

**MINUTES FINANCE AND GOVERNANCE COMMITTEE meeting held Tuesday 15th
February 2022 at 2.15pm at Town Hall**

FIN REP 02.2022



Present – Cllr Betts, Cllr Bradbury, Cllr Flunder. Also, present Town Clerk

1. **Apologies:** To receive apologies for absence.
Apologies were received from Cllr Jordan, and Cllr Ladd.
Cllr Ladd joined on Zoom.
2. **Declarations of interest:**
 - a) To receive any declarations of Personal Interest regarding the agenda. Cllrs Betts, Flunder and Ladd declared a personal interest in the discussion regarding payment to the Millennium Foundation.
 - b) To receive any declarations of Pecuniary Interest regarding the agenda. Nil.
 - c) To receive any request for dispensations regarding the agenda. Nil.
3. **Matters from the public.**
Nil.
4. **Minutes of the last meeting January 2022** – The Minutes of the REP 01/2022 meeting had been circulated and were approved by all.
5. **Update on Management Accounts 2021/2022**
The Management Accounts to end January 2022 were presented by the RFO and discussed on a line-by-line basis for each individual account code. See details attached. The Town Clerk explained to members the entries as displayed on the Management Accounts.

Expenditure

Salaries/pensions are in line with full year budget.

Town Manager contract expires 31st March 2022.

Insurance premiums £38,348 which exceeds budget due to the insurance renewal for 2022 being paid in one lump sum as agreed by Council.

Comms and media support reflects the work on social media, extra works for Council website on the work of Council, Station Rd. redevelopment, and the N Plan.

Software and support include the Microsoft 365 system that is now being used in the office and Councillors will receive training in due course.

Grant expenditure £18,138 is offset by grant income received.

Business rates and standing charges for services paid as per direct debits.

Donations general budget has been increased as previously agreed.

Election May 2021 – fee £1145 paid.

Professional fees are £20,199 against original budget of £10k. (The expenditure is in line with the previous year). This includes fees for professional assistance on work on properties at 25 Market Place, 13 Station Rd, 7 Hurren Terrace and 1 Strickland Place as well as for assistance with regards to negotiations on police station site.

Property maintenance to date is £119,320 which includes scheduled repair works on all properties as well as extensive work at 13 Station Road and 7 Hurren Terrace.

Station Road fees/surveys £208,403 – reflect the surveys/work by the Professional Team/demolition and contamination teams.

After full discussion, there were no matters of concern to highlight noted by the Finance Cttee within the 10-month accounts relating to expenditure. Expenditure £555,953 for the 10 months.

Income to the end January 2022 is £359,914 including grant income of £24,641.

CIL income is 11,541 for 2021/22. Total CIL income to year end 2021 is in accounts at £36,827.

Rental income is £187,794 against annual budget of £248,883.

The month end management accounts and bank reconciliations for January 2022 were reviewed and approved by the Chair of the Cttee and signed off as required.

Station Road redevelopment project.

Feb Project Board meeting is next week.

Station Road fees/surveys £208,403– reflect the work by the Professional Team/demolition and contamination teams.

Update discussion held with Price Bailey regarding the VAT position for the works taking place at the site – option to tax to be submitted for the site in order that this reflects the requirements of Council. Price Bailey will continue to be the professional advisers for Council on this aspect. Their fee proposal will be updated to include all work required.

6. **Budget 2022/2023**

See agenda item 8) re capital budget

New Laptop purchased for use in chamber for cttee/Council meetings including provision of zoom.

7. **Donation requests**

Cllr Ladd provided cttee with update on creation of first phase of car park at Millennium Foundation. The Foundation require assistance to pay the total invoice for the 1st phase of the build that has taken place. £110k has been received from Southwold Trust and the Foundation is able to use some of its own finances in this respect, however they are presently £10k short due to increased costs associated with the construction that has taken place.

The 1st phase will include 10 spaces for the employees/employers/workers/visitors to the site, as denoted within the conditions of the planning application for a redevelopment of the Station Rd site.

Cllr Ladd advised that it has been estimated that each space in the car park has cost approx. £2k to construct (due to the construction requirements of the planning conditions, placed on the Foundation's own planning application for the car park, by the LPA).

A request was made for the Town Council to provide an initial contribution of £10,000 - £12,500 to assist with the cost of construction of the 10 spaces required as above. This to be an advance on a potential total contribution of £25k towards the construction and use of the spaces.

Discussion took place regarding the terms under which the Council might be provided with the spaces on an ongoing basis. Cllr Ladd advised that the Foundation would be meeting later this evening and that he would then be able to update Council in this respect – however it is anticipated that the Council would be provided with a 'licence to use' rather than a lease – however there is presently no information available as to what the Heads of Terms of such a 'licence to use' might be.

Further discussion took place regarding the land now being created as a car park – as this had previously been owned by the Town Council and had been gifted to the Foundation some 10 -12 years ago at no charge to the Foundation.

Discussion took place regarding repayment of any contribution provided now by the Council – in the event that no development goes ahead at the site which requires these parking spaces to be made available under any planning conditions.

CIlr Ladd advised that the Council would be repaid any sum that it paid towards construction/use costs, and that the Foundation would be able to repay this once it was creating a revenue stream from the car park and/or reclaiming VAT on the invoice for the construction costs.

A request was made for the Town Council to provide an initial contribution of £10,000 - £12,500 to assist towards the cost of construction of the 10 spaces required for those visiting/working at/ employed at a redeveloped site as above. This to be an advance on a potential total contribution of £25k towards the construction and use of the spaces.

Recommendation – that Council consider an initial contribution of £10,000 - £12,500 to assist toward the cost of construction of the 10 spaces required for those visiting/working at/ employed at the redeveloped site as above. This to be an advance on a potential total contribution of £25k towards the construction and use of the spaces by those visiting/working at/employed at/the redeveloped site.

(To be considered in conjunction with update from Millennium Foundation re Heads of Terms of licence agreement)

8. **Loan interest rates/repayments**

Capital Budget

Consideration took place regarding present PWLB interest rates, their likely trends, and potential prepayment sums.

Consideration took place as to whether it would be appropriate to consider a top up of the loan to assist with the property portfolio repairs and renovations.

Present Loan repayments – £30k plus interest. Loan has 6.5 years left to be repaid – capital sum outstanding totals £195k - interest rate 1.77%.

It was considered that it would not be appropriate at the present time to take on further commitment by way of a top up loan for property repairs– but that the cttee will continue to review the situation and the rates on a regular basis.

Capital budget 2022 – 2023 will be revised and updated accordingly.

9. **Policies** – nil

10. **Year-end procedures** –

RBS will carry out year end close in April and SALC will then undertake the internal audit.

11. **Date of next committee meeting** – Tuesday 15th March 2022 at 10am.

Exclude Public and Press: Pursuant to section 1 (2) of the Public Bodies (Admission to Meetings) Act 1960 it is agreed by all that, due to the confidential nature of the business to be transacted, the public and press leave the meeting during consideration of the following.

Staffing/Property rental matters/tenders/lease negotiations – see Confidential Minutes Fin REP 02.2022.

Recommendation:

Millennium Foundation Car park - Recommendation – that Council consider an initial contribution of £10,000 - £12,500 to assist toward the cost of construction of the 10 spaces required for those visiting/working at/employed at a redeveloped site as above. This to be an advance on a potential total contribution of £25k towards the construction and use of the spaces by those visiting/working at/ employed at/ a redeveloped site.

(To be considered in conjunction with update from Millennium Foundation re Heads of Terms of licence agreement)