

## WRIGHTINGTON PARISH COUNCIL

At the Budget Meeting of the Council of the Parish of Wrightington held on Monday 30<sup>th</sup> January 2023 at Mossy Lea Village Hall at 7.00pm the following were present:

Councillors: Mrs J Burton (Chairman), Mr F Hodgkinson, Mr F Johnson, Mr R Alexander, Mr A J Shaw, and Mrs K Jukes. Members of the public were also present.

**103. Apologies** – Reported from Councillor House (prior commitment). Councillor Mrs Jukes reported that it is necessary for the Parish Council to accept a Councillor's apologies. Apologies from Councillor House were received and accepted on a majority vote.

**104. To discuss the Current Financial Years Income & Expenditure and Anticipated Expenditure** – The Clerk explained that the first column shows actual income and expenditure for the last financial year for comparison purposes. The middle column shows actual income and expenditure to date and estimated income and expenditure between now and the end of the current financial year. Councillor Alexander asked where the figures had come from and who was presenting the figures. The Clerk confirmed the figures are taken from the Income and Expenditure account and are presented by the Clerk. It was confirmed that, as in previous years, the Clerk will leave the room during discussions on her salary. Councillor Alexander did not feel that the figures as presented, represented a Budget and, that they were being presented as list of figures, as a fait accompli. He felt that as Councillors, from the figures presented, it is difficult to see if income and expenditure is on track and/or, is on track and going to plan. There are no explanations to accompany the figures to indicate due diligence in spending tax-payers money and Councillors should have a list of questions to ask the Clerk at this stage. The figures and calculations do not give any indication of whether income and expenditure are on track. It was suggested that this could be improved going forward and that the suggestion of a Finance Sub-Committee should be explored. The Chairman suggested that Councillor Alexander ask the Clerk to answer his questions on the budget calculations. The Clerk explained that the reason the suggested Precept for 2023/24 is smaller than the current year's Precept figure is because the top up grant from Central Government, paid via the Borough Council, is slightly larger than it was this year. The Clerk confirmed that the same Parish Requirement as this year has been used in the calculations for 2023/24 to facilitate a calculation. The Clerk confirmed from the information received from the Borough Council, passed on to Parish Councillors, that the concurrent contributions from the Borough Council and the top up grant have both increased for the 2023/24 financial year. The Parish Council determine at the Budget Meeting what they believe the Parish Requirement, to run the Parish Council and/or do what the Parish Council want to do next year is, the top up grant is then deducted from the Parish Requirement to determine the Parish Precept. Concurrent contributions are received in addition to the Parish Precept and top up grant. The Clerk explained that concurrent contributions can only be used towards expenditure on concurrent functions. Concurrent functions are items which, if the Parish Council did not exist, expenditure on these would be incurred by the local authority e.g.: bus shelters, notice boards, parks and open spaces and village halls. If concurrent funding has not all been spent on concurrent functions at the end of the year, the Borough Council can reclaim any unspent balance. It was confirmed that village hall bookings are increasing again and that Appley Bridge Village Hall generates more income than Mossy Lea Village Hall. Appley Bridge VH is a larger facility and is used for different purposes/classes than Mossy Lea VH. The Clerk explained that the successful Capital Bid, which is an application for funding, will generate income of £4000 in 2023/24 which, together with the Parish Council contribution of £2000, will mean the project to deliver the SPIDs at a total cost of £6000 can go ahead. It was confirmed that VAT is 20% on some items of expenditure but 5% on utilities. Therefore, VAT paid seems a small amount when compared to overall expenditure, as not all items of expenditure attract VAT. It was confirmed that interest rates on the Parish Council deposit account are now much better than in the previous year however, the amount of interest received also depends on the balances held. The Clerk confirmed that the Business Support Grant received during Covid-19 no longer exists and was given by the Government because businesses could not operate. CIL receipts depend on development in the Parish and whether that development attracts CIL money. Increases in Insurance subscriptions are likely to be the tax payable whilst increases in LALC subscriptions depend partly on membership numbers and on any increases in honorariums paid e.g.: to the secretary. Society of Local Council Clerks (SLCC) subscriptions are dependent on the salary received by the Clerk from both Councils she works for, with the subscriptions being divided for

payment between the 2 Parish Councils. The Clerk explained all estimated figures can be amended by the Parish Council if they so wish e.g.: Remembrance Day expenses. External Audit figures depend on which charging bracket the Parish Council income takes them into. Once figures are received they will be passed on to the Parish Council. Going forward Councillor Alexander would like to see the figure for Administration broken down in to the categories mentioned so that it can be judged whether this is on track. The Clerk confirmed that mileage expenses are accrued by herself and reimbursed at the HMRC recommended figure of 0.45 pence per mile. The Clerk confirmed that the lost cheque will be reissued before the end of the financial year. The Clerk explained that the figures at the side of bus shelters, litter bins, sign, seats, notice boards and parks and open spaces is usually set a collective figure of £2000 for use across all those functions but has been divided for calculation purposes. Expenditure last year was on 2 new notice boards, this year 1 more will be erected, going forward any expenditure on notice boards will be on repairs, maintenance and/or cleaning. The Parish Council chose to increase the budgeted figure for defibrillators last year and the same figure has been used this year for expenditure on consumables, maintenance and repair of cabinets and or defibrillators. It was confirmed that the projected increase in utility bills has been difficult, as the current increased charges came into effect part way through the current financial year and therefore the annual cost was difficult to calculate, in addition, there are as yet unknown increases in utility costs forecast from April 2023. The accounts for payment appear on the agenda each month and the invoices to accompany them are always present at the Meeting for Councillors to view, inspect or take details from. The Chairman suggested that Councillors could use the accounts information on the agenda to compile a list of ongoing payments. Councillor Alexander felt that a Finance Committee could feed this information back to the Parish Council. The Clerk suggested that it may be appropriate going forward to review the way the village halls are heated when they are not in use. The Clerk confirmed that it is difficult to correlate the decreases and increases in Parish Council income and expenditure over the past few years due to a number of factors, including unprecedented and unpredicted increases. Going forward the figures in blue will be described as estimated rather than based on previous years increases. The Clerk reiterated that the figures in the calculations are estimated and it is up to the Parish Council to decide if they wish to increase or decrease the suggested figures. Councillor Alexander strongly recommends that the Parish Council consider putting in place a Finance Committee who can look through the figures, and support the Clerk, and report back any exceptions to the figures to the Parish Council. The Chairman thanked the Clerk for answering the questions and providing the necessary information and suggested that if any Councillor has any questions in relation to the finances at Meetings, please ask at the Meeting. The Chairman does not feel that a Finance Committee is necessary as everyone is open about asking questions. Councillor Shaw said that if things are going to carry on as they have done over the past year and the workload and stress levels of the Clerk continue to increase, he would like to suggest that there is an increase in the number of hours the Clerk is paid to work each week. Councillors agreed that this will be discussed under the Agenda Item.

#### **105. To discuss projects and anticipated Income and Expenditure for the next Financial Year**

The Clerk explained that, for the purposes of calculation, she has used the same Parish Requirement as last year, acknowledging that the Precept will be slightly reduced due to the minor increase in the top up grant. Another influencing factor will be the forthcoming elections. If the election is uncontested, costs will be in the region of £1500, if contested, in both wards, they could be as much as £8000. Any postal votes are rechargeable to the Parish Council. The Clerk explained that as there is a Borough Council election in May also, the Parish Council will share the cost of the elections. However, even if the election is uncontested in each ward, i.e., 4 applicants for 4 seats in each ward, there will still be election cost e.g.: notices, election papers, postal votes, officers time etc. estimated by the Borough Council to be in the region of £1500. If contested, additional costs will be poll cards, voting slips, a count etc. A contested election in one ward but not in the other would also impact on the costs and will likely be somewhere between the £1500 and the £8000 quoted.

Councillor Shaw asked how the Precept figure would be impacted if the two wards became two separate Parish Councils. The Clerk confirmed that she would have to consult the Borough Council on this. The Clerk confirmed that if this process was to begin it would definitely not be completed before the May elections and probably not by next May either, as the process is likely to take about a year to complete. It is likely that the Borough Council would determine the figure, taking account of a number of factors.

The Clerk reported that the 7% increase in staff salaries was the recommended increase by NALC and SLCC but it could be less than this, or no increase at all. To determine the Parish Requirement Councillors will take the anticipated income, compare it to the anticipated expenditure and taking account of the estimated balance carried forward determine whether it is necessary to increase the Parish Requirement or not. If the balance carried forward by the Parish Council is in excess of 2 x the Parish Precept, the reasons for this must be fully explained to the external auditors before they will issue the completion of audit certificate. In the past couple of years, the Clerk had to explain that the Business Support grant received resulted in the hugely increased balances carried forward. On the AGAR submitted to the external auditors any variances which are either 10% or £200 different to the figures in the previous year must be explained. Looking at the estimated balances carried forward at the end of 2023/24 Councillors must take account of the fact that the figure will reduce if election costs are greater than £1500 and that approximately £6000 of that balance is CIL money which can only be spent on Infrastructure projects to support the additional development in the Parish. The Clerk will ask if the Borough Council will allow the Parish Council to use CIL money towards the purchase of the SPID's. Different Boroughs have differing views on what projects can be paid using CIL money and, CIL money has to be spent within 5 years of receiving it. Therefore, if the Parish Council are happy with the estimated income and expenditure for last year, taking the same Parish Requirement as last year, the Parish Council will see their balance carried forward go down. The Parish Council also need to take account of the impact your Precept will have on the residents Council Tax. Last year a Band D property paid £16.56 per year. At the moment there is no cap for Parish Councils setting their Precept, however Parish Councils tend to look at the impact the Precept will have on their parishioners when setting it. In the past the Parish Requirement was the Parish Precept when there was no top up grant available. Following the introduction of the top up grant, Parishes now determine the Parish Requirement from which they deduct the top up grant to determine/give them the Precept figure, which is then requested from the Borough Council. Therefore, taking the suggested £20,300 as your Parish Requirement for this year, deducting the top up grant of £625 will give a Precept of £19,675. If the Precept is then divided by this year's tax base of 1179.92 you will arrive at the figure payable by a Band D property in the village of £16.68 per year, and increase of 12 pence per year or 0.73% on last year's charge. To expand on this for example purposes, if the Parish Council determined that your Parish Requirement for 2023/24 was £21,300, deducting the top up grant of £625 would give a Precept of £20,675, dividing this by the tax base of 1179.92 will give a figure of £17.52 per Band D property per annum i.e.: a 96 pence per year or 5.8% increase on last year's charge. Councillor Jukes confirmed that Councillor Alexander has raised some good questions and would support his recommendation for a Finance Sub-Committee. The Clerk confirmed that this would need to be an Agenda Item.

**106. Review Clerk's Salary** – The Clerk left the Meeting whilst this item was discussed. Councillor Shaw felt it was more appropriate to increase the number of paid hours by 2 hours per week. Councillor Johnson highlighted the amount of work involved in running 2 village halls. Other Parishes do not have the work or overheads involved in running a village hall. Councillor Jukes asked if there were any recommendations from the Clerk's union. It was reported that recommendations are in relation to the hourly rate paid rather than the number of hours worked. It was proposed by Councillor Shaw and seconded by Councillor Hodgkinson, and a recorded vote taken, that the Clerk's hours should be increased by 2 hours per week. **Resolved – that the Clerk's hours be increased by 2 hours per week with effect from the next financial year. Councillors Shaw, Hodgkinson, Johnson, Alexander and Mrs Burton voted in favour. Councillor Mrs Jukes abstained from voting.** The 7% was the suggested budget increase from NALC and SLCC who negotiate this figure in conjunction with Unions. Councillor Alexander felt that the proposed 7% increase is excessively high and an unacceptable level of increase which he could not support. The Clerk confirmed that the salary is paid from the Parish Precept. It is up to the Parish Council what, if any, percentage increase they wish to budget for.

**107. To confirm the Parish Precept for 2023/2024** – The Clerk confirmed that the figures issued are for Parish Councillors to use as a guideline to setting the Precept. Last year Parish Requirement was used to give Councillors a starting point for their calculations. Councillor Mrs Jukes reported on a recent survey in the Parish, undertaken by the Conservative Party, in which the majority of responses received indicated that they would like the Community Charge to be less, and she felt that it is

important that Councillors know this before making their decision. It was reported to be a leaflet drop covering the whole of the Parish. Mossy Lea Ward Councillors reported that they had not received, or seen, the leaflet referred to. Councillor Shaw suggested that, taking account of the current economic climate, the figures in the Budget calculations, the additional 2-hour increase per week in the Clerk's salary and the amount of balances being carried forward to next year, the Parish Requirement remain the same as last year or maybe a small percentage increase on the previous year. Councillor Johnson reported that the Precept in Wrightington is the lowest Precept in West Lancashire and this should be taken into account and that he would like to see a small increase to keep on track. Councillor Shaw withdrew his proposal when Councillor Johnson proposed a £1000 increase on this year's Parish Requirement, giving a Parish Requirement for 2023/24 of £21,300, minus the top up grant of £625, giving a Parish Precept of £20,675, a 5.8% (96 pence per year) increase on the current Band D property annual charge. This was seconded by Councillor Shaw. Councillor Alexander felt that some of the projected increases may look to drive the Precept higher than it needs to be. Councillor Jukes proposed a decrease in the Parish Requirement and Precept however, withdrew this proposal when Councillor Alexander proposed the following amendment: that the Precept for 2023/24 remains unchanged from last year, which was seconded by Councillor Mrs Jukes. On a majority vote it was **Resolved** – that the Parish Requirement for 2023/24 is increased by £1000 to £21,300.00, minus the top up grant of £625.00, giving a Parish Precept of £20,675.00.

The Clerk asked to have an input going forward. She is unsure of the benefit of reducing the number of Councillors to a Finance Committee, given that there are only 8 Parish Councillors in total. Councillor Alexander confirmed that the Finance Committee would report back on a monthly basis on financial progress to the full Council. The Clerk can see the benefits of a monthly spreadsheet, between quarterly bank reconciliation statements, indicating whether income and expenditure is on track, even though the information is all on the agendas and in the Minutes. It was accepted that some of the figures in the Budget calculations can be changed following discussions tonight e.g.: the Clerk's salary, and that some may change going forward anyway e.g.: election costs. The Chairman suggested that a separate sheet of accounts be produced each month, which can be collated throughout the year, for Councillors to look at streamlining the finances from quarter to quarter.

Meeting Closed: 9.47 pm.

Chairman:

Date:

(Councillor Mrs Jukes reported Councillor Chambers apologies for this evenings Budget Meeting.)