

Finance and General Purposes Committee

25th September 2023 at 7.30pm

All Saints Room, Didcot Civic Hall



Minutes

Note: These minutes are subject to approval as a true and correct record by the next meeting of this Committee.

Present:

Councillor T Worgan (Chair)
Councillor G Roberts (Deputy Chair)
Councillor N Hards
Councillor G Ryall
Councillor J Broadbent
Councillor D G Aragao

Non-Committee members:

Councillor A Jones

Officers:

Mrs J Wheeler – Town Clerk
Mrs L Blake – Deputy Town Clerk

Mr Derek Kemp – DCK Accounting Solutions

Derek Kemp addressed members of the Committee before the start of the meeting at 7.00pm. Derek informed the Committee that the External Auditor's Report on the Annual Governance and Accountability Return (AGAR) contained a factual inaccuracy regarding advice on the level of the Town Council's reserves.

The auditor stated: '*Best practice suggests (the general reserve) should be something between 0.5 and 2 times the annual precept*'.

Mr Kemp confirmed that the Practitioner's Guide advises that the appropriate minimum level of a smaller authority's general reserve should be between $\frac{1}{4}$ and 1 times (3 – 12 months) of the net revenue expenditure, which is less than the precept and recommended that the Town Council write to the External Auditor and ask them to correct this inaccuracy.

Mr Kemp then went on to explain that the Medium-Term Finance Plan (MTFP) is not a budget. It is a document that tabulates the expected direction of travel of the budget over the next five years. To do this we will quantify what we know and take an educated estimate on what we do not know in order to arrive at some practical budget figures. For example, 6% was factored into staffing costs in 2023-2024 due to the pending Local Government Pay negotiations. However we not actually know this year's pay award at the time we set the 2024-2025 budget. Other years the sum of 3% has been allowed for future pay awards.

Other cost centres will have a 2% increase factored in as Town and Parish Councils tend to remain on a fairly even keel and do not tend to respond to headline inflationary figures. There was also a proposal to put away £100,000 a year from 2026 – 2027 onwards towards building maintenance -in addition to existing maintenance budgets. Ear-marked reserves should cover expenditure up to the end of 2025 –2026.

Provisions for elections should be factored in for each year moving forward.

The figures in the MTFP were created in July 2023 and will be adjusted once the 2024-2025 budget is agreed. The plan would be reviewed annually. Mr Kemp said that there would always be unexpected expenditure to challenge the figures but also unexpected income. The auditors want to see that the Town Council displays a good awareness of forecasting and managing the finances.

Members were given time to ask questions. The Committee then thanked Mr Kemp for his advice.

The Finance and General Purposes Committee meeting started at 7.40pm.

64. Apologies

Apologies were received from Cllr J Loder.

65. Declarations of interests

No declarations were made.

66. To approve the Minutes of the Finance & General Purposes Committee meeting held on 21st August 2023

The Chair paged through the minutes. It was proposed by Cllr G Roberts, seconded by Cllr G Ryall, and RESOLVED to approve the minutes as an accurate record, and note them as such. The vote was unanimous.

67. Questions on the minutes as to the progress of any item

There were no questions.

68. To note the grant report from the Baptist Church

The Committee noted the report detailing the purchase of a cabinet in which to house a public defibrillator. Cllr T Worgan asked that grant reports be displayed on the Town Council's website.

69. To approve the monthly reports for July 2023

It was proposed by Cllr J Broadbent, seconded by Cllr D Aragao, and RESOLVED to approve the monthly accounts for July 2023. All members agreed.

70. To receive the budget figures for August 2023

The Committee noted the budget figures for August 2023. The Town Clerk informed the Committee that the figures did include most of August and some of September. There were some queries which were answered such as the Mayor's fund which had transferred in full over to the Mayoral bank account; questions regarding how the Fleet Meadow accounts which are separate to DTC but there are charges made for labour from DTC staff; and the balance of the finances for the Town Fayre (Edfest) which the Town Clerk was still managing the refunds.

71. To note the completed AGAR and to review the comments regarding the general reserve

The Committee noted the completed AGAR and reviewed the auditor's comments. It was proposed by Cllr T Worgan, seconded by Cllr G Ryall, and RESOLVED to formally request an amendment of the general reserve figures in line with the Practitioner's Guide issued by the Joint Panel on Accountability and Governance (JPAG). All members agreed.

The suggested request would be written as follows:

Didcot Town Council do not accept the other matter referred to in the External Auditors' report on their 2022/23 AGAR viz "an element of general reserve is a practical necessity. Best practice suggests this should be something between 0.5 and 2.0 times the annual precept."

*Recommended practice is set out at paragraph 5.33 of "**The Practitioners' Guide ('the guide')** (...) issued by the Joint Panel on Accountability and Governance (JPAG) to support the preparation by smaller authorities in England of statutory annual accounting and governance statements found in the Annual Governance and Accountability Return". This states that "The generally accepted recommendation with regard to the appropriate minimum level of a smaller authority's general reserve is that this should be maintained at between **three and twelve months of net revenue expenditure**". This is at variance with the Auditor's assertion above. The Council therefore proposes to be guided by JPAG in the adoption of its minimum General Reserve Policy.*

The Council is aware that, due to a number of unforeseen adverse factors its General Reserve fell to significantly below this level during 2022/23. The Council has already incorporated, in its Medium-Term Financial Strategy (recently adopted), and hence in future Budgets, measures to correct this decline over the medium term (i.e., by

2028/29 at the latest). This process will be augmented by rigorous budgetary control and any savings achieved thereby will accelerate the recovery process.

72. To suggest any major projects for the next financial year 2024-2025 and projects to save towards over several years

The Committee considered future projects as part of the budgetary process. The construction of a Splash Park in Edmonds Park was the main project discussed. The Committee were keen to progress this and asked Officers to obtain more up to date quotations and estimates for running costs.

The Town Clerk confirmed that there was £200,000 in the Town Council's earmarked reserves for the Splash Park, £94,443 reserved of the S106 monies, and a further £121,000 reserved in the Town Council's CIL reserves for the Splash Park. She also stated that there was a further £110,000 unallocated CIL monies but if this was spent, there would be nothing left for further projects.

The Committee asked Officers to prepare the tender document so that it would be ready to go on Contracts Finder after the Full Council meeting in November. It may be possible to get this project on to the portal before the Full Council meeting.

Other items were noted including a series of 'quick win' projects from the Ladygrove Management Working Group and possible teen play provision and shelters from the Environment & Climate Committee.

73. Edmonds Park Community & Sports Pavilion – cost report 4

The Committee noted the document from Ridge. The estimate of the construction costs is £2,196,284 and the overall project cost is £2,305,634. There is a contingency balance of £94,366 out of the total authorized expenditure of £2.4m.

The Town Clerk was continuing to transfer the remainder of the loan into the Town Council's CCLA investment account, in multiples of £150,000 where it would gain interest. Ex-Councillor Bill Service was signing paperwork as he is still a recognized signatory. Once this project is complete, the Town Clerk will seek to sign up current Councillors as new signatories. The F&GP Committee recorded their thanks to Mr Service for his help in this matter.

74. To note the investment report fact sheet for the CCLA Investment Bond

The Committee noted the fact sheet. The Town Clerk confirmed that the interest rate was 5.1% as at August 2023.

75. To review the grant policy amendments

The Committee considered the amendments and suggested the following changes:

Policy and Guidance for Awarding Grant Aid to Local Organisation
1.3a – To read: 'Publicise Grant Aid availability widely throughout the Town, including the use of Social Media'

4.1 – Remove the word ‘may’ to read: ‘The Council may identify particular sections of Didcot Parish where they feel residents have particular needs for assistance..’

5.2 – Add the word primarily, to read: ‘Successful grants should primarily benefit residents of Didcot’.

5.4 – Include the local press. This will read: ‘The report may also be included on Didcot Town Council’s website and Social Media pages and passed to the local press where appropriate’.

It was proposed by Cllr G Ryall, seconded by Cllr T Worgan, and RESOLVED to approve the documents with the suggested amendments. All members agreed.

76. To review the football suggestions from the Deputy Town Clerk

There was an error in the report regarding the payment received for the hire of pitches at Loyd Recreation Ground. It was stated the income received was £3,940, when in fact £2,920 had been paid. The original figure incorrectly included a payment for some pitch usage from the previous season.

The Committee considered the report and discussed the options at length for the hire of the Town Council’s pitches, for both local Football Clubs. Whilst Members were sympathetic with the clubs in regard to costs associated with the hire fees, Members realised that the Council needs to cover Officer time, maintenance, and other costs associated with each hire.

The Committee considered the draft usage agreements and agreed that each club should overmark their pitches throughout the football season – the hire charge will include the initial measuring and marking of the pitches by the outdoor team.

The clubs could use the Town Council’s line marking machine throughout the season, if a returnable deposit was paid. Deductions would be made at the end of each season for any repairs or cleaning of the equipment.

It was proposed by Cllr T Worgan, seconded by Cllr G Ryall, and RESOLVED to charge each club the same as last season’s charges, with an addition for the hire of the welfare units (at Edmonds Park) and the pavilion (at Loyd Recreation Ground) and ensure the clubs are aware this charge excludes the over marking of the pitches. All members agreed.

The Deputy Town Clerk would liaise with both Football Clubs and members of the Committee.

77. To note the managed disc encryption expenditure of £1499.00 + vat

Air IT had been slow to inform the Town Council of the need to upgrade the encryption on their devices. The level of the customer service and support received by DTC from the company had been noted as decreasing since MFG and Air IT had merged. The quotations for work was also unreliable and not necessarily best value. The Committee noted the expenditure of £1499.00 plus VAT and asked the Town Clerk to look at alternative providers.

78. To discuss the verges grass cutting for 2024-2025

The Committee considered the report in detail.

The County Council had taken back responsibility of cutting the verges in Didcot, and it was confirmed that this would be just one cut a year using a strimmer.

It was also confirmed that should DTC enter a new agreement with OCC, the financial income for this would remain at £13,424.43 (calculated at 10.25 pence per square metre). In 2022-2023, DTC's contractor had carried out eight cuts per year totalling £34,960 per annum. This meant that DTC had to cover the remaining £21,535.57.

Cllr N Hards informed members that there were a number of verges in Didcot which could pose safety concerns should they not be cut back.

The Town Clerk explained that there were many maps showing all the OCC verges in Didcot, which could be shown to Committee members at a separate meeting and discussed with the Outdoor Services Manager.

It may be possible to cut some of the verges 'in house' should the Council purchase a machine capable of carrying out the work – a report on this would be presented to the Environment and Climate Committee.

Cllr T Worgan suggested that a report be presented at the next Finance and General Purposes Committee detailing various options for the Town Council; cost of less cuts, intermediate cutting (leaving part of the verges 'wild' and costs associated with taking some verges 'in house'). The Town Council's insurers would need to be consulted on this. All members agreed.

79. To review the progress report

The Committee discussed the items on the progress report. Cllr T Worgan asked the Town Clerk to invite the Didcot Foodbank to the next meeting and to find out what they need.

The Town Clerk was also pleased to confirm the following relief on the business rates of the Civic Hall and the Willowbrook Leisure Centre:

Civic Hall and premises 2022-2023	£22,400
Civic Hall and premises 2023-2024	£14,424
Willowbrook Centre and premises 2022-2023	£18,304
Willowbrook Centre and premises 2023-2024	£13,888

Meeting closed at 9.15pm.

Signed: _____(Chair)

Date: _____