

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 **Monday 3rd April 2023**.

PRESENT:

COUNCILLORS: **G Thomas (Chair)**

F Abedalkarim, P Davies, C Knight, A LeGeyt, R Martin and
Cllr L Thomas

DECLARATION OF INTEREST: None declared

552. TO REVIEW BUDGET 2023-24 TO INCLUDE:

A) REVISED BUILDING COSTS

Members were provided with the following proposal from the RFO and Chair of Finance whereby discussions ensued with queries in *italic*:

Looking at the budget, it was set in Q3 based on projected costs and expected spends, and was based on worse case to ensure we did not end up in a deficit position. We now have actuals (or very nearly given its not quite year-end) but any further changes will be minimal. Looking at the previous predictions, which I have attached below as appendix 1, a few things stand out:

- 1) We saved 7K more than expected on the Toilet costs – we should have seen this based on the actual spends rather than the budgeted costs.
- 2) We were 21K overspent (we predicted 9K) on Christmas due to having the Grotto & Casey's Café costs that were not in the original budget in April.
- 3) Wales Audit office Costs have come in and we have had the last invoice so we are 5K overspent on this – but the money was budgeted for in next year's budget.
- 4) We were 93K underspent on the building works, we expected to spend 50% of the budget but due to the delays no work started. This money needs to carry over to next year.
- 5) There were many other smaller over and underspends that are shown below highlighted in Red & Green.

Bottom line after all this is taken into account we expected to finish the year with a balance of £467,224 but our actual balance is £516,233

Moving on to the agreed Budget.

We originally Allocated 327,600 to Capital projects, but based on current estimates I propose the following changes.

- 1) Reduce the Traffic calming budget by 45K – based on the project now looks to be vehicle activated speed signs rather than speed cameras. *Council have approved an Average Speed Camera project that is unlikely to go ahead, surely Council should*

re-visit this. Chair of Finance advised that this is not for the Finance committee to discuss but for the Projects Committee to look into available options as Finance Committee cannot drop projects.

*Cllr L Thomas **proposed**, seconded by C Knight to recommend to Council that the current Road Safety Scheme is abandoned in its current form and for the projects committee to re-visit available options.*

The committee voted on the proposal with the following results:

<i>F Abedalkarim</i>	<i>Against</i>	<i>R Martin</i>	<i>Against</i>
<i>P Davies</i>	<i>Against</i>	<i>G Thomas</i>	<i>Against</i>
<i>C Knight</i>	<i>For</i>	<i>L Thomas</i>	<i>For</i>
<i>A LeGeyt</i>	<i>For</i>		

Results:

Against: 4

For: 3

Following the above result the proposal falls

- 2) Keep the Maesteg park memorial the same at 25K
- 3) Increase the building work to 231K – the quoted price.
What about a contingency? The Chair of Finance advised that there is no proposed contingency, however if any additional works are needed then the Council could decide to use reserves or defer the work until the following financial year.
- 4) Keep the bus proposal as 70K
- 5) Increase the chamber IT to 20K based on prices in the range 15-20K so far.
- 6) Add in bus shelters – they were agreed in this year but have not been spent yet - £12.7K based on quotes.

This gives a new capital spend of £409,055. An increase of £81.5K

Looking at the revenue spends

Again, we agreed a spend of £418K, and I propose to adjust the budget as follows.

- 1) Reduce the CAT budget by 5K – due to CAT officer informing the clerk 1 team has pulled out of the CAT transfer process.
A member thought that this should be open to other community groups, however as previously discussed in full Council the MTC CAT Grant scheme ended in 2020.
- 2) Reduce the CMO tools from 5K to 2K, based on all big spends have been done and we only spent 1K this year.
A member advised that there had been many discussions recently on the role of the CMO, what if Council decide to increase the role? Chair of Finance advised that would be a Council decision.
- 3) Reduce Defib consumables by £100 – based on only £800 spent this year and they are serviced every 2 years not yearly.
- 4) Slight increase to Dog bags based on the new prices

A member thought that we may even increase the number of orders this year? Chair of Finance advised that those costs could come from reserves.

- 5) Remove the 4K set aside for a By-election – if one were to occur we could take it out of reserves rather than setting aside this money every year and not using it.
- 6) Floral displays reduce the budget by 5K– this will keep them the same as last year +1K for inflation rather than allow the scheme to expand. If wards want more flowers, they could use their fund.

A few members disagreed with this and the whole point of increasing the budget was to allow further displays to be carried out within the Town. It was agreed not to decrease this budget but to decrease the reserves.

- 7) Reduce general fees by 15K – due to the Wales audit fees having been paid this year.

Clerk advised that further invoices had been received and are due for authorising in tomorrow's Full Council, however there were no massive invoices due.

- 8) Reduce the Fun run from 20K to 15K based on we now have quotes and orders in place with EPM.
- 9) Increase the staff costs to reflect the agreed pay increases.

This gives us a new total revenue spend of £371,444 (reduction of £46.8K) . Add this to Capital and we have a new budget total of £780,499.91 V original budget of £745,932.

We have requested a precept of £301,107 & have a carryover of £519,703 so that should leave us with a reserve of £54,471.

In addition, there is the Q4 VAT reclaim that the clerk will be doing in the next few weeks, so once that is collected it should leave us with a final reserve of £68,632 which is 23% of our precept but only 9% of our total budget. That said this year's budget is much inflated with 400K of Capital spend. The council needs to be comfortable with this figure but the capital spend is both budgetary and discretionary and hence is not committed. The council could choose through the year to reduce, defer, or cancel this spend if required.

Appendix 1

	Previous	Proposed
Capital Spend	327,600.00	409,055.91
Revenue Spend	418,332.00	371,444.00
Total Spend	745,932.00	785,499.91
Fraud	(47,600.00)	(47,600.00)
Expected Year end	467,224.41	
Actual Year end		519,703.28
Working reserve	70,000.00	49,471.56
Q4 Vat reclaim		14,160.60
Total required	301,107.59	301,107.59

553. B) REVIEW PENSION’S INCREASE FOR EMPLOYERS’ CONTRIBUTIONS

Members were provided the information from RCTCBC Pensions whereby following the completion of the 2022 Pension Fund Valuation the revised EMPLOYER PENSION CONTRIBUTION rates for the next 3 years are:

2023/24	2024/25	2025/26
14.6%	15.3%	16.10%

In addition to this the Clerk provided the committee with a spreadsheet on how the salary payments are calculated (due to GDPR actual figures not noted within the minutes):

Salary Payments		Employee pension contributions	Employer pension contributions	Employer NI contributions
Weekly	No. of hours x hourly rate	Monthly salary / 100 x employee pension rate	Monthly salary / 100 x 14.6	Monthly Salary / 100 x 13.8
Annual	Weekly x 52			
Monthly	Annual / 12			

From the actual figures, taking into account the increase in Employers Pension Contributions and the Employer NI Contributions the actual figure = £79,599.17 for Salary Payments.

554. DELEGATED SPEND FOR COMMITTEES

Chair of Finance raised the issue of Delegated spends being delegated back to committees. Since January 2020 there have been tighter financial controls whereby all spends, tenders and quotes etc are brought before Full Council to be deliberated and this has lead to longer full council meetings whilst they are being discussed. Now that the Financial Controls are in place, it would benefit the Council if the Committees were to get the tenders / quotes beforehand and to deliberate them then bring the final quote to Full Council for authorising.

e.g. Maesteg Festival - Christmas = the committee would look at all the quotes for the grotto / parade etc. and then bring the final recommended quote to Full Council to authorise.

e.g. Ward Specific Funds = The Wards members plus the Clerk to get the tenders, then the ward members to discuss the tenders and take the preferred tender to Full Council to authorise.

There would be a number of Committees that could utilise this delegated spend i.e.

- Maesteg Festival – Christmas (Events Committee)
- Maesteg Festival – Summer (Events Committee)

- Maesteg Festival – Keeper Run (Events Committee)
- Premises Running Costs (Property, H&S Committee)
- Ward Specific Funds (individual wards)

The Committee noted that any changes to the financial regulations and delegated spends would need to be agreed in the next AGM meeting.

555. ANY OTHER FINANCIAL QUESTIONS

Members queried whether the new current financial controls work and whether the monthly checks are made. The Chair of finance advised that there has been a couple of human errors and the financial controls have worked as they have highlighted the errors and payments rejected before being re-submitted and authorised. Chair of Finance also advised that the monthly checks are also done on the cashbook and files.

A member queried what happens to the income received, the Chair of Finance advised that income is added to reserves and not budgeted for. A member queried why MTC only received a small grant from BCBC for the ROW Agency Agreement. The Clerk advised that this is a set figure from BCBC and was increased in 2021 from £44/km to £59/km. Chair of Finance advised that MTC should be paid more as it costs more than the agreed £59/km to clear the ROW and will look into requesting more from BCBC.

556. RECOMMENDATIONS

- 1) The Proposed budget as per Appendix 1 agreed
- 2) Agree to the new Pensions Employer Contributions
- 3) Discuss giving back delegated powers to Committees at the AGM
- 4) Chair of Finance to contact BCBC regarding the ROW Agency Agreement allocation

Minutes emailed to all Councillors to Read on 3rd April 2023
Minutes accepted at a hybrid meeting of the Council held on 4th April 2023

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Mayor