

# Marlborough Town Council



## Finance & Policy Committee

### Minutes of a meeting of the Finance & Policy Committee held Monday, 27 January 2025 in the Council Chamber, Marlborough Town Hall at 7pm

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<b>PRESENT</b>	Councillor Caroline Thomas	Chair
	Councillor Kym-Marie Cleasby	Town Mayor
	Councillor Andrew Ross	
	Councillor Mervyn Hall	
	Councillor James Sheppard	
	Councillor Kelvyn Shantry	
	Councillor Caroline Sadler	
	Richard Spencer-Williams	Town Clerk
	Dawn Whitehall	Corporate Services Officer
<b>ALSO</b>		
<b>PRESENT</b>	Councillor Abi Beaumont	Observing
	Kevin Dickson	The Merchants House Trust
	Rowan Whimster	The Merchants House Trust

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#### **PUBLIC QUESTION TIME**

There were no questions.

- 366/24 APOLOGIES**  
Apologies for absence were received from **Councillors Fogg and Davies**.
- 367/24 DECLARATIONS**  
**Councillors Ross, Hall and Sheppard** – agenda item 6 (Grants) non-pecuniary interest.
- 368/24 CHAIR'S ANNOUNCEMENTS**  
In 2024 the Committee awarded a grant of £736 to Alzheimer's Support's home support service. The Chair passed around a copy of their report containing feedback: it was good to see that people were feeling the benefit of the services the award had supported.
- 369/24 MINUTES**  
**RESOLVED:** that the minutes of the meeting held 25 November 2024 were confirmed as a true record and signed by the Chair

### 370/24 ACTION LOG

Members noted the updated action log. Verbal updates included:

#265 VAT de-minimis calculation. An initial exercise was complete: the report flagged a potential discrepancy concerning the VAT status of the Town Hall heating. A more detailed exercise would be performed, including a 5-year exemption calculation. As this was a complicated subject, the Town Clerk suggested an extraordinary F&P meeting to allow the auditor to attend and provide a detailed explanation of the process.

#267 Budget Resilience: there was an agenda item to cover this later in the meeting.

### 371/24 GRANTS

Members considered an application for a grant received from The Merchant's House Trust requesting a contribution towards structural repair work not covered by their general reserves, including:

1. Repairs to small area of roof at the rear facing west
2. Internal structural strapping work on staircase cupboards
3. Internal tying in of gable wall to archive room
4. Clearing roof space by big chimney and laying flooring to allow safe access to monitor the brickwork internally on the west face
5. Inspection of floor over panelled room centre

**The Chair** welcomed Merchants House Trust Manager Kevin Dickson and Trustee Rowan Whimster, and they provided more background to the application and answered questions. As it was close to the end of the financial year, Members agreed to make an award of £2,000 now and, if no further applications were forthcoming between now and April, at year-end to award a further grant of/up to £2,000 if the remaining budget allows.

Members noted that there were five main areas of work to be addressed, and expressed a preference for the grant money to go towards works on the staircase in the first instance; they requested that the Trust report back to let Members know how the money had been spent.

*Councillors Ross, Hall and Sheppard abstained from voting*

**RESOLVED:** to award £2,000 to The Merchant's House Trust as a contribution towards structural repair works and to review whether remaining budget at year-end will allow for a further grant of up to £2,000

*The Merchants House Trust representatives left the meeting*

### 372/24 INCOME GENERATION AND EXTERNAL CHARGES

Members noted the Town Clerk's report and considered opportunities to establish charges for services in order to increase income generation. Discussion points included:

- With continuing devolution of services from Wiltshire Council (WC), increasingly Marlborough Town Council (MTC) Officers were spending more time providing assistance to WC, e.g. annual audits of grit bins and community engagement and liaison with WC officers related to highway improvement requests
  - Whether many of the services provided by officers in support of WC were to enable Marlborough residents, and therefore whether it was right to charge: also, if MTC did not support them and WC had no available resource, whether these services would simply not be provided (e.g. refilling grit bins)
  - Whether other town councils charge for services provided by officers
  - With no budget line it was unlikely that WC could pay any bills submitted to them but beginning a dialogue now may enable cross-charging in future years
  - Either way, the bill for any work performed on behalf of WC would ultimately be picked up by the taxpayer
  - Elections - WC states that it has a legal obligation to run elections but not to pay for them: whether this could be clarified by comparing to other legal obligations e.g. provision of social care
- General support for the principle of charging for services to commercial or individual third parties, e.g. provision of CCTV footage to insurance companies or providing a signature for overseas pension requests
- Whether rates should be set at £25 per half hour and £25 for set services such as providing signatures
- Whether the sums recovered would be minimal, e.g. 25p per week to display a notice (vs cost of administration)

**RESOLVED:** to research whether other town councils charge for services, and to support the Town Clerk to use his judgement about where to charge £25/half hour for officer time for services provided to commercial third parties or individuals

**Cllrs Sheppard and Thomas** stated they would be happy to take up a conversation with Wiltshire Council, especially to clarify the legal position in relation to election costs being passed on to town and parish councils.

**ACTION:** review opportunities for external charges and any outcomes in six months' time

**373/24**

### **BUDGET RESILIENCE**

To follow up on action #267 agreed at the meeting in November, **Councillor Ross** was given the opportunity to air his thoughts and concerns about budget resilience:

#### Background

Councillor Ross would be standing down from the Council at the end of this term. He had joined the Council in 2006 and Chaired this Committee for 15 years from 2008. On reviewing the Council's accounts, he had found that between 2000 and

2007 expenditure had exceeded income every year. Decisions to keep the precept low had added to the decline in the Town Council's reserves: the general reserve had gone from £500,000 in 2000 to £4,000 by 2007. (*Guidance is that General Reserve should cover 3-12 months' operational costs*). Until he scrutinised this the situation had not been noticed: he assumed this was because of the way the accounts had been presented to the Committee in the past, or they had not been properly explained or understood.

Over the next three years (from 2008) by increasing the precept submitted to Wiltshire Council from £200,000 to £370,000 the reserve had been increased, improving the financial stability despite significant capital expenditures (e.g. purchase of open space at Stonebridge Meadow, studio flats and public toilets). In his last year as Chair (2022) there had been a £150,000 surplus at year-end with a general reserve of £462,000 and £701,000 in ear marked reserves (*money ringfenced for capital projects or specific maintenance*).

At the meeting on 8 July 2024 (*Min. No. 102/24*) Cllr Ross had questioned the year end reports and whether their presentation represented the Council's position satisfactorily: he had calculated the year-end surplus at only £700 with no funds available to restore the reserves. One other Member had acknowledged his conclusions but the rest of the Committee had not.

He had raised the question about budget resilience because his fear was that the way the Council's accounts were being presented and managed would see the Council's reserves reduced and he wanted to avoid a return to the position he had found in 2007. He acknowledged it was in a strong financial position now and there was still time to reverse the trend at year-end. He congratulated the **Town Clerk** on his report and intention to regularly anticipate year-end reserves.

### Recommendations

1. To present an Omega (*accounting system*) trial balance report to each meeting
2. That the current practice of posting revenue be discontinued (e.g. posting revenue to ear marked reserves): instead look at profit and loss and the balance sheet. The **Town Clerk** noted that this was contradictory to the advice from Rialtas (*The Town Council's supplier of bespoke Omega accounting software specifically for the local government sector together with full user support*). **Cllr Ross** suggested a suite of nominal codes in the system that could be used.

Discussion points included:

- The **Chair**:
  - acknowledged that **Cllr Ross** had got the Council into a much stronger financial position during his time as Chair of the Finance and Policy Committee and thanked him for his service
  - Noted that the year-end general reserves had gone up each year for the last five years
  - In one year, a decision had been made to take £100,000 from the general reserve to cover the costs of replacing and updating the

- Town Hall heating system – an example of ratepayer money being used to improve an asset
- General reserves were projected to be just under £500,000 at year-end
- Regarded ear marked reserves (EMR) as saving pots towards future agreed projects or maintenance costs; sometimes a specific budget line could be identified where under spent budget could be used to supplement a related EMR at year-end (*e.g. Town Hall maintenance*)
- Did not share his concerns: she considered a lower reserve at year end to be a demonstration that the Town Council had delivered on capital projects
- Noted other sources of income/cash (*e.g. Community Infrastructure Levy (CIL) payments and reclaimed VAT*). **Cllr Ross** responded that he considered VAT to be an asset on the balance sheet, not income.
- Where future financial risks were anticipated (*e.g. the roof of a building requiring significant spend*) each Committee should predict these so they could be managed *e.g. with budget lines or future precept*, enabling the Council to plan/save money towards future spend
- There was no legal responsibility to have a reserve, although general guidance recommended there should be enough to cover operational costs (one member stated this should cover 3-12 months, one stated 3-6 months). With the current predicted reserve there was no risk to the Council.
- EMRs would vary year on year as planned projects were delivered
- If reserves/EMR grew year on year whether it would raise questions about whether the Town Council was looking after the town's assets
- Whether the Town Council should focus on the work required for the town rather than the strength of its reserves

All thanked **Councillor Ross** for explaining his concerns, and especially for his service as Chair of this Committee.

### 374/24 INVESTMENT STRATEGY

Members noted the Town Clerk's report and considered a proposal by **Councillor Shantry** to move reserve funds held in the current account to the CCLA deposit fund in order to earn interest. Discussion points included:

- All agreed in principle that, without taking any financial risk, the Town Council should deposit surplus cash in accessible investment accounts to generate income
- It was important to identify the right fund: the current CCLA deposit fund was specifically designed for churches and public bodies and the Town Council had invested £250,000 in this fund already
- It was important to take a cautious approach with public money and to look at risk and to understand whether accounts were covered by the Financial Services Authority compensation scheme
- Accepting that a lower return from a safe fund was better than taking a risk with a higher-return account

- Wiltshire Council took a very cautious approach about investment accounts
- The **Chair** reiterated her desire to understand the return on investment generated from the Town Council's commercial properties
- This situation had been reviewed in detail in the past, and the conclusion of due diligence had been that the CCLA fund had been deemed the safest account. £150,000 had been invested at that time; a further £100,000 had been added at the recommendation of the internal auditor (*Min. No. 104/24, 8 July 2024*)
- Whether to agree an amount, e.g. half of the general reserve, and move it across now and review the situation after 6 months
- Whether to take a decision on an amount to invest at year-end
- Whether to invest amounts in EMRs that would not be required immediately
- Whether to invest an amount before the financial year-end
- Whether to create a small working party to consider the approach in more detail
- Recognition that cash loses value when it does not generate a return: to identify an amount to invest that will not affect cashflow
- Whether the amount invested should be shown on future financial reports (it was broadly the difference between the balance per cashbook and the total assets figure shown in the Town Clerk's financial report at the next agenda item)

**RESOLVED:** to form a working party comprising the Town Clerk and Councillors to agree how much money to invest, and when, and to delegate authority to it to make the decision on behalf of the Committee

**ACTION:** **Councillors Shantry, Beaumont** and the **Town Clerk** were agreed as members of the working party which should meet in February

### **375/24 QUARTERLY FINANCE REPORT**

Members noted the finance report for Quarter 3 (month 9). Discussion points included:

- The Town Council was currently holding £100,000 S106 receipts as a contribution towards the creation of a 3G all-weather pitch at St Johns; planning permission had recently been granted so, subject to meeting certain conditions, work may begin on this project soon requiring the money to be transferred
- That future year to date receipts/payments analysis reports would include the CCLA fund and an update on the CIL position
- How the colour coding should be interpreted – it was the Town Clerk's predicted position at year-end, not for the current month (e.g. red for overspent), and whether a note could be added to the report to clarify this in future
- **CIlr Ross** questioned the general reserves calculations

**376/24 REVIEW OF FINANCIAL REGULATIONS**

Members considered revised Financial Regulations which had been prepared following receipt of the latest National Association of Local Councils (NALC) model.

**RESOLVED:** that the revised Financial Regulations, including increasing the Town Clerk's delegated authority to £4,000, be recommended to Full Council for adoption

The meeting closed at 8.47 pm

Signed: .....  
Chair

Date: .....