

PADSTOW TOWN COUNCIL

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13 July 2022

TO: FINANCE AND GENERAL PURPOSES COMMITTEE

Councillors R Higman (Chairman), J O'Keefe (Vice Chairman), Mrs J Dawe, A Flide, K Freeman, M Rickard, Mrs T Walter and C Watson Smyth

Dear Member

All Members of the Committee are hereby summoned to attend a meeting of the **FINANCE AND GENERAL PURPOSES COMMITTEE** at the **Council Chamber, Station House, Station Road, Padstow** on **Tuesday 19 July 2022 at 7.00 pm, or on rising of the Staffing Committee, whichever the later** for the purpose of considering and resolving upon the business to be transacted as set out hereunder.

Yours faithfully

Kathy Pemberton

Kathy Pemberton
Town Clerk

COVID: Please note this meeting will be operated with COVID precautions. All attending are asked to respect these provisions which are in place for all our safety.

Agenda

Press & Public are invited to attend

- 1.** To receive **apologies for absence and announcements (if any)**
- 2.** To receive **declarations of interest** relating to items on the agenda in accordance with Padstow Town Council's code of conduct.
- 3. Public Participation:** to receive submissions from members of the public relating to items on the agenda, in accordance with the Council's code of conduct & standing orders.
- 4. To agree the minutes** of the meeting held on **Tuesday 14 June 2022** having (pg 1) been previously circulated and taken as read.
- 5. Budget Summary and Budget to Actual Variance Report 2022/23:** To note for information. (pg's 2-4)
- 6. General Reserve and Asset Valuation Policy:** To give consideration to this (pg 5) matter and discuss and decide on the way forward.
- 7. Budget-setting 2023-24:** To note the Budget-setting process for information. (pg 6)
- 8. Date of next meeting:** Tuesday 15 November 2022 (budget)

PADSTOW TOWN COUNCIL

Minutes of the Finance and General Purposes Committee meeting held on Tuesday 14 June 2022 at 6.45 pm in the Church Rooms, Church Street, Padstow

Present: Councillors Mrs J Dawe, K Freeman, A P Flide, R Higman, J O'Keefe, M Rickard and Mrs T Walter

In Attendance: Mrs K Pemberton (Town Clerk) and Mrs S Daly (Support Officer and Minute Taker)

- FGP2022/1** **Election of Chairman/Vice Chairman:**
i) **RESOLVED** that Councillor R Higman be re-elected as Chairman whereupon he took the chair.
ii) **RESOLVED** that Councillor J O'Keefe be re-elected as Vice-Chairman
- FGP 2022/2** **Apologies for absence and announcements:** Apologies were received from Councillor C Watson Smyth. There were no announcements.
- FGP2022/3** **Declarations of Interest:** There were no declarations of interest.
- FGP2022/4** **Public Participation:** There was no public participation.
- FGP2022/5** **Minutes Tuesday 15 February 2022: RESOLVED** that the minutes of the meeting held on Tuesday 15 February 2022 were a true record of the meeting and they were signed by the chair.
- FGP2022/6** **Committee Terms of Reference: RESOLVED TO RECOMMEND TO COUNCIL** that no changes be made to the Committee's Terms of Reference and they be adopted unchanged.
- FGP2022/7** **Date of next meeting:** 19 July at 7pm was noted.

Meeting closed at 6.47 pm.

FGP Meeting 19.7.22 Agenda item 5

Budget Report

	<u>Year to Date</u>			<u>Prior Year</u>		
	1.4.22 -	1.4.22 -	Variance	1.4.22 -	1.4.21 -	Variance
	30.6.22	30.6.22		30.6.22	30.6.21	
	Actual	Budget	£	Actual	Actual	£
Income						
Central Services	7231	13	7218	7231	2909	4322
Highways, Roads & Transport	220855	156350	64505	220855	220533	322
Environment	2592	1257	1335	2592	4114	-1522
Leisure	5	0	5	5	0	5
Investment Properties	120848	117250	3598	120848	117801	3047
Other Operating Income (int recvd)	21	6	15	21	15	6
	351552	274876	76676	351552	345372	6180
Operating Expenses						
Democratic Core	108	950	-842	108	0	108
Corporate Services	12260	17500	-5240	12260	17036	-4776
Central Services - grants	17800	25000	-7200	17800	-600	18400
HRT Railway Car Park	24278	27150	-2872	24278	22716	1562
HRT Lawn Car Park	7679	6450	1229	7679	6444	1235
Environment Cemetery	3625	8525	-4900	3625	3908	-283
Environment Toilets	13892	17100	-3208	13892	17755	-3863
Leisure Sport & Recreation	0	500	-500	0	0	0
Leisure Open Spaces	33713	46813	-13100	33713	32603	1110
Investment Properties	17101	18075	-974	17101	17878	-777
Administration	53948	54938	-990	53948	48761	5187
	184404	223001	-38597	184404	166501	17903
Other Operating Expenses (Capital/Project items)	16218	90250	-74032	16218	-338	16556
Net Profit/(Loss)	£150,930	-£38,375	£189,305	£150,930	£179,209	-£28,279

FGP Meeting 19.7.22 Agenda item 5

Budget to Actual Variance Report 2022-23 1.4.22 – 30.6.22

Overview

Total income from 1.4.22 – 30.6.22 is £351,552 compared with the budget of £274,876.

Total revenue expenditure from 1.4.22– 30.6.22 is £184,404 compared with the budget of £223,001. Capital/project expenditure is £16,218 and the budget is £90,250.

Explanations for significant variances are detailed below:

Income

Central Services

Central services income is £7218 more than the Budget because a Community Infrastructure Levy (CIL) of £6914.97 was received from Cornwall Council and filming fees of £300 were invoiced.

Highways, Roads & Transport

HRT income is £64,505 more than the Budget due to a cautious Budget being set because of the uncertainties of the Covid pandemic.

Expenses:

Corporate Services

Corporate Services expenses are £5240 less than the Budget due to the External Auditor's invoice not having been received yet and other professional services are lower than expected.

Central Services

Central Services expenses are £7200 lower than the Budget because not all Grant Release forms have been received yet.

Environment - Cemetery

Environment Cemetery expenses are £4900 less than the Budget because staff and grounds maintenance costs are lower than anticipated.

Leisure Open Spaces

Leisure Open Spaces costs are £13,100 less than the Budget as staff, grounds maintenance and equipment, furniture & material costs are less than expected.

Capital/projects expenses

Capital/projects costs are £74,032 less than the budget because no new projects have invoiced yet.

Prior Year Report

Overview

Total income from 1.4.22 – 30.6.22 is £351,552 compared with £345,372 for the same period last year.

Central Services income is £4322 more than last year as a CIL was received this year.

Environment income is £1522 less than last year because Cemetery/burial income is less this year.

Total revenue expenditure from 1.4.22 – 30.6.22 is £184,404 compared with £166,501 for the same period last year.

Corporate Services expenses are £4776 less than last year because legal services costs are lower.

Central Services expenses are £18,400 lower because the grants were paid later last year.

Environment toilets expenses are £3863 less than last year because the water supplier assumes increases in consumption continue and there was a credit brought forward for the water bills.

Administration expenses are £5187 more than the prior year because staff costs are higher following a national pay award and Spinal Column Point (SCP) increase.

Other operating expenses (capital and project expenditure) are £16,218 this year (2 new ride on mowers and Queen's Platinum Jubilee celebrations and minus £338 (NDP Royal Mail credit) last year.

FGP Committee meeting 19.7.22 Agenda item 6

General Reserve Policy

The Joint Panel on Accountability and Governance (JPAG) recommends that Councils adopt a General Reserve Policy. In terms of 'Policy' this is referring to a principle of action to be adopted. There is no requirement for a full Policy. Padstow Town Council is reliant on non-guaranteed sources of income (car park income and rent) and does not currently set a precept.

JPAG Guidance recommends holding 3-12 months revenue expenditure in free reserves.

The RFO therefore recommends that the Council holds a minimum of one year's revenue expenditure in 'free' reserves i.e. General Fund. The recent Covid-19 pandemic and national lockdowns resulted in the Council not receiving most of its normal income for many months and expenditure had to be funded from the reserves held.

RECOMMENDATION TO COUNCIL: To hold a minimum of one year's revenue expenditure in free reserves i.e. General Fund, as part of the Budget-setting process.

Asset Valuation Policy

JPAG recommends that Councils agree an Asset Valuation Policy. In terms of 'Policy' this is referring to a principle of action to be adopted. There is no requirement for a full Policy. In line with JPAG Guidance the RFO recommends that the Council agrees to use the acquisition cost for fixed asset valuations. This means that the recorded value of an asset will not change from year to year unless it is materially enhanced. This has been the approach the Council has followed. Commercial concepts of depreciation, impairment adjustments and revaluation are not required for this method of asset valuation.

RECOMMENDATION TO COUNCIL: That the Council uses the acquisition cost for fixed asset valuations as per the JPAG Guidance.

FGP Committee meeting 19.7.22 Agenda item 7

Budget setting 2023-24

As the FGP Committee will be aware the Committees meet in the autumn each year to make recommendations for FGP to consider for a Budget for the following year (1st April – 31st March). The Budget is then taken to Full Council for approval.

The Staffing Committee is meeting on 20th September 2022, HRT is meeting on 4th October 2022 and LTOS is meeting on 1st November.

The FGP Budget meeting is on 15th November.

The RFO would be grateful if the FGP committee members can start thinking of possible larger projects for next year. Initial thoughts for the Budget setting are to perhaps increase the Grants Budget, this will be considered at the FGP meeting in November.