

Minutes of Pembrey and Burry Port Town Council
Finance Committee Meeting

Thursday 8th February 2018

Present: Cllrs Geraint Davies, David Owens, Peter Freeman and Michael Theodoulou.

Officers: Mrs Melanie Carroll-Cliffe (Town Clerk).

Minute taker: Ed Davies (Administrative Assistant)

(Burry Port Memorial Hall, Meeting Room, Burry Port 9.45am – 10.50am)

1. To receive apologies for absence

The Clerk informed Members that she had received an email from Cllrs John James and Amanda Fox announcing their resignation from this Committee after this meeting.

Cllr Michael Theodoulou **PROPOSED** that in the absence of the Chair and Vice Chair, the Chair of Civic Governance and Personnel be asked to Chair this Committee until the restructuring process was agreed.

The Committee **AGREED** unanimously to this.

Apologies were received from Cllrs Mrs Amanda Fox, John James and from the RFO.

2. To receive members' declarations of interest

There were no declarations of interest made.

3. To confirm the minutes of the meeting held on Thursday 11th January 2017

The Committee approved the minutes of the meeting as a true record.

4. To consider any matters arising from the minutes

P2 (4) – To consider any matters arising from the minutes

Pre-authorisation

There was a brief discussion of how the pre-authorisation system would operate. The Clerk stated that she had hoped to meet with the TSO and RFO following on from this meeting but that would not now be possible.

Concern was expressed that the RFO was unavailable for this meeting, although it was stated categorically that his ability to do the work was not in question. Some members felt that to have a team of senior officers that work well together was essential for how the Council wished to operate in the future.

Cllr Peter Freeman **PROPOSED** that the attendance of the RFO at meetings needed to be referred to the Charis Committee for a full discussion.

ACTION: CHAIRS COMMITTEE

Pembrey Memorial Hall

Cllr Michael Theodoulou responded to a query in relation to the heating system improvements, due to his involvement as the Chair of the Facilities Management Committee. He stated that quotes for the gas-storage options had been received but that so far only 1 quote had been received for a mains gas supply option. The mains gas supply option was very high at £49,000 and others were needed to properly assess this cost. This was proving difficult however as many gas-engineers had responded saying the job was too large for them to deal with. In his opinion it would be best to seek out expert advice before making a decision, and he would be asking the TSO to engage a consultant on the matter.

The Chair responded saying that a discounted cash-flow analysis would be useful as it would take in the whole life costs of the system.

P4 (8) – To consider the purchase of a new storage container to be sited at the cemetery

The Clerk updated the Committee saying that the container had been purchased and the Council was awaiting delivery.

5. To consider any outstanding invoices

The Clerk informed the Committee of two outstanding invoices as follows:

- Parks Appeal Committee – The Council was awaiting a letter from the Parks Appeal Committee for the Fees and Charges Committee to discuss, but that Sub-Committee had yet to meet regardless.
- Pembrey and Burry Port Carnival Forum – The payment was not particularly overdue at present and little concern was expressed.

The Clerk confirmed that there was already a “follow-up” procedure in place for overdue invoices.

6. To consider the budget monitoring report

The Chair took the Committee through the report, highlighting the following.

Insurance costs were up although no reason was known. The Clerk stated that she was in discussions with insurance companies about renewals, and that the Council’s current provider had felt that the asset’s currently being transferred to the Council would not result in an increase to the insurance costs. Members were assured that the cover provided was very good.

Members discussed where the necessary £1,500 to cover the increased Christmas lighting insurance could be vired from. The Clerk confirmed that the insurance had been arranged by the former TSO.

Members **AGREED** unanimously that the money would have to be taken from general reserves, as no other budgets could provide the cover.

ACTION: RFO

The Chair wished it to be noted that this was another unplanned expense.

There was a brief discussion that the insurance costs were set in part by the amounts budgeted for by the Council and so it was difficult to judge in advance how much was needed. It was noted that the

RFO had used the current costs for insurance and increased the insurance budget for the next year based on inflation.

There was a brief discussion that the precept had been set with no planned dependence on the reserves, which gave the Council freedom to dip into reserves at present. It was also queried whether Memorial Park users such as Burry Port RFC were also facing insurance increases, although it was not known for certain. It was suggested that once the asset transfer process is complete that there should be a meeting with all parties involved to ensure the insurance cover is appropriate.

7. **Update on budget setting for the 2018/19 financial year**

Cllr Michael Theodoulou **PROPOSED** for the draft budget to be referred to the Town Council with the Committee's recommendation for approval.

All members **AGREED** unanimously.

ACTION: TOWN COUNCIL

Members discussed what other increases a band D property might face from the County Council and others and expressed an interest in knowing what they are once published.

It was acknowledged that any increases would be unpopular with the public but members were reminded that overwhelming support had been expressed during a public meeting to the idea of an increased precept to maintain services and facilities such as the Memorial Park. It was also noted that good communication was necessary if the precept increase was to be well received, although it was added that the increase the Town Council were proposing would be an amount less than inflation.

8. **Review of risk assessment**

The Chair stated that the RFO usually took members through this document and the Clerk pointed out that the RFO had highlighted two items in particular, namely "asset transfers" and "IT".

Cllr Michael Theodoulou stated he had been through this document in advance of the meeting and offered his verbal report. He suggested that:

- "protection of loss or damage to physical assets owned" be expanded to include and specify vandalism and that they score the same.
- "consequential loss of income following critical damage or temporary closure of facilities" after consideration alongside the insurance policy the risk should be reduced as the insurance mitigates the risk. Recommends the risk be reduced from two to one.
- "legal liability as a consequence of asset ownership" recommends the risk be reduced from two to one

The Clerk responded to a query confirming that this document was an internal document only.

Cllr Michael Theodoulou continued

- "Adequate maintenance of buildings, amenities and equipment" he recommended this be changed from four to three
- "Ensuring proper arrangements for the approval of expenditure" he recommended this be changed from two to four

- “Covering long term sick for Officer and administrative support roles” he recommended to be kept the same.

There followed a discussion of the benefits of physical contracts of employment versus letters of appointment. It was noted that “contracts” followed best practice but that “letters of appointment” were sufficient. Members felt the issue did need to be looked at by the Civic Governance and Personnel Committee but that a switch would not affect the risk.

Cllr Michael Theodoulou continued

- “Ensuring requirements of VAT regulations are met”. Members discussed this and felt it should be kept the same
- “meeting consultation timetables” with the new structure forthcoming both could be reduced by one
- “Potential transfer of assets and services from the County Council” is duplicated so one of them needs to be removed

Cllr Michael Theodoulou **PROPOSED** these changes be accepted and that copies of this document needs to be shared with each committee, so they can also identify ways of mitigating risks, with the Chairs to review every 6 months.

Members all **AGREED** to the proposal.

ACTION: COMMITTEES

9. **Appointment of internal auditor**

The Clerk stated that following guidance from One Voice Wales the Council needed to review whether it continued to use the same auditor as it had been using them for a number of years. She stated that there were no issues with the quality of the service.

Members discussed that the Finance Committee should meet with the auditor once a year to receive reports and act on suggested improvements. Members also wished to know the scope of the audit so as to feel confident of its robustness.

The guidance from One Voice Wales was read aloud which stated the Council needed to make improvements with its notices to the public.

Members stated that this guidance needed to be shared with the auditor. All were **AGREED** that the same auditor should be reappointed due to the high quality of their work, and asked that meetings be arranged with them before and after the audit.

ACTION: RFO/CLERK

It was suggested the auditor be invited to attend the next meeting of this Committee on the 8th March 2018. It was also suggested that the Chairs Committee should be invited to attend also.

10. **To consider any referred matters from the other Committees**

There were no other referred matters from any other Committees.

The Clerk raised some other business that needed a decision. She stated that during the previous meeting of this Committee it was agreed to meet the additional costs of the recommended fire

improvements with a £5,000 contingency. She wished to know if the Committee approved placing it in earmarked reserves.

Cllr Geraint Davies confirmed that the report highlighted a variety of works that needed doing and in a worst case scenario could cost as much as £20,000.

The urgency of the works was discussed but it was felt the full report could be discussed by the Facilities Management Committee before action was required.

The Clerk reminded the Committee that a larger sum would need to be earmarked to cover these costs and their approval was required.

After discussion the Committee **AGREED** unanimously to earmark £15,000 in the first instance as the worst case scenario was felt highly unlikely. If additional spend was required, it could be discussed at the time.

ACTION: RFO

A brief discussion occurred with members stating that care was needed to ensure reserves remained at a sufficient level. It was clarified that reserves were built through underspend.