

### NOTICE OF MEETING

You are hereby summoned to a virtual meeting of Yarm Town Council to be held via Zoom on-line.

**Date: Tuesday 5th January 2021 Time: 7PM**

The venue is thus wherever councillors/public feel comfortable joining from, that is without background noise & sale of alcohol. Members of the public are invited to attend the meeting.

**To join the meeting, please use Zoom with**

**ID: 531 963 1657 ; PASSWORD: 065167**

Juliet Johnson, Proper Officer to YTC



Yarm Town Council  
Town Hall  
High Street  
Yarm  
TS15 9AH

In accordance with the Openness of Local Government Bodies Regulations 2014, photographing, recording, broadcasting or transmitting the proceedings of a meeting by any means is permitted; the Chair will notify those present of this at the start of the meeting and ask whether they agree to be filmed, recorded or photographed

## FINANCE & GOVERNANCE COMMITTEE

### MINUTES

#### PRESENT:

Cllr. Alan Gallafant (Chair)

Cllr. Alan Moffitt

Cllr. John Coulson (Vice Chair)

Cllr. Peter Monck

Cllr. Philip Addison

Town Clerk - Juliet Johnson

#### 1. Apologies for absence

**1.1** Apologies were received from **Cllr. Marjorie Simpson.**

**1.2** Apologies not received: Cllr. Chris Johnson, Cllr. Patrick Morton, Cllr. Pam Smailes.

#### 2. Code of Conduct | Declaration of Interest | Dispensation:

- a) To record declarations of interest from members of any item to be discussed
- b) To consider, vote upon and record any requests for dispensation

**2.1** No declarations of interest or requests for dispensation were received.

With the exception of any item identified above as containing exempt or confidential information under the Local Government Act 1972 – section 100A(4), members of the public (other than those prohibited from doing so) are entitled to attend this meeting and/or have access to the agenda

**3. Confirmation of Minutes:**

None to approve

**4. Finance:**

**4.1 to discuss and agree the YTC budget and Precept for 2021 - 2022- Cllr Addison  
(REPORT & SPREADSHEETS REFER)**

**4.1.1** As lead Councillor for Finance, **Cllr Addison** presented the report regarding the proposed budget for 2021/2022 for Yarm Town Council (YTC). He confirmed that the Chairs of sub-committees had held a preparatory meeting to go through and refine the draft budget here presented.

In summary, **Cllr Addison** proposed that the precept should remain the same as in 2020/2021 (i.e. **£117, 859**), given the current difficult context of COVID, and that some of YTC's general reserves (**£23,300**) should be used to cover the additional expenditure proposed in the 2021/2022 draft budget in order to balance the budget instead of requesting to increase the precept.

**4.1.2 Cllr Addison** detailed 3 projects that could come through in 2021/2022 (two of which not yet proposed to Council for agreement) which have been included in the draft base budget:

i) The first project is the Town Hall development project (previously agreed by YTC and underway), working in partnership with Stockton Borough Council (SBC).

An increase in the YTC contribution from £5k in the current year to **£20k** (2021/2022), with the addition of the business support grant of £10k, taking the reserve for the Town Hall fund to between **£90 - £95k**.

**Cllrs Monck & Addison** confirmed that necessary work (recommended to take place prior to Summer 2021), regarding the Town Hall lightning conductor, might impact on the Town Hall reserve fund i.e. taking it closer to £90k than £95k.

ii) The second project is a potential community development project (with SBC) - yet to be discussed and agreed - for which the YTC contribution would be **£5k**.

iii) The third project, following Cemeteries Sub Committee (18.12.20) - yet to be discussed and agreed at Full YTC - could be the interior redecoration of the chapel including refurbishment of the floor - **£15k**.

**4.1.3 Cllr Addison** detailed a number of necessary expenditure lines that needed to be budgeted for in 2021/2022 but had not been previously budgeted for specifically (accompanying spreadsheet, 3rd tab refers), for example:

- i) pest control (allotments);
- ii) skip hire (allotments);
- iii) headstone repairs (cemeteries) - building a fund for addressing issues in the 3 yearly survey;
- iv) yearly update to tree pruning and contribution to survey work;
- v) employer contribution to staff pension scheme (budgeted at 25%);
- vi) IT items such as email system, cloud hosting;

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vii) bank charges (having had 1 year of free banking which finishes early February 2021).

**4.1.4 Cllr Addison** briefed the meeting as to amounts reserved for elections:

i) By-elections are currently scheduled for May 2021 (the meeting noted however, that these may be pushed back, depending upon the situation regarding COVID).

**£7,500** was currently set aside in the by-election reserves. In 2020/2021 a budget of **£3,750** was also included and in the draft budget for 2021/2022 a sum of **£5,750** has been included. This creates a by-election reserve fund of **£17,000**.

ii) **Cllr Monck** stated that it was likely that the by-elections would coincide with the election of the Tees Valley Mayor and Police Commissioner which may mean some cost savings for YTC in election administration.

iii) **Cllr Addison** informed the meeting that 2023 (4th year since last elections) would be the next normal election year and therefore he would be proposing that **£8,750** be set aside in the 2022/2023 budget and a further **£8,750** in the 2023/2024 budget to create a reserve of **£17,500** for these elections.

**4.1.5 Cllr Addison** stated that he currently estimated that in 2020/2021 there would be an underspend of approximately **£35 k** (largely linked to COVID) that would go into General Reserves.

Therefore, at March 31st 2021, **Cllr Addison** estimates that the General Reserves will be **£55k - £60k** (i.e. reserves will be approximately **£80k** prior to taking out the suggested **£23k** to balance the 2021/2022 draft budget proposed here).

The meeting noted that good practice would be to hold between 3 - 12 months (according to different sources) equivalent of the general expenditure total as a general reserve. Therefore holding **£55k - £60k** as General Reserves was understood to be appropriate, representing approximately 6 months general expenditure.

**4.1.6 Cllr Addison** confirmed to the meeting that in 2022 / 2023 consideration would need to be given as to the potential revenue funding (running costs) for the proposed heritage part of the Town Hall development project i.e. in setting the budget for 2023 / 2024 and beyond.

Therefore, from 2022/2023 onwards the budget might be rebalanced with the precept proposal.

**4.1.7 Cllr Addison** concluded the presentation of the draft 2021/2022 budget report by proposing that Councillors agreed:

i) the contents of the draft proposed (as above and in the spreadsheets provided) and

ii) the proposal to for the 2021/ 2022 precept to remain the same at **£117,859** (so that the burden on council tax payers does not increase) and that a further **£23,300** is taken from YTC reserves to balance the budget and achieve the expenditure proposed (i.e. Councillors were asked to agree the proposal in paragraph 6. of Cllr Addison's report).

**AGREED:** all Councillors present agreed 4.1.7 i) and ii) above (i.e. paragraph 6. of the report).

**4.1.8 Cllr Gallafant** queried as to whether the item listed as Fellowship Hall income would be affected by COVID. **Cllr Addison** confirmed that he understood that this contribution to insurance would not be affected.

**4.1.9** The meeting heard that the Clerk's salary should be noted as £14.05 per hour, not £14.02 (annually approximately an £18 difference).

**4.1.10** **The Clerk** stated that the Council Tax Support Grant should not be included in the income calculations currently (i.e. £6,141) as only an indicative amount had been given by SBC. **Cllr Addison** proposed that, instead, the budget would be adjusted accordingly should this grant not be forthcoming (which he felt was unlikely)

**4.2** To discuss and review proposed new budget headings - **Town Clerk & Cllr Addison**  
**(PAPER REFERS)**

**4.2.1** **The Clerk** presented the paper on new budget headings as 'Cost Centres' that potentially represented more accurate groupings for expenditure / income (to be adopted April 2021 onwards):

- i) Allotments
- ii) Cemeteries & Chapel
- iii) Planning & Environs
- iv) Town Hall (& Facilities)
- v) Events, Leisure & Culture
- vi) Development & Awards
- vii) Elections, HR & Training
- viii) Operational (e.g. admin., supplies, insurance etc.)

**The Clerk** proposed that the above headings helped with (e.g.):

- a) transparency - the public can more easily see what YTC spends money on;
- b) a simple way of showing forward planning for general budget and expenditure against any reserves held, especially in the context of strategic direction for use;
- c) best practice in terms of aligning expenditure with sub-committees, working groups and major projects - governance and accountability;
- d) an appropriate framework for any unanticipated but necessary or useful spend that occurs throughout the year.

**The Clerk** requested comment on the above as regards logic or further suggestions as to categories / expenditure to be included.

**AGREED:** Councillors present approved the above headings (going forwards in the new financial year).

**Cllr Moffitt** proposed (and it was agreed) that the existing Rialtas codes for items of expenditure could be grouped/listed against these new headings (for simplicity and to avoid having to re-code).

## **5. Governance:**

### **5.1 N/A**

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**6. To receive items for information and consideration for the next agenda**

PROPOSED, AS REVIEW DUE (Cllr Addison / Town Clerk):

- 6.1 Review of Standing Orders (Current YTC against model / best practice)
- 6.2 Review of Financial Regulations (Current YTC against model / best practice)
- 6.3 Risk Assessment

**AGREED:** Councillors present agreed that the above items proposed for the next Finance & Governance meeting would be progressed by **the Clerk** as far as possible, in the priority order as above.

**AGREED:** That other governance and policy review issues identified at the inaugural Finance and Governance meeting would be reviewed and prioritised for progress at the next Finance and Governance Meeting.

**7. To confirm the date and time of the next Finance & Governance Committee:**

- 7.1 7pm Tuesday, 2nd February 2021

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Signed:.....Date:.....

Signed:.....Date:.....