

NOTES of the FINANCE KEY AREA GROUP MEETING held in the Town Council Chamber on **THURSDAY 28 JUNE 2018** at **20.00 hours**.

KAG Members: Andrew Barrett-Miles*
Richard Cherry*
Graham Fairbairn - Responsible Finance Officer (RFO)
Steve Hansford - Substitute
Colin Holden
John Merrill
Chris Thomas-Atkin – Chairman
Julian Thorpe

Also Present: Steve Cridland
Janice Henwood

*Denotes absence

(start 20.00)

119. APOLOGIES FOR ABSENCE

Andrew Barrett-Miles and Richard Cherry

120. SUBSTITUTES

Steve Hansford for Andrew Barrett-Miles

121. DECLARATIONS OF INTEREST

None

122. CHAIRMAN'S ANNOUNCEMENTS

The Chairman of the meeting announced that a list of payments made since the last finance meeting could be found in the yellow folder above the blue boxes. The Chairman also stated the meeting would be recorded.

123. ELECTION OF THE VICE CHAIRMAN OF THE FINANCE KAG for the ensuing year

Members agreed unanimously for Colin Holden to be elected as Vice Chairman.

124. NOTES OF THE PREVIOUS MEETING

The Notes of the previous Finance Key Area Group meeting, dated 16 January 2018 (previously circulated to all Members), were approved by Members and signed by the Chairman as a correct record.

125. INTERNAL AUDIT – FINAL 2017/18

Members received a report, as set out in agenda item 7, dated 28 June 2018, advising Members of the outcome of the recent internal audit completed on 12 June 2018. The RFO was pleased to report that no items had arisen that needed to be drawn to the attention of Members.

Members were also asked to re-appoint Auditing Solution Ltd as the Council's internal auditors for the 2018/19 financial year.

RESOLVED that:

- A) The contents of the report be noted,
- B) To re-appoint Auditing Solutions as the Council's internal auditors for the 2018/19 financial year, and
- C) To commend the RFO and his team for their work in maintaining the Council's finances to such a high standard.

126. FINANCIAL RESULT FOR THE 2017/18 FINANCIAL YEAR (SUBJECT TO EXTERNAL AUDIT)

Members received a report, as set out in agenda item 8, dated 28 June 2018, updating Members with the financial result for the 2017/18 financial year (subject to audit).

The report showed the Council would post a surplus of £72,862, made up of an increase in revenue of £23,787 and a reduction in costs of £49,075. The report also detailed the movement in the surplus, of some £28k, from the prior meeting held in January.

During the ensuing discussion, Members received greater clarity in regard to some of the variances being shown, particularly in regard to the loss of income from partner organisations and how this may impact on future years' budgets. The RFO confirmed these variances had been accounted for fully in the current year's budget and in preparation of the following year's budget.

RESOLVED that:

To approve the 2017/18 financial result as presented.

127. RESERVES

Members received a report, as set out in agenda item 9, dated 28 June 2018, updating Members as to the status of the Town Council's Earmarked Reserves. The report summarised the levels of income received and expenditure made giving rise to an overall net outflow of funds in the region of £210k. The report also highlighted two individual reserves, *pension* and *replacement van*, which were no longer required and could be released to support alternative Council activities.

During the ensuing discussion, Members made a request for an addition fund to be set-up to enable the Council to support dementia friendly activities in the town. The Chairman of the meeting agreed this would be looked into.

RESOLVED that:

- A) To note the contents of the report,
- B) Release the unrequired reserves to support alternative activities of the Town Council, and
- C) For the RFO, via the appropriate committee, to see if funds could be made available to support dementia activities in the town.

128 ANNUAL GOVERNANCE and ACCOUNTABILITY RETURN Part 3 (formerly the Annual Return) FOR 2017/18

Members received a report, as set out in agenda item 10, dated 28 June 2018, presenting to them the Annual Governance and Accountability Return (AGAR) for 2017/18 financial year.

The report highlighted the financial statements contained within the AGAR and the work and procedures undertaken to ensure the Council was in compliance with the regulations as laid down by the Accounts and Audit Regulation 2015. Members confirmed, also, their responsibility for ensuring there is a sound system of internal control, including the preparation of accounting statements.

RESOLVED that:

- A) To approve the Annual Governance Statement 2017/18 contained within the Annual Governance and Accountability Return,
- B) To approve the Accounting Statements 2017/18 contained within the Annual Governance and Accountability Return, and
- C) For the Chairman of the meeting and Chief Executive Officer to sign the documents accordingly.

129 CULTURAL QUARTER STEERING GROUP – FINANCIAL ASSESSMENT

Members received a report, as set out in agenda item 11, dated 28 June 2018, outlining a financial plan to fund the development of a new remodelled community and performance venue.

The revised modelling of the new community and performance venue, as developed by the Cultural Quarter Steering Group, indicated the Town Council would need to obtain funding of £3 million, via a loan from the Public Works Loan Board, towards an overall build cost of £5 million, with the balance being raised through a combination of fundraising, grants and other Council Reserves.

Central to the funding plan is for the loan of £3 million to be affordable and sustainable and not to require any increase to residents' annual Council Tax bills toward the loan repayment. The report showed that within a 5 year period, the revenue generated from the growth in tax base would be sufficient to fund the loan repayment.

During the interim period, until the tax base had growth sufficiently to fund the loan repayments, additional funding of £327k would be required. The report highlighted that revenue generated by the growth in new housing in the town over the next 5 years of circa £133k together with budget savings & reallocations and the use of specific Council reserves of approximately £194k, would provide adequate funds to enable the loan to be repaid during this interim period.

After an in-depth discussion looking at all aspects of the funding plan, including there being sufficient capacity within the proposal to mitigate the risk of not being able to sustain the repayments, Members agreed the plan was financially sound and would deliver an affordable facility residents of the town would welcome and be proud of. Members approved the funding plan with a recommendation for the plan to be forwarded to full Council for final consideration. Members agreed, also, to the reinstatement of the General Reserve funding plan which would require an additional £11k to be transferred to the fund.

The report also considered the amount of funds raised through the 2018/19 Precept, designated specifically for the development of the original community and performance venue of just over £72k. The recent performance venue vote, although delivering a substantial majority of residents in favour of a new facility, rejected the increase in Council Tax that was required to support the funding plan. Members agreed the amount raised would be credited back to the 2019/20 budget Precept.

RESOLVED that:

To Recommend to Council,

- A. To use the revenue generated, circa £133k, through the growth in the Tax Base over the next 5 years to fund, in-part, the repayments of a £3 million pound loan,
- B. To use cost savings generated and budget amendments, together with the use of Earmarked Reserves, in-total equating to £194k, to provide the additional funding for the proposed loan repayment schedule,
- C. To transfer £11,155 to the General Reserve, and
- D. To ring fence the monies of £72,386, raised through the venue element of the 2018/19 Precept, for crediting back to the 2019/20 Precept requirement.

130 BANK RECONCILIATION AND OTHER BALANCES

Members received a report, as set out in agenda item 12, dated 28 June 2018, highlighting a recent bank reconciliation and providing current balances on the Town Council's various accounts.

RESOLVED that:

To note the contents of the report.

131. **DATE OF NEXT MEETING**

November 2019, exact date and time to be confirmed.

Meeting ended 21.01