

NOTES of the FINANCE KEY AREA GROUP MEETING held remotely on Wednesday 1st December 2021 at 18.30 hours.

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

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

*Denotes
absence

Meeting started 18.30 hrs

76. APOLOGIES FOR ABSENCE

None

77. SUBSTITUTES

None

78. DECLARATIONS OF INTEREST

Robert Eggleston as a Trustee of the Beehive CIO being an item on the agenda for discussion.

Andrew Barrett-Miles as a Trustee of the Beehive CIO being an item on the agenda for discussion.

79. CHAIRMAN'S ANNOUNCEMENTS

Members were informed a list of payments made since the last finance meeting can be found in the yellow folder above the blue boxes. Members were informed they may request a PDF copy to be sent to them and/or they can view, via the town council's website, the quarterly and Corporate Card payment schedule.

80. NOTES OF THE PREVIOUS MEETING

The Notes of the previous Finance Key Area Group meeting, dated 24 June 2021 (previously circulated to all Members), were approved by Members and will be signed by the Chairman as a correct record.

81. ACTIONS ARISING FROM THE PREVIOUS MEETING

Members received a report, as set out in agenda item 6, dated 01 December 2021, confirming the high level of tree works expenditure was related to some 58 trees spread across multiple locations.

RESOLVED:

To note the contents of the report.

82. EXTERNAL AUDIT 2020/21

Members received a report, as set out in the agenda item 7, dated 01 December 2021, confirming the results of the external audit report for the 2020/21 financial year.

RESOLVED:

To note the contents of the report.

83. BUDGET MONITORING REPORT 2021/22

Members received a report, as set out in the agenda item 8, dated 01 December 2021, giving an update on the latest Forecast Outturn for the 2021/22 financial year.

The report highlighted a potential surplus of £77k made up of an increase in income of £6k and a reduction in expenditure of £71k.

During the ensuing conversation, it was explained the saving (£6k) in external maintenance charges related to a change of contractor and a move to bring in-house more of the maintenance work.

RESOLVED:

To note the contents of the report.

84. INTERIM INTERNAL AUDIT 2021/22

Members received a report, as set out in agenda item 9, dated 01 December 2021, presenting the findings from the internal audit held on 17th November 2021.

The report highlighted 3 minor issues relating to the updating of the council's Standing Orders in regard to the latest Public Contract Regulations, the correct completion of the prior years' Annual Return and to adopt a more formal investment policy.

During the ensuing discussion, Members raised whether the Standing Orders should include, also, information in regard to the contractual relationship and responsibilities between the town council and the Beehive CIO and the Community Partnership CIC where some Members sit as councillors for the town council and trustees and directors of these other entities.

RESOLVED:

- a) To note the contents of the report,
- b) For the RFO to draft an investment policy to present to Members at the next Finance KAG meeting.
- c) For the RFO to draft a section within the Standing Orders to reflect the relationships between the town council and the Beehive CIO and the Community Partnership CIC

85. 1st DRAFT REVENUE BUDGET 2022/23

Members received a report, as set out in agenda item 10, dated 01 December 2021, providing an initial view of the 1st draft Revenue Budget for 2022/23.

The report noted the some basic assumptions including a tax base increase of 1% , inflation (where appropriate) 3.5%, salary costs of living rise 2% and a confirmed increased of Employers' National Insurance of 1.25 percentage points (up to 15.05%).

In summary, the report showed the draft Precept could rise by circa £9k, however, with the increase in the Tax Base, there would be a nil effect on the Band D rate. It was noted by Members the Revenue Budget presented was provisional only and would be subject to amendments with the final draft being presented to Members at the January 2022 Finance KAG meeting

During the ensuing discussion it was confirmed 1.75% and 2% Cost of Living rises has been allowed for in the 2022/23 Revenue Budget and covered 2021/22 (not yet awarded) and 2022/23 respectively. It was confirmed, also, the proposed additional part-time Help Point staff and the reinstatement of the Maintenance Operative had been included in the 2022/23 Revenue Budget.

It was confirmed the current in-year savings (2021/22) on salaries were a result of, in the main, the reduction of staff on higher salaries being replaced by staff on lower salaries plus the decision not to replace one of the four maintenance staff part way through the year. It was noted by Members the report included an initiative to raise by one increment the salaries for the lower paid Members of staff and that this would need to be referred to the Staff and Member KAG.

The subject of the viability of the Park Centre and whether the town council could lend support was also raised by Members. It was confirmed that should the town Council decide to lend support financially, this could impact on the town council's finances and Members would need to look at, perhaps, the current year's surplus in conjunction with the council's earmarked reserves. At this stage, however, it was not possible to go into meaningful detail.

RESOLVED:

- a) To note the contents of the report, and
- b) Refer the initiative in regard to staff low pay to the Staff and Member KAG.

86. EARMARKED RESERVES

Members received a report, as set out in agenda item 11, dated 01 December 2021, providing an update to the status of the council's Earmarked Reserves.

The report highlighted the Beehive Working Capital Fund, being the largest of all the funds, and that the original build estimate of £5.273mil would be subject to a full tendering exercise with concern being raised that in the current inflationary climate, build costs could be considerably greater and must be considered a risk. The report noted, also, the current timings of the project had shifted outwards with demolition and site clearance of the current building unlikely to be completed until June/July 2022, with any drawdown of funds from the Public Works Loan Board to fund the new build being delayed until, potentially, Sep/Oct 2022. It was noted, also, should the drawdown of funds move beyond September 2022, an extension to the loan approval would be required.

During the ensuing conversation, clarification was given to Members in regard to a number of funds and in particular the Foodbank Relocation Fund (£12k) and CCTV Fund (£12.6k) and whether those funds were still needed for the original purpose or could be reallocated elsewhere. In regard to the Inclusivity Initiative Fund (£10k), this was monies set aside by the town council to work with the District Council on projects to assist against excluding people based on disability.

It was clarified to Members the high level of funds allocated and spent within the Consultant's Fund related to funding planning objections associated with the planned building of houses south of Folders Lane. Ordinarily, the annual revenue allocation to this fund was in the region of £1,000.

Members considered, also, the Town Events Fund with provisional costings for the events programme in the region of £40k which would be funded by monies within the existing fund of £25k and the new Revenue Allocation in April 2022 of £15k.

RESOLVED:

- a) To note the contents of the report, and
- b) Approve the monies allocated to the Town Events Fund.

87. BANK RECONCILIATION AND OTHER BALANCES

Members received a report, as set out in agenda item 12, dated 01 December 2021, providing a recent bank reconciliation for review and details of the town council's current balances.

RESOLVED:

To note the contents of the report.

88. DATE OF THE NEXT MEETING

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

Meeting ended 19.21 hrs