV Cllr. La Borde, Cllr. Green and Cllr. Jones to progress, obtain a quote for further cctv coverage at Threemilestone Playing Field and bring to full council for approval. Some of this fund will now be used to meet the cost of extra and renewed CCTV at Shortlanesend Playing Field agreed at Full Council Meeting of 13th June 2022</u>	13,217.99		13,217.99
335	<u>Community Projects Committee Working</u>	11,658.54		11,658.54

Group to progress with spending to be authorised by Council

<u>336 Play Equipment Purchases</u>	<u>10,000.00</u>		<u>10,000.00</u>
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339 Community Chest Fund	0.00		0.00
<u>340 New Website Reallocate to EMR 336 Play Equipment Purchases</u>	<u>8,500.00</u>	<u>-70.00</u>	<u>8,430.00</u>

The Clerk asked for direction in regard to setting the next year's precept. She asked for guidance on how members saw the future, what projects they wished to deliver, what services they wished to provide and a steer on the sort of budgets they wished the Clerk to put together. She advised it was becoming very difficult to do this as the council was not delivering on work already agreed and funded. She also noted the comments made earlier in the meeting about the feeling being that Shortlanesend was somehow benefitting from improvements more than Threemilestone. She advised she would welcome agenda items and background information for the council to consider from members of that ward that covered the sort of improvements or projects they wished to see delivered at Threemilestone.

The Chairman advised Shortlanesend was moving ahead quickly as Cllr. Harry and the Working Party formed by him with members of the public were driving projects forward. It was hoped this could be mirrored at Threemilestone in the near future.

The Clerk offered further Finance and General Purposes Committee Meetings and Zoom discussions to keep a close eye on the finances, earmarked reserves and projects being progressed as well as new projects should they come forward. Members agreed to this particularly the Zoom discussions to get the projects moving and to put new projects together ahead of full council approval.

080/2022 ANY OTHER ITEM THE CHAIRMAN DEEMS AS URGENT

Not dealt with.

The meeting closed at 9pm.