Report from Finance Advisory Group Chairman

TO NOTE ANTICIPATED END OF YEAR FINANCE BALANCES AND RESERVES

The Finance Advisory Group reviewed the cash balances in each of the BPC bank accounts as at 31 December 2021 and the anticipated position on the following elements of BPC balances (based on data to 24 January 2022):

1. January to March 2022
   1.1. Expected Project spend
2. And as at 31 March 2022 predicted:
   2.1. General Reserves
   2.2. Earmarked Reserves
   2.3. CIL commitments and available funds

At first sight BPC's cash balances suggest a very healthy position. However, the majority of those funds are pre-committed to project work agreed for 2022-23 financial year or to complete projects in the period to 31 March 2022 or national guidance requires them to be held as Reserves.

- The current cost for planned projects in 2021-22 is almost £36K
- Anticipated non-project expenditure to 31March 2022 is about £26K
- Committed CIL funds are a further £132K; balance of restricted CIL funds £68K

Matters covered in the planned budget will be covered by the 2022-23 Precept.

It is proposed that 2022-23 Earmarked Reserves[1] will be increased in value by 15 to 20% compared to 2021-22 to help provide protection for essential BPC services at a time when material and energy costs are expected to continue rising significantly.

The final sums to be Earmarked as at 31 March 2022 and reported in the 2021-22 AGAR including CIL income will be discussed and need to be agreed with Council in March 2022. This can only be finalised once we have more information on any current project funding which cannot be spent in 2021-22 e.g. due to supply chain issues, and which will therefore have to be placed in Earmarked Reserves for use in the next financial year.

Any such delays in project delivery and therefore an increase in the value of Earmarked Reserves will <u>not</u> significantly affect the planned General Reserves[2] of 50% of Precept.

Councillors who wish to have a 1-2-1 session to explore these matters in more detail are invited to contact the Chairman of the Finance AG Cllr S Ashwell to book a time and date.

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[1] Earmarked Reserves: Funds which are not in the day to day revenue budget agreed when setting the Precept, but set aside and authorised by Council for use against named purposes. Earmarked funds are essential to ensure the smooth and effective running of BPC activities.
Earmarked Reserves include the Community Infrastructure Levy (CIL) funds and those are restricted to uses which comply with CIL legislation.

[2] General Reserves: Funds which must be in place at the start of each financial year to meet nationally-agreed recommendations to provide resilience of Council finance. These are assessed as a proportion of Precept.

Report from Finance Advisory Group Chairman

TO NOTE LEGAL ADVICE TO SUPPORT PLANNING COMMITTEE

BPC holds agreed funds to enable access to professional advice, including legal advice, when required without having to take a further proposal to Council.

The Planning Committee members have been dealing with a planning application which is particularly complex and relies heavily on the legislative framework/guidance. It was therefore agreed by Cllrs Ashwell and Thelwall to seek specialist advice. Two quotations were obtained and reviewed. A third specialist supplier was identified but given that time is of the essence in this case, due to the deadline for the feedback to be given to HDC, that was not pursued as it was expected to delay matters significantly.

Details of the planning issue are not included in this report as the evidence and the professional advice will first be shared with the Planning Committee. The outcome of the committee's deliberations will be shared with Council through the usual means.

The costs for this work from the selected firm will be in two parts:

- Fee for an initial read of the application and accompanying documentation:
  - £500-£750 subject to time taken.
- Preparing the detailed objection:
  - £1,500-£2,000

These values mean that, with an agreed budget in place, the Clerk could place the order as soon as the formal paperwork was received.
This is consistent with the BPC Financial Regulations sections 10 and 11.

The firm selected offered the expertise required, the lower cost and the ability and willingness to meet our timescales.

TO NOTE ADVICE FROM THE INTERNAL AUDITOR ON DONATION FOR ROAD SAFETY SIGNS

Council agreed that £1,400 be donated to the Buckden Primary School PTA for road signs which are now being deployed to encourage parking in places which make access safer for children and parents. That has been paid and the signs are in use.

At the interim Internal Audit carried out on 13th January 2022 we were advised to document this under Section137[3] heading in accounts; Clerk to action.

[3] The Auditor noted that the arrangements and requirements for Section 137 donations were covered in detail for Councillors in the January 2022 Finance Report.