

Minutes of the Meeting of the **POLICY, FINANCE AND PERFORMANCE MANAGEMENT COMMITTEE** held at the Town Hall, Swanage on **TUESDAY, 12th MARCH 2019** at 9.30 a.m.

PRESENT:- Councillor M. Bonfield (Mayor) – Chairman.

Councillor J. Bishop
Councillor G. Green
Councillor T. Morris
Councillor M. Whitwam

Also in attendance:-

Dr M. Ayres – Town Clerk
Miss A. Spencer – Finance Manager

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

1. **APOLOGIES**

Apologies for their inability to attend the meeting were received from Councillors Finch and Harris.

2. **DECLARATIONS OF INTEREST**

Members were invited to declare their interests and consider any requests for Grants of Dispensations in accordance with paragraphs 9 – 13 of the Council's Code of Conduct and regulations made under chapter 7 of the Localism Act 2011.

There were no declarations to record on this occasion.

3. **INTERNAL AUDIT REPORT 2018/19 – VISITS 3 & 4 OF 6**

The Finance Manager presented the second interim Internal Audit Report for the year 2018/19 prepared by Darkin-Miller – Chartered Accountants.

The following areas had been reviewed during the audit visit:-

- Payments
- Risk Management
- Budgetary Control
- Income, with specific focus on:
 - (a) Boat Park
 - (b) Car Parks
- Payroll
- Petty Cash

Members noted that five medium and four low priority recommendations had been made, one of which would be discussed under agenda item 8 due to its confidential nature. The management response and implementation dates were noted.

It was proposed by the Town Mayor, seconded by Councillor Bishop, and **RESOLVED UNANIMOUSLY:-**

That the second interim Internal Audit Report for the 2018/19 financial year be accepted.

4. **INSURANCE – ANNUAL RENEWAL**

Members were informed that a review of the Council's insurance policy had taken place.

As recommended in the Internal Auditor's report, the walls/fences situated in general areas owned by the Council had been added to the All Risks schedule. It was further noted that the Fishermen's jetty and slipway had also been added to the All Risks schedule and would be covered for impact only.

It was stated that any assets transferred to the Council from the outgoing District Council would be added to the schedule once the transfer was completed.

5. **TO CONSIDER A DRAFT INVESTMENT STRATEGY REPORT 2019/20 AND TREASURY MANAGEMENT STRATEGY STATEMENT 2019/20**

Consideration was given to the draft Investment Strategy Report 2019/20 and Treasury Management Strategy Statement 2019/20. It was reported, that due to revised guidance issued by the Ministry for Housing, Communities and Local Government (MHCLG), that two reports were now required, an Investment Strategy Report relating to non-treasury investments and a Treasury Management Strategy Statement relating to traditional treasury investments. It was noted that the Council did not currently have any non-treasury investments, however, the report provided guidance should the Council wish to consider these in the next financial year.

Although a lengthy policy document, it was noted that this provided important guidance for investment activity for officers in the next financial year. It was further noted that this would sit alongside the Retail Client Suitability Report (RCSR) issued by Arlingclose. It was reported that there had not been any significant changes to the Council's treasury strategy, however, following advice given by Arlingclose in the RCSR, the level of investments to be held in pooled funds had been raised to £3.5m per fund, to allow for the market value of the investment held with CCLA.

Discussion arose regarding the Council's current short-term investments, the yield received, and the reporting of this to Members. It was stated that Members received details of the investments at the scheduled committee meetings and the short term investments would be reviewed pending clarification of the status of MMFs following potential legislative changes.

It was proposed by the Town Mayor, seconded by Councillor Bishop, and **RESOLVED UNANIMOUSLY:-**

TO RECOMMEND to the Monthly Meeting of the Council to be held on 25th March 2019 that the draft Investment Strategy Report 2019/20 and Treasury Management Strategy Statement 2019/20 be approved and adopted.

6. **REQUEST FOR PERMIT PARKING – NORTH BEACH CAR PARK**

Consideration was given to a request submitted by a local coach company for two annual permits for parking in the Council's North Beach car park. Members noted the Council's objective to support local businesses. It was reported that an annual permit for cars in the Main Beach car park levied a £270 charge. It was suggested that a charge based on the ratio applied to the car/coach weekly charge be applied to the annual car permit charge.

It was proposed by Councillor Bishop, seconded by the Town Mayor, and **RESOLVED UNANIMOUSLY:-**

That the local coach company be offered two coach permits for the North Beach car park, upon application annually at a charge of £330 each.

It was **FURTHER RESOLVED:-**

To delegate any further discussions regarding this matter to Officers.

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

The formulation of a policy in order to determine the threshold for major projects requiring a risk register was noted as an item for a future meeting of the Committee.

EXCLUSION OF PRESS AND PUBLIC

Proposed by the Town Mayor, seconded by Councillor Green, and RESOLVED UNANIMOUSLY:-

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 8, 9, 10, 11 and 12 (in relation to legal and financial matters).

8. **INTERNAL AUDIT REPORT 2018/19 – VISITS 3 & 4 OF 6: CONFIDENTIAL FINDINGS**

Further to Agenda Item 3, consideration was given to a recommendation made by the Council's Internal Auditor with regards to section 5.1 of the audit report - Security of cash takings. The contents of the confidential findings report were noted. It was AGREED:-

That the recommendation and officer response contained in section 5.1 of the second interim Internal Audit Report for the 2018/19 financial year be accepted.

With regards to the Fishermen's Jetty and Slipway capital project, the Town Clerk referred to a report that had previously been issued by the Internal Auditor at the request of the Council making recommendations in respect of the procurement and management of a large capital project. The Town Clerk suggested that the Internal Auditor be tasked with issuing a similar report on the Fishermen's Slipway project, if this was within the time allocated by the internal auditor in the 2018/19 schedule. It was agreed that this would be a useful process, and that the internal auditor should be tasked with producing a report if there was the capacity within the programmed audit schedule for 2018/19. If there was not any capacity for this work, then the Town Clerk would report back to Council for authorisation of further works to be undertaken by the auditor.

9. **SCHEDULE OF DEBTORS**

A schedule of outstanding accounts was submitted for consideration, together with an update on the Aged Debtors Analysis (Summary). The Finance Manager highlighted two accounts, both of which are lessees of the Council that are in arrears. The first lessee had submitted a payment schedule and this was considered by Members. With regards to the second account, Members raised concerns over the lack of communication and non-payment of the debt.

It was proposed by the Town Mayor, seconded by Councillor Bishop, and RESOLVED UNANIMOUSLY:-

That the repayment schedule issued by the first lessee be accepted and that enforcement action be commenced with regards to the second lessee.

10. **ANNUAL REVIEW OF RISK REGISTER**

Detailed consideration was given to the Council’s Corporate Risk Register, in accordance with the requirements of paragraph 5.98 of the *Practitioners’ Guide*. The register summarises the most significant risks faced by the Council in relation to achieving its objectives and priorities. The register also sets out the control procedures in place to mitigate the risks, and identified any further action needed to manage the risks effectively. The following additions and amendments were raised during the discussion:

Financial Risks	
Poor quality investments are made and sums invested are lost leading to budget deficit and/or inability to fund capital programme. Includes credit and counterparty, interest rate, market and liquidity risks.	Note: Treasury advisors have introduced a Retail Client Suitability Report.
Compliance Risks	
Failure to comply with General Data Protection Regulations.	Note: External advisors have been engaged and will issue a compliance report.
Councillors fail to comply with Model Code of Conduct	Increase this from a Low risk to a Medium risk, in light of forthcoming election of new councillors. Training to be organised to mitigate risk.
Play areas fail to comply with RoSPA regulations and relevant British Standards.	Note: Two members of staff have undergone in-house training and are qualified inspectors.
Failure to comply with Health and Safety regulations	Note: Newly appointed Operations Manager (OPS1) undertaking review of systems.
Strategic Risks	
Inadequate staff resources result in poor service and prevents Council from efficient delivery of public services.	Note: Staff review near completion and recruitment to vacant posts imminent.
Failure to deliver priority projects due to poor project management.	Note: Audit review of procurement and project management to be requested.

It was noted that all references to the District and County Councils would be amended to read Dorset Council, the new unitary Authority.

It was proposed by the Town Mayor, seconded by Councillor Green, and **RESOLVED UNANIMOUSLY:-**

TO RECOMMEND:

That the amended Corporate Risk Register for 2019/20 be adopted.

Further discussion ensued regarding Member engagement in the monitoring of capital projects. It was suggested that the establishment of a Governance of Capital Projects Sub-Committee, reporting to the Operations Committee, should be explored at the next meeting of that committee in April. Members also asked officers to explore whether there was any training available for Councillors with regards to procurement and project management.

11. **REVIEW OF COUNCIL PRIORITIES AND PROJECTS**

An updated schedule of Council Priorities and Projects was submitted for information, including updates on ongoing legal matters. During the ensuing discussion, the following items were highlighted:-

- The lease relating to the RNLI buildings on Peveril Point Road had been received for signing.
- The Market Agreement had been returned completed.
- Concern was raised at the lack of progress made with the MCA building lease at North Beach car park.
- The slow progress in completing the lease of St Mark's School Playing Field was noted, in part due to the workload of the County Council's legal department in the run up to local government reorganisation.

12. **INSURANCE CLAIMS-UPDATE**

Members were informed that there was one 'live' insurance claim. It was anticipated that this would be closed by the Council's insurers imminently.

13. **DATE OF NEXT MEETING**

It was noted that the next meeting of the Policy, Finance and Performance Management Committee was scheduled to be held at 9.30 a.m. on Wednesday, 24th July 2019.

The meeting concluded at 10.55 a.m.
