

LYME REGIS TOWN COUNCIL

STRATEGY AND FINANCE COMMITTEE

MINUTES OF THE MEETING HELD ON WEDNESDAY 17 FEBRUARY 2021

Present

Chairman: Cllr B. Larcombe MBE

Councillors: Cllr B. Bawden, Cllr J. Broom, Cllr K. Ellis, Cllr M. Ellis, Cllr C. Reynolds, Cllr D. Sarson, Cllr G. Stammers, Cllr G. Turner, Cllr S. Williams

Officers: A. Mullins (support services manager), Mr M. Russell (finance manager), Mr J. Wright (town clerk)

20/01/SF Public Forum

N. Ball

N. Ball appealed to members to get on with each other and have respect for each other and the public during meetings. He said they were elected to carry out the town's business, not score points, and there was a lot of business to get on with.

N. Ball spoke in relation to agenda item 13, Investments and Cash Holdings and the reference to the roof project at a cost of c.£600k. He asked if this was the final figure or if there was more to pay. He said income of £500 for a market was not enough. He was concerned the council had spent this amount and was now considering re-paying the loan to the former West Dorset District Council (WDDC).

20/02/SF Apologies for Absence

Cllr R. Doney
Cllr D. Ruffle – ill
Cllr R. Smith – family commitments

20/03/SF Minutes

Proposed by Cllr G. Turner and seconded by Cllr J. Broom, the minutes of the meeting held on 18 March 2020 were **ADOPTED**.

20/04/SF Disclosable Pecuniary Interests

There were none.

20/05/SF Dispensations

There were none.

20/06/SF Matters arising from the minutes of the Strategy and Finance Committee meeting held on 18 March 2020

Coronavirus (COVID-19)

Referring to payments authorised by the town clerk, Cllr M. Ellis was concerned payments to Glen Cleaning for the cleaning of the toilets and fogging were so high. She felt it would have been cheaper for the council to buy its own fogging machine.

Cllr J. Broom confirmed the council had now purchased a fogging machine.

The finance manager said the costs included the normal monthly charge, as well as deep cleans and fogging after the first lockdown.

The town clerk said an attendant was manning the toilets from early morning until the evening, seven days a week, and this was the price the council had to pay for this level of service. He added the members did agree to these arrangements.

20/07/SF Update Report

Members noted the report.

20/08/SF Internal Audit Report, Visits Two and Three 2020-21

Cllr B. Larcombe said he was surprised the recommendation to finalise outstanding leases had only been given a 'low' grading as he felt the council would attach greater importance to this.

The town clerk clarified this was the auditor's assessment, not the council's assessment. He said it was previously a 'medium', but the auditor was satisfied a meeting was arranged to deal with these issues and downgraded it.

Cllr B. Larcombe asked when the link facility for Sage accounts and Sage payroll would be set up.

The finance manager said as the assistant finance manager dealt with payroll, it required them both to be in the office to work through the system and a tentative date of June had been identified as it was not yet known when they would return to the office.

Proposed by Cllr B. Larcombe and seconded by Cllr G. Stammers, members agreed to **RECOMMEND TO FULL COUNCIL** to note the internal auditor's reports from visits two and three of 2020-21 and approve the management responses.

20/09/SF The Annual Review of the Communications/PR Policy and Procedure

It was pointed out the reference to the administrative officer had to be changed to support services manager in point 3.4, and the numbering jumped from 4 to 6.

The support services manager confirmed a separate social media policy sat alongside this policy and procedure. She also confirmed the council's noticeboards were still being used but currently not as much, due to the coronavirus restrictions.

Proposed by Cllr D. Sarson and seconded by Cllr G. Turner, members agreed to **RECOMMEND TO FULL COUNCIL** to approve the amended Communications/PR Policy and Procedure, with a change of designation in point 3.4 and a correction to the numbering.

20/10/SF Debt Management Policy and Procedure

The town clerk said the policy and procedure outlined an approach that was firm and fair, it provided guidance to staff about how to deal with debts, and gave others a degree of understanding. He said nothing in the policy and procedure was new and it reflected the approach that had been taken in the past.

The town clerk said although the policy and procedure outlined what would happen in 'normal' times, there were constraints upon the council in terms of debt collection due to Covid-19.

Cllr B. Larcombe asked at which point a debt would be reported to the council, and whether email correspondence was sufficient or a hard copy should also be sent.

The town clerk said debts would be reported to the council before any legal proceedings started, and that officers needed to have the flexibility to correspond by email.

It was pointed out a paragraph about recruitment had been accidentally inserted into the policy and this would be removed.

Proposed by Cllr J. Broom and seconded by Cllr D. Sarson, members agreed to **RECOMMEND TO FULL COUNCIL** to approve the debt management policy and debt management procedure, with the deletion of the paragraph referring to recruitment.

20/11/SF Public Works Loan Board

The finance manager said this was a very different situation to when a loan was discussed at the end of 2020, as this was a way of borrowing to pay off another loan and potentially save the council £31,500 over six years. He emphasised this would not mean the council was borrowing more money; it was intended a loan from the Public Works Loan Board (PWLB) would pay off the loan with the former West Dorset District Council (WDDC) to take advantage of a lower interest rate.

Cllr B. Larcombe asked what the early repayment penalty would be with PWLB as he felt the council would choose to pay off the loan before the six years was up and he wasn't comfortable taking out a loan where the penalty was unknown.

The finance manager said PWLB would not be drawn into a conversation about early repayment costs, although it was likely to be a percentage of the outstanding amount, and it could be paid off after the first year and before the final year.

Several members felt instead of considering a loan to pay off another loan, the council should be considering paying off the loan to WDDC as there was enough money in the reserves to do this.

The town clerk said although the financial position had strengthened since the first quarter, with a forecast reserve of £620k at the end of the financial year, the council

had agreed a cautious approach as it was not known what restrictions there would be on the major income sources. He said the council had agreed through the budget-setting process to build up reserves to 50% of its turnover, i.e. £850k, which was also the substantive policy position, before thinking about releasing any other significant expenditure, including the repayment of any loan.

The town clerk said he would still advise caution, especially during the first quarter of the next financial year, before making any decisions, or else risk releasing funding and then finding the reserves are needed due to further restrictions. For that reason, he strongly recommended not paying off the WDDC loan. He added that paying off the loan would be a change of policy position and reminded members they had already agreed a list of priority projects when funding could be released.

The town clerk said paying off WDDC with a PWLB loan would generate a £31,500 saving for the council and officers had a duty to bring this to members' attention. However, he said the council could wait six months and re-consider this option when the financial situation would hopefully be more stable.

Cllr J. Broom said there was no reason to take out a different loan at this point as he believed by the end of 2021-22 the council would be in a position to pay off the existing loan. He felt more effort should be put into recovering debts.

Several members felt the council should take out a loan with PWLB and repay WDDC to take advantage of the lower interest rate and to give the council time to review its finances when the situation with Covid-19 was more certain.

Cllr G. Stammers agreed it may be sensible to revisit this in six months when the council knew where its reserves were. She was concerned paying the loan off using the reserves would detract from the objectives which had already been agreed.

It was proposed by Cllr M. Ellis and seconded by Cllr B. Bawden to take out a loan with the Public Works Loan Board to repay the loan with the former West Dorset District Council, now Dorset Council.

This motion was not carried.

It was proposed by Cllr B. Larcombe not to take out a loan with the Public Works Loan Board to repay the loan with the former West Dorset District Council, now Dorset Council.

This motion was not seconded

Proposed by Cllr J. Broom and seconded by Cllr G. Turner, members agreed to **RECOMMEND TO FULL COUNCIL** to defer making a decision on whether to take out a loan with the Public Works Loan Board to repay the loan with the former West Dorset District Council, now Dorset Council until October 2021.

20/12/SF Budget Performance, 1 April – 31 January 2021

The finance manager said the forecast was the same as that presented to the Full Council in January 2021 but some of the actual figures had been updated.

It was clarified this was a deficit on the 2020-21 budget assumption; it didn't mean the council was in debt to the amount identified.

The finance manager confirmed this and said it was based on a traditional financial accounting system of income and expenditure invoiced through the year compared to the budget, not related to cashflow.

20/13/SF Investments and Cash Holdings

The finance manager said the council started the year with £1.2 million in reserves, partly to cover the roof project, at which point, Covid-19 was an unknown and had since cost the council a significant amount of money.

Cllr J. Broom asked if a report could be brought to members in future about what Covid-19 had cost the council, both in terms of lost income and expenditure.

Cllr B. Larcombe asked if that report could also include other unforeseen expenditure through the year.

The town clerk agreed it would be good to do an evaluation of the cost of Covid-19 to the council. He said working practices had changed but some of these were positive and could be implemented more permanently.

20/14/SF Rent Reviews

Proposed by Cllr J. Broom and seconded by Cllr B. Bawden, members **RESOLVED** that under Section 1, Paragraph 2 of The Public Bodies (Admission to Meetings) Act 1960, the press and public be excluded from the meeting for this item of business as it included confidential matters relating to relating to the financial or business affairs of any particular person within the meaning of paragraphs 1 and 8 of schedule 12A to the Local Government Act 1972 (see Section 1 and Part 1 of Schedule 1 to the Local Government (Access to Information) Act 1985), as amended by the Local Government (Access to Information) (Variation) Order 2006.

20/15/SF Debtors' Report

Proposed by Cllr J. Broom and seconded by Cllr B. Bawden, members **RESOLVED** that under Section 1, Paragraph 2 of The Public Bodies (Admission to Meetings) Act 1960, the press and public be excluded from the meeting for this item of business as it included confidential matters relating to relating to the financial or business affairs of any particular person within the meaning of paragraphs 1 and 8 of schedule 12A to the Local Government Act 1972 (see Section 1 and Part 1 of Schedule 1 to the Local Government (Access to Information) Act 1985), as amended by the Local Government (Access to Information) (Variation) Order 2006.

20/16/SF Exempt Business

a) Rent Reviews

Members agreed it had been a difficult year for businesses and it was uncertain what position they would be in for the coming year. As such, members felt rent reviews should be held off for a further period and Cllr J. Broom suggested until April 2022.

Members also agreed the rent would remain the same in the interim and would not be backdated from April 2022.

However, there was some concern this benefit would not apply to all the council's tenants, as some had undergone a rent review before the pandemic. Members agreed they couldn't re-visit the pre-Covid position.

The town clerk said he was awaiting confirmation from the council's solicitor that by deferring the rent reviews, the council wouldn't undermine its position in relation to future rent reviews.

Proposed by Cllr J. Broom and seconded by Cllr C. Reynolds, members agreed to **RECOMMEND TO FULL COUNCIL** to defer rent reviews on the council's leasehold tenancies until April 2022 and not to backdate any increase, subject to confirmation from the council's solicitor of the council's position regarding future rent reviews.

b) Debtors' Report

Members discussed debts related to the caravan and chalet park and agreed a hard line should be taken with those who were not paying.

The town clerk said many of the issues were being resolved but there were some issues officers were not prepared to give way on as it would be a matter of renegotiating the leases. He said owners were conscious of the payment deadline of 31 March 2021 to get their discount.

The town clerk updated members on the work of the loss adjuster and said there would be a more detailed report to Full Council on 3 March 2021.

The town clerk drew members' attention to a significant debt relating to a commercial tenant, although officers had been constrained in pursuing it due to Covid-19 until 31 March 2021. He outlined the process officers would be going through to pursue the debt and members gave their support for this approach.

The meeting closed at 9pm.