

**MAESTEG TOWN COUNCIL  
COUNCIL MEETING**

Minutes of a meeting of the **FINANCE COMMITTEE** held remotely via Microsoft Teams and at the Council Meeting Room, Council Offices, Talbot Street, on **Thursday, 28<sup>th</sup> October 2021.**

**PRESENT:**

**COUNCILLORS:**       **G Thomas (CHAIR)**  
AR Davies, K Edwards, A James, R Martin,  
R Penhale-Thomas and L Thomas

**DECLARATION OF INTEREST:**

Cllr L Thomas declared an interest in items that may relate to AWEN Cultural Trust

**249.    TO REVIEW FINANCIAL RISK ASSESSMENT**

Members agreed that due to an administration error on behalf of the Clerk and Chair of Finance that the completed FRA would be discussed at the next Finance Committee Meeting

**250.    TO REVIEW DRAFT MEDIUM TERM INVESTMENT STRATEGY**

The Chair advised of a MTC Financial Management Policy to be circulated to members and verbally presented the policy, the Committee **agreed** to ratify the Policy at the next Finance Committee Meeting before presenting to Full Council.

**251.    REVIEW BANKING ARRANGEMENTS**

The Chair advised of a report to be circulated to members and verbally presented the options, the Committee **agreed** to recommend to council that we open an account with CCLA and transfer £240K that has the same authorised signatories and restrictions as the current banking arrangements.

**252.    Q2 REVIEW OF BUDGET POSITION AND LATEST VIEW FOR YEAR**

Members were provided with all signed bank reconciliations from Q2 and the Chair of Finance verbally presented the following report:

Report to the finance committee on current and possible future budget

Half year results as at 28th September 2021.

Cash on hand   =£470,295.03

Unpresented payments = £429.34

Available Balance = £469,802.69

### Budget Position

Budget Spend for the year was set at £558,290 during Januarys Council meeting.

This Budget spend was formally reviewed in the July Finance meeting and amended with £10,000 being moved from Capital projects to a new item listed building, “14,000 being moved to Salaries to cover new CMO position, as a result “Capital projects” reduced from £215,000 to £190,000.

In addition, £8868.76 was allocated to purchase a new vehicle for the CMO, this cost was not in the original budget but will be funded out of capital projects.

Current budget spends for the financial year 2021/22 is now set as £557,290

### Position at end Q2.

Council spend at £128,908.31 which is equivalent to 23.13% of the budget.

### Forward View and comments.

The councils spend has been categorised as:-

- long term commitments, those being contractual spend or items committed by the council that can't easily be amended.
- Discretionary spend – short term spending that may be contractual or not but that can be varied by the council should it wish.
- Other items – items that don't fit the above categories or deserve special mention such as one-off purchases.
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For each Budget line a comment is made on how much is expected to be spent on that item in the full financial year, so includes a best estimate or latest view to enable a year end position to be calculated for budget setting purpose.

Appendix A shows an easy-to-read table format that shows, budget allocation, spend to date, expected spend and better/worse than budget.

### Long term commitments

£114,286.99 has been allocated to road safety schemes out of capital projects line.

£17,578.38 has been allocated to building repairs from Capital projects for the chimney

£30,000 has been committed to fund the CAT transfer Grant scheme

£25,890 is expected spend on Car Park toilet (long term contract)

£6,240 – allocated to playschemes that has not been paid to BCBC as of yet.

£5,000 – allocated to Caerau to sponsor the Christmas tree.

£ 6,773.40 – Floral Displays – Annual contract

£750 – for 2 quarters payments for cemetery closing

£1350 – member expenses – needs to be reserved incase all members claim the payments

£7492.88 – Rights of way – based on ½ year results expect to spend to budget

£32,762.34 Staffing Costs – expect to spend to new budget

£ (1629.79) – Telephone and IT - Given the comments below about an insurance premium being coded incorrectly I expect to spend £450 per month for 6 months (£2700), but with the £3,500 being moved out of this line that will result in finishing the year at (-£1629.79). I recommend we increase this line by £2,000 to cover for the increased website management costs.

#### Discretionary spend

£ 39,818.08 (less the 5K allocated to Caerau) Set aside for Christmas – for the purposes of the budget I have assumed we spend it all if not on a parade, then on additional Christmas measures.

£1,640 Dog waste bags - Expected to spend all since roughly 50% spend by end Q2

£20,000 – individual ward funding – to ensure money is available for individual wards I have assumed it will all be spent by year end.

£5,000 Maesteg Festival – based on it not taking place this money can be moved back to reserves and will be considered not to be spent this year.

Mayoral Office – Expected to spend as per budget.

£3,493.80 Office costs – due to C19 the costs have been reduced but based on slow reopening in the second half I have assumed the costs may increase to full spend expected.

£ 9,757.18 Premises costs - As above I have kept the estimate the same.

£ 38,850.00 – S137 spend – based on year-to-date spending in half 1 I expect this to be greatly under spent even with our updated policy limits. – I have estimated for the purpose of budget projection 4 applications receiving the maximum grant for the next 6 months £12K spend.

#### Other items

£9244.26 General fees – Based on year to date expect to spend same as Half 1 + 5K for external auditor

£6000 Grade II listed building – assume that continuing work will spend the rest of the allocated 10K.

£ (-8868.52) – Spend on Van – assume no further spend this year.

Insurance – Due to a Coding error of the insurance policy it has been tasked to IT / telephones Line. Based on moving it to the correct line the insurance line will be £380.61 over spent due to policy cost increase.

### Income

No unexpected income has been received outside the precept, The rent for the vault, the BCBC agreements and the Llan MCC agreement. So, income is expected to continue in line with expectations. This income is not considered in the budget spend and will be added to reserves.

### End of year latest view position.

If spend was “to budget” from existing bank balance (neglecting income due to the small value) then the council would be left with a year-end reserve of

Cash at hand £469,802.69

Unspent budget £445,595.97

Remaining £24,206.71

As stated above Latest view of spend would leave the council with a reserve of £103,151.64 Which at ~31% of the annual precept is a very comfortable position.

## **253. TO REVIEW INITIAL PROPOSALS FOR NEXT YEAR’S BUDGET**

Members discussed a draft budget and went through each budget line separately; however, it was noted that it is difficult to set a draft budget using Q2 figures as many payments have yet to be made.

If the Capital projects for road safety do not get invoiced in this financial year, we would keep the value of the commitment in “Ear marked” reserve for the following year and not show in the budget.

Predict Income next year – this shouldn’t change as the income received from rental is a set value and unlikely to change.

Additional budget lines were added to include the following:

- **Cenotaphs** – a line especially for the cleaning and maintenance of the cenotaphs wasn’t separated for this year as it is covered under Capital Projects and Maintenance. Members felt that it should be budgeted for separately.
- **Van** – assume MOT & maintenance - A budget line will be needed.
- **Defibrillator Maintenance** – batteries should last 3 – 5 years, however should be tested annually and pads replaced as necessary
- **Elections** – an election is due in May 2022 and should be budgeted for as shared costs with BCBC.

The following items were discussed that had been provided to the Chair of Finance from members:

- Maesteg Park bus service – R P Thomas – it was agreed that this should be looked at by the projects committee and a feasibility study be investigated.
- School children transport support – L Thomas – whilst members agreed with the sentiments of the issue surrounding school transport, it was noted that currently this only affects pupils in year 7. In 4 years’ time this would affect all pupils within the comprehensives and should MTC provide a service it would be difficult to remove without criticism. It was agreed that this should be looked at with the feasibility study of providing public transport as above.
- Citizen advice – R Martin – currently the service is in Hartshorn House and has been reduced to 2 days per week. There is a need for an information service for the residents but not sure how this can be achieved.
- Public consultation – P Jenkins – members agreed that the public should be consulted on how the budget is spend and for Council to consider consulting with the public for future capital projects.

Cllr K Edwards **proposed** and was seconded by Cllr R Martin that the draft budget be circulated to all Councillors for written comments before the next Finance Committee Meeting.

**254. SET TIMELINE FOR BUDGET TO BE FINALISED**

It was agreed that the draft budget be circulated to all Councillors for written comments before the next Finance Committee Meeting to meet in December for an updated budget to be presented at the Extraordinary Meeting in January to set the precept.

**255. RECCOMENDATIONS:**

- a) Committee to review the FRA at the next Finance Committee Meeting
- b) Committee to ratify the MTC Financial Management Policy at the next Finance Committee Meeting
- c) To open an account with CCLA and transfer £240,000.00 into the account
- d) Members to provide written comments on the draft budget before the end of November for the Finance Committee to meet in December for an updated budget to be presented at the Extraordinary Meeting in January to set the precept.

**Minutes emailed to all Councillors to Read on 29<sup>th</sup> October 2021  
Minutes accepted at a remote meeting of the Council  
held on 2<sup>nd</sup> November 2021**

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**Mayor**