

Whitchurch Town Council

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FINANCE COMMITTEE

MINUTES OF THE FINANCE MEETING HELD ON THURSDAY 11th JULY 2019

PRESENT

Cllrs: S Hamlyn, B Duffy, R Shepherd, J Martin, J Sinnott

IN ATTENDANCE

Andy Hall

Nicola Young – Town Clerk

1. Apologies

Cllr Broders – work commitment

Cllr Chesters - holiday

2. Declarations of interest

None received.

3. Minutes

After a proposal from Cllr Duffy, seconded by Cllr Hamlyn, it was **FIN/14/1920**

RESOLVED to sign the minutes of the Finance Committee meeting held on 13th June 2019 as an accurate record of that meeting.

4. Public Participation

After a proposal from Cllr Shepherd, seconded by Cllr Martin, it was **FIN/15/1920**

RESOLVED to suspend Standing Orders.

5. Investment Advice

Mr Rupert Harvey, Investment Manager from Redmayne Bentley LLP attended the meeting to give some information on investments to Whitchurch Town Council. Mr Harvey is also a parish councillor at Whittington PC, so understands how council finances need to work.

For Redmayne Bentley LLP, Mr Harvey is an Investment/Stockbroker, managing investments. He is not a Financial Advisor, and only looks at liquid finances. He informed the committee that should WTC look at investments for 3 years, through fluid shares, the that money would be available via a BACS payment within 3 days. These investments are regulated by the FCA.

Councils usually invest in low cost, low risk, index tracker funds, these are low cost but have exposure to equity markets.

Redmayne Bentley LLP fund administration charge is 1% in arrears on performance of investment.

Mr Harvey said that much longer investments can yield higher amounts over a longer period, over 30 years, but the probably of loss is higher over a shorter time investment held in the name of WTC as the company investing.

Should WTC wish to proceed with investing money, the Council would need to nominate individuals to make decisions on the account and complete forms:

Signature: 1

- Register with LSE
- In nominee a/c name
- Quarterly valuation and summary of performance
- Regulation and £10m insurance bond, covered for fraud, etc

Therefore from the point of view of the Council, if anything were to go wrong the Council would get its money back. Council money is 'segregated', put in an account in the Council's name, however big the fund that has been invested in.

Cllr Sinnott asked whether the Council could draw off capital appreciation annually: Mr Harvey said that the Council could do whatever it wanted to do with its money. From the outset of the investment, the Council said we want capital growth as opposed to income, or a bit of both, growth and income. What the Council could then do is just look at the investment, at the quarterly valuations, so the Council can assess investment. In the short-term the Council need to let things settle, to take out any gain within the first one or 2 years, bearing in mind that the markets fluctuate so you have to take time to bed in. The Council can take monies out, one would have to assess the tax implications as an entity, and therefore there would be an allowance of what you can take, because if you make a capital appreciation there is a tax element, ie, capital gains tax.

Cllr Hamlyn suggests that the Council has a strategy about what we want to do with returns we make from any investments, which we don't have at the moment. If we decide to invest with Redmayne Bentley we can make decisions on where we want to invest and where we don't? As a Council we are trying to go down a 'green' route so the idea of investing in oil & gas companies do not strike a chord with us: Mr Harvey explained that if the Council wanted to invest in direct equity shares, the Council can stipulate as part of the agreement, what the Council does not want to invest in, ie, oil, miners, armaments and therefore Redmayne Bentley would not invest the Council's money in those types of businesses. If it is collectives it is very difficult to do that though, so if it is a unit trust or investment trust, I can't tell a fund manager who is managing £20bn of fund that WTC don't want £5,000 in that fund, in direct equity you can do that.

After a proposal from Cllr Hamlyn, seconded by Cllr Duffy, it was **FIN/16/1920 RESOLVED** that Committee make a report to Council so that all Councillors know and we can make a collective decision on the way forward and we can invite Mr Harvey back to Council. One abstention: Cllr Sinnott.

Andy Hall: Minutes of the last Finance Committee meeting, 13th June did not agree with the comment, paragraph 6. sub-paragraph, 2 "Cllr Hall stated that the funding process is flawed" – he doesn't recall saying that.

Andy Hall: He has put a Freedom of Information request in for the audio recording of the Finance meeting on 13th June, which has been denied by the Clerk to the Council. He has put an official complaint into the Council for the Council to hear that. The Chair responded that this would be discussed within the Confidential part of the meeting.

Andy Hall asked if the meeting was being recorded in its entirety, as he noticed that the Clerk was working with the recording equipment halfway through the information just given [from Mr Harvey]. The Clerk informed the meeting that she had inadvertently forgotten to put the SIM card into the recording machine.

Andy Hall asked a question under Financial Regulations, Item 15: an update from the working group. I originally was a member of the working group and as far as I have been

concerned the working group has not met as I have not been informed to attend any meeting of any working group, so I would be quite surprised how that working group has met when I haven't been asked to join it. Perhaps the Chairman could answer that for me, or if it could be answered within the deliberations when we come to Item 15.

Andy Hall, a final thing. I have requested from the Town Clerk copies of the documents for this meeting, together with the minutes of this meeting and I haven't received a response. Is it now that the Council officers don't send out all documents of all meetings to all Councillors, or is just for the Councillors from those sole meetings? As I understand all Councillors are eligible to receive all documents as far as I am aware, and I may be wrong, perhaps you could clarify that for me.

The Clerk informed the Chair that Committee members only receive all documents for meetings.

Andy Hall asked to be directed to where that guidance is from: The Clerk reported to the Committee that Cllr Hall had quote information in an email stated that Councillors receive the summons and papers, so when Councillors receive a summons, that is saying you are summoned to attend a meeting, because you are a member of that Committee.

Andy Hall went onto say that it also stated that all members should be aware of the financial position of the Council. The Clerk responded, they are Cllr Hall, because the Finance information comes to every full Council meeting to be signed off. Therefore every Councillor is aware of the financial situation of the Council.

Cllr Sinnott, in a way Andy Hall is correct, all documents are supposed to go out with the Agenda, it is under the Openness & Transparency Agenda published by the Government, we are supposed to send them out to all and the press are entitled to see them, with the Agenda when it goes out. I think it is something that needs looking at and bottoming as there seems to be some confusion. As far as I am aware everybody is entitled to them.

Cllr Martin, I don't see that there is an issue, it is quite a good idea that every Councillor sees every document, why are we having this debate?

Cllr Hamlyn, why are we having this debate in this meeting. If these issues are that important to Andy Hall then they should be brought to the Council meeting when he is in a position as a Councillor at that meeting and not as a public participant. I suggest that if Cllr Hall wishes to bring these issues he should do it at a full Council meeting, not in this Finance meeting where half the things he is talking about are not relevant.

After a proposal from Cllr Hamlyn, seconded by Cllr Martin, it was **FIN/17/1920 RESOLVED** to reinstate Standing Orders.

6. Remaining Business

- a. There was no remaining business from the last meeting.
- b. As directed by Committee, all funding has been paid and refund to Women vs Cancer made.

After a proposal from Cllr Hamlyn, seconded by Cllr Martin, it was **FIN/18/1920 RESOLVED** to accept the updated Committee Resolution Record as presented.

7. Accounts

After a proposal from Cllr Sinnott, seconded by Cllr Hamlyn, it was **FIN/19/1920 RESOLVED** to look into new contracts for a telephone provider and superfast broadband.

After a proposal from Cllr Hamlyn, seconded by Cllr Sinnott, it was **FIN/20/1920 RESOLVED** to accept Months 3 Income & Expenditure and Balance Sheets, noting Total Equity of £1,269,047.

8. Monthly Purchase Ledger, BACS and Cheque Payments

After a proposal from Cllr Hamlyn, seconded by Cllr Duffy, it was **FIN/21/1920 RESOLVED** to receive and sign the total monthly purchase ledger, BACS and manual cheque payments, totalling £32,478.26.

9. Petty Cash

After a proposal from Cllr Hamlyn, seconded by Cllr Sinnott, it was **FIN/22/1920 RESOLVED** to receive and sign the petty cash account ledger, totalling £65.55.

10. Credit Card

After a proposal from Cllr Duffy, seconded by Cllr Hamlyn, it was **FIN/23/1920 RESOLVED** to receive the Credit Card payments record and duly signed as an accurate record, noting total payment of £18.24.

11. Virement Report

Where it states, "Finance & Personnel Committee" in the Virement Report, insert "Committees", as the information relates to both Finance & Personnel Committees. After a proposal from Cllr Duffy, seconded by Cllr Sinnott, it was **FIN/24/1920 RESOLVED** to accept the Virement Report as presented.

12. Electrical Comparison Prices

Gas and electricity comparison prices from 3 companies for green energy brokers (apart from Good Energy) for 3 & 5 year contracts, were presented to Committee. Cllr Hamlyn recommends that the Council do not sign more than a 12 month contract, as prices fluctuate. Good Energy are members of British Hydro Power. Cllr Hamlyn recommends that Council go with Good Energy. The Clerk reported that NGP would fix the price for 5 years.

After a proposal from Cllr Hamlyn, seconded by Cllr Duffy, it was **FIN/25/1920 RESOLVED** that the Town Clerk speaks to Good Energy and they be invited to speak at the next full Council meeting.

13. Business Cards

After a proposal from Cllr Hamlyn, seconded by Cllr Sinnott, it was **FIN/26/1920 RESOLVED** that business cards for staff only be purchased as a stationery item.

14. Reserves Policy

The Town Clerk will send out an email to Cllrs Chesters, Sinnott and Hamlyn, to set a date to meet and consider the Reserves Policy

15. Financial Regulations

The Town Clerk will send out an email to Cllrs Chesters, Sinnott and Hamlyn, to set a date to meet and update the Financial Regulations.

16. Grant Policy

The Committee received a report with suggested amendments to the Grants Policy.

The Clerk reminded Committee that Council allocated a sum of money to be spent on funding applications annually, so she has recommended a rolling funding programme until the allocated amount runs out. We could risk not spending all the money that the Council has budgeted for funding, therefore would the Council come under criticism for that?

Cllr Hamlyn recommended to Committee that there should be a definite deadline for applications.

Cllr Duffy stated that it should be a requirement that applicants who receive funding have to attend the Annual Electors Meeting to give feedback on how they have spent their money.

Cllr Sinnott suggest that the Council should tie down more firmly what the Council will fund and what it will not. He suggests that the funding should be for projects and not running costs.

The Clerk requests that Committee give a concrete decision why grants have not been funded, as the staff find it very difficult to give feedback to community groups who have not been successful in their grant funding.

Cllr Hamlyn raised the point that para 1 of the Grants Policy states “An award of a grant must give direct benefit to all or some of the inhabitants of the town, and the size of the grant should be commensurate with the benefit delivered.” Therefore Committee need to make a decision on whether the projects meet the objectives of paragraph one.

Cllr Duffy brought up the question on whether there should be an appeal process, she doesn't think there should be. Once Committee have made the decision, then that decision should stand. The Clerk informed Committee that the fact that there is no appeal process should be inserted into the Grant Policy.

After a proposal from Cllr Shepherd, seconded by Cllr Duffy it was **FIN/27/1920 RESOLVED** to insert the wording “Council's decision is final, there is no appeal process. This does not preclude organisations from applying at a later date subject to deadlines.”

Committee members were requested to send comments on the Grants Policy, read in conjunction with the Clerk's report, back to the Town Clerk by 14th August 2019.

The Town Clerk confirms the recording device was switched off.

17. Confidential Business

After a proposal from Cllr Duffy, seconded by Cllr Hamlyn, it was **FIN/28/1920 RESOLVED** that under the Public Bodies (Admissions to Meetings) Act 1960, the public and press be excluded for the remainder of the meeting because of the likely disclosure of private and confidential information or staffing matters.

18. Freedom of Information Requests

The Committee were asked to consider Freedom of Information requests. After a proposal from Cllr Sinnott, seconded by Cllr Hamlyn, it was **FIN/29/1920 RESOLVED** that all Committee members sign the verbatim transcript of Item 17. BID Feasibility Study from the Finance Committee meeting on 13th June 2019 and that this signed transcript would be provided to the members of the public who had submitted the FOI requests.

The meeting closed at 8.30pm.

Chairman..... Date.....