

MINUTES OF THE MEETING OF THE HINGHAM TOWN COUNCIL FINANCE COMMITTEE HELD IN THE LINCOLN HALL ON TUESDAY 15 NOVEMBER 2022. THE MEETING COMMENCED AT 7.30pm.

Finance Committee Membership

Cllr Amey, Cllr Dunnett, Cllr Eldridge, Cllr Roberts and Cllr Thompson

Present

Cllr Amey – acted as Chairperson

Cllr Thompson, Cllr Dunnett, Cllr Roberts

Clerk – Alison Doe

There were no members of the public present.

**1. Apologies for absence**

Apologies for absence were received from Cllr Eldridge and County Cllrs Dewsbury.

**2. Declarations of interests with regard to items on the agenda and to consider requests for dispensations**

There were no declarations of interests with regard to items on the agenda.

**3. Public participation**

There were no members of the public present, and no issues raised.

**4. Accuracy of the Minutes of the Finance Committee meeting of 19 July 2022**

The minutes of the meeting of 19 July 2022 were agreed as correct and signed by Cllr Amey, acting as Chairperson.

**5. Matters arising from the minutes of the meeting of 19 July 2022**

No matters arising were raised.

**6. To discuss the draft investment strategy and agree any actions**

As agreed at the previous meeting, Cllr Roberts had prepared a draft investment strategy, which was noted as a recommendation made by the Internal Auditor. Cllr Roberts forwarded the draft investment strategy to the members of the Finance Committee prior to the meeting, and advised at the meeting that it had been written taking into account the content of investment strategies adopted by other parish and town councils, which he advised varied in length and contents.

The Committee discussed the draft strategy and agreed to include wording which would show the intent of the Council to choose, wherever possible, ethical companies/banks in which to place their investments.

It was agreed to put the investment strategy forward to the Full Council for consideration with the recommendation of adoption.

**7. To discuss additional banking arrangements and agree any actions**

The Clerk advised that she had asked other Clerks (via a Clerks forum) for their recommendations for ethical banking and that the most frequent recommendation was for Unity Trust, for which there is a monthly fee of £6.00. The Committee did not support using

a paid for banking service if there was an equally suitable alternative without having to pay a fee.

Cllr Roberts had undertaken research into what was offered by several other banks and each was given consideration regarding its suitability. Banks that were not ethical, were not covered by the FSCS, did not offer an appropriate account were discounted.

It was agreed that on the information provided Charity Bank was the best option, although it had a 40 day notice period for withdrawals, it was noted that the account would be used in addition to the present Barclays current account and any withdrawals needed from the reserves held in the new bank account could be planned with 40 days' notice. Charity Bank uses investments to support charities and social enterprises. The second choice was Starling Bank.

Cllr Roberts will recheck the details to ensure that the accounts available from Charity Bank and Starling are suitable. It was agreed to make the recommendation to the Council to open a savings account with Charity Bank (if suitability is definite).

It was noted that moving £85,000 into a new account separate from Barclays would still leave an amount of reserves held within Barclays bank that would exceed the amount covered by the FSCS. It was agreed that the situation should be reviewed in a year following the completion of expected projects that will use some of the current reserves.

#### **8. To discuss CIL receipts and expenditure**

The Clerk confirmed receipts of CIL money in April (£463.67) and October (£3716.90) 2022. Overall, since CIL was introduced in 2015 £75059.01 had been received of which £48,965.00 had been spent on infrastructure projects, leaving £26,094.01 remaining. The Clerk advised that CIL money unspent after 5 years can be claimed back by South Norfolk Council and had discussed this with the CIL officer who was happy that there were planned projects (such as the resurfacing/repairs at the skatepark which would use CIL money that was over 5 years old. The Clerk confirmed that of the £26,094.01 held £14,669.26 was at the 5 year and over point.

The Finance Committee were reminded that CIL money is received through the planning process if it is payable on building projects/development (not all development generates CIL as some projects are exempt), and it is prescribed that CIL money received must be spent on infrastructure projects.

It was noted that when (if) the Hingham Neighbourhood Plan is adopted then the percentage of CIL money received by the Town Council will increase from 15% to 25% (of total CIL paid by the "developer").

#### **9. To undertake the Budget Monitoring (April-September 2022)**

The Clerk had prepared a spreadsheet showing amounts received and spent in £'s and also as a percentage of the allocated budget for each item. The Committee discussed the figures provided.

With regards to income, it was noted that there was some cemetery income (cheques) which were due to be paid into the bank.

It was also noted that the interest rates had increased and that the expected figure when setting the budget for 2022.23 was low due to the previous year's low interest rates and the 2021.22 expected income from interest not being achieved.

With regards to expenditure, it was noted that some items were significantly over budget. With regard to the toilets, the Clerk advised that the budget figure for cleaning supplies and sundries was set too low as it was set looking at expenditure for the previous 2

years when the toilets had not been fully operational (they had been closed for some of the time) due to Covid and the fire.

It was noted that the electricity costs had increased substantially, due to the toilets being on a deemed contract and the increase in energy prices, although not all charges had been made by EDF due to the issues with the new meter installation and EDF failing to write to the correct address with regard to price increases, the deemed contract will now end as Utility Aid has undertaken an energy audit and sourced better a deal with a new supplier. It was also noted that the cost of toilet paper has increased.

The Clerk explained that the expenditure on stationary stamps etc. was over budget as the budget figure was unrealistically low (due to postage stamps not being claimed for) the Clerk is now ensuring that the cost of postage stamps purchased is reclaimed.

It was noted that for some "maintenance" budget items expenditure were at zero percent, (the bus shelter and clock are due for largescale refurbishment which will be greater than the budget figure and this expenditure will be paid from the reserves). Other items of "maintenance/repair" have not been needed so far, although it was noted that tree works is required.

The invoice for the dog waste bin emptying is awaited.

It was noted that the budget income (receipts received) for April to September 2022 was £78,600.84 (92.87% of the budget figure) with an additional £17,653.67 having been received from ad hoc payments not included in the 2021/22 budget, including Neighbourhood Plan grant money (£10,450.00) and the insurance payment from the fire in the toilets (£2,210.00). The budget expenditure (payments) was noted as £35,477.31, (45.27% of the budget figure), with additional payments (not included in the budget) been made totalling £10,051.38, this included the repayment of Neighbourhood Grant money to Groundworks, Neighbourhood Plan consultation fees, repair to the fire damages toilets, the 2021.22 dog waste bin collection payment to SNC (invoiced late by SNC) and passing on the £300 Jubilee grant from SNC to the Hingham Playing Field Association.

#### **10. To undertake the preliminary budget setting for 2023/24**

The Clerk had prepared a spreadsheet showing the budget figure for 2022/23, figures (and percentages) for money spent and received April to September 2022, and to date (November 2022), the figures for the totals spent and received for 2021/22, noting that the figures for the previous year 2020/21 were available (separately) but expenditure for that year was not a realistic comparison in terms of current costs of goods and services and the 2020/21 figures also reflected the Covid lockdowns where meetings were held remotely, the toilets were closed and spending was less than "normal".

The Clerk had prepared recommendations for the 2023/24 budget. The proposed budget figures were produced taking into consideration the healthy reserves held by the Council and the recommendation by the internal auditors that more consideration needs to be given to expenditure that can be quantified rather than estimated, and that the reserves should not be added to unnecessary due to not spending estimated budgets accrued. The Council had in meetings expressed concerns regarding the cost of living crises and the Clerk was mindful of this when preparing the proposed budget and advised that she had aimed to keep the budget figure requirement consistent with the current year so that an increase in precept was not required.

The Clerk had annotated the spread sheet against each budget item and suggested that where there was no definite quantifiable amount available for ad hoc repairs and maintenance (such as for street lighting and trees/ditches) the budget figure should be set at zero and any such expenditure should be made out of the reserves or paid from the

contingency in the budget, the Clerk advised that this would offset the increases required for electricity costs and staff costs, which were quantifiable. It was also noted that the Neighbourhood Plan grants would not cover the entire cost of making the plan, and that the Council had agreed to cover any shortfall in funding, this it was agreed should also come from reserves as the amount could not yet be fully quantified and it would be a one off not needed year on year as a budget requirement.

The Clerk advised that she had accounted for an increase in staff costs, using the pay award for 2022/23 which had recently been published, and accounting for one incremental rise in 2023/24 and an increase of 3% to account for a Local Government pay award for 2023/24. It was also noted that the budget for the staff pension must include the presumption that both members of staff may take up the pension scheme.

It was noted that a new contract would be required for street lighting maintenance and a new insurance policy would be required mid financial year (both are likely to increase in cost compared to current agreements).

It was noted that the reserves included ringfenced monies for CIL and the public toilets, and reserve money would be used for high-cost projects that were required, such as improvements to the cemetery turning circle, replacement street lighting and upgrading the town clock. It was noted that the funds for the project to renovate the bus shelter could come from the reserves and that parish partnership funding had been granted, for 50% of the quoted costs.

The draft budget figures were discussed line by line and amendments made where necessary. It was agreed to recommend the draft budget to the Council, noting the final budget setting would most likely take place in January when the precept requirement would also be agreed, and the tax base was known.

#### 11. To undertake the internal financial check

All receipt transactions and a random sample of payments transactions (July 2022 to October 2022) were cross referenced between the cashbook, bank statements, cheque book, minutes, and invoices. No errors were found.

It was noted that the cashbook balances (end Oct 2022) were as follows

ACCOUNT 1	£62,220.52
ACCOUNT 2	£213,991.54
ACCOUNT 3	£38,828.85
DORMANT ACCOUNT	£186.80
Total	£315,227.71

April to of end October 2022

Total Payments £53,779.37

Total Receipts £99,211.90 (includes Neighbourhood Plan Grants of £14,500)

The meeting ended at 9.30 pm