

# KEYNSHAM TOWN COUNCIL

Minutes of the Finance & Policy Committee Remote meeting held on Tuesday  
12 January 2021 at 6.30pm via Zoom.

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**PRESENT:** Councillors D Biddleston, C Fricker, A Halliday,  
H MacFie (Chair) and B Simmons

**IN ATTENDANCE:** Cheryl Scott – Town Clerk/RFO

## 91. APOLOGIES FOR ABSENCE

There were none.

## 92. DECLARATIONS OF INTEREST

|  |               |                              |
|--|---------------|------------------------------|
| All Councillors (Pecuniary)                  | Items 7 and 8 | Keynsham residents/taxpayers |
| Cllr Simmons (Non pecuniary)                 | Item 7        | Chairman Keynsham DialAride  |
| Cllrs Fricker and Biddleston (Non-pecuniary) | Item 7        | Director/Trustees KMFA Ltd   |

## 93. DISPENSATIONS

- (a) The Clerk reminded the meeting of the Town Council's approval to grant a dispensation to all Councillors (including dual-hatted) for the purposes of discussing the budget and precept in May 2019.
- (b) In respect of those with personal interests because they were representatives on organisations in receipt of Council grants (DialARide, KMFA etc), the Clerk advised that these allocations had already been approved at previous meeting where appropriate interests had been declared at the time. Dispensations were granted to speak and vote, in view of the fact it was the Council's total budgeted expenditure being considered.

## 94. RECORD OF PREVIOUS MEETINGS

RESOLVED

That the Minutes of the Finance Cttee meeting held on 8 December 2020 (previously circulated) be confirmed as a true record and signed by the Chairman at a later date.

## 95. PUBLIC PARTICIPATION

There was none.

## 96. FARMERS MARKET GRANT APPLICATION 2021-2022 budget

The application for £800 towards marketing and publicity costs was discussed. The Committee acknowledged the benefits to Keynsham including the increased footfall associated with the monthly market and noted the impact of COVID and lockdown on the organisation's financial position including the increased costs necessary to provide a COVID-safe experience.

The point was raised that the Council's policy in supporting the Farmers Market, as with other organisations, was that at some point it was hoped the organisation would be able to stand-alone without the requirement for Council funding.

## RECOMMENDATION TO TOWN COUNCIL

That the application for £800 be supported on this occasion but with the recommendation that the organisation works towards becoming self-sufficient in respect of funding in future.

### 97. DRAFT BUDGET

The Clerk advised the Cttee that whilst no changes had been made to the circulated draft budget previously considered in December, new information had been received yesterday in respect of additional costs for the newsletter that required consideration.

- (a) There was a requirement to consider adding an additional £4000 to the Newsletter budget to cover a substantial increase in production costs that had been notified to the Council by the current supplier the previous day. The Cttee had been circulated with the information from the supplier earlier that day, who had not effected any price increase to cover printing costs since the original agreement was signed in 2012 with the Council at £449 per edition. The supplier had enclosed invoices from the printers to demonstrate the printing costs per edition had now risen to £1446. The Clerk had obtained an alternative quote (which didn't include any advertising to offset the cost) at £3,298 per edition. It was felt that further investigation and alternative suppliers should be approached and Cllr Biddleston offered to undertake this.

Given the necessity to approve the budget this month, there was little time for the Town Council to consider fully costed alternatives either offset by generating advertising revenue or by removing advertising altogether. Keynsham News was one of the Council's most valuable and effective methods of engagement with the community, being delivered to every household in Keynsham.

- (b) In response to questions raised by the Cttee on other aspects of the budget the RFO provided answers as follows:
- (i) The professional fees was overspent this year owing to approval by Town Council to take money from General Reserves to cover specialist consultancy advice on personnel matters and £6k for temporary assistant clerk support for the two senior officers until end of March.
  - (ii) Cemetery income was forecast to be under budget during the current year as the number of burials had reduced. It was felt that there had been more cremations during the year at Haycombe owing to COVID.
  - (iii) The increase in salary budget for Youth Workers was subject to the outcomes of the newly established Youth Services Working Party. However, Personnel Committee had recommended provision be made for a full-time professional youth development worker to replace the part-time youth worker who had recently departed.
  - (iv) The Grounds Maintenance salary budget was underspent for the last few years as the Council had firstly appointed a supervisor as opposed to a manager at lower salary level when the previous manager left. The football attendant role had subsequently been incorporated into one of the full time roles recruited for and a full-time role had been reduced to a 21hr role at the request of an employee who had subsequently left. In addition recruitment on the full complement of grounds staff had been frozen for this year owing to COVID and temporary part-time contracts had been introduced during the summer instead with existing youth workers appointed to the roles. It

was anticipated that the amount budgeted for represented the full complement of grounds staff required (4 full-time and one 21 hours ) and that recruitment would commence in the new financial year (COVID-permitting).

- (v) In respect of NDP, there had been a historic allocation in the salaries budget for an NDP coordinator however, the cost of a contractor as a replacement was now included in the main NDP budget and removed from the salaries budget. A contractor had not been appointed this year owing to COVID hence the substantial underspend which would be carried forwards to support next year's proposed expenditure. This accounted for the proposed NDP budget of £42,500 which included for £25,000 for a contractor.
- (vi) The Clerk would update on the progress of the purchase of £5100 video streaming equipment for community use approved late last year.
- (vii) Christmas lights was raised owing to the comments on Facebook and other comments received. Whilst it was understood that the Town Council paid an annual sum to B&NES towards the periodic renewal of Christmas lights for the region, and that the Council got to choose the new lights for Keynsham when due, there were also concerns about the Christmas tree decorations.

## RECOMMENDATIONS TO TOWN COUNCIL

- (i) That the costs for producing quarterly editions of Keynsham News be thoroughly investigated next year by EATH Cttee to include alternative methods of production.
- (ii) Cllrs Simmons and Biddleston discuss issues raised about the current Christmas lights and bring a report to EATH Cttee to discuss and make recommendations to Town Council on the future of Christmas light provision for the Winter Festival.
- (iii) That the draft budget be approved with the additional £4,000 provision for the Keysham Newsletter bringing the total revised expenditure to £596,895. This would be supported by the previously agreed drawdown of Earmarked reserves for various projects totalling £170,029 and income of £99,350 (including CIL).
- (iv) The Finance & Policy Cttee would like to stress that in approving the proposed budget the Town Council and the public should be mindful of the fact that changes may be required in response to the COVID pandemic.

## 98. PRECEPT

The Chairman introduced the item and drew attention to emails from the Town Council Chairman and the response from the Clerk. He advised that it was likely that B&NES would be considering 2% increase together with 3% increase on social care.

- (a) The Cttee considered the actual value in pence per week various % increases would equate to. A 2% increase in the amount paid per Band D household equated to an additional 3.58pence per week whilst a 3% increase was 5.87 pence per week.
- (b) In response to a question about CIL income, the Clerk replied that the Council could not rely on a sustained level of CIL income each year as most of the large development projects had now been completed. The next major source of CIL revenue was the Keynsham North development.

- (c) The RFO drew the Committee's attention to the decision in 2015 by the then Town Council to freeze the precept (lump sum) despite an increase in tax base which meant everyone's council tax was reduced and made the following points:
- (i) Any decision to freeze the precept makes it more difficult to increase council tax in future years by the required amounts necessary to address the increasing recurrent costs associated with the expansion of the Council's activities and operations.
  - (ii) At the time the Council had minimal earmarked reserves and no financial strategy to address the shortfall in funding that would be required for the pending capital projects/asset refurbishments including play areas, the Chapel and Manor Rd Pavilion.
  - (iii) A policy of putting sums aside each year from 2017 to build ear marked reserves and receipt of a large amount of CIL now meant the Town Council had a healthy level of ear marked reserves to leverage further grant funding towards these projects as they became due.
  - (iv) However, the Council now needed a strategy to address its increasing recurrent revenue costs associated with the substantial expansion of its activities and operations over the last few years – the two biggest of which this coming year would be staff and the doubling of the grants to be awarded to community organisations.
  - (v) Any decision on the precept this year had to be carefully weighed against the financial impact it would have over the next 3 years on the ability to deliver the Council's current and future activities going forwards. It had taken the Council 4 years to address the impact of the decision in 2015 and stabilise its financial position.
- (d) The Cttee then discussed Reserves.
- (i) Approx £170k of Ear marked reserves would be drawn down to finance the capital expenditure detailed in the budget which, it was suggested, would leave some £350k remaining which could be used in an emergency should the need arise. The Clerk emphasised that the Council should not rely on using Ear marked reserves to cover emergencies as these were restricted amounts set aside for specific projects. Setting a precedent to rely on releasing ear-marked reserves to cover emergency spending or budgetary shortfalls would undo the last 4 years of carefully building up those reserves.
  - (ii) General reserves were forecast to close at approx. £450k however, the Clerk warned this was just an estimate based upon forecast end of year figures. The general reserves were there to cover emergencies and could be used this year to offset expenditure. The Council had already agreed to maintain a level of General Reserves at £453k. Whilst reducing below this level in the coming year to support expenditure could be explained to the Auditor for one year how would the balance be made up the following year? The Council could not keep utilising general reserves to address the recurrent shortfall in income against expenditure without depleting general reserves to zero within the next 3-4 years.
- (e) Further points were made as follows:
- (i) If the Council wished to consider a policy of budgeting for a 0% increase, this would require advance financial planning with a view to achieving 0% in two or three years time.
  - (ii) It was difficult to understand how anyone would begrudge an extra 3pence per week given all the activities and operations the Council currently provided and was planning to provide.

- (iii) Expenditure was currently subject to fluctuations owing to COVID, there was a case for proposing 3% to cushion against the instability for next year with a view to having smaller increases in future with the fact these were restricted for specific projects.
  - (iv) New residents were appreciative of the new equipment and facilities brought on-line and that the green spaces were important such as Holmoak, Kelston Park and also the proposed regeneration of the Town centre. A 2% rise would not be considered excessive.
  - (v) There needed to be a 5 year structured plan on financial management, with consideration as to whether there would be further risks of having to accept devolved services from B&NES or pay for services that should be provided by B&NES. Examples were cited such as the provision of staff to operate the barriers for the High St closures, and the request to fund these improvements which again, were the responsibility of B&NES.
  - (vi) Attention was drawn to the recommendations in respect of developing a financial strategy for long term financial provision of recurrent costs including staffing and consideration of 3 year financial projection in future.
- (f) Discussion continued on what justifications would be put forwards for either a 2 or 3% rise in the amount paid per Band D household, which represented a difference of 1.8pence per week.

A proposal was seconded for 3% increase in the amount paid per household.

An amendment was proposed and seconded that this be reduced to 2%. The difference in precept was £6,000 and 2% would demonstrate the Council was being cautious, mindful of the longer term financial strategy, whilst being sensitive to the financial situation of residents. The Council would also be taking steps in future to devise a strategy to sustainably support increased activities and staff costs going forwards.

The Chairman moved to a vote and the amendment was carried.

- (g) Following the vote, the Cttee discussed the need to emphasise to Council the need to maintain reserves and develop a strategy to ensure the increasing activities including towards addressing climate change and the activity associated with the regeneration of the town centre. The Cttee felt that a justification should accompany their recommendations based upon the information in the Clerk's report and the discussion at the meeting. Specific emphasis should be placed on the need to increase staff costs given the increasing operation activities initiated by the Council and the need to ensure that the Council would not be in a position next year to have to curtail activities. It was agreed the Cttee would have sight of the report from the Clerk containing their recommendations before being circulated to Council.

## RECOMMENDATIONS TO TOWN COUNCIL

- (i) That any decision in respect of future staffing requirements must not be implemented until there is a strategy in place for long term financial provision.

- (ii) That a 3 -year financial projection be submitted to Finance and Policy Cttee as soon as practicable after year end for consideration of a long term sustainable financial strategy to support revenue expenditure and associated staff costs
- (iii) That 3-year budget projections are taken into account as part of the budget and precept setting process in future years
- (iv) That a precept of £628,364 be levied on B&NES representing an increase of 3.58p per week (2%) per Band D household for 2021/2022.

99. DATE OF NEXT MEETING

RESOLVED

To note that the date for the next meeting is Tuesday 9<sup>th</sup> March 2021 at 6.30pm to meet remotely by Zoom.

The meeting ended at 19.50

..... (Chairman)

Dated: .....