

NOTES of the FINANCE KEY AREA GROUP MEETING held remotely on Monday 24th January 2022 at 18.30 hours.

KAG MEMBERS: Cllr Graham Allen*
Cllr Andrew Barrett-Miles
Cllr Roger Cartwright (joined meeting 18.50hrs)
Cllr Anne Eves
Graham Fairbairn - Responsible Finance Officer (RFO)
Cllr Janice Henwood
Cllr Simon Hicks - Chairman

Also Present: Cllr Peter Chapman
Steve Cridland - CEO
Cllr Robert Duggan
Cllr Robert Eggleston
Cllr Sylvia Neumann
Cllr Lee Gibbs
Cllr Matthew Cornish
Cllr Tofojjul Hussain

*Denotes absence
Meeting started 18.30 hrs

89. APOLOGIES FOR ABSENCE

None

90. SUBSTITUTES

None

91. DECLARATIONS OF INTEREST

Simon Hicks as an allotment holder and there being an item on the agenda for discussion.

92. CHAIRMAN'S ANNOUNCEMENTS

None.

93. NOTES OF THE PREVIOUS MEETING

The Notes of the previous Finance Key Area Group meeting, dated 01 December 2021, were approved by Members and will be signed by the Chairman as a correct record.

94. LISTING OF PAYMENTS MADE

Members received a report, as set out in the agenda item 6, dated 24 January 2022, stating Members may request a PDF copy of the latest payments made, to be sent to them and/or they can view, via the town council's website, the quarterly payment schedule. Members were informed this report also details expenditure using the Government Procurement (Corporate) Card.

RESOLVED:

To note the contents of the report.

95. BUDGET MONITORING REPORT 2021/22 AND DISPOSITION OF SURPLUS

Members received a report, as set out in the agenda item 7, dated 24 January 2022, giving an update on the latest Forecast Outturn for the 2021/22 financial year.

The report highlighted a potential surplus of £72k which was marginally down on that presented to Members (£77k) at the December 2021 meeting.

During the ensuing conversation, it was agreed the surplus, should it remain in the region of the £72k as presented, would be divided with £50k being allocated to the Beehive Fund and the residual being transferred to the General Reserve.

RESOLVED:

- a) To allocate £50k of the final revenue surplus to the Beehive Fund, and
- b) Transfer the residual, currently £22k, to the General Reserve.

96. PRICING FOR GOODS AND SERVICES OFFERED BY THE TOWN COUNCIL

Members received a report, as set out in agenda item 8, dated 24 January 2022, highlighting that inflation was now moving ahead (currently in the region of 5%) and the town council should increase its charges for the forthcoming financial year for the goods and services it offered having not been increased the previous year.

The report showed examples of the current prices for allotments, burial ground and room lettings and the proposed price increases based on the current level of inflation.

It was noted, also, contract negotiations with regard to burial interments (digging) had yet to be concluded.

RESOLVED:

- a) To increase charges levied by the town council for its goods and services by the prevailing rate of inflation, and

- b) Increase the fees associated with burial interments by the prevailing rate of inflation or the increase agreed with the burial contractor which ever was the higher.

97. 2nd DRAFT REVENUE BUDGET 2022/23

Members received a report, as set out in agenda item 9, dated 24 January 2022, providing a 2nd draft Revenue Budget for the 2022/23 financial year.

The report noted the budget had not materially changed to that presented to Members at the December 2021 meeting and that although the Precept presented of £933,618 had risen marginally, the slight increase in tax base had allowed the Band D rate to remain at £75.32. This was as per the Band D rate presented at the December 2021 meeting and a nil increase on the prior financial year.

During the ensuing discussion, Members queried the level of funds being transferred to the Beehive project and whether this needed to increase to match more closely with the expected level of repayment once the Beehive loan had been drawn down. The RFO explained the rolling 5 year Revenue Budget forecast had taken into account the project timescales moving to the right and that any increase was premature at this time.

The report also highlighted the potential cost of the Beehive project build in light of the current inflationary climate. A tendering exercise would be entered into which would give greater clarity as to costs and its impact on the town council's finances which would be reported to Members accordingly.

RESOLVED:

- a) Approve the Revenue Budget as presented, and
- b) Recommend to Council a Precept of £933,618

98. EARMARKED RESERVES

Members received a report, as set out in agenda item 10, dated 24 January 2022, highlighting a number of current Earmarked Reserves that were no longer required for their original purpose and could be reallocated/consolidated with other reserves or returned to the General Reserve.

During the ensuing discussion, it was clarified the Repairs and Renewals Earmarked reserve was set-up to fund maintenance issues associated with, in the main, property owned by the town council and was added to each year through the Revenue Budget.

RESOLVED:

- a) To consolidate the funds from 3041/CIC, 3074/Economic Support, 3028/Trading Spaces with the Bridge the Gap Fund/3072, a total, as at 31/12/2022, of £42,529,

- b) Transfer the funds of 3060/CCTV and 3029/Foodbank Relocation, a total, as at 31/12/2021, of £24,600 to the General Reserve level, and
- c) At the end of the 2021/22 Financial Year, for the RFO to review and report to Members (June meeting) on the status of the General Reserve and make recommendations as to its adequacy.

99. INVESTMENT POLICY

Members received a report, as set out in agenda item 11, dated 24 January 2022, presenting a draft investment policy.

During the ensuing discussion, Members requested the policy should also include a clause for the town council to consider the social and environmental responsibility shown by the individual investment companies the town council may wish to do business with.

It was agreed this could form part of Objectives of the policy and would be incorporated accordingly but would need to be subject to the security credit rating of the respective investment companies.

RESOLVED:

- a) To approve the Financial Investment Policy and,
- b) Include an additional Objective whereby the town council would consider the social and environmental responsibility shown by the investment companies the town council may wish to do business with subject to the security credit rating of the respective investment companies.

100. RELATIONSHIPS WITH 3RD PARTY ORGANISATION

Members received a report, as set out in agenda item 12, dated 24 January 2022, looking to define more clearly the responsibilities of the town council and its Members and their respective relationships with 3rd party organisations.

The report looked at the *administrative, financial and Member roles and interest* implications when the town council formed a relationship with outside bodies.

From an administrative perspective, Members accepted greater clarity was required on the role of the town council, as a corporate body, and its officers when associations with the outside body were made, and this could be achieved, on a case-by-case basis, through a simple *Service Level Agreement* to be incorporated into the Project Appraisal process when a new project was being considered.

In regard to financials matter, the RFO was comfortable the current budgetary process, Key Area Group structure and Member involvement was adequate to protect the financial interests of the town council and that no action was required in this area.

On the subject of Members relationships with outside organisations, a Councillor highlighted there was, in-place, a Members code of conduct that addressed most of the concerns raised and that this should be reviewed for adequacy prior to instigating any changes.

Subsequent to the meeting, the Chairman of the Finance KAG has noted there is a new LGA Model Code of Conduct being put to the District Council which includes detailed examples of Disclosable Pecuniary Interests which may help to inform the current policies.

RESOLVED:

- a) For the town council, as part of any new Project being considered by the town council, to consider its role and that of the officers and, where necessary, agree an appropriate Service Level Agreement, and
- b) For the RFO to refer back to the CEO in regard to Members' roles and interests associated with 3rd party organisations.

101. DATE OF NEXT MEETING

Members were informed the date of the next meeting would be in June 2022 with the actual date being advised to Members closer to the time.

Meeting ended 19.25 hrs