

Draft Minutes of the Finance Committee Meeting held on Thursday 21st May via Zoom at 7.00pm

1. Apologies:

Apologies were received and accepted from Cllr J Jones

Present:

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

In attendance:

Mrs E Coe (Town Clerk/RFO) and one member of the public.

2. Declarations of Interest:

None.

3. Minutes of previous meeting:

3121520 Cllr Carter proposed approval of the minutes of the last meeting held on Thursday 12th March (previously circulated in draft form) as an accurate record, which was seconded by Cllr Garrett and with two abstentions due to absence all were in favour.

Cllr Carter would sign the file copy of the minutes held by the Town Clerk at the earliest opportunity.

4121520 The Chair proposed to adjourn the meeting for the following, which was agreed.

4. Public Comment:

None.

421220 The Chair proposed to reconvene the meeting, which was agreed.

5. To consider the draft Annual Investment Strategy:

The revised draft document had been circulated prior to the meeting along with notes of points for discussion and the Chair went through each section in turn.

There followed some discussion and the Chair agreed to tidy up the document as agreed and circulate to the Committee for any further comments or adjustments with a view to presenting the final draft to Full Council for approval.

There was also some discussion on investments and the responsibilities of the Finance Committee and RFO.

It was suggested and agreed that in order to protect the investments via the FSCS (up to £85k) there is a need to diversify. The draft document needed to be updated to allow for this and to reflect an intention to minimise risk through placing funds in FSCS-protected investments.

It was noted that there was a need to define what was meant by a “high credit rating” for the purposes of investing funds and monitoring investments. The Chair suggested that a rating of at least “A” should be required for the institution (unless investments were protected by FSCS).

The Town Clerk/RFO had provided details of the Investments to all Councillors and the Finance Committee on a regular basis and advised of the funds available in the CIL account which could be invested elsewhere other than HSBC. She had also emailed details of potential business deposit accounts with Ipswich Building Society and Nationwide Building Society along with other banks and building societies contacted in a comparison summary document. It was agreed to re-circulate the comparison summary document. She had also forwarded information from Flagstone and the CCLA.

It was agreed to include in the document a statement to the effect that the RFO would (continue to) provide investment reports to the Finance Committee on a regular basis. Reports would provide details of all current investments on a monthly basis (as at present) and should highlight investments which are approaching maturity and, where investments were approaching maturity and required re-investment, give details of options. It was agreed that the scope of any information required regarding options would need to be specified by the Finance Committee.

In addition, it was agreed that credit ratings would be monitored at quarterly intervals by the RFO (in conjunction with Finance Chair) so that the Committee could consider the position in the event that the credit rating for an institution in which FTC held funds fell below the required level.

Some members raised concerns about the level of risk if funds were left with HSBC.

It was agreed that a recommendation would be taken to Full Council to move up to £170,000 funds into FSCS-protected deposits with two institutions. The Town Clerk/RFO noted that moving funds to Ipswich Building Society and Nationwide Building Society would be practicable based on the enquiries she had made. Councillors also noted the possibility of using National Savings & Investments (NS&I).

The Town Clerk/RFO noted that the placement of this level of funds would deal with funds which were not committed to projects or to term investments which would not mature until early 2021.

The Town Clerk/RFO was requested to contact HSBC to ask if there would be a penalty for ending the current three investments previously agreed by the Finance Committee, before maturity on 21st January 2021 (Capital Savings), 21st January 2021 (Capital EMR) and 11th February 2021 (CIL3) so that the possibility of re-investing these amounts with an alternative provider could be considered. If this was considered appropriate, it was felt that as many different options as possible should be explored.

The Chair called a short adjournment at 8pm to clap for the NHS

6. To consider shortcomings in current practice – to be advised:

Concerns were raised that the Town Council was not compliant with the Transparency Code and there was some disagreement on this as it was felt that all relevant steps had been taken by the Finance Committee and RFO to be compliant with the Code, which was a shared responsibility. However, it was noted that in the past the advice received from LCPAS (Local Council Public Advisory Service) could have been improved upon. Now that the Town Council was again a member of SALC (Suffolk Association of Local Councils) and had an excellent working relationship with the CEO and the SALC Team, the advice and support had improved dramatically. It was recognised that in some areas improvements could be made such as the publication of expenditure over £500, as although expenditure over £300 was detailed and recorded in the minutes and a Summary Income and Expenditure Report published on the website, and the approved Payments Sheet attached to the file copy of the minutes, it was recognised that this was probably not sufficient, notwithstanding that previous years' internal audits had confirmed compliance. Therefore, action had been taken and following advice from SALC improvements had been undertaken by the RFO in agreement with the Finance Chair and the Payments Sheet had been published on the website, which would be done on a monthly basis which more than met the recommendations of the Transparency Code for quarterly reporting.

Other concerns were raised and in order to address these concerns members were requested to detail specific areas of concern where it was felt that the Town Council was not compliant with the Transparency Code or any other relevant document and send them via email to the Chair and Town Clerk/RFO so that these could be considered and any weaknesses addressed or actions for improvement be agreed at the next meeting.

It was suggested that SALC should be consulted with a view to a potential review of procedures to ensure compliance with relevant regulations going forward. The Town Clerk/RFO was requested to contact SALC to make enquiries as to how soon such an exercise could be undertaken given current limitations as a result of Covid.

7. Matters of report or items for next agenda:

None

8. Date of next meeting:

Thursday 11th June 2020 at 7.00pm

Meeting closed 9.05pm