

Minutes of the **FINANCE AND GOVERNANCE COMMITTEE**
held at the Town Hall, Swanage on **WEDNESDAY,**
9th NOVEMBER 2022 at 9.30 a.m.

PRESENT:- Councillor T Foster (Town Mayor) – Chair

Councillor J Bishop
Councillor M Bonfield
Councillor A Harris
Councillor C Moreton
Councillor M Whitwam

Also in attendance: -

Councillor C Finch

Dr M Ayres	Town Clerk
Mr C Milmer	Visitor Services and Business Development Manager
Ms G Percival	Assets & Compliance Manager
Miss A Spencer	Finance Manager

There were no members of the public present at the meeting.

1. **APOLOGIES**

Apologies for their inability to attend the meeting were received from Councillors Tomes and Trite.

2. **DECLARATIONS OF INTEREST**

Members were invited to declare their interests and consider any requests for Grants of Dispensations in accordance with paragraphs 9 – 13 of the Council’s Code of Conduct and regulations made under chapter 7 of the Localism Act 2011.

There were no declarations to record on this occasion.

3. **REVIEW OF TERMS OF REFERENCE**

Further to Minute No. 3 of the Meeting of the Policy, Finance and Performance Management Committee held on 7th September 2022, consideration was given to draft terms of reference for the Finance & Governance Committee. These set out the matters delegated to the committee, alongside a range of other functions, such as considering the draft annual estimates each year.

It was proposed by Councillor Bonfield, seconded by Councillor Harris and
RESOLVED UNANIMOUSLY:

That the draft Terms of Reference be brought forward to the Council for adoption, following review alongside all other committee terms of reference at the next meeting of the Finance and Governance Committee.

4. **CAPITAL PROJECTS SUB-COMMITTEE**

Following the adoption of a revised committee structure at the Council Meeting held on 26th September 2022, consideration was given to matters relating to the Capital Projects Sub-Committee, which now reports to the Finance & Governance Committee.

(a) **To Confirm Membership 2022/23**

Further to Minute No. 3 of the Meeting of the General Operations Committee held on 8th June 2022, membership of the Capital Projects Sub-Committee was reviewed, and it was AGREED as follows:

That Councillors Bishop, Bonfield, Foster, Harris and Tomes be elected to form the Capital Projects Sub-Committee.

(b) **To Approve Minutes of the Meetings held on 8th June and 7th September 2022**

Proposed by Councillor Harris, seconded by Councillor Bonfield and RESOLVED UNANIMOUSLY:

That the Minutes of the Meeting of the Capital Projects Sub-Committee held on 8th June 2022 be approved as a correct record and signed.

It was subsequently proposed by Councillor Bonfield, seconded by Councillor Whitwam and RESOLVED UNANIMOUSLY:

That the Minutes of the Meeting of the Capital Projects Sub-Committee held on 7th September 2022 be approved as a correct record and signed.

Consideration was given to the following recommendation contained in the Minutes:-

14. Changing Places – North Beach Car Park

It was proposed by Councillor Harris, seconded by Councillor Moreton and RESOLVED UNANIMOUSLY:

That the Town Council should fund the shortfall of £1,250 in the budget for the installation of Changing Places toilet facilities at North Beach Car Park and purchase a 5-year warranty for the sum of £1,800.

(c) **To Review Terms of Reference**

Consideration was given to draft revised terms of reference for the Capital Projects Sub-Committee. The number of sub-committee members was considered, and it was agreed that it should be no larger than its current size (5 Members). It was proposed by Councillor Bonfield, seconded by Councillor Bishop and RESOLVED UNANIMOUSLY:

That the draft Terms of Reference be approved, subject to the inclusion of the following statement: 'The Sub-Committee will be comprised of up to five members of the Finance and Governance Committee'.

5. **FINANCIAL REPORTS**

(a) **Income and Expenditure Account Q2 2022/23**

Consideration was given to a report setting out the Council's financial position at the end of the first half of the financial year and forecast year-end position.

It was noted that at the end of Q2 the Council had a surplus on the general fund of £419k, being £130k above budget. The reasons for the variance were outlined, most notably the income above budget from car parking and lower than budgeted

employee costs due to ongoing vacancies. It was noted that the Council generally received the majority of its budgeted revenue during the first half of the financial year, with expenditure predominating in the second half of the year.

The smaller projects being undertaken by the Council were detailed in Appendix A to the report, including a number carried over from 2021/22 and 8 additional projects approved in-year totalling £162k.

Members thanked the Finance Manager for producing a clear and accessible report.

(b) Treasury Management Outturn Report H1 2022/23

Members considered a Treasury Outturn Report for the first half of the financial year and noted the content. It was reported that the cash/investments held by the Council at 30th September 2022 had increased by £729k since 1st April 2022. It was highlighted that this represented the Council's reserves and working capital, with balances set to decrease naturally during the second half of the year. It was reported that the internal investments had maintained an A+ credit rating throughout the period with a rate of return of 1.48%, significantly higher than seen in recent years. The council's strategic investments had maintained good income returns, 3.7% annualised, albeit with reduced capital growth.

(c) Capital Programme Monitoring Report

A Capital Programme Monitoring Report for the first half of 2022/23 was submitted for information and the contents noted. It was reported that the vast majority of the 17 listed projects had either been completed or were underway. Two had been transferred to revenue because of their lower than anticipated value and one project had been deferred. Members acknowledged the considerable work ongoing in moving the projects forward.

6. BUDGET SETTING 2023/24

(a) Timetable and Agreement of Budget Principles

The draft budget setting principles for the 2023/24 financial year and the subsequent two years were outlined. It was noted that these would be used to prepare the draft estimates for consideration at forthcoming meetings, culminating in the Estimates Meeting on 16th January 2023. The unprecedented uncertainty over the budgets for utilities and staff costs was acknowledged.

It was AGREED:

That the budget setting principles for 2023/24 be approved and included in the provisional budgets.

In respect of the Council's scale of fee and charges, it was AGREED:

That a working party be appointed to consider the uplift to be applied to the Council's fees and charges for its various services, consisting of Councillors Bishop, Bonfield, Finch, Foster and Whitwam.

(b) To Confirm Shore Road Beach Hut Charges 2023/24

Councillors Bishop and Bonfield declared non-pecuniary interests by reason of being regular hirers of Shore Road beach huts and left the room during consideration of this item.

Consideration was given to a briefing note, prepared by the Visitor Services and Business Development Manager, requesting the Committee to affirm a decision to freeze the Shore Road Beach Hut Charges for 2023/24, which had first been made

in principle during the 2022/23 budget setting process. If this was to be approved, it was noted that some minor adjustment would be required to the discounted hire charges, given the different length of the financial year (53 weeks in 2022/23 and 52 in 2023/24).

It was proposed by the Town Mayor, seconded by Councillor Moreton, and **RESOLVED UNANIMOUSLY:**

That a freeze in beach hut prices be applied for the 2023/24 financial year, with the following adjustments being made to discounted prices:

Period	The Shore Premium		The Shore	
	Lower	Upper	Lower	Upper
1 April 2023 - 12 May 2023 - Revised	£459.00	£306.00	£306.00	£204.00
1 April 2023 - 29 March 2024 - Revised	£4,584.00	£3,223.00	£3,155.00	£1,930.00

7. INTERNAL AUDITOR REPORT 2022/23 – VISIT 1 OF 6

The first interim Internal Audit Report of the 2022/23 financial year prepared by Darkin-Miller – Chartered Accountants was submitted for information.

The following areas had been reviewed during the audit visit:-

- Proper Bookkeeping
- Risk Management (minute review)
- Beach Hut Income
- Exemption
- Public Rights
- Publication
- Depot Stocks and Stores.

Seven low level recommendations had been made. The management response and implementation dates were noted with satisfaction, and it was **AGREED:**

That the first interim Internal Audit Report for the 2022/23 financial year be accepted.

8. TO CONSIDER COUNCIL PRIORITIES/WORK PLAN

(a) Outturn Summer/Autumn 2022

Further to Minute No. 15 of the Annual Council Meeting held on 23rd May 2022, consideration was given to a briefing note, prepared by the Town Clerk, setting out the progress that had been made in implementing the Town Council’s priorities over the preceding six months. It was noted that of the 21 items agreed as being urgent 8 had been largely completed and 13 had seen significant progress. Committee members agreed that the report was a useful monitoring tool and noted that, further to discussion at a previous meeting, an indication of the extent to which each task had been completed had been included. During consideration of the report, a desire to drive forward the provision of IT equipment to improve councillor communications was expressed.

(b) Proposed Plan Winter/Spring 2022/23

Consideration was given to a draft list of priorities for the period December 2022 - May 2023 and it was noted that this again included a large number of tasks assessed as being urgent (18 in total). It was acknowledged that this was an ambitious target, but that following the recent recruitment of additional staff to

support the management team significant progress could be anticipated. It was proposed by Councillor Bonfield, seconded by Councillor Moreton and RESOLVED UNANIMOUSLY:

TO RECOMMEND:

That the draft priority list for winter/spring 2022/23 be approved.

9. **HEALTH AND SAFETY REPORT – APRIL TO SEPTEMBER 2022**

Consideration was given to a report, prepared by the Assets and Compliance Manager, setting out the number of accidents and incidents involving the Council's workforce during the period April to September 2022. It was noted that there had been no RIDDOR reportable incidents. All staff had been issued with a revised and updated Health and Safety Handbook and been provided with training relevant to their place of work. Other training attended by staff members was also reported.

The content of the health and safety report was noted.

10. **ITEMS OF INFORMATION AND MATTERS FOR FORTHCOMING AGENDAS**

The following matters were listed as matters for forthcoming agendas.

- (a) **Ethical Investments**
- (b) **Freedom of Information Act 2000 – Adoption of revised Publication Scheme**
- (c) **Update on Action Points from Internal Audit Report 2021/22**
- (d) **Review of Terms of Reference of all Council Committees**
- (e) **Review of Terminology of Chair/Chairman and Form of Titles on Mayoral Board**

EXCLUSION OF PRESS AND PUBLIC

Proposed by the Town Mayor, seconded by Councillor Bonfield and AGREED:-

That, under Standing Order No. 1 c), in the public interest, the press and public be excluded from the Meeting in view of the confidential nature of the business to be transacted under agenda item 11 (due to data protection considerations) and item 12 (for legal reasons).

11. **TO CONSIDER FINANCIAL IMPACT OF POTENTIAL REVIEW OF SALARY AND GRADING STRUCTURE**

Further to Minute No. 5 of the Personnel Committee Meeting held on 6th July 2022, Members considered a report on options for revising the Council's salary and grading structure. The revised costs of implementing such a change, in light of the 2022/23 pay settlement, were noted. After some discussion it was AGREED:

That the matter should remain with the Personnel Committee for determination.

12. **REVIEW OF CHARITABLE TRUST GOVERNANCE – CONSIDERATION OF LEGAL ADVICE**

Consideration was given to a briefing note setting out legal advice regarding the governance of the three charitable trusts of which the Town Council is the corporate trustee. These matters had last been reviewed by the Town Council at a Special Meeting held on 22nd January 2007. The management of each of the three trusts was considered in turn: King George's Field Trust, Gift of Public Pleasure Grounds and the De Moulham Trust.

Further to Minute No. 16(b)(iii) of the Special Council Meeting held on 22nd January 2007, it was noted that King George's Field is managed by the Town Council as part of its corporate property. The governance review had highlighted that this was an acceptable approach, but that management arrangements would be strengthened by the Council as Corporate Trustee entering into a formal agreement with the Council as local authority to manage the property on its behalf. It was proposed by Councillor Bonfield, seconded by Councillor Bishop and RESOLVED UNANIMOUSLY:

That a management agreement in respect of King George's Field be drafted for future consideration by the Town Council.

With regards to the De Moulham Trust, it was noted that no changes are proposed to its current governance arrangements, the practice of holding separate Trust meetings being effective in ensuring that the Trust's activities and finances are managed separately from the Council's statutory role as a local authority.

In respect of the Gift of Public Pleasure Grounds, it was noted that over the years that this had erroneously become associated with Day's Park and had been informally known as the James Day Trust. It had been confirmed that the 1935 conveyance of Day's Park to the former Urban District Council (UDC) contained nothing that would provide that property with charitable status. The Pleasure Grounds were actually acquired by the UDC in 1924 from the Mowlem family and are comprised of the following parcels of land:

- Weather Station Field
- Rabling/Prospect Green and Prospect Nursery
- Strip of verge along Gilbert Road
- Small triangle of land at Northbrook crossroads.

It was proposed by Councillor Bishop, seconded by Councillor Harris and RESOLVED UNANIMOUSLY:

That steps be taken to ensure that the entry in respect of the Gift of Public Pleasure Grounds on the Register of Charities refers to the correct property.

Specifically in relation to Prospect Nursery, it was noted that the Town Council had agreed to lease the property to the Swanage and Purbeck Development Trust at a peppercorn rent in support of the Greengage community gardening project (see Minute No. 94 of the Council Meeting held on 21st November 2021). It was noted that the Town Council had to act in accordance with charity law in agreeing a lease at an undervalue, and therefore it had been recommended that a valuation be sought on the basis of the proposed restricted use of the property as a community garden. It was FURTHER RESOLVED:

That valuation advice be sought in respect of Prospect Nursery, on the basis of it being used as a community garden, the resultant report to be considered by the Town Council.

Further to Minute No. 8 of the Meeting of the Policy, Finance and Performance Management Committee held on 4th November 2015, consideration was also given to the management of a fourth charity, the James Day Will Trust, of which Lloyds Bank is the corporate trustee. This Trust owns the freehold of Swanage Cricket Club's ground and controls a small investment fund, the proceeds of which are paid annually to the Town Council towards the upkeep of Day's Park. Lloyds Bank had approached the Town

Council about the possibility of standing down as Trustee in favour of the Town Council. It was noted that the Town Council would need to understand that there were clear benefits of taking on this responsibility prior to a decision being taken. It was, therefore, AGREED:

That the Town Clerk should seek further clarification from Lloyds Bank regarding future options for the management of the James Day Will Trust.

In terms of streamlining the future management of the Council's charitable property it was noted that there were a range of options, including the potential to amalgamate two or more of the Council's existing Trusts. It was AGREED:

That the Town Clerk should seek further specialist advice as to the best option for the future management of the Council's charitable property.

13. **DATE OF NEXT MEETING**

The date of the next scheduled meeting was noted as 14th December 2022.

The meeting concluded at 11.25 a.m.
