

Minutes of the Finance Committee Meeting
held in the Council Chamber, Emersons Green Town Council,
1900hrs on Thursday 27th October 2022.

- Present:** Councillors James Hunt (Chair), Colin Hunt, and Caroline Johnson.
- Absent:** None.
- In attendance:** Town Clerk, Ian Lyons.
- Apologies:** Councillors David Somers (Deputy Mayor), Christopher Edwardson, and Richard Nichols.
- Public:** None.
- Notes:** The meeting began at 1900hrs. All resolutions are passed with a majority vote, by a show of hands, unless otherwise stated.

FIN_2022.58 Welcome and Introductions.

- Minutes:** Cllr James Hunt (Chair) welcomed everyone present at the meeting and explained the emergency procedures.

FIN_2022.59 Declaration of Interest – Localism Act 2011.

- Minutes:** Cllr James Hunt (Chair) reminded members of the requirement to declare an interest.

FIN_2022.60 Public Participation.

- Minutes:** No members of the public were present.

COUNCIL ADMINISTRATION

FIN_2022.61 Minutes.

- Motion:** It was moved by Cllr James Hunt (Chair), supported by Cllr Colin Hunt, and resolved that:

- Resolved:** The Minutes of the Finance Committee meeting held on the 29th of September 2022, copies having been circulated, be approved as a correct record, and signed by the Chair.

Minutes: The minutes were signed at the meeting by Cllr James Hunt (Chair).

FIN_2022.62 Outstanding items from the previous minutes.

Minutes: At the invitation of Cllr James Hunt (Chair), the Town Clerk delivered a summary of the work undertaken as a result of the resolutions and action points from the previous meetings. As follows:

- Building repair work has been completed.
- The assets' cleaning contract was commissioned, and work would start shortly.
- All the grant applications are listed for payment.
- Treasury deposits are listed for debate.
- The updated Financial Regulations are listed for approval at the next Full Council.

GRANT APPLICATIONS

FIN_2022.63 Citizens Advice.

To determine a grant application for £2750 to Citizens Advice South Gloucestershire to provide residents of Emersons Green with a free advice service.

Minutes: At the invitation of Cllr James Hunt (Chair), the Town Clerk provided the following advice:

LEGAL POWER OR DUTY TO ACT

- Local Government Act 1972, s.142.

RECOMMENDATIONS, CONDITIONS, AND OTHER CONTROLS

- Decide on the merits of the grant application.
- *If necessary:*
- Resolve that: "The Council approves a grant application from Citizens Advice South Gloucestershire for £2750 to provide a free advice service."

REASONS FOR RECOMMENDATION

- The application meets the Council's guidelines. However, the merits of the application itself should be debated.

FINANCIAL IMPLICATIONS & RISKS

If the Committee decides to award this grant, it can easily be achieved within the current budget of £40,000, which includes £20,000 for s.137. The level of grants awarded year to date, including liabilities, is currently at £15,019, of which £10,614 is s.137 spending. Therefore, the remaining balance is £24,981 in total, £9,386 for s.137, and £15,595 for regular grants.

After this, Councillor James Hunt (Chair) raised concerns about the application and weighed up the pros and cons for the Committee. Councillor Caroline Johnson confirmed that the Council had funded a similar application in the past.

After that, Councillor Colin Hunt highlighted that the applicant had already secured funding from South Glos Council for the same project on an “area-wide basis”.

In conclusion, Councillor James Hunt shared the view that this was a difficult decision, and that it would be preferable for the Council to seek an enhanced service for the full grant amount, similar to the arrangement that had been made by Bradley Stoke Town Council. Next,

Motion: It was moved by Cllr James Hunt (Chair), supported by Cllr Colin Hunt, and resolved that:

Resolved: The Finance Committee provides Citizens Advice South Gloucestershire with a Grant of £1000 to provide residents of Emersons Green with a free advice service.

Action: Town Clerk to write to the applicant to discuss providing an enhanced service for Emersons Green.

FINANCE

FIN_2022.64 Bank Reconciliations.

Minutes: The committee read the circulated documents and they were signed by the Chair.

FIN_2022.65 Monthly Payments.

Motion: It was moved by Cllr James Hunt, supported by Cllr Caroline Johnson, and resolved that:

Resolved: The monthly payments list, copies having been circulated, be approved, and signed by the Chair.

Minutes: The Chair signed the payments list.

FIN_2022.66 Budget Monitoring.

Minutes: To begin with, Cllr Caroline Johnson raised questions about the level of expenditure on mileage (4075), professional and legal expenses (4240), and office equipment (4218). In reply, the Town Clerk reminded the committee that a full nominal ledger report for each cost centre could be provided with advanced notice.

However, a summary of each item was given from memory. In short, the Council had become more active since the budget was planned and this has resulted in increased mileage and office equipment costs, mainly associated with new events, agreed upon by Full Council. Professional fees were entirely due to the strategic plan, commissioned in the previous financial year.

FIN_2022.67 Bank Mandate.

Minutes: At the invitation of Cllr James Hunt (Chair), the Town Clerk provided the following advice:

LEGAL POWER OR DUTY TO ACT

- EGTC Financial Regulations 1.14, 5.1, 6.15.
- Finance Committee Terms of Reference Function 2.
- Employment Act 2022.
- Employment Relations Act 2004.
- Employment Act 2008.

RECOMMENDATIONS, CONDITIONS, AND OTHER CONTROLS

- Resolve that: “The Finance Committee recommends that Full Council amends Financial Regulation 5.5 to include an Assistant Clerk, when deputising the role of Responsible Financial Officer (RFO).”

REASONS FOR RECOMMENDATION

- To provide confidence to staff and contractors.
- To ensure contractual obligations are met.
- To avoid charges for missed payments.
- To plan for election periods when Councillors are not in post.
- To plan for unexpected circumstances and emergency situations.
- To plan for unexpected resignations.

FINANCIAL IMPLICATIONS & RISKS

Lower risk of reputational damage and late payment charges.

Motion: It was moved by Cllr Colin Hunt (Chair), supported by Cllr Caroline Johnson, and resolved that:

Resolved: The Finance Committee recommends that Full Council amends Financial Regulation 5.5 to include an Assistant Clerk, when deputising the role of Responsible Financial Officer (RFO).

FIN_2022.68 Treasury Deposits.

Minutes: At the invitation of Cllr James Hunt (Chair), the Town Clerk provided the following advice:

- To consider a treasury deposits strategy and implementation scheme.
- To make any recommendations to Full Council.

LEGAL POWER OR DUTY TO ACT

- Local Government Act 1972 s.151.
- EGTC Financial Regulations 8.4-8.8.
- Finance Committee Terms of Reference Function 5.

- Employment Act 2022.
- Employment Relations Act 2004.
- Employment Act 2008.

RECOMMENDATIONS, CONDITIONS, AND OTHER CONTROLS

- Resolve that: “The Finance Committee recommends that Full Council amends Financial Regulation 5.5c to increase the limit from £50,000 to £100,000.”
- Resolve that “The Finance Committee recommends that Full Council delegates authority to the Town Clerk and RFO to make Treasury Deposits with Barclays Bank in consultation with the Finance Committee.”

REASONS FOR RECOMMENDATION

- To maximise the interest received in the Council’s bank account.
- To meet Key Objective E15 in the draft strategic plan “opportunities for generating income”.
- To retain the services of a Relationship Manager at Barclays Bank.

FINANCIAL IMPLICATIONS & RISKS

The Council currently receives very little interest using the Business Savings Account. If the Full Council allows the Town Clerk and RFO to make regular Treasury Deposits this source of revenue will increase dramatically. Treasury deposits do not leave Barclays Bank and therefore offer the opportunity to increase interest rates with no additional risk. The amount, and period of time, to be authorised can be agreed upon by the Finance Committee at each monthly meeting to reduce the risk of funds being unavailable should reserves be required for use.

This arrangement would not offer diversification but would allow the Council to maintain the level of funds required to maintain access to a Relationship Manager, which helps to reduce staff costs on trivial banking matters.

Minutes: After this, a short discussion took place around the practical arrangements for making payments, such as using the monthly payments list to highlight the authorised amount and the length of time to invest.

Motion: It was moved by Cllr James Hunt (Chair), supported by Cllr Colin Hunt, and resolved that:

Resolved:

- The Finance Committee recommends that Full Council amends Financial Regulation 5.5c to increase the limit from £50,000 to £100,000.”
- The Finance Committee recommends that Full Council delegates authority to the Town Clerk and RFO to make Treasury Deposits with Barclays Bank in consultation with the Finance Committee.

FIN_2022.69 Banking – Standing Orders.

Minutes: At the invitation of Cllr James Hunt (Chair), the Town Clerk provided the following advice:

LEGAL POWER OR DUTY TO ACT

- Local Government Act 1972 s.151.
- EGTC Financial Regulations 6.8.

RECOMMENDATIONS, CONDITIONS, AND OTHER CONTROLS

- Resolve that “The Finance Committee delegates authority to the Town Clerk and RFO to establish a banker’s Standing Order for staff principal salaries.”

REASONS FOR RECOMMENDATION

- To provide confidence to staff and contractors.
- To ensure contractual obligations are met.
- To plan for election periods when Councillors are not in post.
- To plan for unexpected circumstances and emergency situations.
- To plan for unexpected resignations.

FINANCIAL IMPLICATIONS & RISKS

Reduced risk of reputational damage and litigation.

Motion: It was moved by Cllr James Hunt (Chair), supported by Cllr Colin Hunt, and resolved that:

Resolved: The Finance Committee delegates authority to the Town Clerk and RFO to establish a banker’s Standing Order for staff principal salaries.

FIN_2022.70 Earmarked Reserves.

Minutes: At the invitation of Cllr James Hunt (Chair), the Town Clerk explained that it was necessary to earmark additional funds for capital spending to justify the considerable reserves that the Council was currently holding.

For instance, this had recently been queried by the external auditor, and they were satisfied with the explanation. However, it was sensible to review the existing earmarked reserves and consider other reserves. For example, projects that have been identified in the draft strategic plan, and to cover previous resolutions of the Full Council, such as IT hardware for new Councillors.

To begin with, Cllr James Hunt (Chair) suggested that £25,000 would be a sensible amount for the Town Clerk to earmark for IT Hardware and suggested £50,000 for a Legal Fund. Cllr Colin Hunt agreed that it would be sensible to have an amount of this size held in reserve if the Council had to contest a serious legal challenge, which could prove very expensive, and unfortunately, there were precedents for this.

In conclusion, other potential earmarked funds were highlighted without specific amounts, to cover the Council’s assets, such as buildings, bus shelters, benches, bins, and trees, and the Town Clerk agreed to include this in the budget process.

Finally, the Town Clerk clarified that these would be earmarked reserves, and not a commitment to spend.

FIN_2022.71 Budget 2023.

Minutes: At the invitation of Cllr James Hunt (Chair), the Town Clerk circulated a draft document with figures from the previous budget and the forecasts that were indicated at the time.

After this, it was explained that the preliminary notes were indicative amounts based on actual spending for the year and other known commitments. The Town Clerk's recommendation was to set a realistic budget so that Financial Regulations could easily be followed without unnecessary administrative issues or trivial referrals to Full Council.

However, the committee noted that some of the most important figures were currently unavailable, such as the Council tax base, and s.137 calculation (South Glos), and salary figures (NALC and PATA). Likewise, the Council still had to agree on the strategic plan, which would have implications, due to the potential employment of new staff members. Similarly, it was difficult to predict the cost of energy for the next 12 months.

On a more positive note, the Town Clerk reported that a large amount of CIL receipts was expected from recent housing developments and circulated a document which explains how the money can be spent.

Finally, a discussion took place surrounding the acceptable level of the precept, given the political and economic circumstances, including high levels of inflation, and the likely aims of the Council to grow over the next few years. A figure of 5% was considered acceptable by the Committee, as the starting point for further budget negotiations at Full Council.

CONTRACTS

FIN_2022.72 Contract – Photocopier.

Minutes: At the invitation of Cllr James Hunt (Chair), the Town Clerk provided the following advice:

LEGAL POWER OR DUTY TO ACT

- Local Government Act 1972, s.133.
- Local Government Act 1972, s.142.

RECOMMENDATIONS, CONDITIONS, AND OTHER CONTROLS

- Resolve that: "The Finance Committee delegates authority to the Town Clerk to negotiate a renewal of the reprographics and maintenance contract for the office photocopier, copies having been circulated."

REASONS FOR RECOMMENDATION

- To adequately equip the Town Council building.
- To continue providing information relating to matters affecting local government.

FINANCIAL IMPLICATIONS & RISKS

The Council currently has an annual budget of £400 for photocopier rental charges and £188 for print charges. So far, the Council has spent £230 on rental charges and £72 on print charges. This contract represents a discount on the existing charges and the contractor has confirmed that the quote will be honoured, despite the rising cost of inflation.

Motion: It was moved by Cllr James Hunt (Chair), supported by Cllr Colin Hunt, and resolved that:

Resolved: The Finance Committee delegates authority to the Town Clerk to negotiate a renewal of the reprographics and maintenance contract for the office photocopier, copies having been circulated.

FIN_2022.73 Contract – Barclays.net.

Minutes: At the invitation of Cllr James Hunt (Chair), the Town Clerk provided the following advice:

LEGAL POWER OR DUTY TO ACT

- Local Government Act 1972 s.151.
- EGTC Financial Regulations 6.15. "Where internet banking arrangements are made with any bank, the Clerk shall be appointed as the Service Administrator".

RECOMMENDATIONS, CONDITIONS, AND OTHER CONTROLS

- Resolve that: "The Finance Committee delegates authority to the Town Clerk to enter a contract for the 'Barclays.net' service, copies having been circulated."

REASONS FOR RECOMMENDATION

- To ensure the Town Clerk can correctly administer internet banking arrangements.
- To ensure timely management of matters relating to the bank mandate.
- To streamline the payment process.

FINANCIAL IMPLICATIONS & RISKS

The Council currently has a budget of £100 for bank charges and has already spent £137 to date. This motion will require a significant increase in the budget to approximately £400 per annum, plus some small capital costs at the start for security hardware. However, the benefits will far outweigh the costs. For example, it will have significant savings on staff costs when dealing with routine business, such as listing transactions, mandate changes, and other day-to-day queries. It will also reduce the burden on Councillors, who regularly experience frustration with the current mandate system, which risks a loss of valuable human resources.

Motion: It was moved by Cllr James Hunt (Chair), supported by Cllr Colin Hunt, and resolved that:

Resolved: The Finance Committee delegates authority to the Town Clerk to enter a contract for the 'Barclays.net' service, copies having been circulated.

FIN_2022.74 **Dates and Timings.**

Minutes: Cllr James Hunt (Chair) announced that the next meeting of the Finance Committee was scheduled to take place:

Thursday 24th November 2022 at 1900hrs in the Emersons Green Town Council Chamber.

Cllr James Hunt (Chair) concluded the formal business of the meeting at 2035hrs and announced that an informal 'round-table' discussion would take place afterward.