

Minutes of the Finance Committee Meeting held on Thursday 9th July via Zoom at 7.00pm

1. Apologies:

Cllr G Kitching

Present:

Cllr D Carter (Chair) Cllr P Collins, Cllr C Eastwood, Cllr S Garrett, Cllr J Jones and Cllr P Wraight

In attendance:

Mrs E Coe (Town Clerk/RFO)

2. Declarations of Interest:

None.

3. Minutes of previous meeting:

319720 Cllr Carter proposed approval of the minutes of the last meeting held on Thursday 11th June (previously circulated in draft form) as an accurate record, which was seconded by Cllr Eastwood with all in favour.

4. Public Comment:

None.

5. Financial Matters:

5.1 Alpha Finance Report of Income and Expenditure to date:

The Town Clerk/RFO provided the Alpha Report of Income and Expenditure to date which was considered and the detail noted. A transfer from Budget 1103 to 1120 was agreed.

A copy would be attached to the file copy of these minutes.

The Town Clerk had published a copy of the Payments Sheet approved at Full Council on the website, in accordance with the Transparency Code.

5/2 Bank balances and bank reconciliations to date:

The Town Clerk/RFO provided an HSBC printed copy of the bank balances to date, which was noted and a copy attached to the file copy of these minutes. The Town Clerk/RFO noted that all the reconciliations were complete and up to date.

5/3 Investments:

Cllr Carter reported on the investigations to date and noted that contact with the NS&I to establish with them which accounts they have which are suitable for investment by a Town Council had proved difficult, due to the high number of calls they are receiving at the moment and there is insufficient information on their website to provide the necessary clarity.

He noted the objectives of the Investment Strategy and noted that the Town Council does not currently have the benefit of FSCS protection. Therefore investing with an institution of high credit rating is indispensable. Credit ratings were reported and it was noted that the NS&I is backed by HM Government and the UK government is credit rated AA-. Therefore an investment with NS&I would meet the security requirements of the Town Council Investment Strategy.

Enquiries would need to be made with NS&I to establish which accounts the Town Council, was able to invest surplus funds in. NS&I has a Direct Saver account which appears to offer 1% interest rate with immediate access. Immediate access would satisfy the liquidity requirements of the Town Council. An account of this kind, if available, would therefore meet the two key requirements and provide a yield for FTC. As NS&I is part of HM Treasury, it falls within the definition of a public authority and investment in NS&I products would therefore be within the existing investment strategy.

The above suggestions followed the circulation in advance of the meeting of Cllr Carter's research into the credit ratings of UK banks, building societies, and public authorities to determine which

enjoyed high credit ratings. The research had established that HSBC currently had an AA- rating (the same as the UK's sovereign debt), which was higher than the ratings of other UK high street banks. Barclays, Santander, Lloyds and RBS had A+ ratings (ie one grade lower than HSBC). Nationwide Building Society had an A rating, which was the absolute minimum credit rating the council would be able to consider under the investment strategy. Other UK banks and building societies were all below this level or did not have a credit rating at all.

It was noted that the research therefore showed that without exception all had a lower credit rating than HSBC.

The paper circulated specifically addressed the possibility of investments with certain organisations which had been suggested by Councillors at one stage or another to ensure that all suggestions had been taken into account.

It was agreed that some measure of diversification would be attractive.

Following some discussion on funds that would be required in the near future, it was proposed to recommend to Full Council the following:

- If the Town Clerk/RFO was able to establish with NS&I that the funds could be invested with them, that £329,931.77 in the HSBC CIL account would be transferred to them, subject to satisfactory confirmation of instant access and acceptable interest rate
- If it was not possible to confirm this or it was not possible to invest the funds with NS&I, that £285,000 of the £329,931.77 in the HSBC CIL account would be transferred to a 3-month investment account with HSBC in order to obtain an interest return on it

The lower figure of £285,000 in the latter case reflected that if funds had to be committed for three months, allowance had to be made for any funds which might be required in the near future.

Cllr Wraight noted that she was against any proposal to re-invest with HSBC and it was clarified that the funds were already held with HSBC in an account that was not gaining any interest, so there was a need to transfer to an investment account within HSBC in order to gain some interest in the short term. Following further discussion it was agreed instead to propose two separate recommendations.

519720 Cllr Carter proposed to recommend approval to Full Council to invest £329,931.77 (CIL A/C) from HSBC to NS&I subject to instant access saver account being available for the Town Council, which was seconded by Cllr Jones with all in favour.

529720 Cllr Carter proposed that if the above was not possible then to recommend approval to Full Council to transfer £285,000 of the CIL A/C to a 3 month investment account with HSBC, which was seconded by Cllr Jones with five in favour and one against.

5/4 Compliance with Transparency Code:

The drafts produced by the Town Clerk/RFO had been circulated with the Agenda. The documents were considered and one amendment for clarification made with all in agreement to publish on the website

5/5 Internal Audit-Interim and end of year Audits – information from SALC

Cllr Carter and the Town Clerk provided information from SALC which had been circulated with the Agenda.

539720 Cllr Carter proposed to recommend approval to Full Council to accept the cost of £600 for an Interim Audit to be carried out by SALC, using Budget 1115, which was seconded by Cllr Garrett with all in favour.

6. Employment matters:

6/1 Succession planning – update

The Town Clerk/RFO reported on advice and options provided by SALC. It was noted the Quality Council status expires in 2021, but it was felt at this stage it was too soon to consider the next level which was Quality Gold, as this would be a huge amount of extra work and was not appropriate or supported at this time.

It was agreed to carry out an Interim appraisal for the Deputy Town Clerk led by the Town Clerk/RFO, Cllr Carter and Cllr Jones. The results would be considered at the next meeting in September.

7. Town Council Office:

7/1 Blinds

719720 Cllr Carter proposed to accept the cost of up to £200 for blinds for the new Office windows, from Budget 1126, which was seconded by Cllr Collins with all in favour.

7/2 Fire extinguishers

The Town Clerk/RFO reported that Protect & Detect had refurbished the fire extinguishers and completed the survey of the new Office at a cost of £98.75. Arrangements would be made to re-inspect in 12 months.

The Town Clerk/RFO noted her thanks to the Office Assistant for all her help with the move to the new office, as she had worked very hard helping her with the tasks, which had been made more difficult due to social distancing measures.

8. Correspondence:

8.1 SALC

Consultation on the Member Code of Conduct – deadline 17th August.- information circulated via SALC Bulletin

It was agreed for the Town Clerk/RFO to re-circulate the information and link to all Councillors for participation.

9. Policies and Documents:

Terms of Reference for Committees and Sub-committees – review

The draft had been circulated prior to the meeting with the agenda.

919720 Cllr Jones proposed to recommend approval of the review of the Terms of Reference for Committees and Sub-Committees to Full Council, which was seconded by Cllr Carter with all in favour.

10. Full Council and Committee Structure – Cllr Carter

Cllr Carter noted that this item had already been discussed at the Strategic Forum.

11. Action Plan:

Updates:

None

12. Matters of report or items for next agenda:

Annual Review of Town Council Policies and documents

Budget 2021/2022

Annual Review of the Effectiveness of Internal Audit – to be reviewed after Interim Audit

Annual Review of Risk Assessments

Network attachment storage for office computers – Cllr Garrett

Staff Appraisals

13. Date of next meeting:

NO MEETING IN AUGUST

Thursday 17th September 2020 at 7.00pm

Meeting closed at 20.25