

**DRAFT Finance, Legal and Administration Committee (FLAC) Minutes**

Meeting held via Zoom on Thursday 28<sup>th</sup> January 2021 at 7.30pm

**Present:** Cllrs Bolitho (chair), Jones, Morris, Young & RFO

**21F/001. Chairman's Introduction and Apologies for absence** – Cllr Collinson (Illness) Cllr McCarthy (Absent)

**21F/002. To accept Declarations of Interest and Dispensations** – None given

**21F/003. Minutes** –Resolution that the minutes of the Finance Committee meeting held on Tuesday 8<sup>th</sup> December 2020 be signed as a correct record. **RESOLVED.**

**21F/004. Public Participation** – No members of the public present.

**21F/005. Management Accounts (to 31<sup>st</sup> December 2020)** – The committee were satisfied that the management accounts are an accurate record.

**21F/006. Bank Reconciliation (to 31<sup>st</sup> December 2020)** - The RFO and Cllr McCarthy completed a bank reconciliation. The committee were satisfied that the bank reconciliation is an accurate record.

**21F/007. Likely revenue outturn from 2020/21** – The committee looked at the likely financial position at the year end taking into consideration loss of income due to Covid 19. We are likely to spend approximately 45K in this last quarter which could leave a surplus of about 69K in our revenue account.

**21F/008. Movements in reserves during 2020/21** –

At the beginning of 2020/21, we had built substantial reserves (approximately 500K) towards the construction of a new Nursery and Village Hall. The remaining funding has come from loans totalling £2.8 million. Thirteen months on from the start, both buildings are nearing completion. The bulk of the approximately £4 million developments costs will have been expended during 2020/21 with just a 2.5% retention held over the defects warranty period for payment in early 2022. The committee reviewed the s106 payments already received and those to come. In January £60,424 was moved from the s106 Community Facilities reserve into our Village Hall/Nursery project reserve which will be reflected in the January management accounts.

**21F/009. Likely position regarding financial reserves / liabilities at EOY** –

In October 2019, we drew down five loans from PWLB totalling £2,800,000 over 30 years with 6-monthly "capital plus interest" repayments of about £72,000 each April and October. The five loans were of £100,000, £200,000, £400,000, £700,000, and £1,400,000. Starting in April 2018, we began to claim a "supplementary precept" equivalent to £1 per week on a Band D home. Across the "taxbase" this yields about £122,000 each year which is a substantial contribution to the anticipated loan repayments of £144,000 p.a. With the taxbase increasing as more houses are occupied, the yield, at "£1/week/Band D" is likely to exceed the necessary repayment within the next few years as the tax base increases, allowing a modest reduction in the precept if appropriate. The committee asked for a closer look at this at the next FLAC meeting so that we can better assess when this might be the case. The committee reviewed our current cash flow and briefly discussed options for how we pay the next SEH French invoice, this is to be discussed further at the next FLAC meeting when we should have more information on expected s106 payments and a possible additional loan. The table presented in the agenda pack was incomplete as regards the s106 payment for Early Years education and updated corrected version is shown here.

End December 2020		Movements (provisional)				End of Year 2023/4	
		Estim'd s106	2021/2	2022/3	2023/4		
General Reserve	100					General Reserve	100
Community/Hall Nursery Funds	54					Community/Hall Nursery Funds	50
		Persimmon CF	140				
		Persimmon EY		120			
		Redrow CF			240		
		Redrow N	80		175		
		Kier/CCC CF?			174?		
		Kier CCC N?		120?	135?		
Open Space / Sports	118		130	190	175	Open Space / Sports	600
Art / Bus / Other	13					Art / Bus / Other	13
Community Transport			80	132	103	Community Transport	315
Burial Grounds			25	40	30	Burial Grounds	95
Supplementary precept			128	130	140		
PWLB repayments			(140)	(140)	(140)		
<b>Total</b>			<b>443</b>	<b>498</b>	<b>1032</b>		

### 21F/010. Proposed revenue budget(s) for 2021/2 –

CPC have had a reduced level of income due to COVID-19 with virtually all facilities closed and expected to remain closed for a significant part of 2021/22. Investment in the new Hall and Nursery has been limited mostly to non-discretionary costs necessary to provide some Hall and Nursery functionality. Only minimal marketing is appropriate and additional cleaning costs need to be passed on to the user wherever possible. Following several reviews in relevant FLAC Committee meetings, two variants of the proposed revenue budget were presented to the committee. See item 21F/013.

### 21F/011. Budgetary capital projects in 2021/2 –

With CCC, This Land and Kier potential planning applications, it is possible that the developments will obtain Reserved Matters approval within the year, potentially unlocking another tranche of s106 funding and transfer of much of the land between Ramphill Farm and the Allotments to CPC as POS. How the additional land can best be improved and used for Cottenham residents needs to be assessed and appropriate investments of the s106 contributions made over subsequent years.

### 21F/012. Proposed use of reserves/liabilities in 2021/2 –

Approximately £100K will be needed from reserves to finance the Hall / Nursery defects retention payment. A further £50K might be assumed for preliminary studies or contributions to projects from s106 reserves.

### 21F/013. Precept suggestions / recommendations –

The committee looked at two options - Option one is for the precept to be set at £307,275 which is a 3% increase for an average band D property (taking into account the tax base adjustments) the second option is to reduce this by 10K making the precept £297,275 which would mean that the average Band D property would be paying the same amount as last year (taking into account the tax base adjustment). Should the second option be favoured then the 10k for short term loan interest may be removed. Options for zero increase were also considered due to resident's economic circumstances.

### 21F/014. Consider signing Section 106 Agreement(s) –

The committee resolved to nominate Cllr Morris and Cllr Bolitho to sign the s106 Indemnity agreement between CPC and SCDC to accept a Community Facilities payment of £139,771.24 -

### RESOLVED

**21F/015. Consider - Heads of Terms Contract for Nursery –** Cllr Young queried Sections 2.3 and 7.1 of the contract document and felt that clarification was needed on whether the Supervisory Board or the Parish Council were the decision makers. This was noted. This document will be presented to FLAC/FULL council again with the necessary revisions after Operator negotiations and be reviewed by a solicitor.

**21F/016. Consider authorising invoice from Agripest (dated 24/12/20) for £150 for rodent proofing and Mouse traps in the Hall and Cabin – The committee resolved to pay the invoice - RESOLVED**

**21F/017. Grant application from Cottenham Primary School towards Music Therapy session for vulnerable children – The committee agreed to offer a grant of £1000 to the primary school so that they could continue to offer a group of children music therapy sessions - RESOLVED**

**21F/018. Matter for consideration at the next meeting –**

- Bank Reconciliation and Management accounts
- Future options for paying off loans
- Cashflow position

**21F/019. Date of next meeting – Tuesday 23<sup>rd</sup> February**

**21F/020. Close of meeting – 9.03 pm**

**Signed \_\_\_\_\_(Chair) Date\_\_\_\_\_**