

MAESTEG TOWN COUNCIL

Minutes of a **FINANCE COMMITTEE** meeting of the **Council** held remotely via Microsoft Teams and at the Council Meeting Room, Council Offices, Talbot Street, Maesteg, on **Monday, 6th December 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 matters arising relating to Awen Cultural Trust

317. REVIEW FINANCIAL RISK ASSESSMENT.

Members were provided with a draft copy of the financial risk assessment to be adopted by Maesteg Town Council. A member asked if the Council is to hold 20% of its monies as contingency fund, then would this have to be exactly 20% or is there room to manoeuvre? The chair answered that this would be around 20% but not a definitive and happy to change this to 15 – 25% with all in agreement.

318. RATIFY MEDIUM TERM INVESTMENT STRATEGY.

Members were provided with information in relation to the medium term investment strategy to be undertaken by Maesteg Town Council. The Chair advised that this strategy had to meet certain criteria and priority. First being that liquidity was important to combat any matters arising so an almost instant access account would be needed and has been sourced with no penalties to interest if transferring funds with due notice of 24 hours. The second was to provide a better return on investment that where the councils funds are already located and to ensure that more of the councils funds are protected by the Financial Services Compensation Scheme (FSCS). The documents provided to the council stated the need for a qualified persons to be appointed if Maesteg Town Council plan to diversify or change their investment strategy going forward.

319. UPDATE ON CCLA BANK ACCOUNT OPENING.

The chair advised that the new CCLA investing bank account for town and parish councils had been opened and monies transferred. The account is also secure as any and all funds within this account can only be transferred back to the councils current bank account, with a 24 hour notice period, where new safeguards and policies are already in place. A member queried if this account was just for the safeguarding of funds at the moment to protect the council in the event of the councils main account provider closing or to provide a higher return on the councils capital that had not yet been used. The chair advised that at the moment this is to ensure the safeguarding of public funds under the FSCS scheme but the added benefit is a slightly higher return than the main account used for BAU spending. The chair also advised that liquidating

the funds remains a priority as the invested monies are partly earmarked for the approved traffic calming measures that are to take place such as the average speed camera on Heol ty Gwyn and protective barrier for Nanty Park.

320. REVIEW OF INSURANCE CLAIM

The chair explained that the Clerk has responded to the insurance company with councils decision to accept the settlement figure provided at a previous confidential meeting. He also mentioned that it would be difficult to budget this at this current point in time due to not knowing when the payment will be made. A member asked if the insurance company had sent receipt of this response from the council and this was answered as no we are still awaiting an official reply. The member then asked if this affects the precept for next year and the chair advised that this decision would have to be made after next Mays election where the council may gain new members and alternative views on how to invest these monies over the next 5 year council period. Another member agreed that these funds should not be looked at yet within the budget as we do not know when the council will receive these monies. The chair did advise that the budget is reviewed each quarter so the council can be fluid in terms of this payment and can act accordingly.

321. REVIEW OF LATEST RECIEPTS & PAYMENTS POSITION END NOVEMBER

Members were provided with the councils receipts and payments for the current year and what the proposed figures taken into next year will be. A member stated that ward specific funds should be earmarked and shown within the statement so the carry-forward balance then reflects this, he then stated that in previous years this was the case and when an auditor looks at the accounts they can understand the workings of the councils accounts better. The member then stated that if the council is going to set a precept in line with last year then there is a deficit of £40,000 so will need to identify which cost centre we will move reserves into so we can see where monies have moved too and where monies have been spent.

The chair asked the committee for suggestions to address the mentioned concerns and it was agreed that another section be added to the R & P Spreadsheet to include earmarked funds section so that the council can have an accurate figure for capital reserves. A member asked if the carryover figure was after budgeted costs had been accounted for and the chair advised that this is to be the case but he will work with the clerk to create a clearer spreadsheet highlighting monies spent, to be spent, earmarked and reserves.

A member questioned the auditors fees and highlighted that we have yet to receive an invoice so how this would be budgeted for as they have done a large amount of work for the council and charge an hourly rate of £100. The chair advised that the internal auditor costs are within the general fees section of the spreadsheet, but we are still

awaiting the external auditors invoice which he will chase up and hopefully receive a response by the next meeting of the finance committee.

A member queried the income of the council and how this would affect the precept i.e. if the council is to ask for an increase to the precept or not. The member highlighted that if we add the VAT return and Rights of Way income to the spreadsheet then this reduces the overall deficit within the budget. He then asked if the councils most recent insurance claim can be added as expected income, but the committee's consensus was that because we do not know when this payment is likely to be made then we cannot add this as expected income at this current point in time. The Chair advised that with the budget being reviewed each quarter we can review any new incomes and act accordingly and perhaps future precept requests will decrease in value. A member stated that if the precept claim is the same as last year then adjustments to the budget will be needed to show how the council will make up for the deficit for the coming year. Another member asked that if the council aren't going to increase precept and carrying over non earmarked funds any possibility of claiming any monies back to which the chair replied no and the funds are fine to sit in reserve. A member queried the current grants that the council have applied for and asked if these would affect the budget in any way because the council building repairs have a set budget does this reflect the figures provided by the grants. The chair responded stating that these are guideline amounts and are still subject to approval so this may need to be reviewed at a later date.

322. DISCUSS AND CONFIRM BUDGET PROPOSAL TO BE PRESENTED TO FULL COUNCIL

The committee agreed to ask for the same precept amount as the previous year.

323. PROPOSE DATE OF PRECEPT MEETING

The committee agree that the date of the precept meeting will be Tuesday 4th January 2022.

Recommendations:

- FRA: Change 20% contingency to allow the range of 15-25%.
- Precept meeting to take place Tuesday 4th January 2022.

**Minutes emailed to all Councillors to Read on 7th December 2021
Minutes accepted at a remote meeting of the Council
held on 11th January 2022**

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Mayor