

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 **Thursday, 18th July 2023**.

PRESENT:

COUNCILLORS: **G Thomas (Chair)**
P Davies, C Knight, A LeGeyt and R Martin.

APOLOGIES were received from Cllrs F Abedalkarim and L Thomas

DECLARATION OF INTEREST: None received

139. QUARTERLY REVIEW OF ACCOUNTS (APRIL – JUNE 2023)

Members were provided with the following information. The Chair of finance went through each budget spend.

Report to the finance committee on current and possible future budget
Q1 results as at 27/06/2023.

Cash on hand = £773,596.20
Unpresented payments = £375.00

Budget Position

Budget Spend for the year was set at £301,107.00 during December Extraordinary Council meeting.

Position at end Q1.

Council spent £316,142.99 (including money transferred from Lloyds to CCLA) actual spend minus the CCLA transfer = £66,142.99 which is equivalent to 21.97% 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.

CAPITAL PROJECTS	Budget	Budget Remaining	Spend to Date	Notes from meeting
<i>Capital Projects (Traffic scheme, Maesteg Park memorial & trial bus service)</i>	145,000.00	145,000.00	-	Still waiting on the schemes to progress
<i>Capital Projctcs Grade II* listed building</i>	231,338.91	231,338.91		Still waiting on the Grant application with BCBC
<i>Capital Projects - Chamber audio upgrade</i>	20,000.00	20,000.00		Still waiting on the Communications Committee to meet and give recommendations
<i>Capital Projects - Bus Shelters</i>	12,717.00	8,372.07	4,344.93	Still waiting on BCBC to complete the consultation

REVENUE BUDGET	Budget	Budget Remaining	Spend to Date	Notes from meeting
<i>Car park toilet</i>	40,000.00	39,997.00	3.00	Still waiting for the removal and final bills from JC Decaux. In addition to this still waiting on Projects Committee to look into alternative portable toilets with costs involved.
<i>CAT</i>	15,000.00	10,000.00	5,000.00	Still waiting for outstanding clubs to complete the CAT process. Recommend letters written to these clubs to ascertain when they will likely complete the process.
<i>Cenotaphs</i>	2,200.00	2,200.00	-	In line with expectations – not looked at until end of October / beginning of November
<i>Children's Playschemes</i>	6,600.00	6,600.00	-	Summer playschemes to be held in Maesteg Sports Centre and Noddfa Community Centre.
<i>Christmas lighting</i>	31,000.00	31,000.00	-	In line with expectations
<i>CMO equipment allowance</i>	2,000.00	1,404.36	595.64	In line with expectations
<i>Defibrillator Maintenance</i>	1,000.00	1,000.00	-	Money used as and when required
<i>Dog waste bags</i>	5,393.00	3,552.10	1,840.90	In line with expectations
<i>Elections</i>		-	-	In line with expectations
<i>Floral displays</i>	12,000.00	12,000.00	-	Should expect spend during the Summer

				<i>see minute 55 - whereby it was agreed to move £3000.00 from General Fees into new Training budget line</i> Chair of Finance advised that the money should not have been taken from General Fees and that the £3,000.00 should have been taken from reserves. Recommend that £3,000.00 put back into General Fees
<i>General Fees</i>	<i>2,000.00</i>	<i>(1,334.00)</i>	<i>3,334.00</i>	
<i>Insurance</i>	<i>3,500.00</i>	<i>3,500.00</i>	<i>-</i>	Renewal of insurance due in September <i>N.B. £375 from Q4 2022-23</i>
<i>Maesteg Cemetery</i>	<i>1,500.00</i>	<i>750.00</i>	<i>750.00</i>	In line with expectations
<i>Maesteg Festival - Keeper Run</i>	<i>15,000.00</i>	<i>11,857.50</i>	<i>3,142.50</i>	Outstanding invoice for the event should have been paid, would expect an underspend.
<i>Maesteg Festival - Summer Festival</i>	<i>20,000.00</i>	<i>20,000.00</i>		Chair of Finance advised that the King's Coronation event was budgeted with S137 money, however would like to recommend that this budget is used as it was an event for the town.
<i>Maesteg Festival - Christmas grotto & parade</i>	<i>20,000.00</i>	<i>20,000.00</i>		In line with expectations
<i>Mayoral Office</i>	<i>3,000.00</i>	<i>2,623.51</i>	<i>376.49</i>	In line with expectations
<i>Members expenses</i>	<i>5,152.00</i>	<i>2,499.00</i>	<i>2,653.00</i>	In line with expectations as Mayor, Deputy Mayor and Chair of finance payments are made quarterly
<i>Office costs</i>	<i>5,500.00</i>	<i>4,230.14</i>	<i>1,269.86</i>	In line with expectations
<i>Premises running costs</i>	<i>20,000.00</i>	<i>16,085.66</i>	<i>3,914.34</i>	In line with expectations
<i>S.137 donations</i>	<i>20,000.00</i>	<i>9,002.27</i>	<i>10,997.73</i>	Chair of Finance advised that the King's Coronation event was budgeted with S137 money, however would like to recommend that this budget is used as it was an event for the town.
<i>School litter bin project</i>	<i>5,000.00</i>	<i>5,000.00</i>	<i>-</i>	<i>See minute 34 - whereby it was agreed to move £5000.00 from Street Cleansing budget into new School bin project</i> Chair of Finance advised that the School will look at the project in the new school term.
<i>Staff costs</i>	<i>79,599.00</i>	<i>57,036.72</i>	<i>22,562.28</i>	In line with expectations
<i>Street Cleansing</i>	<i>25,000.00</i>	<i>25,000.00</i>	<i>-</i>	<i>See minute 34 - whereby it was agreed to move £5000.00 from Street Cleansing budget into new School bin project</i>

				Members still unsure about this budget as no formal plans have been made to cleanse the streets within the boundary of Maesteg Town Council
<i>Telephones and IT</i>	<i>5,500.00</i>	<i>2,616.42</i>	<i>2,883.58</i>	The exit fees for the Telephone/broadband was unexpected
				<i>see minute 55 - whereby it was agreed to move £3000.00 from General Fees into new Training budget line</i>
<i>Training</i>	<i>3,000.00</i>	<i>2,965.00</i>	<i>35.00</i>	Chair of Finance advised that the money should not have been taken from General Fees and that the £3,000.00 should have been taken from reserves. Chair of finance also advised that there are basic finance courses available with Bridgend College and that any member of the Finance Committee is also welcome to attend this in addition to the OVW Finance training modules
<i>Van</i>	<i>2,500.00</i>	<i>1,720.41</i>	<i>779.59</i>	In line with expectations
<i>Ward Specific - Caerau</i>	<i>6,470.00</i>	<i>4,363.33</i>	<i>2,106.67</i>	In line with expectations
<i>Ward Specific - Maesteg East</i>	<i>5,000.00</i>	<i>5,000.00</i>	<i>-</i>	In line with expectations
<i>Ward Specific - Maesteg West</i>	<i>5,000.00</i>	<i>4,490.86</i>	<i>509.14</i>	In line with expectations
<i>Ward Specific - Nantyllyffyllon</i>	<i>5,000.00</i>	<i>5,000.00</i>	<i>-</i>	In line with expectations
<i>transfer of funds from Lloyds to CCLA</i>			<i>250,000.00</i>	
<i>VAT - for information</i>			<i>3,389.27</i>	

Income

<i>INCOME Received</i>	<i>Amount received to date</i>	<i>Notes from meeting</i>
<i>Bank Interest</i>	<i>118.76</i>	In line with expectations
<i>BCBC - CAT Grant Reclaim</i>	<i>2,000.00</i>	In line with expectations
<i>BCBC - Christmas Grant</i>	<i>-</i>	
<i>BCBC - Precept</i>	<i>301,107.00</i>	In line with expectations
<i>BCBC - ROW Agency Agreement reclaim</i>	<i>-</i>	

<i>Cash Deposit - Ring doorbell</i>	30.00	In line with expectations
<i>CCLA Redemption</i>	-	
<i>Cheques / payments written back</i>	-	
<i>HMRC VAT</i>	14,160.23	In line with expectations
<i>Llan Middle - Chamber hire</i>	-	
<i>Llan Middle - Office Rental</i>	650.00	In line with expectations
<i>Llan Middle - Poop scoop bags</i>	21.74	In line with expectations
<i>Public Sector Depository (Investment Dividends)</i>	4,243.53	Chair of Finance highlighted this income and was far more than expected
<i>Refund from EDF</i>	551.73	In line with expectations
<i>Vault Rental</i>	375.00	In line with expectations

Income is expected to continue in line with expectations. This income is not considered in the budget spend and will be added to reserves.

Q1 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 Q1	773,596.20
Budget spend – see attached budget sheet	- 745,932.00
End of year cash in bank	27,664.20

Members read the report and no other questions were raised.

140. TO DISCUSS - INTERNAL AUDITOR

Maesteg Town Council is required by law to appoint an Internal Auditor to review the Council’s Financial Systems and audit the final accounts. The Council’s financial operations and the work required by the Internal Auditor is controlled by the Account and Audit Regulations 2019.

The Internal Auditor will be independent of the Council and will be expected to possess the appropriate level of competence. Ideally, the internal auditor should have an understanding of and experience of local government finance, especially in relation to Town & Community Councils.

In the 2022-23 Internal Auditor report, the internal auditor advised:

It is my duty to inform you that this will be my final internal audit of your council's accounts and that of many others I have conducted over many years.

However, before the Finance Committee meeting the 2022-23 Internal Auditor advised he is willing to tender for 2023-24 internal audit should Maesteg Town Council wish him to tender.

Clerk contacted all other T&CC's within BCBC and received the following names of internal auditors (full contact details on original paperwork provided to the committee):

Name of T&CC	Internal Auditor used
Coychurch Lower CC	Looking for new internal auditor for 2023-24
Llangynwyd Middle CC	Robert Cole & Co
Newcastle Higher CC	Kerry-Leigh Grabham
Pencoed TC	Lyn Llewelyn
Ynysawdre CC	Kerry Leigh Grabham - KLG internal auditor.

Mark Evans – Clerk of Brackla CC has own business as an internal auditor.

Members discussed the information and agreed to **recommend** that MTC go to tender for the provision of an internal auditor for a 1-year contract with an option to extend to all listed above and to also place the invitation to tender onto the website.

141. TO REVIEW MTC FINANCIAL REGULATIONS

Members were provided with the current Financial Regulations that were agreed 9th February 2021.

Members discussed and agreed with the Chair of Finance of the following **amendments** to be made to the Financial Regulations:

11.e) All sealed tenders shall be opened at the same time on the prescribed date by the Clerk in the presence of at least one member of Council. These are currently opened at a Full Council Meeting. Details of which not to be shared prior to a meeting

Members agreed that this should be changed to: Clerk to open tenders, redact the information and tenders to be presented to the Finance Committee who will then provide a recommendation based on the tenders received to Full Council.

11.g) When it is to enter into a contract less than £60,000 in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services are excepted as set out in paragraph (a) the Clerk or RFO shall obtain three quotations (priced descriptions of the proposed supply); where the value is below £1,000 and above £250 the Clerk or RFO shall strive to obtain 3 estimates. Otherwise, Regulation 10 (3) above shall apply.

Members agreed that Clerk should obtain 3 quotes for tenders above £5,000.00 and should strive to get 3 quotes for tenders above £1,000.00

142. TO REVIEW S137 POLICY

In the July 2023 Full Council meeting members queried why MTC give S137 grants to national and local charities yet do not give S137 Grants to Cwmfelin Primary School, Llangynwyd Primary School or Ysgol Gyfun Gymraeg Llangynwyd who are on the border with MTC boundary and have pupils from within MTC boundary. Clarification was sent to OVW who advises:

Section 137 of the Local Government Act 1972 enables local councils to spend a limited amount of money for purposes which they have no specific statutory expenditure.

Decisions should not be challenged as long as the council are satisfied that there was a direct benefit to the area or part of the area or to some or all of the inhabitants and not just to benefit one individual.

I have attached for your reference a copy of the NALC legal topic note 31 on the use of general powers which covers the reliance on the S137 power.

Members discussed the current S137 Policy and agreed to **recommend** the following amendments:

- 1) To change all applicants can apply for one payment per year to one payment per financial year.
- 2) The policy for schools to remain the same as it doesn't specify within Maesteg Town Council boundary – its for Council to decide based on the application form received
- 3) Each application to be looked at on its merit and that Full Council doesn't have to grant S137 funding to every application

143. TO DISCUSS THE RATES FOR UPSTAIRS RECEIVED BY BCBC

All Council members were provided with the emails between the Clerk and BCBC Taxation officer with the following BCBC Non-domestic business rates:

26/06/2023 BCBC advised that the MTC Ground floor account had been in receipt of small business rates relief for some years, in error. BCBC advise that Town/Community Councils, which are funded by the Local Authority, are not entitled to claim this government funded relief.

Therefore, BCBC have rectified this error and can confirm that I have only removed this relief from 31/03/23. A new updated bill for the current financial year was received and forwarded to all members.

28/06/2023 BCBC advised: The 1st Fl Offices Council Chambers is rated as a separate assessment and as the owners, Maesteg Town Council will be liable for the rates from the time Citizen Advise Bureau vacated, notably 01/04/18 so a new account has been set up in the name of Maesteg Town Council since this date.

If the property has been empty and not in use, you will be entitled to claim a 3-month rate free period after which rates will be payable at the full charge until the property is rented out or sold.

However, if the property has been used then the full charge will be payable. If the property should be rented or leased in the future, please notify my office so the account can be updated.

You state that the property is only used by local non-profit groups, what organisations use it and when?

Please find attached the updated bill for this financial year.

29/06/2023 Clerk responded to BCBC and copied in members: You have our postcode listed incorrectly it is CF34 9BY not CF34 9BW.

The following groups have used upstairs:

Llynfi Valley History Society	use the upstairs meeting room on the 1 st Tuesday of the month from September – March 6pm – 8pm	Free of charge
U3A	use the upstairs meeting room twice a week	Free of charge
The Maesteg Town Hall Update meetings between Knox & Wells, Architect, BCBC Regeneration, BCBC Conservation, AWEN Cultural Trust	use the upstairs meeting room on Wednesday mornings and occasionally throughout the week	Free of charge
Maesteg HenShed	used to use the upstairs meeting room on Friday mornings	Free of charge
Llangynwyd Middle Community Council	use one of the offices	£50 per week

Special Families	have set up 2 offices upstairs as a Town Centre Hub (although they haven't used them yet and are due to remove their furniture)	Free of charge
Royal British Legion Maesteg Branch	have used the upstairs meeting room as an exhibition space in the past	Free of charge
SW Police	used the upstairs meeting room for charity fundraising event a few years ago	Free of charge

We have previously contacted the council tax department to advise of the vacating of CAB and in addition to this the Wales Valuation Office were also contacted. I am surprised that only now we have been billed for the Council Tax for upstairs from 01 April 2018 – 31 March 2024 and being billed for this period (see attached) for £15,605.50 is a lot to ask of a Town Council to pay in one payment when we have only just been advised of this and have not budgeted for the outstanding Council Tax.

The previous years balance is not included in your instalment plan. Please pay this amount separately within the next 14 days 15,605.50

Dates		£
01/04/2018	31/03/2019	3032.60
01/04/2019	31/03/2020	3103.40
01/04/2020	31/03/2021	3156.50
01/04/2021	27/10/2021	1816.07
28/10/2021	31/03/2022	1340.43
01/04/2022	31/03/2023	3156.50
TOTAL		15,605.50

Members discussed the emails received from BCBC Taxation Office and explained that when CAB were upstairs BCBC split the building into 2 in order that CAB receive Charity tax relief.

The Chair of Finance advised that he had spoken to our current internal auditor for 2022-23 who has then emailed BCBC Chief Executive Officer and is awaiting a response from BCBC S151 Officer as he agrees that it is ludicrous for BCBC to demand £15,605.50 from MTC. It was agreed to wait for a response from BCBC before discussing this further.

144. RECOMMENDATIONS

- 1. Council to make the following adjustments to the budget:
 - i) Write to all outstanding MTC CAT Grant clubs to ascertain whether they will be proceeding with the CAT's
 - ii) Move £3,000.00 back into General fees
 - iii) Move the King's Coronation event from S137 to Summer Festival (£4,940.00)
 - iv) Training – basic financial training available to all members of Finance Committee

- 2. Proceed with an invitation to tender for the provision of an internal auditor for a 1-year contract with an option to extend to all those listed above in Minute 140 and invitation to be placed onto website.

- 3. Council to agree to the following amendments to the Financial Regulations:
 - 11.e) Clerk to open tenders, redact the information and tenders to be presented to the Finance Committee who will then provide a recommendation based on the tenders received to Full Council.

 - 11.g) When it is to enter into a contract less than £60,000 in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services are excepted as set out in paragraph (a) the Clerk or RFO shall obtain three quotations (priced descriptions of the proposed supply); where the value is above £5,000.00 and should strive to obtain 3 quotes for tenders above £1,000.00. Otherwise, Regulation 10 (3) above shall apply.

- 4. S137 the following amendments:
 - i) To change all applicants can apply for one payment per year to one payment per financial year.
 - ii) The policy for schools to remain the same as it doesn't specify within Maesteg Town Council boundary – it's for Council to decide based on the application form received
 - iii) Each application to be looked at on its merit and that Full Council doesn't have to grant S137 funding to every application

Minutes emailed to all Councillors to Read on 18th July 2023

**Minutes accepted at a remote meeting of the Council
held on 1st August 2023**

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Mayor