

**MINUTES FINANCE AND GOVERNANCE COMMITTEE meeting held Wednesday
20th April 2022 at 10.00am at Town Hall**

FIN REP 04.2022



Present – Cllr Betts, Cllr Bradbury, Cllr Jordan, Cllr Ladd, Cllr Flunder. Also, Present Town Clerk

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. 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.**
No public present.
4. **Minutes of the last meeting March 2022** – The Minutes of the REP 03/2022 meeting had been circulated and were approved by all.
5. **Update on Management Accounts 2021/2022**
The Management Accounts to end March 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 expired 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.

Grant expenditure £23,688 is offset by grant income received (£32,791)

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.

Town Hall running costs operate within the budget of £10k.

Shuttle bus fee £570 relates to previous year audit work

Invoices waited for Norse and gardening works.

Professional fees are £43,965 against original budget of £10k. 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 £212,546 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 £260,607 – reflect the surveys/work by the Professional Team/demolition and contamination teams. If no claim yet to be made against grant, then the St Rd capital reserves will be used to offset this figure at year end.

The expenditure was noted by the Finance Committee within the 12-month accounts relating to expenditure. Expenditure £809,923 for the 12 months.

Discussion about difference in Grounds Maintenance and Tibbys Green/ Klondyke costs from 2021 to 2022. Subsequent to the meeting, town clerk provided members with an analysis of the differences in the 2 years expenditure.

CCTV – it was noted that there was an unspent budget of £10k in the mgt accounts for CCTV. Discussion about the potential benefit of having some CCTV in town- particularly around the Market Place area.

It was suggested that the provision of some CCTV in the town be revisited – recommended that council to be asked to consider.

Year end

Town Clerk advised that prior to year-end close down debtors/ creditors would be calculated, and these would create an adjustment to these initial figures.

Reserve movements for St Rd expenditure, Strategy, CIL and Asset Maintenance and Repairs will be made as appropriate as part of year end close down.

Grants

Grant from RDPE – claim for £42,3230 to be made by 10th July 2022.

Jubilee Community National Lottery funding award – has been successful and monies should be received soon. Some of this is allocated for the Jubilee events in Reydon and Reydon PC have been made aware.

Income to the end March 2022 is £436,784 including grant income of £32,791. Budget £383,309 excluding grants and CIL.

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

Rental income is £245,823 against annual budget of £248,883.

Loan for property repairs - outstanding balance as of 31st March 2022 is £165k (with 5 years repayments left to run).

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

Station Road redevelopment project.

Mgt accounts - Station Road work/ fees/surveys £260,607– reflect the work by the Professional Team/demolition and contamination teams. In the absence of a grant drawdown, this will be covered by the Capital reserves.

VAT Advisers - 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 has been updated to include all work required as follows;

1) Assist with Option to Tax form and submission to HMRC - £600.

- 2) Review tenders from contractors to ensure a fair and reasonable split between standard and zero rate VAT being applied – comment on a time spent basis with a 20% discount to standard rates.
- 3) Offer advice around the use of residential and the impact for VAT recovery – initially free, depending on time required, then on a time spent basis with a 20% discount to standard rates.
- 4) VAT implications of engaging an operator – already covered, and no additional cost for a refresher.

It was AGREED by all to recommend Price Bailey carry out no's 1 – 4 to as described above at the cost quoted.

From March Finance minutes - Cllr Bradbury and Cllr Flunder reviewed the budget tracker for the project and have raised queries with the project team regarding items that have not been quantified, neither within the demolition nor the construction contract, in order to ensure that a total cost can be accurately assessed and considered. This work is ongoing; however, the indicative budget is as follows.

Demolition/ site clearance – on budget

Consultants, surveys, additional fees £33k within budget, Anticipated Construction costs exceeding budget by £290k. Other Items not covered elsewhere are presently assessed at £329k. On this basis the present budget shortfall is £586k.

A grant application has been submitted for the project for £250k and the outcome will be known in April. ESC is also seeking additional funding opportunities. The costs as detailed above are also being verified and these should also be confirmed in April.

Construction tenders - have been received and are being analysed to ensure that they can all be considered on an equitable basis. Two of four tenderers are to be interviewed next week.

Two operators - have expressed interest and their submissions have been assessed. All councillors invited to discuss their submissions with them.

Discussion about Design and Build contract - and it was suggested that the Town Council might need to take legal advice on some aspects of this.

Mitigation measures - are being taken to offset those factors presently deemed to be the highest risk to the project which include the budget as above, timetable slippage, tenderers, site validation, residual contamination, and economic uncertainty.

Water Leak – had occurred which meant that water had to be turned off for a few hours. One tenant was inconvenienced, and the contractors have sorted this out with the tenant.

6. To receive Donation requests / updates

Millennium car park update – Cllr Ladd as Chair of the Millennium Foundation advised that the loan of £10k had been received by the Foundation and that this had enabled settlement of the invoice for the car park works. This loan will be repaid within 6 months. 0% interest to be applied to the loan.

SRS – Dog bags – total cost for 25,000 is £750. It was agreed by all to recommend that STC provides a donation of £250.

7. Policies – Nil

8. **Year-end procedures**

RBS will carry out year-end close on Friday and SALC will then undertake the internal audit. The paperwork from the external auditor has been received.

Year end closure of accounts software – see above for more details. (Town Clerk advised that prior to year-end close down debtors/ creditors would be calculated, and these would create an adjustment to these initial figures.

Reserve movements for St Rd expenditure, Strategy, CIL and Asset Maintenance and Repairs will be made as appropriate as part of year end close down).

9. **Internal Controls** - the internal controls have been carried out by Cllrs Ladd, Flunder and Betts.

10. **Date of next committee meeting** – 16th May at 10am

Exclude Public and Press: Pursuant to section 1 (2) of the Public Bodied (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 03.2022.

Recommendation:

CCTV – it was noted that there was an unspent budget of £10k in the mgt accounts for CCTV. Discussion about the potential benefit of having some CCTV in town- particularly around the Market Place area.

It was suggested that the provision of some CCTV in the town be revisited.

VAT advice - Recommend Price Bailey carry out no's 1 – 4 to as described above at the costs as quoted.

SRS – Dog bags – total cost for 25,000 is £750. Recommend that STC provides a donation of £250.