



**John Wright  
Town Clerk**

**Lyme Regis Town Council**

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**Strategy and Finance Committee**

Notice is hereby given of a meeting of the Strategy and Finance Committee to be held to be held on the Zoom video conferencing facility <https://us02web.zoom.us/j/82012383588> on Wednesday 17 February 2021 commencing at 7pm when the following business is proposed to be transacted:

John Wright  
Town Clerk  
12.02.21

*This is a formal council meeting, where the same standards of behaviour as normal are expected and all members are bound by the code of conduct.*

*This meeting will be recorded and recordings will be held for one year by the town council. If members of the public make a representation to the meeting, they will be deemed to have consented to being audio recorded.*

*If you wish to speak, please raise your hand and you will be invited to speak by the chairman, at which point your microphone will be unmuted.*

*Voting will also take place by show of hands and the chairman will indicate the votes have been noted.*

*If members have a pecuniary interest, they will be placed in the 'waiting room' where they cannot hear or participate in discussion and voting.*

*Members of the public can make representations at the beginning of the meeting in the usual way. **To ensure the smooth running of the meeting, members of the public are asked to provide advance notice and details of the issue they intend to raise.***

*If technical issues occur, the meeting may be paused to re-establish a connection. If a technological failure prevents the public from accessing the meeting or the meeting is no longer quorate, the chairman may adjourn the meeting.*

Members are reminded that in reaching decisions they should take into consideration the town council's decision to declare a climate emergency and ambition to become carbon neutral by 2030 and beyond.

## **AGENDA**

### **1. Public Forum**

Twenty minutes will be made available for public comment and response in relation to items on this agenda

*Individuals will be permitted a maximum of three minutes each to address the committee*

### **2. Apologies**

To receive and record apologies and reasons for absence

### **3. Minutes**

To confirm the accuracy of the minutes of the Strategy and Finance Committee meeting held on 18 March 2020

### **4. Disclosable Pecuniary Interests**

Members are reminded that if they have a disclosable pecuniary interest on their register of interests relating to any item on the agenda they are prevented from participating in any discussion or voting on that matter at the meeting and to do so would amount to a criminal offence. Similarly, if you are or become aware of a disclosable pecuniary interest in a matter under consideration at this meeting which is not on your register of interests or is in the process of being added to your register you must disclose such interest at this meeting and register it within 28 days.

### **5. Dispensations**

To note the grant of dispensations made by the town clerk in relation to the business of this meeting

### **6. Matters arising from the minutes of the Strategy and Finance Committee meeting held on 18 March 2020**

To update members on matters arising from the meeting that are not dealt with elsewhere on this agenda and to allow members to seek further information on issues raised within the minutes of the meeting.

### **7. Update Report**

To update members on issues previously reported to this committee

### **8. Internal Audit Report, Visits Two and Three 2020-21**

To inform members of the outcome of the internal auditor's second and third first visits for 2020-21

### **9. The Annual Review of the Communications/PR Policy and Procedure**

To allow members to undertake the annual review of the Communications/PR Policy and Procedure, in accordance with standing order 5.j.xix

**10. Debt Management Policy and Procedure**

To allow members to approve a debt management policy and procedure

**11. Public Works Loan Board**

To allow members to consider taking out a loan with the Public Works Loan Board to repay the loan with the former West Dorset District Council, now Dorset Council

**12. Budget Performance, 1 April – 31 January 2021**

To inform members of performance against budget from 1 April to 31 January 2021 and to provide a forecast to 31 March 2021

**13. Investments and Cash Holdings**

To inform members of the council's current reserve position

**14. Rent Reviews**

To allow members to consider and determine its approach to rent reviews for its commercial tenants

*That in view of the confidential nature of the business about to be transacted, it is advisable in the public interest that the press and public be temporarily excluded while members consider this item in accordance with the Public Bodies (Admission to Meetings) Act 1960*

**15. Debtors' Report**

To inform members of outstanding debts and the steps being taken to recover them

*That in view of the confidential nature of the business about to be transacted, it is advisable in the public interest that the press and public be temporarily excluded while members consider this item in accordance with the Public Bodies (Admission to Meetings) Act 1960*

**16. Exempt Business**

*To move 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 in view of the likely disclosure of confidential matters about information relating to an individual, and information 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.*

**a) Agenda item 14 – Rent Reviews**

**b) Agenda item 15 – Debtors' Report**

LYME REGIS TOWN COUNCIL  
STRATEGY AND FINANCE COMMITTEE

MINUTES OF THE MEETING HELD ON WEDNESDAY 18 MARCH 2020

**Present**

**Chairman:** Cllr B. Larcombe MBE

**Councillors:** Cllr B. Bawden, Cllr J. Broom, Cllr D. Ruffle, Cllr R. Smith, Cllr G. Stammers, Cllr G. Turner, Cllr S. Williams

**Officers:** A. Mullins (administrative officer), Mr J. Wright (town clerk)

**Absent:** Cllr L. Howe

**19/96/SF Public Forum**

There were no members of the public who wished to speak.

**19/97/SF Apologies for Absence**

Cllr K. Ellis  
Cllr M. Ellis  
Cllr R. Doney – self-isolating  
Cllr C. Reynolds – self-isolating  
Cllr D. Sarson – self-isolating

**19/98/SF Minutes**

Proposed by Cllr J. Broom and seconded by Cllr G. Stammers, the minutes of the meeting held on 5 February 2020 were **ADOPTED**.

**19/99/SF Disclosable Pecuniary Interests**

There were none.

**19/100/SF Dispensations**

There were none.

**19/101/SF Matters arising from the minutes of the Strategy and Finance Committee meeting held on 5 February 2020**

**Bowling club**

The town clerk said he had a copy of the draft lease, which he would provide to the bowling club for consideration. He believed there was nothing contentious within the

lease as the outstanding issues had been resolved but the club still needed to agree the terms.

### **Service level agreement with Woodmead Halls' Management Committee**

The town clerk said it was intended to have a meeting with the committee by the end of this month but due to the current situation, this may not be possible.

### **Progress report – climate and environmental emergency declaration**

Cllr R. Smith said he could give the town clerk with a steer on someone who could carry out the environmental audit.

## **19/102/SF Update Report**

### **Sea sports and adventure centre proposal**

Cllr B. Larcombe emphasised that any business proposal would be received by the council without prejudice due to an outstanding issue at Monmouth Beach.

The town clerk said the Monmouth Beach area was a valuable asset so the council shouldn't be led by one organisation and should think about the best use of it on behalf of the whole town.

## **19/103/SF To receive the minutes of the Dorset Council working group meeting on 25 February 2020 and consider the recommendations therein**

Cllr S. Williams said he would prefer to see a five-year lease with Dorset Council for the accreted land so the next council administration could decide what it wanted to do with it.

The town clerk said a seven-year lease was preferable as it switched obligation away from the town council to Dorset Council.

Cllr B. Larcombe agreed and added that any lease would need approval from the town council before being agreed.

With regards to the recommendations, the town clerk said officers would normally wait for Full Council approval but in this case, he didn't want to delay things for too long and proposed to act immediately to get the survey of the accreted land done.

Members agreed it should not be held up, acknowledging that Dorset Council would welcome a quick decision because the season in the harbour was approaching.

Cllr S. Williams said he had asked the town clerk for figures from the car park ticket machines but he had not received this.

The town clerk said Cllr S. Williams had not asked him for car parking income but he could provide this.

Proposed by Cllr B. Larcombe and seconded by Cllr J. Broom, members agreed to **RECOMMEND TO FULL COUNCIL** to have a survey carried out of the accreted land at Monmouth Beach to establish exactly how much land the town council owned and to get a sense of its value, with a view to leasing the land to Dorset Council at a realistic rent, and the report the findings directly to the council.

Proposed by Cllr B. Larcombe and seconded by Cllr J. Broom, members agreed to **RECOMMEND TO FULL COUNCIL** that the town clerk informs Dorset Council the town council intends to take back the harbourmaster's store, and instruct the town clerk to progress discussions on the garage next to Woodmead car park.

Proposed by Cllr B. Larcombe and seconded by Cllr J. Broom, members agreed to **RECOMMEND TO FULL COUNCIL** to no longer maintain an interest in the land opposite the Harbour Inn and end the lease with Dorset Council.

**19/104/SF Draft Corporate Plan**

Proposed by Cllr B. Larcombe and seconded by Cllr B. Bawden, members agreed to **RECOMMEND TO FULL COUNCIL** to approve the draft Corporate Plan 2020-25 and delegate any amendments to the final version of the plan to the town clerk, in consultation with the mayor.

**19/105/SF Internal Audit Report, Visits Two and Three 2019-20**

The town clerk said officers were happy the comments within the report reflected where the council was at the moment. He said there was still work to do but compared to the previous audit, the council was returning to the status quo.

Proposed by Cllr J. Broom and seconded by Cllr G. Turner, members agreed to **RECOMMEND TO FULL COUNCIL** to note the internal auditor's report of visits two and three 2019-20 and approve the management responses.

**19/106/SF Finance Progress Review**

The town clerk said officers had done everything they said they would do, with particular credit due to the interim finance manager, the finance assistant and the admin assistant.

The town clerk said the deputy town clerk had been in discussions with the council's solicitor about collecting some of the debts and legal action would be pursued with those who had not paid 2019/20 fees relating to the chalet and caravan park.

As the issues in the finance team were being resolved, the town clerk said the council would be able to receive four budget reports every year and monthly management accounts would be produced.

**19/107/SF Budget Performance, 1 April – 31 January 2020**

The town clerk said due to the roof works starting in January 2020 instead of November 2019, this impacted on expenditure and strengthened the position in terms of the forecast. However, he said there were a number of unexpected items of expenditure in 2019/20, such as the church tower grant, the beach rake, and the Blue Sea Café. He said all these variances had been reported and were properly recorded decisions of the council.

However, it was pointed out that the report stated there was no budget set aside for the beach rake, but it was believed there was £40,000 in the budget, which would mean an overspend of £11,000, not £51,000 as stated in the report.

The town clerk said he would check this.

Cllr B. Bawden asked if the variance on consultancy fees was unforeseen or these costs were not included in the budget.

The town clerk said the budget had been stretched because most of the year a consultant finance manager had been in place, which accounted for much of the cost.

Members questioned the forecast overspend related to the play park, which the report stated was not in the 2019/20 budget, but it was understood section 106 funding had been used for the project and the council had underspent, with funds left over for another project.

The town clerk said he would also check this.

#### **19/108/SF VAT and Option to Tax (for VAT)**

Proposed by Cllr B. Larcombe and seconded by Cllr R. Smith, 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.

#### **19/109/SF Coronavirus (COVID-19)**

Cllr B. Larcombe said the virus put the council, like any other in the country, in an unusual position, which required it to think about what measures it needed to put in place to maintain its core activities. He said this may include raised delegation and video conferencing, with consideration given to issues which still required council consent and how members could be involved.

The town clerk said members needed to consider how the council would continue to make decisions and maintain its finances, which would involve temporary changes to the scheme of delegation and financial regulations, as follows:

Scheme of delegation – During any period of restricted activity in the UK declared by the Government, such as the COVID-19 virus, and in the event it is not possible to convene a meeting of the council in a reasonable time, the clerk shall have delegated authority to make decisions on behalf of the council where such a decision cannot reasonably be deferred and must be made in order to comply with a commercial or statutory deadline. This will be carried out where possible by consultations with members by electronic means or telephone. The clerk will further consult with the mayor for guidance, as necessary. The delegation does not extend to matters expressly reserved to the council in legislation or in its standing orders or financial regulations. Any decisions made under this delegation must be recorded in writing and must be published in accordance with the relevant regulations. The delegated authority ceases upon the first meeting of the council after the council meeting at which the delegation was put in place.

Financial regulation 3.4 – The clerk may incur expenditure on behalf of the council which is necessary to carry out any repair, replacement or other work which is of such extreme urgency that it must be done at once, whether or not there is a budgetary provision for the expenditure, subject to a limit of £10,000. The clerk shall report the action to the

council as soon as practicable thereafter. Should expenditure above this limit be anticipated before authority can be obtained at the next scheduled council meeting, the chairman of the council should convene an extraordinary meeting of the Full Council to seek authority for the expenditure. Where possible, the council will maintain a reserve to cover such eventualities.

The town clerk said members would be provided with a daily briefing and developments would be publicised on the council's website and social media.

The town clerk said there may be an impact on the annual meeting of electors in April and the annual council meeting in May, for which there were some legal obligations, but the national bodies had been contacting the government on behalf of local councils about setting aside legislation. At this point, he said he would recommend postponing the annual meeting of electors until 1 June 2020 at the latest, i.e. the last possible date it could legally be held.

The town clerk said the possibility of virtual meetings was also being legally progressed by the national bodies.

The town clerk said the virus could potentially have an impact on the council's revenue as approximately half the income, i.e. £800,000 related primarily to car parking and to a lesser extent the amenities area, most of which was generated in the first six months of the year.

Members discussed the need to protect the council's finances.

The town clerk said if the council deferred capital works with no contractual commitment, the council's reserve would increase from £460,000 to £700,000.

Cllr R. Smith asked if the council was eligible for any government grants.

The town clerk said the government would provide financial support to local councils but he believed this would be the principal authorities.

Cllr B. Bawden said she was concerned about the community support group and asked if there was anything the council could do in terms of guidance and support for the volunteers so there was clear information available. She said there needed to be guidelines to protect the volunteers as much as the residents.

The town clerk said the council didn't want to be seen to stifle the community initiative but he had had some discussions with Dorset Council about what gaps the town council could fill if things got worse. He said the town council wasn't the strategic authority, so its role was likely to be to assist others when requested.

The town clerk talked about following the government guidance where staffing issues were concerned, which included closing the council office and working from home, closing the amenities' facility as staff there were most vulnerable, re-deploying staff in other roles so they had less contact with the public, and external workers keeping their distance from the public. However, he said there might be a time when these arrangements would have to change in line with government instructions.

To prepare, the town clerk said he would discuss the situation with the tourist information centre as it was based in the same building, re-issue staff contact details, and share notices and information on council noticeboards.



Proposed by Cllr B. Larcombe and seconded by Cllr R. Smith, members agreed to **RECOMMEND TO FULL COUNCIL** to agree:

- To suspend meetings of the Full Council and committees as of 18 March 2020
- To add a statement to the scheme of delegation, giving the town clerk delegated authority to make decisions on behalf of the council where such a decision cannot reasonably be deferred and must be made in order to comply with a commercial or statutory deadline.
- To temporarily amend financial regulation 3.4 to raise the limit to £150,0000
- To postpone the annual meeting of electors scheduled to take place on 17 April 2020 to a date on or before 1 June 2020
- To cancel the park and ride service until the beginning of the school summer holidays and review in advance
- To defer all capital projects that aren't contractually committed, with the exception of the office refurbishment project, which is progressed to the design and consent stage

It was acknowledged these recommendations would be approved retrospectively by the council as meetings would be suspended for the foreseeable future.

#### **19/110/SF Grant Allocation to Recipients of 'Ammonite' Filming Money**

Proposed by Cllr G. Stammers and seconded by Cllr B. Larcombe, members agreed to **RECOMMEND TO FULL COUNCIL** to approve Axminster and Lyme Cancer Support's use of a beach hut on Marine Parade from 1 April 2020 until 31 March 2025 for a rent of £0.00 per annum, and that for the duration of the arrangement the town council maintains the beach hut and Axminster and Lyme Cancer Support allocates the hut.

Proposed by Cllr J. Broom and seconded by Cllr G. Turner, members agreed to **RECOMMEND TO FULL COUNCIL** to approve the release of a £5,000 grant to Mary Anning Rocks.

*The meeting adjourned for a break at 9.15pm.*

*The meeting resumed at 9.23pm.*

#### **19/111/SF Renewal of Lease for Power Boat Club, Monmouth Beach**

Proposed by Cllr B. Larcombe and seconded by Cllr J. Broom, 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.

#### **19/112/SF Exempt Business**

##### **a) VAT and Option to Tax (for VAT)**

Proposed by Cllr J. Broom and seconded by Cllr B. Larcombe, members agreed to **RECOMMEND TO FULL COUNCIL** to opt to tax (for VAT purposes) all the council's currently non-opted 'commercial' properties.

**b) Renewal of Lease for Power Boat Club, Monmouth Beach**

Proposed by Cllr B. Larcombe and seconded by Cllr R. Smith, members agreed to **RECOMMEND TO FULL COUNCIL** to obtain legal advice about the separation of the leases for the power boat club and instruct an alternative valuer if appropriate.

*The meeting closed at 9.55pm.*

DRAFT

**Committee:** Strategy and Finance

**Date:** 17 February 2021

**Title:** Matters arising from the minutes of the Strategy and Finance Committee meeting held on 18 March 2020

**Purpose of the Report**

To update members on matters arising from the meeting that are not dealt with elsewhere on this agenda and to allow members to seek further information on issues raised within the minutes of the meeting.

**Recommendation**

Members note the report and raise any other issues on the minutes of the meeting that they require further information on.

**Report**

**19/101/SF – Matters arising from the minutes of the extraordinary Strategy and Finance Committee meeting held on 5 February 2020**

The lease has been finalised and agreed, but the council's solicitor is awaiting the full names and addresses of those trustees to be included in the lease. Once this information has been included, the lease will be signed and sealed immediately.

**19/103/SF - To receive the minutes of the Dorset Council working group meeting on 25 February 2020 and consider the recommendations therein**

Officers have contacted South West Surveys and have provided an outline of the brief to carry out a survey of the accreted land. The town clerk will provide more information, including costings, at the meeting.

The layout and presence of asbestos in the garage next to Woodmead car park means the use of this space is not desirable and will not be pursued.

Dorset Council (DC) has been notified of the council's intention to take back the harbourmaster's store. DC is constructing alternative premises near the Cobb and the store should be available for town council use from April 2021.

DC has confirmed in writing it does not intend to lease the land opposite the Harbour Inn to the town council.

**19/104/SF – Draft Corporate Plan**

The corporate plan for the five-year period from 2020 was never finalised; events made the content irrelevant. The mayor and town clerk are working on the latest edition of the corporate plan, which will be presented to the Full Council on 3 March 2021.

## 19/109/SF – Coronavirus (COVID-19)

Following the suspension of all council meetings from 18 March 2020, the first virtual meeting was held on 24 June 2020. The delegated authority given to the town clerk to make urgent or essential decisions on behalf of the council ceased at that point.

Financial regulations were temporarily amended to raise the limit of expenditure the town clerk was authorised to incur for urgent works from £10,000 to £150,000. Since last reported to members on 24 June 2016, the town clerk has authorised the following:

Date	Customer	Description	Amount	
27/03/2020	Poultons	New beach huts	£23,385.60	BACS
01/04/2020	Harris brothers	Roof works	£131,122.56	BACS
16/04/2020	Harris brothers	Roof works	£125,209.43	BACS
27/04/2020	DC Pension	2x pension contr	£19,971.11	BACS
27/04/2020	Zurich	Annual cover	£20,690.61	BACS
29/04/2020	LR Football club	Grant	£13,578.00	BACS
14/05/2020	Harris brothers	Roof works	£153,048.02	BACS
11/06/2020	Harris brothers	Roof works	£76,993.34	BACS
09/06/2020	DC Pension	Pension contr	£10,086.44	BACS
08/07/2020	Glen Cleaning	Cleaning	£10,067.71	BACS
23/07/2020	DC Pension	Pension contr	£10,148.88	BACS
10/08/2020	Harris Brothers	Roof works	£116,538.67	BACS
20/08/2020	DC Pension	Pension contr	£10,312.67	BACS
22/09/2020	Glen Cleaning	Cleaning	£10,792.03	BACS
23/09/2020	DC Pension	Pension contr	£11,799.08	BACS
25/09/2020	LR Football club	Grant	£24,000	BACS
14/10/2020	Glen Cleaning	Cleaning	£10,132.51	BACS
22/10/2020	DC Pension	Pension contr	£11,791.01	BACS
09/11/2020	JOHNSTAR	Professional services	£24,067.82	BACS
23/11/2020	DC Pension	Pension contr	£12,016.75	BACS

The annual meeting of electors, which was hoped would take place on or before 1 June 2020, did not take place due to the restrictions.

The park and ride did not operate at all in 2020.

Although not contractually committed, with the council's approval, contracts are being pursued for structural works to the Guildhall window and front elevation due to their urgent nature.

For 2021-22 and beyond, the council has agreed a priority list of capital projects which will be undertaken when the council has sufficient financial resources.

## 19/110/SF – Grant Allocation to Recipients of 'Ammonite' Filming Money

The Axminster and Lyme Cancer Support's beach hut is in place on the Cart Road and the group is managing the bookings.

The £5,000 grant was released to Mary Anning Rocks on 30 March 2020.

**19/111/SF – Renewal of Lease for Power Boat Club, Monmouth Beach**

Terms have been agreed with the Power Boat Club. The respective solicitors are finalising the new lease on the terms already approved by members prior to signing.

John Wright  
Town clerk  
February 2021

**Committee:** Strategy and Finance

**Date:** 17 February 2020

**Title:** Update Report

**Purpose of Report**

To update members on issues previously reported to this committee

**Recommendation**

Members note the report

**Report**

**Covid-19 insurance**

Further to recent headlines regarding the supreme court ruling about insurance companies paying out on their business interruption policy due to Covid-19, officers have been in touch with the council's insurer Zurich to understand the position.

Zurich have confirmed there is still no cover under the council's policy:

*The High Court case covered a breadth of insurance companies, and a number of each insurer's policy wordings. So neither it or the Supreme Court case were blanket judgements on every single Business Interruption policy.*

*The High Court case found that our policies under consideration (of which your policy wording was one), were clear on the extent of Business Interruption cover offered, and that it did not include cover for a pandemic such as COVID19.*

*The reason there was a Supreme Court case, was to allow the insurance companies who the High Court found against, to challenge the High Court's judgement. But because the High Court had already found in our favour, the Supreme Court judgement does not apply to your policy.*

John Wright  
Town clerk  
February 2021

**Committee:** Strategy and Finance

**Date:** 17 February 2021

**Title:** Internal Audit Report, Visits Two and Three 2020-21

### **Purpose of Report**

To inform members of the outcome of the internal auditor's second and third first visits for 2020-21

### **Recommendation**

Members note the internal auditor's reports and approve the management responses

### **Background**

1. Internal audit is an important part of the council's governance and managerial framework and, as such, it is important the town clerk takes responsibility for any observations and recommendations arising from the internal auditor's visits.
2. The council's internal auditor is Darkin Miller – Chartered Accountants. The internal auditor's remit is to establish there is proper book-keeping, risk management arrangements, bank reconciliation and year-end procedures, and controls are in place for payments, budgets, income, petty cash, payroll and assets.
3. Darkin Miller was appointed as the council's internal auditors for the financial years 2015/16, 2016/17 and 2017/18 at the Full Council meeting on 22 July 2015.
4. Following a recommendation from this committee, on 13 December 2017 the Full Council appointed Darkin Miller as the council's internal auditor for a further two years, i.e. 2018/19 and 2019/20. On 8 January 2020, the council approved Darkin Miller's appointment for a further three years.
5. The council normally engages Darkin Miller for up to eight days a year; this covers four audit visits which usually last for two days.

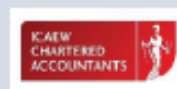
### **Report**

6. Darkin Miller's audit visits took place on 7 December 2020, and 4 and 5 February 2021. The report, **appendix 8A**, contains five recommendations: one medium and four low.

John Wright  
Town clerk  
February 2021

**DARKIN MILLER ~ CHARTERED ACCOUNTANTS**

Accountancy ~ Internal Audit ~ Taxation



FINAL

Internal audit report 2020/21

Visits 2 & 3 of 4

# LYME REGIS TOWN COUNCIL

Date: 8<sup>th</sup> February 2021

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Darkin Miller Limited trading as Darkin Miller ~ Chartered Accountants  
Registered Office: 24e Deverel Road, Charlton Down, Dorchester, Dorset DT2 9UD  
Principal and Director: Rosie Darkin-Miller LLB (Hons) FCA  
Company registered in England no. 8590012



## **Introduction**

This report contains a note of the audit recommendations made to Lyme Regis Town Council following the carrying out of internal audit testing on site on the 7<sup>th</sup> December 2020, and remotely on the 4<sup>th</sup> and 5<sup>th</sup> February 2021.

The audit work has been carried out in accordance with Appendix 9 of the 'Governance and Accountability for Local Councils: A Practitioners' Guide', as supplemented by the requirements of the 2018/19 AGAR.

An internal audit covers the review of the operation of the Council's internal control environment. It is not designed to review and give full assurance over every transaction carried out by the Council. Instead it enables the auditor, following the sample testing of a number of different types of transaction, to give an opinion as to whether or not the control objectives are being achieved across a range of financial and governance systems.

## **Audit Opinion**

As this audit report is an interim one, no audit opinion is offered at this stage. The report issued after the final visit for 2020/21 (which will be in May or June 2021) will contain the audit opinion.

The following areas were reviewed during this audit visit:

1. Payments
2. Risk Management
3. Budgetary Control
4. Income (completing work from the first visit)
5. Payroll

## **Audit Recommendations**

Recommendations made during the audit are shown in appendix one to this report.

Recommendations are graded as follows:

Rating	Significance
High	Either a critical business risk is not being adequately addressed or there is substantial non-conformity with regulations and accepted standards.
Medium	Either a key business risk is not being adequately addressed or there is a degree of non-conformity with regulations and accepted standards.
Low	Either minor non-conformity with procedure or opportunity to improve working practices further.

The number of recommendations made at this audit visit and their priority are summarised in the following table:

Rating	Number
High	0
Medium	1
Low	4
TOTAL	5

I would like to thank John Wright – Town Clerk, Mark Green – Deputy Town Clerk, Mark Russell – Finance Manager, Naomi Cleal – Finance Assistant, and Adrienne Mullins – Administrative Officer for their assistance during this audit.

**Darkin Miller ~ Chartered Accountants**  
**2020/21 INTERNAL AUDIT OF LYME REGIS TOWN COUNCIL**  
**FINAL REPORT VISIT 2 & 3 OF 4: 8<sup>th</sup> FEBRUARY 2021**

**Appendix 1 – Recommendations and Action Plan**

Recommendation number	Detail	Priority (Low/ Medium/ High)	Management Response	Responsible Officer	Due Date
2.1 – Retain ebay order confirmation as evidence of purchase	<p>I checked to see that payments in the cashbook were supported by invoices, authorised and minuted. I found that 22/23 samples were fully supported by invoices or other paperwork. 1/23 related to an ebay purchase (value under £20) for which the evidence provided was an email asking that the order be placed, and a copy of the item listing. This evidence shows intent to order but does not prove that the order was placed.</p> <p>I noted that, in line with HMRC requirements, no input VAT was recovered as no VAT invoice could be obtained.</p> <p>I recommend that the confirmation of order from ebay is retained on file to evidence the value of goods ordered.</p>	L	Noted. In this instance we were unable to go back and access the order.	FM/AMF	31 <sup>st</sup> March 2021
2.2 – Ensure correct paperwork held for VAT recovery, and split out Vat types on Sage	I checked to see that VAT on payments had been identified, recorded and reclaimed. I found that VAT had been identified and reclaimed where appropriate for 1/23 samples VAT had been reclaimed on paperwork which did contain a note of the VAT and gross invoice values but which did not appear to contain the VAT registration number (which is	L	VAT has been accounted for correctly, HMRC, should they do a visit will be happy. This is simply a choice to code each line as per	FM	31st March 2021

	<p>required for VAT invoices and simple VAT receipts). This related to transaction fees, with 96p of input VAT. I also noted that one of the invoices contained charges for one standard and one exempt service, where VAT was only charged on the standard service, but that the related entry on Sage combined both charges to show one standard rated service. The correct VAT was recovered, but ideally the services should be split to ensure that the classification of purchases is correct in the VAT return.</p> <p>I recommend that the Finance Manager ensures that the correct paperwork is held in relation to the input VAT recovered, and that services with different VAT codes are split out on Sage in future.</p>		<p>the VAT or post 1 entry for the entire invoice.</p> <p>Don't perceive the risk to be as stated.</p>		
4.2 – Additional information in budget monitoring report	<p>I checked to see that there were no significant unexplained variances from budget. I found that the most recent budget monitoring report to the Council was a high level summary of results, but that there was no detailed report presented as an appendix which compared the actual and budgeted figures by cost centre, even though this calculation is prepared monthly.</p> <p>I recommend that future budget reports include not only the cover report as presented, but also the detailed figures which sit behind it. I suggest that the detailed report includes a note of the full year budget, the actual and budget results for the year to date, and a variance column which shows the</p>	M	Noted	FM	31 <sup>st</sup> March 2021

	<p>difference between budget and actual results as a £ amount and a % value. There should also be a notes column which gives details of adverse variances and notes what action has been taken to address them (where appropriate). This will better allow Members to scrutinise the financial results and make decisions on actions needed.</p>				
5.8 – Finalise outstanding leases as soon as possible	<p>The Council has a large number of rental agreements in place, some of which have expired and which are in the process of being reviewed and renegotiated. This includes 3/21 of the samples selected for testing.</p> <p>The Deputy Town Clerk has confirmed that of the six leases outstanding at the audit date, three relate to Monmouth Beach (where lease renewals were complicated by the fact that the Dorset Council has interests in the land, and property issues were unresolved during the creation of the unitary Council) but are due to be resolved following a meeting on 12/02/21, two are due to be finalised imminently, and one that was being held over is no longer required (re the lease from the Council to Dorset Council of the Harbourmaster Store).</p> <p>I recommend that the leases are finalised at the earliest opportunity, in order to ensure that there is certainty over the Council's income.</p>	L	Noted. These are in hand with DTC, and at time of writing, a meeting is set up with the solicitor	DTC	12 <sup>th</sup> Feb 2021
7.1 – Use correct figures	<p>I checked to see that all payments and deductions are correctly coded, and suspense accounts are promptly cleared. I found that the payments and</p>	L	The nature of this has little or no effect on the council, this is simply a	FM/AFM	30 <sup>th</sup> June 2021

<p>for payroll journal</p>	<p>deductions are correctly coded, but that the nominal link journal facility in Sage payroll (which, once set up, allows the payroll journal to be posted automatically from Sage payroll to Sage accounts) is still not being used. The payroll journal is instead being manually posted using the figures from the payroll calculation spreadsheet. This gives rise to small rounding errors which need to be manually cleared out of the wages control account.</p> <p>The Finance Manager has confirmed that he intends to review the nominal link facility when staff are back in the office after lockdown.</p> <p>I recommend that either the journal is posted using the figures from the Sage reports (instead of the payroll spreadsheet), or that the nominal link facility is used to save time and reduce the risk of human error when posting the payroll journal.</p>		<p>matter of how the council choose to process.</p> <p>However the point is understood re “Nominal Link”, and yes I will look at it when we are able to all get back to the office</p>		
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**Committee:** Strategy and Finance

**Date:** 17 February 2021

**Title:** The Annual Review of the Communications/PR Policy and Procedure

### **Purpose of Report**

To allow members to undertake the annual review of the Communications/PR Policy and Procedure, in accordance with standing order 5.j.xix

### **Recommendation**

Members approve the amended Communications/PR Policy and Procedure

### **Background**

1. The law governing communications in local authorities can be found in the Local Government Acts 1986 and 1988. Communications activity must adhere to the Code of Recommended Practice on Local Authority Publicity 2011.
2. Standing order 5.j.xix requires that during the course of the council year, either the Full Council or the relevant committee establishes or reviews the council's policy for dealing with the press/media.
3. The policy and procedure were due for review in July 2020 but due to the circumstances, the review has been pushed back. However, it is still taking place within the 2020-21 council year so we are compliant with standing orders.
4. The policy and procedure are attached, **appendices 9A and 9B**.
5. There are only minor amendments recommended by officers:
  - References to the administrative officer have been changed to support services manager
  - Paragraph 8.3 - the reference to *fortnightly* publicity meetings has been removed as this was changed to monthly meetings
6. No temporary changes as a result of Covid-19 have been incorporated into the policy or procedure.
7. Any recommendations from this committee will be considered by the Full Council on 3 March 2021.

Adrienne Mullins  
Support services manager  
February 2021

## **Policy**

Communications and Public Relations

### **Purpose**

To define the roles and responsibilities within Lyme Regis Town Council for working with the press and media.

To support good internal and external communications.

To help ensure the town council operates and communicates information in a transparent and open manner.

To help ensure that the town council provides the public and press with accurate and timely information, communicated in a professional manner.

To help achieve effective two-way communications between the council and the local, regional and national press to promote and enhance the reputation of both the council and the town of Lyme Regis.

To help ensure the town council's image and reputation are communicated in a cohesive, consistent and positive manner.

## **Policy**

For the purpose of this policy, external communications define four main mediums:

Printed materials – E.g. newsletters, posters

Electronic materials – E.g. email, website, social media

Media relations – E.g. press releases, media enquiries, press statements

Public relations – E.g. events, council meetings

All communications' activity should reflect the principles of confidentiality, Data Protection, Freedom of Information, and copyright, and the Code of Recommended Practice on Local Authority Publicity 2011, with reference to the Local Government Acts 1986 and 1988.

This policy is also supported by the town council's standing orders and code of conduct.

### **Supporting Procedure**

This policy is supported by a Communications and PR Procedure.

**Implementation date:** 3 March 2021

**Review Date:** March 2022

Adrienne Mullins  
Support services manager  
March 2021



## **Communications and PR Procedure**

### **1. Introduction**

- 1.1 This procedure supports the Communications and PR Policy and should be read in conjunction with this policy.
- 1.2 This procedure should also be read in conjunction with the town council's standing orders and code of conduct. Standing order 22.a. states: 'Requests from the press or other media for an oral or written comment or statement from the council, its councillors or staff shall be handled in accordance with the council's policy in respect of dealing with the press and/or other media'.
- 1.3 The town council recognises its responsibility to help communicate accurate and timely information to the press and public in a professional manner. Proper co-ordination will ensure that messages put out by the council are consistent and accurate.
- 1.4 The council is accountable to the local community for its actions and this can only be achieved through effective two-way communication.
- 1.5 The purpose of the town council's Communications and PR Policy and Procedure is to ensure its members and staff effectively communicate this information to promote the openness and transparency of the council.
- 1.6 The town council also recognises the distinction between communication from 'the town council', and communication from individuals as 'councillors'.
- 1.7 Communication of information may be viewed in four main mediums; print, electronic, media relations, and public relations. However, communication with the press and public takes place every day on a very basic level, i.e. desk enquiries, speaking to residents in the street.
- 1.8 The town council respects freedom of speech and this procedure is not intended to restrain this.
- 1.9 Local councils and their representatives are governed by national legislation and codes of practice. The law governing communications in local authorities can be found in the Local Government Acts 1986 and 1988. Communications activity must adhere to the Code of Recommended Practice on Local Authority Publicity 2011, which provides guidance on the content, style, distribution and cost of local authority publicity. This code is statutory guidance and therefore councils must have regard to it and follow its provisions. Copies of these documents are available for inspection in the council office.
- 1.10 All publicity will be produced in line with the council's equality and diversity guidelines.

### **2. Handling General Requests**

- 2.1 All staff and councillors are responsible for communicating basic and routine information to the press and public in relation to their specific job duties or role within the council and its committees.
- 2.2 Requests for information outside of the remit of an individual's responsibilities should be referred to the relevant member of staff or councillor.

### **3. Responding to media enquiries**

- 3.1 The town council respects the media's role in delivering information to the public and responses will be given in recognition of deadlines, which are crucial to effective media relations.
- 3.2 The media are crucially important in conveying information to the community, so the council must maintain positive, constructive media relations.
- 3.3 The media work on behalf of the local community to hold the council to account for its policies and actions, and it is therefore important that they have access to officers and members and to background information to help them in this role.
- 3.4 Requests for interviews, information or photographs from the media should be referred initially to the administrative officer, or in their absence, to the deputy town clerk.
- 3.5 Any response will be collated in conjunction with the town clerk, deputy town clerk, or operations manager. Where possible, responses will be given by committee chairmen, or in their absence, vice-chairmen. All responses will be signed off by the town clerk, or in their absence, the deputy town clerk.
- 3.6 Official statements from the town council must be issued on a document bearing the council's masthead, an appropriate title, dated, and with details of who to contact for further information.
- 3.7 Statements made must reflect the minuted opinion of the council, where applicable.
- 3.8 Councillors may be approached directly by the media and can provide responses, making it clear that the views given are their own and not necessarily those of the council. Members should not claim to be commenting on behalf of the town council.
- 3.9 The town council recognises that councillors have private lives and may be approached by the media in relation to their roles outside of the council. In this instance, members must make it clear they are not commenting as an elected councillor or on behalf of the town council.
- 3.10 Requests to take photographs of councillors or staff in relation to council business must be agreed by the individual and in the case of staff, by their line manager.
- 3.11 There is no out-of-hours media relations service, although councillors can be contacted outside of normal office hours as their contact details are available in the public domain. In extreme circumstances, the town clerk is listed as the contact in the council's emergency procedure and will liaise with the media if necessary.
- 3.12 The council should not pass comment on anonymous allegations or allegations about individual councillors or staff.
- 3.13 The council is open and accountable and should always explain if there is a reason why it cannot answer a specific enquiry.
- 3.14 Members and staff must alert the town clerk as soon as a potentially positive or negative issue which may attract media interest becomes known. They should not wait until contact is made by the media.

#### **4. Issuing news releases**

- 4.1 As well as responding to media requests, the town council will pro-actively issue news releases and distribute them to the relevant media.
- 4.2 Press releases must be issued on a document bearing the council's masthead, an appropriate title, dated, and with details of who to contact for further information.
- 4.3 Press releases are non-party political and wherever possible will include a quote from a councillor.
- 4.4 Releases will not publicise the activities of individual councillors or persuade the general public to hold a particular view.
- 4.5 Photographs may be issued with the news releases and captions must be included in the release. If photographs include councillors or staff, point 3.10 will apply.
- 4.6 Press releases will be sent by email to the relevant media, displayed on the town council website, on the council's noticeboards, on the council's social media pages, and if applicable on the lymeregis.org website.
- 4.7 The support services manager will be responsible for developing news releases in conjunction with the relevant councillor or staff member. Any other officer or members may draft a press release, but they must be issued through the council office in line with points 4.2 to 4.6, and in agreement with the town clerk, or in their absence the deputy town clerk.
- 4.8 Letters to the editor of a newspaper do not qualify as press releases and caution is advised when submitting a letter of this kind. It may be appropriate for the council to submit a letter on occasions, such as correcting factual errors. These letters should be factual and brief.
- 4.9 Other ways to correct inaccurate reporting about the council include issuing a separate news release, a conversation with the journalist concerned, a personal letter to the editor, or legal advice.
- 4.10 Officers and members have a responsibility to identify newsworthy items and seek opportunities where it may be beneficial to issue a press release.
- 4.11 Although not common practice within this council, councillor press releases may be issued. These are personal releases and are written and issued by the councillor responsible. This type of release may or may not be political and should not include the name of any officer, use the council masthead or crest, or the council telephone number, address, or email as a point of contact. It would be beneficial for copies of intended releases to be provided to the town clerk in advance of their release to the press.

#### **6. Media attendance at council meetings**

- 6.1 Local media outlets will be provided on request with the agendas, reports and minutes of meetings, prior to them taking place, as required by the Local Government Act 1972.
- 6.2 The press will be provided with reasonable facilities, i.e. seating and a desk, at meetings or part of a meeting at which they are entitled to be present, as outlined in standing order 3.o.
- 6.3 The photographing, recording, broadcasting or transmitting the proceedings of meetings by the media is outlined in standing order 3.m and 3.n.

## **7. Council website**

- 7.1 The council website should provide an informative online resource for residents and visitors, giving information about the council, the town, councillors and staff, services provided by the council, the local community, news, links to useful websites, minutes and agendas, and a search facility.
- 7.2 Information on the website should be accurate and kept up-to-date.
- 7.3 Press releases and council notices should be displayed in the news section of the website.

## **8. Council column**

- 8.1 The council will produce a monthly news column for the local press, providing residents with interesting and informative news about the council, its staff and members, and community issues that are linked to the council.
- 8.2 The column will be produced by the support services manager, or in their absence, the deputy town clerk. Ideas for inclusion in the newsletter can be submitted by councillors, staff, and members of the community.
- 8.3 Items to be included in the column will be discussed and agreed through the publicity meetings attended by the town clerk, support services manager and delegated members. The group will also discuss other press and publicity matters.

## **9. Council noticeboards**

- 9.1 Priority is given on the council's noticeboards to official council documents, such as agendas, public notices, election information, and legal issues affecting the council.
- 9.2 Where possible, the council will display posters and information for community related issues.

## **10. Publicity in Election Periods**

- 10.1 In the period between the notice of an election and the election itself, the council is subject to rules which impact on how it can communicate with the public.
- 10.2 During this period, council publicity should not deal with controversial issues or report views, proposals or recommendations in a way that identifies them with individual members or groups of members. This ensures that no individual councillor gains an unfair advantage by appearing in official publicity.
- 10.3 In these circumstances, where a quote is required, the relevant officer may be quoted.

**Implementation date:** 3 March 2021

**Review Date:** March 2022

Adrienne Mullins  
Support services manager  
March 2021

**Committee:** Strategy and Finance

**Date:** 17 February 2021

**Title:** Debt Management Policy and Procedure

**Purpose of Report**

To allow members to approve a debt management policy and procedure

**Recommendation**

The council approves the debt management policy, appendix 10A, and debt management procedure, appendix 10B

**Background**

1. The purpose of a debt management policy and procedure is to codify the council's approach to debt recovery.<sup>1</sup>

**Report**

2. **Appendix 10A** details the council's policy position; **appendix 10B** details the council's procedure.
3. In summary, members will continue to be notified of debts over £1,000 and greater than three months' old; officers will be delegated powers to pursue debts up-to-and-including court hearings. Before possession is obtained, member authority will be sought.
4. Any recommendations from this committee will be considered by the Full Council on 3 March 2021.

John Wright  
Town clerk  
February 2021

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<sup>1</sup> Since end-March 2020, the council's approach to debt management has been constrained by legislation and policy decisions in response to Covid-19.

## **Policy**

Debt Management

## **Purpose**

To help the town council maximise its income from its commercial activities in a firm and fair manner

To provide guidance to its employees in help to ensure that recruitment is undertaken in a transparent, fair and non-discriminatory manner

## **Policy and Legal Context**

The council pursues commercial debts in a firm and fair manner and recognises the importance of prioritising its obligation to its electorate to maximise commercial income

The council pursues debts in a legally compliant manner

## **Supporting Procedure**

This policy is supported by a procedure, **appendix B**.

**Implementation date:** 3 March 2021

**Review Date:** March 2024

John Wright  
Town clerk  
February 2021

## Procedure

### Debt Management –tenancies

#### 1. Introduction

- 1.1 This procedure outlines the council's debt collection process for tenants and is a guide for members and officers.
- 1.2 In the first instance, the council will invoice tenants. The invoice will:
  - state what payment is required for
  - detail the total amount due
  - account for VAT, where appropriate
  - state the date by which payment is due, i.e., 30 days from date on invoice
  - detail how and where to make payments
  - provide contact details for enquiries
- 1.3 If payment isn't made within 14 working days of the specified payment period, i.e., 30 days from when the invoice was sent out, a reminder will be sent.
- 1.4 If payment isn't made after a further seven working days, a final reminder letter will be sent. The final notification letter will inform the tenant that if payment isn't made in full, the council will start legal proceeding to recover the debt.
- 1.5 If payment still isn't made after a further seven days, legal proceedings will commence. The tenant will be notified.

#### 2. Instalments

- 2.1 The council aims to recover all debts within the payment period. In exceptional circumstances, the council will consider a proposal from a tenant to clear a debt by instalments.
- 2.2 Any proposal must be realistic, and the debt must be cleared within one calendar year.
- 2.3 Any agreement to recover a debt by instalment must be approved by the finance manager or the town clerk.

#### 3. Authorisation levels

- 3.1 All action up until eviction, including court proceedings, will be delegated to the town clerk.
- 3.2 Authorisation for eviction must be sought from the council.
- 3.3 The town clerk has authority to write off debts up to £250.

#### 4. Reporting

- 4.1 Outstanding debts over £1,000 and over three months in age will be reported to the council's Strategy and Finance Committee.

4.2 The council's Strategy and Finance Committee will be notified on actions and progress on debts where legal action is being taken.

## **5. Conduct**

5.1 The council will maintain confidentiality and debts will be discussed in exempt business, only.

## **6. Communication**

6.1 All correspondence will be in plain English.

6.2 Correspondence will be by letter or email; any reference to letter includes email correspondence.

6.3 All verbal agreements will be confirmed in writing.

## **Supporting Procedure**

This policy is supported by a policy, **appendix A**.

**Implementation date:** 3 March 2021

**Review Date:** March 2024

Mark Russell  
Finance manager  
March 2021



**Committee:** Strategy and Finance

**Date:** 17 February 2021

**Title:** Public Works Loan Board

**Purpose of report**

To allow members to consider taking out a loan with the Public Works Loan Board to repay the loan with the former West Dorset District Council, now Dorset Council

**Recommendation**

Members consider the report and instruct the town clerk

**Background**

1. The council took out a loan of £500,000 with the former West Dorset District Council (WDDC) in October 2010, which has approximately six years left to run.
2. The council has an objective to clear this debt before the end of this administration in May 2024. However, the cost and uncertainty of Covid-19 has put this objective on hold until such time as the council's reserve strengthens and there is more certainty around financial forecasting.
3. The current loan costs the council £37,500 per annum in repayments.
4. There are no early exit fees with this loan.
5. At 31 March 2021, the outstanding amount to pay will be c.£187,500.
6. Currently, the Public Works Loan Board (PWLB) can offer a similar value loan at 0.97% over the same six-year period, with annual repayments of c.£32,250.
7. If members agreed to switch loan provider, the council could save c.£5,250 per year, a saving over the six-year life of the loan of c.£31, 500.

Mark Russell  
Finance manager  
February 2021

**Committee:** Strategy and Finance

**Date:** 17 February 2021

**Title:** Budget Performance, 1 April – 31 January 2021

### Purpose of Report

To inform members of performance against budget from 1 April to 31 January 2021 and to provide a forecast to 31 March 2021

### Recommendation

Members consider the report and instruct the town clerk on any measures they wish to introduce to reduce the forecast budget deficit

### Report

1. The budget from 1 April to 31 January 2021, together with a forecast for the year to 31 March 2021, is summarised below. These figures are not based on cashflow, they are from a more traditional income statement.
2. The council's cash position at the end of January 2021 was c.£873k. The council's finances are such that we have more income at the beginning of the year financial year than at the end, but the expenditure is more evenly spread throughout the year.
3. Officers have made some assumptions which inform the figures below. These assumptions include reduced car parking income down to 25% of normal and the loss of beach hut income due to the third national lockdown.

£000s	Actual to 31.01.21	2020-21 Budget	Forecast 31.03.21
Income	1,343	1,570	1,365
Expenditure	1,578	1,915	1,783
Surplus/(Deficit)	(235)	(345)	(417)

### Analysis

4. There are some forecast differences to the budget performance report presented on 25 November 2020. These are largely because of a third national lockdown due to Covid-19.
5. Income is forecast to be down on the original budget as there has been a decrease in parking and amenities' income, and the loss of beach hut bookings.
6. The main changes across the year in expenditure are grants, due in part to two unclaimed grants from previous years, c.£37k. The rates' bill was £8k higher than expected, as was insurance of £7k. There have also been higher than expected legal fees. It should also be noted there were increased costs incurred due to the first national lockdown of c.£40k, such as an security guards, £11k, extra cleaning and regular fogging.

7. There is a drop in forecast expenditure against budget, as some of the expected works in the budget have not been completed due to Covid-19.
8. The forecast cash position due to the third lockdown is reduced to c.£620k

Mark Russell  
Finance manager  
February 2021

**Committee:** Strategy and Finance

**Date:** 17 February 2021

**Title:** Investments and Cash Holdings

### **Purpose of Report**

To inform members of the council's current reserve position

### **Recommendation**

Members consider the report and instruct the town clerk on any measures they wish to introduce to increase the potential reserve position

### **Background**

1. The council's reserve at the beginning of the financial year was c.£1.2m.
2. The council had increased its overall reserve to cover a large project worth c.£600k.
3. During the year, it was necessary to withdraw c.£160k from a high interest account, for which there was a six-month withdrawal clause, to cover potential losses at the beginning of the Covid-19 pandemic.

### **Report**

4. The council's cash holding as at 31 January 2021 is c.£874k, **appendix 13A**.
5. The council has adopted a prudent approach to forecasting its reserve at the end of the financial year and has ensured it remains as robust as is possible.
5. To date, the council has recovered c.£47k through the Coronavirus Job Retention Scheme (furlough).
6. The council ceased any planned objectives it was not contracted to fulfil.
7. Officers have advised that the cash holding should be at least 50% of turnover. The current projected reserve for the year ending 31 March 2021 is c.£620k, which is c.£230k short of the target £850k (50% of £1.7m).
8. Interest rates are low and therefore negligible as to any future interest the council may receive.
9. Officers suggest not tying up any money in long term investments at this time, as the council is projected to be short of its cash holding of 50% of turnover.
10. Any recommendations from this committee will be considered by the Full Council on 3 March 2021.

Mark Russell  
Finance manager  
February 2021

<b>Lyme Regis Town Council</b>			
<b>Bank Balances</b>			
<b>31-Jan-21</b>			
		<b>£</b>	<b>Access</b>
<b>NatWest- General</b>		1,000	Instant
NatWest Liquidity Manager 0.1%		24,622	Instant
NatWest Special Interest Bearing Account 0.5%		121,469	Instant
<b>Lloyds - Current</b>		11,133	Instant
Lloyds - Liquidity Manager (0.01%)		713,935	Instant
<b>Santander 0.65%</b>		293	Instant
<b>Santander 0.40%</b>		1,749	180 Days
<b>Wilkinson Legacy 0.8%</b>		538	One month
<b>TOTAL</b>		<b>874,738</b>	
<b>Loans to Lyme Regis Town Council</b>			
<b>West Dorset District Council</b>			
Marine Parade Shelters	Apr-14	397,499	Approx 3%
	Mar-18	277,500	
	Mar-19	247,500	
	Mar-20	217,500	
	Mar-21	187,499	
Public Works Loan Board		NIL	
<b>Total</b>		<b>187,499</b>	

