

Minutes of an Extraordinary Meeting of the **FINANCE AND GOVERNANCE COMMITTEE** held at the Town Hall, Swanage on **MONDAY, 26th JULY 2023** at 9.30 a.m.

PRESENT:- Councillor T Foster (Town Mayor) – Chairman

Councillor J Bishop
Councillor M Bonfield
Councillor A Harris
Councillor C Moreton
Councillor W Trite
Councillor M Whitwam

Also in attendance: -

Dr M Ayres	Town Clerk
Ms G Percival	Assets & Compliance Manager
Miss A Spencer	Finance Manager

There were no members of the public present at the meeting.

1. **APOLOGIES**

Apologies for his inability to attend the meeting were received from Councillor Tomes.

2. **DECLARATIONS OF INTEREST**

Members were invited to declare their interests and consider any requests for Grants of Dispensations in accordance with Section 9 and Appendix B of the Council's Code of Conduct.

No declarations were made on this occasion.

3. **FINANCIAL REPORTS – Q1 2023/24**

a) **Income & Expenditure – Budget Monitoring Report**

Consideration was given to a report setting out the principal sources of the Town Council's income and expenditure for the first quarter of the 2023/24 financial year. Significant variances were noted, with increased visitors in Q1 contributing to income above budget in the long-stay car parks. Overspends were noted as deferred expenditure from 2022/23 which would be financed from an Earmarked Reserve. The need for a cautious approach was highlighted with high inflationary increase in material, equipment and service costs.

An anticipated overspend in employee costs by year-end was reported, due to an expected above budget pay award for 2023/24, which would impact future years' cost base for budgets.

Investment income was noted as above budget, with higher interest rates available on short-term investments than those budgeted. In light of a decline in capital values of the Council's strategic investments, an officer recommendation to establish a Treasury Risk Management Reserve was noted and it was agreed that this would form part of any review of the Reserves Policy through budget setting. A question was asked about the forecasted outturn for investment income. The inability to accrue for income from long-term investments and the impact that the classification of investments may have on the accuracy of the forecast outturn

figures were noted. Officers were requested to include a form of wording to reflect this in future budget monitoring reports.

The Budget Report and commentary on the Council's financial activity was received and noted.

b) **Capital Programme Monitoring Report**

Consideration was given to the Capital Programme Monitoring Report for the first quarter of 2023/24. It was noted that the only financial activity was that of one payment for works at Day's Park, ref:2.

It was reported that the works at Panorama Road, ref: BF1, would start in September 2023 and that officers would assess the best method of financing an electric van, ref: 9, either purchase or lease.

Members gave consideration to the reporting of the financing of the Phase Two Seafront Stabilisation and Enhancement project, ref:6. Members noted that reports indicated that the minimum cost of stabilising the ground and reinstating facilities on a largely like-for-like basis would be approximately £4m, requiring a very significant contribution from Council reserves. As agreed at the Council Meetings held on 26th June and 24th July 2023, options for the scheme would be subject to public consultation in the autumn, and the importance of including transparent financial information in the consultation material was highlighted. It was noted that the outcome of the consultation would help to inform the budget setting process for 2024/25 and the drafting of a Medium Term Financial Plan.

The contents of the report were noted.

4. **MATTERS ARISING FROM CAPITAL PROJECTS SUB-COMMITTEE MEETINGS HELD 26TH APRIL AND 19TH JULY 2023.**

- **Peveril Point Road** – It was noted that the most recent estimate for the full scope of works was significantly higher than the budget of £95k allocated to this project. Therefore, it had been agreed that the Assets and Compliance Manager would identify the most urgent elements of the project and explore the potential phasing of the works.
- **Town Hall external redecoration** - It was noted that estimated costs were £51,000. The possibility of engaging with the Mercer's Company about potential funding was noted.
- **Electric Vehicle purchase** – The Assets and Compliance Manager reported that lease options were also being explored.

5. **TO CONSIDER ADOPTION OF UNAUTHORISED ENCAMPMENT PROCEDURE**

Members considered a draft document entitled, 'Swanage Town Council Procedure for unauthorised encampments on Council owned or managed land' and a briefing note from the Assets & Compliance Manager. It was noted that an alternative approach would be required outside of the period each year in which Dorset Council's transit site was open.

It was proposed by Councillor Bonfield, seconded by Councillor Trite and RESOLVED UNANIMOUSLY:

TO RECOMMEND:

That the Council formally adopts the 'Procedure for unauthorised encampments on Council owned or managed land'.

6. **ITEMS OF INFORMATION AND MATTERS FOR FORTHCOMING AGENDAS**

The following were listed as matters for forthcoming agendas.

- a) Ethical investments
- b) Vexatious correspondence policy
- c) Grant support to Swanage & Purbeck Development Trust Wellbeing Project, Chapel Lane – Service Level Agreement – the need for a formal agreement was questioned. It was agreed that a meeting should be convened between Town Councillors and the Trustees of the Development Trust to consider future plans.
- d) Medium Term Financial Plan 2023/24 to 2025/26 – a preference was expressed for a councillor workshop to be arranged in the late autumn, prior to the next Committee meeting.

EXCLUSION OF PRESS AND PUBLIC

Proposed by Councillor Bonfield, seconded by Councillor Bishop and
AGREED:-

That, under Standing Order No. 1 c), in the public interest, the press and public be excluded from the Meeting in view of the confidential nature of the business to be transacted under agenda items 7 & 8 (in relation to legal and contractual matters).

7. **TO CONSIDER THE APPOINTMENT OF INTERNAL AUDITOR**

It was reported that an ‘Invitation to Quote’ had recently been issued to three Internal Auditors who covered the Dorset area, as advertised on the Internal Audit Forum website. Consideration was given to two compliant quotes that had been received for the supply of Internal Audit services, together with a briefing note prepared by the Finance Manager. Members noted that the hourly rate of one submission was significantly higher than the other whilst the number of audit days also varied considerably between the two quotes. Discussion arose as to the hours/days required for the audit plan and the content of audit reports.

It was AGREED:

That a contract for the provision of internal audit services for the forthcoming three financial years, with a potential two year extension, be awarded to Darkin-Miller Chartered Accountants, subject to satisfactory agreement being reached around the format of the audit plan, potentially including increased phasing of low/medium risk activities and reduced on-site visits, in order to maximise cost effectiveness while maintaining a high level of assurance from the internal audit process.

8. **PURSUIT OF AGED DEBTS**

Further to Minute No. 88 (a) of the Council Meeting held on 24th July 2023, the Town Clerk updated members regarding the Beach Ice Cream Kiosks and advice that had been received from the Council’s solicitor as to the next steps with regards to debt recovery.

It was AGREED:

That the Town Clerk should act in accordance with legal advice received to take forward the most cost effective means of maximising the sum recovered.

9. **DATE OF NEXT MEETING**

The date of the next scheduled meeting was noted as 1st November 2023.

The meeting concluded at 10.45 a.m.
