

MAESTEG TOWN COUNCIL

Minutes of a **HYBRID** meeting of the **Finance committee** held remotely via Microsoft Teams and at the Council Chamber, Council Offices, Talbot Street, Maesteg, on **Tuesday 18th October 2022**.

PRESENT:

COUNCILLORS: **G Thomas (Chair)**
P Davies, K Edwards, R Martin and L Thomas

APOLOGIES: Cllrs F Abedalkarim and C Knight

DECLARATION OF INTEREST: Cllr L Thomas declared an interest in any items that may include AWEN Cultural Trust

263. TO REVIEW QUARTER 2 ACCOUNTS AND BUDGET

Members were provided with all signed bank reconciliations from Q2 and a Q1 + Q2 summary sheet and the following report:

Report to the finance committee on current and possible future budget
Q2 results as at 1st October 2022.

<u>Cash on Hand</u>	
Treasurers Account	£2,193.20
Business Account	£22,984.64
CCLA	£705,000.00
Cash on Hand TOTAL	£730,177.84
Unpresented payments	0.00
Available Balance	£730,177.84

Budget Position

Budget Spend for the year was set at £431,750.00 during Januarys Council meeting.

Position at end Q2.

Council spent £131,725.20 which is equivalent to 30.51% 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.

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

- £81,084.34 has been allocated to road safety schemes out of capital projects line.
- £115,186.50 has been allocated to building repairs from Capital projects for the Grade II* building
- £30,000 has been committed to fund the CAT transfer Grant scheme £5,000.00 spent at end of Q2.
- £29,083.92 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.
- £11,00.00 – Floral Displays – Annual contract
- £1,125.00 – for 3 quarters payments for cemetery opening/closing
- £100 remaining – member expenses – however £300 needs to be reserved in case all members claim the payments, to date 12 members have claimed IRP payments, 3 have advised they do not wish to claim the £150 payment, still waiting for 2 members to advise of bank details for payment.
- £55,000.00 - Staffing Costs – CMO works April – September at 30 hours per week and October – March 20 hours per week
- £3,568.50 – Telephone and IT – based on current spend per month, this may differ if pc's in office are upgraded.

Discretionary spend

- £42,000.00 - 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.
- £3,200 - Dog waste bags - Expected to spend all as we have many locations throughout the boundary that help to distribute the bags.
- £40,000 – individual ward funding – to ensure money is available for individual wards I have assumed it will all be spent by year end. N.B Minute 148 in August – Council agreed to raise ward fund to £10,000.00 per ward for 1 year.
- £7,577.39 Maesteg Festival – only paid for Keeper of the colliery fun run and advertising for the classic car show.
- £520 remaining - Mayoral Office – need to be looked at as civic Sunday went ahead in August.
- £3,588.34 remaining Office costs – due to the building still being closed to the public due to C19 the costs have been reduced, may increase to full spend as more meetings held in the building.
- £5,882.34 remaining Premises costs – the boilers have been upgraded and there has not been any heating or hot water since 23rd May 2022, however still have to pay the Gas standing charges.

- £25,000.00 remaining – S137 spend – based on year-to-date spending in Q1 & Q3, I expect this to be greatly under spent even with our updated policy limits.

Other items

£12,647.00 remaining - General fees – have yet to be invoiced for Audit Wales fees, Internal Auditor fees

£15,000.00 remaining – Elections fees for May 22 Elections – electoral have sent a breakdown of costs = £7,237.00 with invoice paid in October 2022.

Income

The rent for the vault, the BCBC ROW agreements and the Llan MCC agreement. Income is expected to continue in line with expectations. This income is not considered in the budget spend and will be added to reserves.

Q2 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 end of Q2	730,177.84
Budget spend	- 373,370.30
End of year cash in bank	356,807.54

Cllr G Thomas went through the budget and gave further update to how things are progressing.

Members raised several queries in relation to the budget so far. Firstly, the position of the average speed cameras for Heol Ty Gwyn which it was confirmed that it is currently with GoSafes board who will provide further update in due course. Secondly, there was overspend in the Christmas category and the Chair of Finance advised that Christmas had not been accounted for properly in years past and there are to be more specifics in future in regards to Christmas spend. Lastly, members queried the cemetery costings as the contractor was thought to be unwell to undertake certain duties having already pulled out of the Caerau Ward works. This was confirmed to be untrue and the contractor will be fulfilling his duties going forward as expected.

264. TO REVIEW CURRENT BUDGET POSITION

Members were provided with the cash book and the receipts and payments document for the past quarter.

The Chair of Finance advised that members have provided some project ideas for the future which will need to be budgeted for but will have to go through the projects committee initially to determine costings. He also advised that no budget suggestions had been brought forward thus far and the budget will remain the same going forward.

265. INITIAL VIEW OF NEXT YEARS BUDGET – INCLUDING THE RESPONSES TO THE EMAIL SENT OUT IN AUGUST

The following was a letter sent to all members from the Chair of Finance:

In order to ensure a robust and timely setting of the Councils budget for next year we are about to kick off the initial budget setting process. For all new Councillor information, the full Town Council has to agree a budget and set a precept by the first week of January and submit this to the unitary Authority (BCBC) for them to enact in April. To allow this to happen we are setting out a timeline to allow everyone to have their say, scrutinise the figures and then the Council to meet to agree the final budget. The process will work as follows:

- August – Chair of finance to write to all Councillors requesting suggestions (this letter)
- October – Finance committee to meet and discuss a draft proposal based on Councillors feedback above
- Full council November – Draft budget presented to full council for first view
- End November – finance committee to meet to review feedback from full council
- December Full council – final budget to be agreed and precept set
- January – spare date if not concluded in December.

By way of this letter, I include a copy of this years budget (2022/23) with up to date spend as of 31st July and I kindly ask you review this and forward suggestions to myself and the clerk for inclusions in the initial finance committee discussion.

Possible items to include

- Any changes to the line items – items that you think the council should change, either reduce the spend, increase the spend or even remove the spend. (i.e. reduce the spend on Car park toilet due to contract ending)
- Any additional spend items to be budgeted for - new items that we don't currently undertake or are not in the budget (such as the hire of the unit on the industrial estate)
- One off spend items that you may want considered - these may not form an ongoing part of the budget but may be a one off spend for next year that you would like considered. (such as possible building of new toilet facility to replace contract that ends)

Once the finance committee meets it will evaluate the proposed plans and look at the financial position and then generate a draft budget that will be presented to the town council for review.

As of 31st July, we have a total cash on hand of £782,325, with an outstanding budget spend of £349,2040.13. In addition, we have £81,084 of earmarked reserves for the Road traffic calming at Heol Ty Gwyn, and the Council have agreed to reserve £120K to fully fund the building works, although we expect to get 70% of that back from grants, but to be prudent we should budget for the full amount.

So assuming we spend to budget (thought unlikely) we will be left with a surplus in the region of £200K.

If anyone has any questions about the process or would like to discuss it please let me know.

Responses to projects from Cllrs:

Cllr P Jenkins:

1. bus service for valley
2. contact BCBC with view to entering a type of rights of way agreement but for weed spraying, cutting back minor overgrowth etc
3. C A T. of Maesteg Cemetery – failing this an agreement to cutting and maintaining the cemetery.
4. To investigate moving of the Post Office into the Library when it relocates to the Town Hall, to include a salaried manager along with existing staff this will allow expansion of services plus shelter in conditions. Royal Mail and Parcel Force I believe are negotiating use of the old post office.
5. To consider how we best support the Town Hall. I propose that money be set aside to support all community groups in the hire of the hall, unless in return for a sum directly to trust. An agreement be made on concessionary rates for qualifying community groups
6. More community street furniture, seats, planters throughout the valley
7. To consider a festival to be held in the Welfare Park and include in conjunction with BCBC installation of cable car lift to access park from sports centre thus allowing parking in that area and alleviating most need for on road parking around the park.

Please present these fully to committee and my fellow councillors for them to mull over as it is only fair, they have my ideas likewise I have theirs.

Cllr P Davies 2 proposals to put forward:

1. That we should allow a sum of money to be earmarked for the refurbishment of the Blaencaerau Play Park, all Caerau Councillors have agreed to this project and agreed to seek additional funding from ILC and V2C to complete the project. The park is in the ownership of V2C currently, some work has already happened on this but hit the buffers during Covid.
2. That we extend the floral lamp post displays throughout the main roads of all wards, if you drive through Cefn Cribbwr, Kenfig Hill and Cornelly you will witness the fantastic displays put on by the community council down there when these baskets are spread along main roads rather than restricted to the town centre.

I understand that these projects will cost money, but if they can be agreed on principle that would be a good start.

Cllr C Davies would like to propose the following:

- Upgrade to Nantyffyllon park
- Renovation of existing located benches in Caerau & Nantyffyllon ward
- And better use of our green spaces we have many green spaces which could utilised better for the benefit of the community.
- Benches
- Flower tubs
- In some cases rest areas. That's all I see them being used for at present is extra space to park cars. This can't be right it's the case if use them or lose them let's see if we can make something positive out of these lovely green areas.

The Chair of Finance again advised that these suggestions would need to be fully costed with the projects committee before a decision is made within the budget. The Chair of Finance then went through a working spreadsheet with proposed budgets and allowing for a 10% increase to allow for inflation. Whilst going through these suggestions a member requested that the Christmas spend be split into more specific sections so people can see where monies are being spent i.e. parade, Christmas lights, Santa's grotto which was agreed by members.

Another member requested that the CMO budget increase from £2,000 to £5,000 due to the cost of a high-quality strimmer should ours fail. This was agreed by all members. Members then agreed to defer the Mayoral expenditure to full council as it needs to be discussed if the Civic Sunday can continue seeing as many other councils do not conduct such an event anymore it is seen as an unnecessary cost.

It was agreed to move flowers and carriage clocks for wedding anniversaries and major birthdays into the S137 budget following the advice from OVW.

It was noted that in the proposed draft IRP consultation the mandatory payment for members has now increased to £156 per year per councillor. There is also a payment available to cover office costs to councillors it is to be discussed in full council if costs are to be covered as they are undertaken or just make the initial payment alongside the IRP payment.

Cllr K Edwards stated that carrying such a large amount of monies forward and requesting a precept again would not sit well with the auditor. He mentioned that we had a windfall through an insurance claim by the prior clerk so the councils reserves have already been paid for by the tax payers of Maesteg.

Cllr G Thomas responded to this stating that not claiming a precept would only save an estimated £60 per year or just over £1 per week so it would be better to request a precept and spend that on a considerable project within the Valley that would benefit the community. In regards to the auditor if we can show that funds are earmarked for projects then they would accept that.

Members decided to approach the auditor for advice before recommending a precept figure to council. Cllr P Davies stated that if we do request a precept then a statement must be posted on our website to inform the Valley. Members agreed that if Audit Wales approve us to claim a precept, then the draft budget is to be accepted and recommended to full council.

266. TO DISCUSS ADVICE FROM OVW REGARDING GIFTS AND TO CREATE A POLICY FOR GIFTS TO RESIDENTS

Members were provided with the following information that had been sourced previously from Llan Middle Community Council.

Llan Middle CC asked for advice from OVW regarding gifts given to residents for 50th / 60th wedding anniversaries, 100th birthdays and wreaths for remembrance Sunday. Llan Middle then forwarded the below response from OVW:

Some gifts of this nature are permissible under S137 of the Local Government Act 1972. The power can be used for the following:

- a) Modest gifts to members of the community who reach a certain milestone such as a wedding anniversary (50 years plus) or 100th birthday.*
- b) Although S137 does not enable gifts to be purchased for individuals it is considered by Audit Wales that provided the Council has an approved written policy in relation to gifts of this nature and that anyone in the community reaching this milestone will receive the gift then it may be viewed as a gift granted to a group of individuals who meet the stated criteria.*
- c) A council also has the power to purchase a poppy wreath under Section 137.*

The Chair of Finance requested that this be added to the next finance meeting where they will discuss the creation of a policy for gifts to residents. Currently Maesteg Town Council give either a bouquet of flowers (£30) or a carriage clock to the residents who reach their 50th / 60th / 65th / 70th wedding anniversary and each anniversary following their 70th wedding anniversary. Maesteg Town Council also celebrate 100th and 100+ birthdays and this is publicised on MTC Website. N.B. Maesteg Town Council do not hold a list of anniversaries or birthdays and it is for the family to contact MTC with the dates.

The Chair of Finance stated that he would write up a policy for members to view and, if approved, be adopted by the Council.

267. TO DISCUSS THE WARD FUND POLICY

Members of the council requested the finance committee investigate the ward fund policy and decide on what should happen if there is a disagreement and not all members agree to the spending of ward funds.

Members deliberated and were reminded that many years previously each ward would be given a higher ward spend once every 4 years for projects within their ward.

Examples of projects that were completed included: pelican crossing in Garth, parking bays in Grove Street, Nantyffyllon. Unfortunately several years went by without any projects being completed and the fund was scrapped.

In July 2020 it was agreed to add a new ward specific fund for ward members to use to clear fly tipping by hiring skips or by the ROW contractor to remove the waste and take to Nolan Recycling. In 2021/22 the fund was used for other ward enhancing activities e.g. additional Christmas lighting, grit bins, litter picking tools etc.

The issue at the moment is whether the Ward spend must have all members in agreement or a majority. As in one of the Wards a request has been made for flower planters and only 4 from 5 have responded. The Chair of Finance also noted that any spend on Ward funds still has to come via full council and this includes the instructing of contractors. Members were split between having a majority vote for the spending of ward funds or the full support of all ward members. It was decided to take the decision back to full council.

268. RECOMMENDATIONS

A copy of the proposed budget to be given to Full Council whereby from this the following recommendations have been agreed:

- 1) All budget segments to be increased by 10% to allow for inflation
- 2) CMO budget to be adjusted to £5,000
- 3) Flowers and carriage clocks to be paid for out of S137 budget
- 4) Precept deferred until response from Audit Wales has been considered.
- 5) To discuss the Mayoral Expenditure the current financial climate and the less councils who implement a civic Sunday should Maesteg Council continue to do so?
- 6) IRP Office Costs – IRP have released figures to pay members to cover office expenses that they may incur during their term see below from page 9 of the consultation document:

Councils must either pay their members £52 a year for the cost of office consumables required to carry out their role, or alternatively councils must enable members to claim full reimbursement for the cost of their office consumables.

It is a matter for each council to make and record a policy decision in respect of when and how the payments are made and whether they are paid monthly, yearly or otherwise. The policy should also state whether and how to recover any payments made to a member who leaves or changes their role during the financial year.

**Minutes emailed to all Councillors to Read on 20th October 2022
Minutes accepted at a hybrid meeting of the Council held on 1st November 2022**

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Mayor