



MINUTES FINANCE AND GOVERNANCE COMMITTEE meeting held

Thursday 22nd April 2021 at 10 am by Zoom

FIN REP 04.21

Present – Cllr Betts, Cllr Bradbury, Cllr Flunder, Cllr Jordan and Cllr Ladd.

Also, present – Town Clerk and 1 member of the public.

1. **Apologies:** To receive apologies for absence.
There were no apologies for absence.
2. **Declarations of interest:**
 - a) To receive any declarations of Personal Interest regarding the agenda. Nil
 - b) To receive any declarations of Pecuniary Interest regarding the agenda. Nil.
 - c) To receive any request for dispensations regarding the agenda. Nil.
 - d) To receive details of any lobbying to members. Nil.

Matters from the public.

The purpose of the meeting is for Councillors to discuss Town Council business and whilst the attendance of electors is welcomed, they are not allowed to join in the discussions of the Councillors.

During each meeting the Council will adjourn for a period for public questions. During this time, electors can put questions to the Chairman regarding matters on the agenda. Where possible, the Chairman will respond but the matter may have to be deferred and placed on a later month's agenda for discussion.

A member of the public commented on the Station Road Project and on the Council accounting for it within its 3-year budget. The resident also asked about the Business Association/My Southwold and about the reasoning for the environmental warden being on the Agenda. Cllr Bradbury advised that Station Road 3-year budget will be discussed later in the Agenda and that the Business Association/My Southwold were a separate entity and not connected to the Town Council. In response to the query regarding an environmental warden, Cllr Bradbury advised that the ESC Ward Councillor had asked for the Finance Committee to consider the provision of a warden to enforce various matters (see L&E Minutes).

3. **Minutes of the last meeting REP 03/2021 –**

The minutes of the REP 03/2021 meeting were approved and signed.

Cllr Bradbury advised that he had spoken to the Chair of the Station Road Project Board and requested that the Finance & Governance Committee members be brought into the Board in order that they could be updated by the Project Manager directly rather than through Board members. The next Project Board meeting is Thursday 29th April 2021 at 3pm and Cllr Bradbury has asked whether Committee members may attend. Cllr Ladd advised that ESC Officers had been very helpful and that it might be appropriate to also have the ESC Section 151 Officer attending the Board to provide advice. Cllr Bradbury confirmed that he had requested this from the Chairman of the Board.

4. **Management accounts 2020/2021**

The draft management accounts to end March 2021 were presented by the RFO and discussed on a line-by-line basis with analysis against budget code for each individual account code. The actual

spend for each account code was considered against agreed Covid revised budget. The Town Clerk talked members through the entries as displayed on the management accounts.

Rental income – has held up well despite Covid.

Salaries/ pensions etc are as per budget.

Insurance premiums are paid monthly in line with direct debit mandate.

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

Kilcock toilets – these are now open, and invoices are being received for their cleaning etc. Cllr Flunder advised that the additional toilets provided by Norse have been very welcome and that they have been located in the right places. It was suggested that a request be made to keep these toilets in situ in view of the fact that Southwold will be extremely busy over the summer months and all additional toilets are welcome.

A capital sale had been received during the month and after deduction of this, actual income was £414,597.00 net.

With regards to expenditure the RFO went through these on a line-by-line basis.

Ground's maintenance is in excess of budget, but this had been noted by the Finance Cttee in previous meetings and revised budgets added to cover these costs.

It was noted that the Klondyke/Tibbys Green budget covers work for the skatepark.

The property land maintenance account included bills for the refurbishment of the flat at 21 Market Place as well as part payment for 13 Station Road.

Net expenditure including property repairs accounted for £533,004.00. Once the loan balance has been allocated to the property repairs the sum of £6,000.00 has been retained during 2020/21.

This has been managed despite the effects of Covid. The Town Clerk advised members that the finances had therefore held up well despite the effects on both income and expenditure of the Covid pandemic and that the reserves had enabled financial stability even during this pandemic year.

After full discussion, there were no matters of concern to highlight within the 12 months draft accounts relating to either income or expenditure. For other discussions please see below.

The month end management accounts and bank reconciliations for March 2021 were reviewed. The RFO advised that there will be various transfers to undertake as part of the year end closure and therefore these management accounts should be considered as draft. The draft accounts were and approved by the Chair of the Cttee and signed off as required. The RFO advised that a further Finance Cttee meeting will be held once the year end has been completed.

Thanks were extended to the RFO from members of the committee and Cllr Bradbury thanked all members of the committee for the financial diligence throughout this difficult year.

5. **Other Finance matters**

Investment Advice – members noted that the sessions held with both CCLA and the independent financial advisors had been extremely informative. With interest rates staying low for a period, it was suggested that the committee continue to consider such advice on a regular basis. Whilst the balances in the bank accounts being at their present level, members noted the need to try and spread risk noting also that all monies were in AAA rated facilities which in itself would bring low return. The need to spread risk has been noted on the risk register and the committee will consider this on a regular basis and to take up opportunities as appropriate.

Property Governance advice – members had received the proposal from Price Bailey although had not had a chance to consider this in depth and this will therefore be placed on a future agenda. Members agreed that they were impressed with the presentation and the understanding that the organisation had of the needs of the Town Council in relation to both VAT and property governance.

Bank Signatories – online banking – see previous Minutes.

Council Modernisation Programme – update – the Town Clerk and Office Manager have met again with the suppliers to advance the programme. All present computer filing systems need to be reviewed before transfer to the new programme. This is likely to occur by the end of June.

Year End close/ internal and external audit – update - RBS close of account software will take place next week. With internal audit being in May.

Insurance update – Fidelity Insurance – the RFO advised that the present policy covers £2m on fidelity insurance and that a request has been made to the insurers to top this up to the present balances. Insurers advise that this may need to go to the commercial market in view of the higher figure required and the Town Clerk has asked that a quote be provided as soon as possible. In the meantime, this has been annotated on the risk register. Members noted the need to have such cover and that a commercial policy may be the only way forward in this respect.

3-year Budget – the RFO provided a summary of the draft balances within the 12-month management accounts and detailed the impact of the landlords' improvements and the capital budget for 2021/22 together with the revenue deficit. The RFO explained the other reserves and the need to consider additional capital works on Council properties, along with the works on the Station Road regeneration project. Cllr Flunder advised that any bid on the Police Station site would also need to be incorporated within these considerations.

The RFO provided a summary of the income recommendations being suggested in the DLA report on Station Road Project and the differences to the Town Council income between this report and that of the 2019 Moss King report. Cllr Ladd noted that the project will also create social benefits for Southwold and that this should be taken into account when discussing the finances of the project – noting that if Council had wished to maximize income from the site it could potentially have considered selling the site for housing rather than to provide jobs and an economic boost to the town. Cllr Flunder reminded members of the motion that Council had passed in March regarding understanding market demand. It was noted that the DLA report references the need to get an operator involved in the project now to provide a required level of knowledge on such projects, and to ensure that the project is built in a manner in which it can secure the best opportunity for success. Cllr Bradbury noted that there are many demands on the resources and finances of the Town Council and that there are many other projects that need to be completed as well, especially those on other assets that the Council owns. It was noted that the valuation of the commercial property portfolio is still awaited – this to be chased.

6. **Governance /policies to complete/ review**

Scheme of Delegations – the RFO explained that under present remote meeting legislation there will not be an opportunity to hold a Council meeting between 7th – 17th May and that a scheme of delegation will be required to enable work to continue and decisions to be made during this period.

If remote meeting legislation is curtailed, there will also be a need to ensure that information about meetings and the decisions made, are made available to all members of the public as soon as possible after the meeting and this will include the need for social media updates. A budget will need to be considered in light of the hours needed to do this which will probably need to be obtained from an external resource. Cllr Flunder noted that the committee system did not enable a swift flow of information – acknowledging that discussions have to be signed off by full Council and that the speed of the decision-making mechanism needs to be improved. It was noted that the Comms group are now in place to assist with this process, and that local government as a whole needs to improve comms in light of the world that we find ourselves in.

Donations – window for applications – previous Town Council meeting had agreed that quarterly applications would be invited. First window of opportunity will be during May and a notice to be put in the Gazette, noticeboard, website etc.

7. **Environmental warden** – to consider – see L&E Minutes. It was noted that there are various issues throughout the town which at present receive no enforcement from ESC or any other organisation i.e., bonfires on the beach, sleeping on the beach, litter. ESC has advised that they do have 3 personnel who can enforce any dog restrictions but obviously their resources are stretched throughout the whole of the district. Discussion took place about a budget and for responsibility, training etc. It was suggested that any such role could potentially include work as a marsh warden. For further consideration.

Midday – members noted that as the meeting had lasted 2 hours, they would prefer to reconvene at a later date to cover other items on the agenda. Another meeting will potentially therefore be called for next week, date and time to be agreed.

If Required

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

Property rental matters/consideration of commercial quotes/ staffing matters