



CRANLEIGH PARISH COUNCIL
MINUTES OF THE FINANCE COMMITTEE MEETING
ON MONDAY 15 MARCH AT 7.00PM
VIA GOTO MEETING

Councillors

Cllr R Denton* (Vice Chairman of the Committee)

Cllr D Nicholas*

Cllr N Sanctuary* (Chairman of the Committee)

Cllr E Townsend*

Cllr G Worthington*

PRESENT*

ALSO PRESENT: Parish Clerk B. Bell FSLCC, Admin Clerk R. Pass.

1. APOLOGIES FOR ABSENCE

There were no apologies for absence.

2. DECLARATIONS OF INTEREST

- Cllr E Townsend declared she is a Waverley Borough Councillor.
- Cllr N Sanctuary declared that he is Chairman of Glebelands School Governors.
- Cllr D Nicholas declared he is a member of Cranleigh Youth Football Club.
- Cllr R Denton declared he is a member of Cranleigh Football and Cricket Clubs.

3. ELECTION OF VICE CHAIRMAN

Cllr N Sanctuary nominated Cllr R Denton to the post of Vice Chairman of the Committee which was AGREED.

4. PUBLIC SESSION

There were no members of the public present.

5. MINUTES OF THE MEETING HELD ON 28 JANUARY 2021

The Minutes of the Meeting of the Finance Committee held on 28 JANUARY 2021 were APPROVED as a correct record and will be signed by the Committee Chairman. Cllr G Worthington arrived.

6. CHAIRMAN'S REPORT

The Chairman presented his accounting database using the income and expenditure data from the RBS program. He gave some examples of the budget analysis year on year available. Cllr R Denton asked if the program could produce a budget forecast and Cllr N Sanctuary said he is still working on the program. Cllr E Townsend thanked Cllr N Sanctuary for his work on this database.

7. CLERK'S REPORT

The Clerk said she had had the opportunity of an advance viewing of the database and said it will be very helpful in examining individual cost centres.

8. INVESTMENT PLAN

Cllr N Sanctuary had prepared a briefing paper circulated to all Councillors. He said the Committee should discuss: categories of investment, thresholds and financial vehicles.

Cllr E Townsend said she would seek the advice of Waverley Borough Council on their terms of reference for investment. Cllr N Sanctuary said the Council should hope to achieve returns of 5% from the more volatile equity investments and 3.8% from less volatile gilts. He added that the Council is looking to place ecological investments.

Cllr R Denton asked if there are any restrictions on investments. The Clerk explained that investments of one year or more are considered capital investments and should be recorded in the Fixed Asset Register on the Annual Governance and Accountability Return. Once recorded as a capital investment, they cannot then be used for revenue expenditure.

Cllr E Townsend said the Council should consider a Reserves Policy for the General Reserve and the Earmarked Reserves. The Clerk advised that there is no rule on the level of General Reserve, but good practice is thought to be 6 – 9 months of precept. She added that the Council should consider what the General Reserve may be required to fund in an emergency that is not covered by insurance. The Clerk said the Council is already making financial plans through its Business Plan and Forward Maintenance Plan allocations in the annual budget and precept. Cllr N Sanctuary said he would work on budget forecast and Cllr R Denton agreed to help review the forecast. Cllr E Townsend added that a timeline for projects should be included in the forecast, as it may be beneficial to borrow funds to complete projects that would generate income.

Cllr N Sanctuary asked where the General Reserve and Earmarked Reserves are currently held. The Clerk explained that they are accounting terms, and the actual funds are split between the current account and fixed term investments. Cllr D Nicholas said the current account should be used as the float and short, medium and long term investments for the reserves. Cllr G Worthington left the meeting.

Cllr N Sanctuary said that investment advice will cost around £5-6,000 and it should be balanced against the potential yield. Cllr E Townsend said there is another type of investment to consider: investing in the Council's own buildings or land for a yield.

It was AGREED that Cllr N Sanctuary will prepare the Council's Investment Plan with the assistance of Cllr D Nicholas for this Committee to consider for recommendation to the full Council for adoption.

9. DATE OF NEXT MEETING

Thursday 29 April 2021.. The meeting closed at 8.15pm.

Signature.....

Date.....