

**MINUTES FINANCE AND GOVERNANCE COMMITTEE meeting held Monday 21st
March 2022 at 10.00am at Town Hall FIN REP 03.2022**



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.
Cllr Ladd declared a personal interest in discussion re Community Emergency Group
 - 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. E mail from a resident had been received regarding Station Rd costs – see details below.
4. **Minutes of the last meeting February 2022** – The Minutes of the REP 02/2022 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 expires 31st March 2022. **The Town Manager used their own laptop for the duration of their role with the Town Council and has requested that a sum of £100 per year – total £200 be provided to offset depreciation of use of the laptop. It is recommended that a contribution of £200 be approved.**

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.

SharePoint will be trialled with councillors in due course.

Accounts software Rilatlas has not been available in the Cloud. This is now available at an additional cost of £500 pa. It is recommended that council approve the cost of £500 to enable accounts software to be made available online to the staff.

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.

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

Shuttle bus fee 3570 relates to previous year audit work

Invoices waited for Norse and gardening works.

Professional fees are £26,461 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 £145,539 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 £233,661 – 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 11-month accounts relating to expenditure. Expenditure £629,329 for the 11 months.

Income to the end February 2022 is £402,412 including grant income of £29,141. 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 £221,688 against annual budget of £248,883.

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

Station Road redevelopment project.

Mgt accounts - Station Road work/ fees/surveys £233,661– 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.

Cllr Bradbury and Cllr Flunder have 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. These should be available early April, in order for decisions to be made.

Two operators have expressed interest and their submissions are being assessed.

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. The Project Manager advises that updates should be available on all aspects in early April to enable decisions to be made.

6. **Capital Budget 2022/2023**

The capital budget for 2022/2023 has been completed and is recommended to council for approval. The costs of improvements to the four priority properties (2 Strickland Place, 6 Strickland Place, Water Tower, and 25 Market Place) has been included within the 3-year budget in accordance with the priority allocated to the works required. Total works required in this financial year is estimated at £145,500.

Other allocations in the budget relate to the required works at the Boating Lake to restore the lagoon. This will be subject to a lottery grant application and the council's own investment required in the project will be dependent on the grant sum applied for. £70k has been allocated in the budget at present.

Allocation of £17k has also been made for legal works re property governance and future maintenance mgt. It was agreed that Price Bailey would be given a timeline by which this report and recommendation is required.

For the year 2022/ 2023 - Income is anticipated at £243,000 and expenditure at £389,200. This will leave a deficit of £146,200 to be funded from reserves or from other income generation. These figures will be regularly updated by the finance cttee and opportunities to reduce the deficit/ withdrawals from reserves, will be highlighted to council.

On the basis of the above it is recommended that the Town Council approve the Capital Budget for 2022/2023.

In order to cover repair works in 2023/2024 it is anticipated that the capital fund will again be in deficit – estimated at £184k on present assumptions. A top up loan may be required at this stage – this budget will be considered again in 6 months' time to update assumptions and enable recommendations to be made at budget setting in Nov 2022.

7. **Donation requests 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.

Regarding the allocation of spaces for the Station Rd redevelopment – this will be the subject of separate discussions.

Community emergency group – insurance costs – implications letter received from Community group requesting assistance with insurance costs by a) adding group onto the existing policies of both Reydon P C and Southwold T C, or b) to assist with the cost of a separate policy that the group would take out in its own name.

After discussion it was agreed that b) would be the preferred option as this would prevent any possible claim confusion if something happened for example on Mights Bridge where there might be a dispute over whose insurance would be claimed upon. Cost of a separate policy is in region of £400. **It was agreed that a recommendation be made that STC covers half the cost of the policy, with Reydon p c having been requested to cover the costs of half too. It is recommended that the Town Council allocates £200 towards the costs of the insurance policy.** Agreed by all.

Save the Sole Bay tapestry appeal – Cttee had been asked to consider the appeal. Target of £15k has been exceeded through crowdfunding with donations now in excess of £25k. It was

suggested that once restored, the National Maritime Museum be asked whether the tapestry could go on display in Southwold Museum.

8. **Policies – Nil**

9. **Year-end procedures** –

RBS will carry out year end close in April and SALC will then undertake the internal audit. The paperwork from the external auditor is expected at any time.

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

11. **Local Government Pay agreement 2021-2022** – the NALC paper on the pay agreement has now been received for the year 2021/2022. The settlement has been backdated to 1st April 2021. This will be calculated and applied for the admin assistant.

12. **Date of next committee meeting** – to be confirmed.

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 03.2022.

Recommendation:

The Town Manager used their own laptop for the duration of their role with the Town Council and has requested that a sum of £100 per year – total £200 be provided to offset depreciation of use of the laptop. It is recommended that a contribution of £200 be approved.

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Capital Budget 2022/2023

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