MINUTES of the Finance Committee meeting held at the Red Lion, Newburgh on Tuesday 14 January 2025 at 7pm.

PRESENT: Cllrs Roughneen (Chair), Halliwell, Lea, Atty (Finance Committee) and Clerk S Jones.

Cllrs Turner, O'Keefe and Pennington also attended.

1. APOLOGIES: None.

2. DECLARATIONS OF INTEREST
No declarations of interest were declared.

3. SPENDING PLANS 204/25 AND BUDGET 2025/26
Discussions centred on the appendices attached to the agenda, which were examined and understood.

Forecast Year End Expenditure and Income 2024/25
It was noted that a significant underspend in running costs is predicted for the end of the current financial year compared to the budget as a result of the budget for Clerk Cover not being required in this financial year. The forecast position will result in an estimated increase in Parish Council reserves. It is expected that the Concurrent Grant from West Lancashire Borough Council should be fully spent for the financial year. The Community Infrastructure Levy (CIL) grant of £1,522 should be fully spent by March 2025 on two picnic tables for the play area. Income overall will be larger than expected due to the interest currently being received on Parish Council funds, which are deposited in the CCLA Public Sector Deposit Fund. In addition, the Parish Council received nearly £2,000 in grants in relation to the weekly Community Coffee morning, which is a new initiative for this year.

Forecast Year End Reserves 2024/25
Overall, reserves are expected to be increased by approximately £5,000, if forecast expenditure and income is correct and the charge for the new website is paid before the end of March. The breakdown of the resulting reserves will be amended, although the Twinning, Elections, External Audit, IT, {Play Area Replacement Equipment and CPRE (contribution towards a demographer regarding the West Lancashire Borough Council Local Plan) reserves will remain unchanged. The Community Infrastructure Levy reserve will be fully spent by the end of the year following the purchase of two picnic tables for the play area. The implementation of the lease agreement in the Summer with Appleton Fields Association will result in the Appleton Fields reserve being fully spent.. It is proposed that the unspent budget of £3,000 for Clerk Cover is set up as a specific reserve for this purpose in future years and possibly a new reserve for village community initiatives to take into account the unspent grant monies in relation to the weekly community coffee morning (if any underspends do not have to be paid back).

Budget 2025/26

a) Although there are some unknowns this year, many budgets are proposed to stay the same. However, some budgets recommended to increase include the Clerk's Salary, Website Management, Insurance, Audit and Speed Device Management, which has resulted in the initial draft budget proposals to increase from this year's budget of £22,562 to £24,739 if the clerk cover budget is included for the new financial year. However, if this budget of £3,000 is not included, this will result in additional monies being available for other projects such as Christmas lighting, community initiatives, asset maintenance and the printing of a colour booklet publicising local organisations and businesses without having to increase the level of precept on residents.

b) With regards to income, the Concurrent Grant budget from West Lancashire Borough Council has stayed the same. It is also not known at this stage whether Lancashire County Council will offer a grant this year for the monitoring of village footpaths (£500 was offered this year) or a Biodiversity grant (£300 offered this year). In addition, there is an element of uncertainty regarding the interest received from Parish Council monies invested in the CCLA Public Sector Deposit Fund. Interest is currently being earned at approximately 5% but forecasts suggest that that rates are likely to drop during the new financial year.

c) Items of capital expenditure were discussed by Councillors and some suggestions were proposed:

- Refurbishment of assets including the village bus shelters
- Parish Council contribution towards the cost of installing an accessible path on Appleton Fields.

Although the Parish Council will use reserves when required, it is important that all the reserves are not used up in case an unforeseen emergency may arise, for which we would not get grant funding. The level of current reserves should be sufficient when considering expenditure known to the Parish Council at this stage, based on the assumptions already considered. However, it is likely that increases will also have to be levied to the precept in future years in order to accommodate expenditure to replace or repair village assets such as the play area and possibly the bus shelters and noticeboard.

Based on the discussions, a number of options relating to the budget and precept were considered including:

- Increase the current budget of £22,562 to £23,033 which would result in no increase for residents for the Parish Council part of the Council Tax bill for 2025/26, currently £47.65 per Band D household.
- Increase the current budget of £22,2562 to £23,562, which would result in a small increase of 2.33% for residents. For a Band D household this would be an increase from £47.65 to £48.76, an increase of just over £1 per year.

Councillors felt that both of these proposals were reasonable options, although some Councillors thought that following the large increase to the precept last year, leaving the precept at the same level should be considered.

4. LEVEL OF PRECEPT 2025/26

Precept history was presented and considered at the meeting.

It was noted that there had been a large increase of over 30% the precept last year to allow for the increase in living costs. Some Councillors felt that the precept should be held at the same level this year acknowledging the large increase from last year and the still high level of living costs being levied on residents in other bills, such as utility, insurance and County Council and Borough Council budgets. However, some Councillors felt that a small increase in the precept is necessary to account for the unpredictability of costs in the near future and to reduce the possibility of having to levy a high increase in future years, due to not increasing the precept this time. **The options considered were to hold the precept at its current level of £47.65 per Band D household per year or to increase the precept by 2% to £48.76.**

Following discussion, a vote was held and it was agreed that the Finance Committee would be recommending that the precept is increased by just over 2% for 2025/26. All Parish Councillors attending the January Parish Council meeting on 22 January 2025 will have a vote after consideration of the two options proposed.