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To All Members of the Finance & Policy Committee: Cllrs Dave Biddleston, Clive Fricker, Andy Halliday, Hal MacFie (Vice-Chair), Andy McGuinness (Chair), Brian Simmons and Jonathan Wallcroft.

Dear Councillor

You are summoned to attend a **MEETING OF FINANCE AND POLICY COMMITTEE** to be held in **The Space on TUESDAY 18th JANUARY 2022 commencing at 7.00 PM.**

Signed on 11th January 2022

By Dawn Drury Acting Town Clerk

EMERGENCY EVACUATION PROCEDURE

If the continuous alarm sounds you must evacuate the building by one of the signed green running persons exits and proceed to the named assembly point.

Assembly point: Grassed area past St Cadoc House, Temple Street.

DO NOT USE THE LIFTS

COVID 19

THIS MEETING IS OPEN TO THE PUBLIC. ATTENDEES WILL BE REQUESTED TO WEAR THE FACEMASKS PROVIDED, USE HAND SANITISER AND FOLLOW SOCIAL DISTANCING/ONE-WAY SYSTEM TO MINIMISE THE RISK OF TRANSMISSION

PLEASE DO NOT ATTEND IF YOU SHOW ANY SYMPTOMS OF COVID OR HAVE BEEN IN CONTACT WITH SOMEONE WHO HAS TESTED POSITIVE FOR COVID WITHIN THE LAST 7 DAYS OR HAVE A POSITIVE LATERAL FLOW TEST OR PCR TEST

ALL ATTENDEES ARE ENCOURAGED TO UNDERTAKE A LATERAL FLOW TEST UP TO 48 HOURS PRIOR TO THE MEETING

THIS MEETING MAY BE FILMED OR RECORDED (PLEASE REFER TO THE TOWN COUNCIL'S PROTOCOL ON THE FILMING AND RECORDING OF LOCAL COUNCIL AND COMMITTEE MEETINGS (adopted August 2014)).

FINANCE & POLICY COMMITTEE AGENDA 18TH JANUARY 2022

1. APOLOGIES FOR ABSENCE

RECOMMENDATION:

To receive apologies for absence.

2. DECLARATIONS OF INTEREST

To receive any Declarations of Interest under Keynsham Town Council's Code of Conduct (adopted on 16th April 2019) issued in accordance with the Localism Act 2011 and The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012, SI No. 1464 and as per Standing Order 3(v).

3. DISPENSATIONS

In accordance with Standing Order 13, to consider any requests for dispensations (for disclosable pecuniary interests) prior to the item (s) being discussed, that Members may only become aware of during the meeting itself and to receive any disclosures of decisions as per item 7 of Keynsham Town Council's Dispensations Policy and Procedure Guide.

4. RECORD OF PREVIOUS MEETINGS

RECOMMENDATION:

- (i) That the Minutes of the Finance Cttee meeting held on 21st December 2021 (previously circulated) be confirmed as a true record and signed by the Chairman.

5. PUBLIC PARTICIPATION

- (a) In accordance with Standing Order 3(e), Members of the Public will have the opportunity to ask the Chairman any question concerning, or make observations upon, the business of the Council, at the start of the meeting, provided notice of the question along with the name and address of the member of public has been given to the Town Clerk at least four clear days before the meeting where possible, and in any case to the Chairman before the meeting. This also applies to all Committees of the Council.

RECOMMENDATION

That the Chairman respond to any questions/observations. If the matter is not already tabled on the Agenda, the Council may move a motion to refer the matter to be itemised on the agenda of a successive meeting, but it cannot make any decisions on any matters raised at this meeting unless considered under a further item on this particular Agenda.

6. BUDGET TOWN COUNCIL BUDGET 2022-2023

The Acting Town Clerk/RFO presented the draft budget in December. A full report accompanied the spreadsheets and the Chairman went through the items in the report in turn.

(a) Changes to nominal codes and allocations to budget headings

These detailed changes proposed to the nominal codes in the accounts – essentially either moving a code to a different heading or splitting a general maintenance code into maintenance and minor works.

1058 – S106 Youth Funding – External
4008 – Assistant Town Clerk
4009 – Cultural consortium Engagement Officer
4011- Working from home
4016 – Office Locum
4065 – BACS errors
4093 – Training – **Councillors/Admin**
4099 - Mosaics
4114 – Community Video
4304 - Salaries Ground Maintenance 3
4305 - Salaries Ground Maintenance 4
4512 – Ground Maintenance Training
4609 – Bandstand Roof **repairs**
4714 – Bandstand Roof **Reserve**
4718 – Capital Equipment Reserve
4753 – Community Transport Reserve
4754 – CIL Mosaics
4803 – **Pensions** deficiency recovery

We will need to allocate additional codes for the new posts of Responsible Financial Officer, Business and Community Engagement officer, Youth Development Worker

RECOMMENDATION

To note the above and make recommendations at this meeting to Town Council to approve the same.

(b) Forecast Expenditure 2021-2022

The forecast expenditure for this current financial year (£525,829) was approximately £84k less than budgeted (£609,941). The RFO on setting the budget forecast the expenditure as being approximately £260k less than the budgeted figure for 2020/21.

Once again COVID had impacted the current budget and provided a list of where savings have been made. A considerable amount was owing to freezing of recruitment so was a saving on salary costs.

RECOMMENDATION

To note the above.

(c) Forecast Surplus and Transfers To and From EMR 2021/2022

Given the underspend on capital projects, not all of the EMR money (which includes CIL) has been spent, and the amount of funds to be transferred back to EMR at the end of this year was forecast as being some £183k as follows:

(a) Allocations budgeted for from revenue/CIL (red shaded boxes on spreadsheet)

CIL community projects (from general CIL)	£10,000
Play areas (from revenue)	£11,000
Bandstand Roof (from revenue)	£ 2,000
Cemetery extension (from revenue)	£ 5,000
Cemetery reserve (from revenue)	£ 5,000
Chapel reserve (from revenue)	£ 5,000
New Vehicle reserve (from revenue)	£ 2,500
Capital Equipment reserve	£ 3,000
TOTAL	£43,500

(b) Transfer of year-end surpluses

In addition the following cost codes have been previously identified by Finance & Policy Cttee and will have surpluses transferred to EMR subject to final approval as follows: (yellow shaded boxes on spreadsheet)

Timeline	£14,436 (existing EMR)
Bandstand surplus	£ 3,425
Unspent but allocated CIL	£36,132
NDP	£41,976
Notice boards surplus	£ 3,000
Winter Festival	£ 2,750
Bins and benches	£ 1,706
Youth salaries	£18,958
Youth s106 (4118)	£ 6,300
Youth (4119)	£ 10,965
Keynsham Now	£ 550
TOTAL	£140.198

RECOMMENDATION

To note the above and make recommendations at this meeting to Town Council to approve the same.

(d) Proposed Budget 2022-2023

The Committee considered the spreadsheets and supporting information provided in the report. It was noted that the proposal was to increase the budgeted expenditure to £1,024,440 from last year's budget of £967,241 and that figures for the Town Council's budgeting process are skewed by the allocations for capital projects and the receipt/drawdown of restricted monies such as s106 and CIL towards significant capital expenditure. Removing the capital projects expenditure for both the current year and next year resulted in a proposed revenue expenditure increase of some £145k which was represented by the following:

Significant Variations on 2021/22 Budget		
Staffing costs Admin	67,750	Additional RFO, Assistant Clerk, Business & Community Engagement Officer
Staffing costs Youth	24,550	Ful Time Professional Youth Development Worker
<i>Increase in grants</i>	10,700	
NDP	27,500	Includes for contractor instead of member of staff
Additional Chapel minor works	9,000	
Establishment	6,000	Professional fees, Audit, Ellis Whittam, Insurance
Total additional expenditure	145,000	

RECOMMENDATION

To note the above and make recommendations at this meeting to Town Council to approve the same.

(e) Commitment from Revenue to Ear Marked Reserves (Previously approved).

The Cttee considered the following proposed commitments to Ear Marked reserves, which included for the additional £10k for Manor Rd and £2.5k for Community Transport. These commitments had already been approved by Town Council as part of the Capital Projects review.

EMR	Contribution from precept to be transferred in Mar 2022	EMR balance at Apr 2021
327 Cemetery driveway	£5,000	£55,103

335	Cemetery Chapel	£5,000	£53,630
338	Bandstand Roof	£2,000	£7,150
343	Cemetery Extension	£2000	£4000
344	Bus Shelters	Revenue surplus only	£2,966
346	Play Areas	£8,000	£31,894
347	Capital Equipment	£3,000	£9,528
348	Noticeboards	£3,000	£9,535
349	Bins and Benches	Revenue surplus only	£4,880
353	New Vehicle	£2,500	£5,000
354	Play Area Surfacing	£3,000	£11,957
	NEW CIL		
	COMMUNITY	10,000 (from CIL)	£10,000

RECOMMENDATION

To note that this has already been approved by Town Council as part of the Capital Projects Review.

(f) Public Works Loan

In 2020/21 the Town Council budgeted for Public Works Loan of £600,000 towards the acquisition and refurbishment of a specific building. This project has not progressed owing to COVID so the loan has not been required. It is intended, however, for the project to recommence in the first quarter of this year with a valuation and survey.

A loan of £600k over 50 years if taken out in 2020 could have attracted an interest rate of 3.25%. resulting in annual repayments of £24,360.

Last year, the drop in interest rates meant that the Town Council could take out £750,000 over 50 years for a reduced interest rate of 1.94% and annual repayments of £23,500.

The interest rates have dropped further to 1.93% and annual repayments of just under £23,500.

The budget therefore included for a PWL of £750,000 to progress the asset purchase to provide alternative office and community facility accommodation.

RECOMMENDATION

That TOWN COUNCIL approve to include a PWL of £750k at 1.93% over 50 years in the budget

The Town Council should give serious consideration next year to the opportunity low interest rates currently present in respect of the option of further public works loan funding for other capital projects in its portfolio.

7. BUDGET AND PRECEPT REPORT INCLUDING EARMARKED RESERVES DRAW DOWN AND GENERAL RESERVES DRAW DOWN (Report)

RECOMMENDATION

To note the report and make recommendations to Town Council to approve the same.

- a) The Precept
- b) Earmarked Reserves Drawdown
- c) General Reserves

8. FINANCE MONTHLY REPORTS (Attached)

n.b. Cash Book 1 – Current account, Cash Book 2 Business Premium, Cash Book 3 – Petty Cash and Cash Book 5 Rate Reward, there is no Cash Book 4.

- (i) Budget Monitoring (Month 9 – December 2021)
- (ii) Bank Cash and Investment Reconciliation (Month 9 – December 2021)
- (iii) Trial Balance sheet (month 9 – December 2021)
- (iv) Cash Books 1, 2, & 5 – (month 9 - December 2021)
- (v) Bank Reconciliations for Cash Books 1, 2, 3 & 5– (month 9 - December 2021)
- (vi) Bank Statement – Cash Books 1, 2 and 5 (month 9 – December 2021)
- (vii) Petty Cash Report – (month 9 – December 2021)

RECOMMENDED:

To approve the above financial reports.

9. ANNUAL RISK ASSESSMENT (Management) REVIEW 2022-2023 (TO FOLLOW)

RECOMMENDED:

To consider and note the Annual Risk Assessment Review 2022-2023 and recommend to Town Council to approve the same.

10. OUTSOURCING PAYROLL – TERMS OF ENGAGEMENT – (TERMS AND REPORT ATTACHED).

To consider and note the Terms of Engagement and report attached and make recommendations (as per the report) to Town Council in respect of the same.

11. 2021 CCLA SUSTAINABLE INVESTMENT OUTCOMES REPORT & LETTER (ATTACHED)

To receive and note the report.

12. RADIUS FUTURE FUEL CARD (INFORMATION ATTACHED REPORT TO FOLLOW)

RECOMMEND

That the report is received and noted and that a decision is made in respect of obtaining a Radius Future Fuel Card.

13. TO NOTE AND RECEIVE UPDATES ON THE FOLLOWING DELEGATED ACTIONS TAKEN SINCE THE TOWN COUNCIL MEETING ON

RECOMMENDED:

To note there were no delegated decisions made since the last Town Council meeting.

14. TOWN COUNCIL ELECTRIC SUPPLY

For information, the Town Council Electric supplier was Havenpower, but this company went out of business and the contract was taken over by Drax in October 2021. The contract with Drax comes to an end on 31st March 2022 and the latest date to provide written notice of termination to prevent the contract being automatically extended by 12 months is 1st March 2022. If the company do not receive it by then they will extend the contract by 12 months from the contract end date, but the Town Council can then exit with 30 days' notice.

Concerns are raised in respect of the excessive increase in electricity charges since the contract was taken over by Drax and with the current hike in gas and electric costs.

As an example, the charges for electricity (sum excl VAT) for the Town Council office and the Cemetery were as follows: -

Town Council office – Havenpower – November 2020 £90.31

Town Council office – Drax – November 2021 £268.26

Town Council office – Havenpower – December 2020 £96.94

Town Council office – Drax – December 2021 £430.71

Cemetery – Havenpower – November 2020 £91.98

Cemetery – Drax – November 2021 £104.48

Cemetery – Havenpower – December 2020 £112.46

Cemetery – Drax – December 2021 £124.98

It is reported in the news that bills could rise to 50% in April. The rise is coming because a price cap that limits how much energy providers can charge for variable rate deals will be reviewed - and rates will almost certainly rise. A recommendation from some money experts is to do nothing and fall onto an offer limited by the price cap.

In the past, the cheapest energy deals were normally fixed rate deals, not variable rate ones - which many consumers ended up on by default when their contract expired. But now energy prices have risen so much that almost everyone is better off ending up on their energy provider's variable rate deal, limited by the cap, rather than taking out new fixed rates.

RECOMMENDATION

(a) That the Town Council stay with the current supplier

or

(b) That the Acting Town Clerk commence the process of trying to source a cheaper, Green Energy supplier.

(c) That the Finance and Policy Committee recommend that Town Council approve any decision made at the meeting on 18th January 2022.

15. DATE OF NEXT MEETING

To note that the date and time of the next consultation with the Acting Town Clerk is on **Tuesday 15th February 2022 at 6.30 p.m.**