

NOTICE OF A MEETING OF THE PARISH COUNCIL

To all Members of the Council, you are hereby respectfully summoned to attend the Full Council meeting of St Martha Parish Council to be held on
Wednesday 10 January 2024 at 6.00 pm in Chilworth Village Hall

Members of the public and press have a right and are cordially invited to be present at the meeting.

Anne Tait - Parish Clerk
05/01/24

Agenda

1. **To accept apologies and reason for absence to be approved** in accordance with the LGA 1972, Sch 1, para 40.
2. **Declaration of Disclosable Pecuniary Interests (DPIs)** - by Councillors on any of the agenda items below in accordance with The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012. (SI 2012 No. 1464)
3. **Declaration of Non-Pecuniary Interests** in accordance with the Parish Council's Code of Conduct.
4. **Register of Interests** – a declaration from Members on amendments.
5. **Minutes of the previous meetings:** The following Council Minutes are to be agreed and signed by the Chairman as a true record:
 - The Parish Council Meeting held on 12th December 2023.
6. **Public participation session** – 10 minutes - Members of the public can express a view or ask a question on relevant matters on the agenda and are welcome to stay and observe, but not comment during the rest of the meeting without the consent of the Chairman.
7. **Reports:**

To receive Reports, Communications and Updates from:

 - **Parish Clerk**
Report attached
 - **Parish Councillors**
Cllr Mrs Allen to report on any updates re Chilworth Station
Cllr Peake to report on the planting of 6 x trees by SCC in Halfpenny Close
 - **Guildford Borough Councillors' Reports (5 Minutes)**
 - **Surrey County Councillor's Report (5 Minutes)**
 - **Shalford Community Councillor's Report (5 minutes)**
8. **Chilworth Village**

To receive and discuss topics of interest from both Shalford and St Martha Council meetings.

9. Policies, Financial and Regulation Approvals

- a) **To discuss and approve** the schedule of payments presented by the Clerk.
- b) **To receive, approve and sign** the bank reconciliation for period ended 31/12/23.
- c) **To receive, approve and agree** the 5th version of the draft budget for 2024/25
- d) **To receive, approve and agree** the Precept request from Guildford Borough Council for year ending 31/03/2025.

10. Planning

(a) **To discuss and agree** a response to Guildford Borough council on the following application(s): - None received.

(b) **To receive and note** any outcomes from GBC on applications previously reported: None received

11. Climate Change

Cllr Mrs Allen to report on the Council's Bio Diversity Duty

12. Highways and Rights of Way

13. Correspondence

Surrey County Council Highways Meeting with Parish Councils – (ref email on 05/05/23 from Cllr Hughes)

14. The Gunpowder Mills and West Lodge

15. Items for the next meeting

Items for inclusion on future agendas - to receive any suggestions from Members.

Date of next full Council meeting: 20th February 2024

Clerk's report for the Parish Council Meeting on 10th January 2024

Dates of meetings in 2024 and the format of the Annual Assembly – to be held before the Annual Meeting of the Parish Council on 21/05/24.

The Internal Report on Audit findings for the year ended 31/03/23 by Mark Mulberry:

The council set a precept of £15,070 for 2022/23. With a tax base of 403.5, this equates to a band D equivalent of £37.35 (compared to the average in England of £74.81).

The Clerk confirmed that the 2023/24 budget setting process and precept setting was completed at the meeting held on 17th January (minute ref 23/13c).

Due to the limited number of transactions the clerk presents sufficient financial performance information at every council meeting for review. I am under no doubt the council is aware of actual spending.

The accounting records show that the council ended the year with income reported as 100 % of budget and expenditure reported as 89.9 % of budget. There is no one particular item contributing to the under budgeted spend.

The council holds £13,000 in earmarked reserves (EMR), spread across a range of clearly identifiable projects. I checked the purpose of these EMRs with the Clerk and am satisfied they are all for legitimate future planned projects of the council.

The council also holds £28,314 in the general reserve.

The Joint Panel on Accountability and Governance (JPAG) Practitioner's guide states '*the generally accepted recommendation with regard to the appropriate minimum level of a smaller authority's general reserve is that this should be maintained at between three and twelve months of net revenue expenditure*' (para 5.33).

The general reserve balance is in excess the recommended range. **I recommend the council review its earmarked reserves with a view to future spending.**

The following is taken from the Joint Panel on Accountability and Governance Practitioners' Guide – March 2022

Budget setting:

The budget has two main purposes:

- It results in the authority setting the precept for the year (or rates and special levies for IDBs) and provides a basis for monitoring progress during the year by comparing actual spending and income against planned spending and income.
- The budget thus sets the legal limit of spending pre-authorized by the authority, as required by LGA 1972. It is essential that authority members understand how the budget is put together and how it is used in the running of the authority. Reviewing the budget against actual expenditure at least quarterly gives members an early warning about the likelihood of a shortfall (or surplus) and helps them to decide what to do.

For larger authorities, it is prudent to develop a multi-year medium-term financial plan as well as the basic precept budget. This should include consideration of projected reserve levels, particularly of the general reserve.

The key stages in the budgeting process are:

- decide the form and level of detail of the budget;
- review the current year budget and spending;
- determine the cost of spending plans;
- assess levels of income;
- bring together spending and income plans;
- provide for contingencies and consider the need for general and earmarked reserves;
- approve the budget;
- confirm and submit the precept or rates and special levies;
- review progress against the budget regularly throughout the year - at least quarterly in all but exempt authorities - including a yearend projection and a clear minuted commentary of likely significant variances from the budget;
- virements (transfers between budget lines) are permitted but not required - they should be used to clarify the situation of the authority alongside budget variances arising from unforeseen circumstances

Reserves:

As with any financial entity, it is essential that authorities have sufficient reserves (general and earmarked) to finance both their day-to-day operations and future plans.

Smaller authorities have no specific right to accumulate funds via the precept. All reserves should be reviewed and justified regularly (i.e. at least annually). It is good practice to transparently publish both the level and rationale of all reserves.

General reserves:

The general reserve of an authority comprises its cash flow and contingency funds to cover unexpected inflation, unforeseen events and unusual circumstances.

The generally accepted recommendation with regard to the appropriate minimum level of a smaller authority's general reserve is that this should be maintained at between three and twelve months of net revenue expenditure.

The reason for the wide range is to cater for the large variation in activity level between individual authorities. The smaller the authority, the closer the figure may be to 12 months expenditure, the larger the authority, the nearer to 3 months. In practice, any authority with income and expenditure in excess of £200,000 should plan towards 3 months equivalent general reserve.

In all of this it is important that each authority adopt, as a general reserve policy, the level appropriate to their size, situation, risks and plan their budget so as to ensure that the adopted level is maintained.

Authorities with significant self-generated income (other than the precept or levy) should take into account situations that may lead to a loss in revenue as well as increased costs and adapt their general reserve accordingly.

Earmarked and other reserves:

None of the above in any way affects the level of earmarked and/or capital receipts reserves that an authority may or should hold.

There is, in practice, no upper or lower limit to EMR/CRRs save only that they must be held for genuine and identifiable purposes and projects, and their level should be subject to regular review and justification (at least annually and at budget setting) and should be separately identified and enumerated. Significant levels of EMRs in particular may give rise to enquiries from internal and/or external auditors.