

Minutes of the Meeting of the **POLICY, FINANCE AND PERFORMANCE MANAGEMENT COMMITTEE** held at the Town Hall, Swanage on **WEDNESDAY, 3<sup>rd</sup> NOVEMBER 2021** at 9.30 a.m.

PRESENT:- Councillor A. Harris (Mayor) – Chairman.

Councillor J. Bishop  
Councillor M. Bonfield  
Councillor T. Foster  
Councillor C. Moreton  
Councillor M. Whitwam

Also in attendance: -

Dr M. Ayres – Town Clerk  
Miss A. Spencer – Finance Manager  
Mr C. Milmer-Visitor Services Manager & Business Development Officer (to 11.25 a.m.)

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. **UPDATE ON ACTION POINTS FROM INTERNAL AUDIT REPORT 2020/21**

Members reviewed the updates on the recommendations that had been made by the council's internal auditor in five Internal Audit reports issued relating to the 2020/21 financial year. It was stated that the number of recommendations were high, but that these mainly related to the boat park. It was reported that the audit and the recommendations had been seen as a useful tool for moving forward improvements and that the recommendations had been implemented.

The status updates on the recommendation made in the five internal audit reports for 2021/22 were noted by Members.

4. **INTERNAL AUDIT REPORTS 2021/22:**

a) **VISIT 1 OF 6**

The first interim Internal Audit Report of the 2021/22 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
- Income, with specific focus on:
  - (a) Boat Park
  - (b) Market
- Exemption
- Transparency

- Public Rights
- Publication

Two low and two medium level recommendations had been made, with the improvements to the boat park being acknowledged. The management response and implementation dates were noted, and it was AGREED:

That the first interim Internal Audit Report for the 2021/22 financial year be accepted.

b) **FISHERMEN'S SLIPWAY REPORT**

It was reported that the Council's internal auditor had been commissioned to review the Fishermen's slipway project that the Council had undertaken between 2017 and 2019, with the presentation of the report to Members being delayed largely due to Covid. It was noted that the practice of reviewing a major capital project had been undertaken previously by the Council following the conclusion of the Recreation Ground stabilisation and beach hut redevelopment. The desired outcome was to learn from the Council's experiences, both positive and negative, with a particular view of informing the forthcoming Spa redevelopment project.

The problems encountered due to grant funding and the pitfalls of compliance with an external funding body's regulations and deadlines were noted, as was the amount of officer time consumed by the management of such projects, despite external expertise having been employed. It was reported that valuable lessons had been learnt and that sometimes making unpalatable decisions at an early stage can be the least worst option in terms of project costs and completion.

The management responses from both Swanage Town Council and Dorset Property officers and implementation dates were noted, and it was AGREED:

That the Internal Audit Report for the Fishermen's Slipway Project be accepted.

5. **FINANCIAL REPORTS**

a) **BUDGET REPORT – INCOME AND EXPENDITURE ACCOUNT Q2 2020/21**

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 £453k, being £266k above budget. The reasons for the variance were outlined, most notably the income above budget from car parking and beach huts, with a lower than usual budget having been set for beach hut income due to assumptions made regarding Covid social distancing restrictions.

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, with the potential for some of these projects being deferred to 2022/23 being noted. It was reported that the Council was currently undertaking a review of administrative posts, which could lead to variances in employee costs.

The installation of Electric Vehicle Charging Points was raised, and it was reported that a budget of 4k had been provided for the current financial year. The need to develop a strategy to provide for the installation of additional EVCPs in the future was highlighted.

The Budget Report and commentary on the Council's financial activity was received and noted.

b). **TREASURY MANAGEMENT OUTTURN REPORT H1 2021/22**

Members considered a Treasury Outturn Report for the first half of the financial year. It was reported that the cash/investments held by the Council at 30<sup>th</sup> September 2021 had increased by £848k since 1<sup>st</sup> April 2021. 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 low rates of return seen, 0.01%. The council's strategic investments had maintained good income returns, 4.2% annualised, with a 7.4% capital growth.

The Treasury Management Outturn Report was received and noted.

c). **CAPITAL PROGRAMME MONITORING REPORT**

A Capital Programme Monitoring Report for the first half of 2021/22 was submitted for information. It was noted that although there had been little financial activity, with only three projects being either active or completed, there was considerable work ongoing in moving the projects forward.

It was also noted that some projects may be deferred to the next financial year, with reports being made regularly to the Capital Projects Sub-Committee. The possibility of receiving external funding in respect of King George's play area was reported.

The Capital Programme Monitoring Report was received and noted.

d). **RESERVES & BALANCES**

The level of the Council's reserves and balances were reported. It was noted that these were forecast to be £4.7m at the end of the current financial year, £0.45m higher than originally estimated. This was largely due to the deferment of capital expenditure. It was further reported that the Council had an unrealised capital gain of £0.67m at the end of September.

Members discussed the forecast decrease of the Council's reserves to c. £2m over the next three financial years. The importance of undertaking a comprehensive review of the Council's financial strategy prior to agreement of the budgets for 2022/23 was highlighted. This would include a review of the Council's capital and revenue expenditure plans.

It was agreed that a workshop would take place on Wednesday 8<sup>th</sup> December 2021 at 10.00 a.m. at which Committee Members would be presented with different financial scenarios in order to inform a revised medium-term financial plan.

6. **BUDGET SETTING 2022/23 – AGREEMENT OF BUDGET SETTING PRINCIPLES**

The draft budget setting principles for the 2022/23 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 the Policy, Finance and Performance Management Committee meeting to be held on 15<sup>th</sup> December 2021.

It was noted that the beach hut charges for 2022/23 had already been approved by Council and that a freeze on car park charges was proposed. It was AGREED:

That the budget setting principles for 2022/23 be approved and included in the provisional budgets.

7. **COUNCIL PRIORITIES/WORK PLAN AUTUMN & WINTER 2021/22**

Members were presented with a draft report detailing the 34 projects that were being undertaken by Officers during the Autumn/Winter period, stating the project, priority, measure of success and lead officer.

Members recommended that it should be made clear that the priority level

referred to the requirement for work on the various projects during the current financial year, not an overall priority rating in terms of the Council's wider aims and objectives. It was also suggested that it would be helpful for a column to be added describing councillor involvement in each project.

Further to discussion at the full Council Meeting held on 1<sup>st</sup> November, it was agreed that a review of technology to improve remote access to council meetings should be added to the project list. The revised document would be presented to full Council at its December meeting.

8. **ADOPTION OF REVISED COUNCILLOR CODE OF CONDUCT**

Members were presented with a Model Councillor Code of Conduct, as issued by the Local Government Association and the Dorset Association of Parish and Town Councils.

It was noted that some councils had adapted the model document to their own requirements, but it was suggested that by adopting a sector-wide model, this would enable a fair and consistent application by the Monitoring Officer.

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

**TO RECOMMEND:**

That Council adopts the Model Councillor Code of Conduct.

9. **REVIEW OF MEMBERS & OFFICERS PROTOCOL**

Further to Minute No. 8)e) of the Meeting of the Policy, Finance and Performance Management Committee held on 21<sup>st</sup> July 2021, Members gave consideration to the process by which the Council's Members' & Officers Protocol should be reviewed. It was noted that it had initially been approved by Council in December 2002 and was outdated, especially in light of technological advances and the dominance of e-mail for correspondence.

Although primarily designed as a protocol for interactions between members and officers, the lack of a protocol for member-to-member interactions was highlighted. The relationship between the protocol and code of conduct was also discussed. The Town Clerk stated that he had not seen a model document relating to member-to-member protocol but that he would seek advice and guidance on this matter. Members of the committee were also encouraged to contact the Town Clerk to put forward any matters that they would like to see addressed. Following further discussion, it was AGREED:

That a revised Members & Offices Protocol should be drafted for further consideration by this committee at the earliest possible opportunity.

The Visitor Services Manager left the meeting at 11.25 a.m.

10. **CONFIRMATION OF APPOINTMENT OF DATA PROTECTION OFFICER**

Further to Minute No. 21 of the Annual Council Meeting held on 24<sup>th</sup> May 2021, it was reported that as part of the contract for the provision of data protection advisory services, One West had been appointed as the Council's Data Protection Officer. Members were asked to formally record their approval of this appointment and it was AGREED:

**TO RECOMMEND:**

That Council confirms the appointment of One West to act as its Data Protection Officer.

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

**Matters for Forthcoming Agendas**

- a) James Day Trust
- b) Corporate Plan 2021/25
- c) Ethical Investments
- d) Freedom of Information Act 2000 - Adoption of revised Publication Scheme

**EXCLUSION OF PRESS AND PUBLIC**

Proposed by the Town Mayor, seconded by Councillor Foster, and RESOLVED UNANIMOUSLY:-

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 12 (in relation to financial matters).

12. **REVIEW OF TREASURY ADVISORY SERVICES**

Further to Minute No. 113 of the Council Meeting held on 29<sup>th</sup> October 2018, whereby Council approved the appointment of Arlingclose as its treasury advisors for a minimum period of 3 years, it was reported that officers had concluded negotiations with Arlingclose to extend the contract following the end of this initial fixed term period. It was noted that this was in accordance with Financial Regulations 11.1.b and e which allowed for the appointment of specialist services and the extension of existing contracts, and it was acknowledged that there are very few alternative providers of local government treasury advice.

It was reported that officers had negotiated a three-year extension, to include Environmental, Social and Governance advice services, with a freeze in fees in year one (increasing annually in line with RPI thereafter). It was proposed by Councillor Bonfield, seconded by Councillor Bishop, and RESOLVED UNANIMOUSLY:-

**TO RECOMMEND:**

That the Town Council confirms the engagement of Arlingclose to provide treasury management advisory services, including ESG services, for a period of 3 years at £10,000 in year 1, increasing annually in line with RPI thereafter.

13. **DATE OF NEXT MEETING**

The date of the next scheduled meeting was noted as 15<sup>th</sup> December 2021.

The meeting concluded at 11.35 a.m.

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