



EPWORTH TOWN COUNCIL FINANCE COMMITTEE MEETING

23 February 2021 - 7.00pm

MINUTES

Present:

Councillors: Cllr. J Whittaker (Chair of Finance Committee), Cllr. Finch, Cllr Stewart, Cllr Brumby

Clerk and RFO: Mr S Baxter

Members of the public: One - Cllr R Whittaker

Meeting commenced at 7.00pm

AGENDA ITEMS FOR DISCUSSION AND DECISION

- 1. Welcome to all Councillors and any members of the public sitting in observation and a reminder that the meeting is recorded.**

The Chair welcomed all and checked all Councillors were able to see, hear and be heard as the meeting was held via a digital format.

As Cllr Finch had not joined at the start of the meeting, Cllr Brumby was asked to formally sit in on the committee at the start to ensure it was quorate. Cllr Finch joined a few minutes later.

There was one member of the public present. This was Cllr R Whittaker as she had resigned from the Finance Committee and was present as a member of the public.

- 2. Members of the public participation - this will be limited to 10 minutes and each member of the public will have a maximum time of three minutes. This is at the discretion of the Chair.**

Cllr R Whittaker as a member of the public wanted to share with the Finance Committee (FC) why she had resigned from the FC. She said she accepted the request to join the FC a few months ago to ensure that the FC was quorate, but that in the long term it was inappropriate in her view to have two members of the FC from the same family as it could be considered having overt influence. She also felt that the other two committees she was involved with took up a lot of her time.

There were no other questions from members of the public.



3. Resignation of Cllr R Whittaker – Discussion of Chair for acceptance

The Chair confirmed that Cllr R Whittaker had resigned from the committee. He accepted the resignation (supported by a second councillor) and thanked her for her time.

4. Motion to exclude members of press and public from participation – but can observe

For the following agenda points members of the public can observe the meeting but cannot take part in any discussion or debate. Any persons not Councillors or the Clerk will be muted on Zoom

- *Motion to exclude the member of the public from participation of the meeting was proposed, seconded and agreed unanimously. Motion carried.*

4. Apologies for absence from Councillors

The Chair or the Clerk received no apologies – Cllr Finch attended the meeting a few minutes late due to connection issues.

5. Declarations of interest – for the Council to note including dispensations presented to the Clerk

There were no declarations of interest presented nor did the Clerk receive any prior to the meeting.

6. Financial Update which includes the bank reconciliation – as of the 01 February 2021

The Chair opened the agenda point by explaining that from discussions with the Clerk, and from the Clerk's suggestions, it was felt that a new format of the financial documentation was needed to make it easier to read on the Councillors IT tablets as well as being more user friendly for all councillors who are less familiar with financial papers. The Chair asked the Clerk to go through the financial papers that had been submitted to the Committee previously.

The Clerk explained that the documents were broken up into four papers: Budget Management, Notes for significant budget variances, Bank Reconciliation and the Full Cashbook report.

The Clerk stated that the Budget Management report detailed each budget line with the clear detail of the budget agreed, the actual spend, the difference between the two, the anticipated financial position and the difference. The last two columns were designed to give the Councillors an indication of where the budget should be (theoretically) as of the date of the report – this was to give them a good indication of the true financial picture of the budget line to allow the Councillors to make the necessary decisions. While it was an estimation it was based on specifics such as seasonal variances, type of budget and any known factors that would affect the budget.

The Committee discussed the various detail and felt it was useful and clear.

- *Motion to agree to the financial data and the new design of the financial papers was proposed, seconded and agreed unanimously. Motion carried.*

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7. Finance & Cemetery System – proposition by the Clerk to procure a new system for the digitalisation of the systems for time savings through efficiency as well as transparency

The Chair opened the point by talking about the Council's specific legal need in April 2022 to move a more digitised system approach – thus in effect the Council (if they accepted this recommendation from the Clerk) would be ensuring that it was more than ready when the necessity came. He felt that it also made sense that if the Council was to move a new financial system, it make sense to move at the start of the financial year.

The Chair stated that the Clerk had done a lot of research into the systems available and it was accepted by Councillors that a lot of work had been undertaken into the report which was thorough. He also stated that Cllr R Whittaker had done some research into what other Council's use in regard to financial management – all but two do use proper financial systems.

The Chair stated that he had looked into the system that the Internal Auditor had stated that the Councils he audits use. The Chair stated he agreed with what the Clerk had stated in the report and subsequent emails that the system the Auditor had named did have a lot of features, but that he felt a lot of the system structures would not be needed by the Council and thus would the Council be paying for functions they didn't need.

Cllr Stewart asked that while he supported the notion of moving to a digitised financial system, would it be more appropriate to wait to the Council appoints the permanent Clerk to ensure that they could operate the system.

The Chair answered that from his experience of using financial systems, most were straight forward to use and that the new Clerk upon appointment would be expected to fit within what the Council wants to use. He also stated that again in his experience financial systems often can produce significant efficiency savings due to the automated processes.

The Chair did feel however that while the report was thorough in its recommendation, it would be appropriate and helpful to have a comparison against the market leader in functions. He thus opened the point to the Committee that it may recommend that the Council should move to a formal finance system, they could decide in the system provider at the Full Council Meeting. The Councillors on the Committee agreed.

- *Motion for the Committee to recommend to the Council that it adopts a new finance system but that the specific system will be decided when a proper comparison could be made was proposed, seconded and agreed unanimously. Motion carried.*

Actions: The Clerk to provide a comparison of the system he recommended (SCRIBE) and the system that the Auditor stated (RBS) showing cost, functions and what the Council would use.

8. Designation of ETC financial reserves – proposal from the RFO to designate a second bank account as the Reserves Account

The Chair opened the agenda point in regard to the reserves. He responded to a question from Cllr Brumby in regard to the reason on having two bank accounts. He stated that historically it was meant that one account was a 'high interest' account to maximise returns although the interest rate in this account had dropped significantly.

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A question was raised from Cllr Stewart about the reason and effectiveness of the proposition and asked the Clerk to explain.

The Clerk explained that it was appropriate that the community of Epworth were reassured that the Council had sufficient reserves that were not used in the in-year operational requirements of the Council. By naming the second account as the 'Reserves' it would show that the funds in this account were not for normal operation spend but for exceptional circumstances or specific capital projects. The Clerk also explained that when the budget was proposed for 2021/22, it set aside funds as the Reserve.

The Chair stated that this agenda point would be pertinent when the Council moved banks.

- *Motion to name the second bank account of ETC as the RESERVES ACCOUNT was proposed, seconded and agreed unanimously. Motion carried.*

Actions: The Clerk to ensure that when the bank accounts are opened with UNITY TRUST BANK, the second bank account would be named and designated as the RESERVES.

9. Bank Mandate designation – consideration of the number of Councillors and whom will have responsibility for approving payments through online banking and signing cheques

The Chair stated that as the Council was moving to a new bank and the Clerk would need to know who should be on the mandate. It was also necessary to raise this point as recently the only councillors who signed cheques was himself and Cllr R Whittaker and thus was not ideal long term due to the family connections.

The Chair also stated that a councillor had before the meeting raised the point that all councillors should be permitted to authorise payments – be it by cheque or bank payment.

The Clerk stated that in the new bank account, he would input the payments and then two councillors would need to authorise the payment by logging onto the bank system and approving. This allow a proper control of council payments. He continued to state that when the new bank account was opened, he would need to know who he expected to go online and authorise the payments.

- *Motion to have all councillors in the Council permitted to authorise payments in the new bank account with UNITY TRUST BANK was proposed, seconded and agreed unanimously. Motion carried.*

Actions: The Clerk would start to compile the necessary detail needed to start the application of the new bank account at UNITY TRUST BANK.

10. Questions to the Chair of the Committee – update from Councillors from members of the community

No questions were put to the Chair.

11. Agree the next Meeting of the Committee – 7.00pm on Tuesday 30 March 2021 by Zoom

Meeting was closed by the Chair at 7.45pm.