

NOTES of the FINANCE KEY AREA GROUP MEETING held remotely on Monday 23rd June 2022 at 18.30 hours.

KAG MEMBERS: Cllr Graham Allen  
Cllr Andrew Barrett-Miles  
Cllr Roger Cartwright  
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 Lee Gibbs  
Cllr Matthew Cornish  
Cllr Tofojjul Hussain

\*Denotes absence  
*Meeting started 18.30 hrs*

## **102. APOLOGIES FOR ABSENCE**

Anne Eves

## **103. SUBSTITUTES**

Robert Duggan for Anne Eves.

## **104. DECLARATIONS OF INTEREST**

There were none.

## **105. CHAIRMAN'S ANNOUNCEMENTS**

A full listing of payments made, including those via the town council's business card, are displayed on the council's website on a quarterly basis and can be reviewed accordingly.

## **106. ELECTION OF THE VICE CHAIRMAN OF THE FINANCE COMMITTEE.**

Graham Allen was elected unanimously.

## **107. NOTES OF THE PREVIOUS MEETING**

The Notes of the previous Finance Key Area Group meeting, dated 22 January 2022, were approved by Members and will be signed by the Chairman as a correct record.

## **108. INTERNAL AND EXTERNAL AUDIT**

Members received a report, as set out in the agenda item 7, dated 23 June 2022, presenting the 2021/22 final internal audit report from the council's internal auditor. The report summarised issues raised on previous interim reports which had been actioned accordingly.

During the ensuing discussion, the RFO raised the issue in regard to the incorrect completion of the 2020/21 AGAR and that this year's AGAR would require "no" to be ticked on page 4 section 3 as it related to the excise of elector's rights for the 2020/21 where an error had been made.

The report also noted the current internal auditor was retiring and the RFO would seek an alternative.

### **RESOLVED:**

To approve

- a) the final internal audit report,
- b) to note the error in relation to the 2020/21 AGAR and the implications for the 2021/22 AGAR, and
- c) for the RFO to seek an alternative internal auditor.

## **109. FINANCIAL RESULT FOR THE 2021/22 FINANCIAL YEAR**

Members received a report, as set out in the agenda item 8, dated 24 June 2022, with regard to the financial result for the 2021/22 financial year.

The report highlighted a surplus of £72,835.

The report recommended, pending formal agreement by Council to suspend the Beehive project (Strategic KAG Minute 98), the surplus should be allocated to the General Reserve. This would be in lieu of agreement by Members in regard to alternative community infrastructure projects as forwarded by the recently held Strategic KAG (Minute 98) which would be discussed at the next full Council meeting.

### **RESOLVED:**

- a) To approve the 2021/22 financial result as presented, and
- b) Transfer the surplus of £72,835 to the General Reserve.

### **110. ANNUAL GOVERNANCE AND ACCOUNTABILITY RETURN PART 3**

Members received a report, as set out in agenda item 9, dated 24 June 2022, presenting to them the Annual Governance and Accountability Return (AGAR) for 2021/22 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 Local Audit and Accountability Act 2014 and 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 2021/22 contained within the Annual Governance and Accountability Return,
- b) To approve the Accounting Statements 2021/22 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.

### **111. REVIEW OF BUDGET YEAR 2022/23**

Members received a report, as set out in agenda item 10, dated 24 June 2022, providing an initial review of the current 2022/23 financial year. The report noted that after only two months of the year there were no significant variances save for those detailed in the report itself showing an increase in income of £14.5k and an increase in expenditure of £10.1k.

#### **RESOLVED that:**

To note the contents of the report.

### **112. EARMARKED AND GENERAL RESERVES**

Members received a report, as set out in agenda item 11, dated 24 June 2022, providing an update of the council's Earmarked and General Reserves.

#### ***General Reserve***

The report noted the General Reserve, inclusive of the 2020/21 surplus, stood at £322k. Members were informed there was a standing resolution to have 20% of future Net Budgeted Expenditure as a General Reserve level (equating to £186k) and the current level of £322k gave, effectively, a surplus to requirements of some £136k that could be allocated towards other council projects.

### ***Beehive Fund***

The report also considered the Beehive Working Capital Fund in the light of the suspension of the project due to excessive rising costs and interest payments. The fund, at the time of writing the report, stood at £469k (excluding demolition of the RBL building and outstanding fees, circa £140k),

Members discussed a number of ideas and recommendations arising from the recent Strategic KAG meeting relating to, in the main, the Park Centre and St John's Pavilion. It was noted these projects involved the town council becoming a trustee of the respective charities/trusts, however, full Council had yet to formally approve the council's involvement in these projects and no expenditure would be incurred until approval had been given.

Members agreed, also, to rename the fund to the Community and Cultural Buildings Fund.

### ***Burial Ground***

The meeting also considered the Burial Ground report which highlighted the need to start the process in developing land adjacent to the existing burial ground (phase 2) in readiness for use in about 5 to 6 years. The report looked at the estimated cost of some £200-£250k and that Council would need to consider increasing the funds to be set-aside from the annual revenue budget or from the General Reserve, and/or consider applying for a loan from the Government's Department for Levelling up and Communities.

### ***Bridge The Gap***

Consideration was also given to the Bridget the Gap fund that had, at the time of writing the report, a consolidated fund balance of some £61k.

During the ensuing discussion, Members considered the current status of the town's Friday market provision and how this could be improved in the light of the current Market Operator terminating the contract. The discussion looked at, also, subsidising pitch fees to encourage retention of existing holders and encourage new stall holders. Members also discussed the development of a quarterly community market.

Members agreed that to progress the market idea, a dedicated officer resource, on a part-time basis, would be required.

### **RESOLVED THAT:**

- a) To note the contents of the report in regard to the General Reserve,
- b) To rename the Beehive Fund to the Community and Cultural Buildings Fund,
- c) To discuss proposals in regards to the Park Centre and St John's Pavilion at the next Full Council meeting,

- d) For officers to develop an outline plan and obtain costings for the development of phase 2 of the burial ground, and
- e) To discuss proposals for the provision of an enhanced and community market at the next full Council meeting.

### **113. REVIEW OF FINANCIAL REGULATIONS**

Members received a report, as set out in agenda item 12, dated 24 June 2022, noting the Public Contracts Procurement Thresholds had been amended and that the town council's Financial Regulations and Standing Orders needed to be updated accordingly.

#### **RESOLVED:**

- a) To approve the amended Financial Regulations and Standing Orders.

### **114. BANK RECONCILIATION AND OTHER BALANCES**

Members received a report, as set out in agenda item 13, dated 24 June 2022, providing a recent bank reconciliation for review and details of the town council's current balances.

#### **RESOLVED that:**

To note the contents of the report.

### **115. DATE OF NEXT MEETING**

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

*Meeting ended 19.01 hrs*