

Minutes of the Meeting of the Finance & General Purposes Committee, St Ives Town Council, held in the Council Chamber, Guildhall on Thursday 30 September 2021 at 7.00pm

PRESENT

Chairman – Councillor Harris
Vice-Chairman – Councillor Beveridge

COUNCILLORS

Arthur K Hynes S	Messenger K Mitchell A	Taylor L Wells J
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IN ATTENDANCE

Ryall J

OFFICERS

Town Clerk RFO	Administration Assistant
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F&GP.18 APOLOGIES FOR ABSENCE

Councillors A Dale and S Tanner

F&GP.19 CHAIRMAN'S ANNOUNCEMENTS

None

F&GP.20 MINUTES

RESOLVED – that the Chairman signs as a true and correct record the Minutes of the Finance and General Purposes Committee meeting held on 1st July 2021.

F&GP.21 PUBLIC SPEAKING

None

F&GP.22 OFFICERS' UPDATE REPORT

The Town Clerk presented the update report and responded to queries as follows:
F&GP.37: Craze Hunkin Trust – The Town Clerk informed members that they had received the updated final agreement in the agenda pack. The agreement was with the secretary of the trustees. The Council's insurers had raised issues around the wording in terms of its liabilities as a managing agent. The Clerk has clarified terminology around the obligations of the trustees and Town Council responsibilities.

RESOLVED – that, subject to the above comments and agreed actions, the report be noted.

F&GP.23 PARTIAL EXEMPTION CALCULATION AND OPT TO TAX REPORT

The RFO introduced the report and explained that the Town Council has been close to reaching the partial exemption VAT threshold in recent years. He added that the Guildhall

Development Plans would push Council expenditure well over the threshold and given trends in recent years, was likely to result in a bill for the payment of VAT. He stated that the Council's VAT consultants had completed a report on the Council's activities and advised the Town Council that the solution was to Opt to Tax the Guildhall premises. Typically, property transaction costs are not subject to VAT, but businesses can opt to tax, passing VAT on to tenants and hall hirers.

In response to a question about the consultancy fees, The Town Clerk confirmed that the fee for the calculation was approximately £400 a year. She also advised members that the Facilities Committee would need to be aware of the decision when reviewing the Scale of Chargers especially the impact on hall users with their fees increasing by 20%.

RESOLVED – that the Committee RECOMMENDS to Council that it

- i) Resolves to make an Option to Tax the Guildhall with immediate effect,
- ii) Requests the on-going assistance of external VAT consultants in preparing the application
- iii) Gives delegated approval to the RFO, in consultation with the Committee Chairman
- iv) to sign all necessary documentation and submit the application to HMRC.

F&GP.24 REVIEW OF ASSET REGISTER

The RFO introduced the report, explaining that a review of the asset register and the provision of additional information was a recommendation of the Council's internal auditor. The Auditor advised the Council that the current Asset Register needs more information in terms:

1. name of the item
2. when it was purchased
3. location
4. original cost
5. any enhancements
6. insurance value

The Committee considered the attached asset register. In response to a question, the Town Clerk confirmed that it was a public document shared on the website as part of the Council's transparency obligations.

The Committee RESOLVED to RECOMMEND the draft asset register to Council for adoption at its next meeting and that officers continue to gather the relevant information on the assets and review the register on an annual basis.

F&GP.25 IT STRATEGY

The Town Clerk introduced the item explaining that the Committee had agreed that the Council's IT provider would complete an assessment of its IT provision (hardware, network, server etc) on order to establish a baseline for the development of an IT Strategy. This in turn would determine any replacements and the need to plan for future needs. The outcome of the assessment and recommendations for the strategy were set out in the report.

She explained that the main decision for the Committee was around the replacement of the server. As previously explained, the server's software was over 10 years old and the hardware was 6.5 years old and was now out of warranty. The report set out three options; to pay for an

extension to the warranty, to purchase a new server or to consider moving to 100% cloud based solutions. The purchase of the server was a substantial proportion of the estimated expenditure relating to the IT report. The Committee debated the recommendations, and the following issues were discussed:

- The main barrier to moving to the cloud was the Council's accounting software Rialtas which did not have a cloud based product. If the Council retained Rialtas it would need to run a local server to carry on doing so. Government policy was that the public sector should be cloud first, ensuring the Council would not have issues with legacy systems in the future and the need to replace expensive hardware.
- It was agreed that there was a cost to software in terms of licences etc in moving to the cloud. But these were not as significant as hardware placement costs.
- Some Councillors recommended that the Council explore a system such as sales force to reflect the new areas of business, such as bookings and ticket sales.
- It was agreed that a comprehensive approach would include consideration of the library's computer suite. Unfortunately, this was owned by Cornwall Council. There were concerns about whether this would continue to be kept up to date and remain sufficiently flexible for the service.
- Recommended changes to improve the network should be implemented with new workstations acquired in the 2022-23 year.

The Committee RESOLVED that the Council

- i) Acquire a 12 month third party warranty for the existing server, whilst options were explored in more depth
- ii) Agree to progress with a phased migration to a cloud based system, subject to the development of a project plan for the migration, part of which will be an evaluation of alternative accountancy packages and a proposed solution.
- iii) Acquire the recommended router and wireless access points with the costs, up to £1500 to be funded from general reserve
- iv) Build the cost of two replacement workstations into the 2022-23 budget and then a phased replacement programme, thereafter to be funded from the IT reserve.

F&GP.26 REVIEW OF THE RISK STRATEGY AND REGISTER

The Town Clerk introduced the item explaining that the risk strategy and register needed to undergo regular review. This had not been completed in May as part of the Annual Council.

Members debated the register and the following points were raised:

- Was loss or theft of art one of the highest risks for the Council? In response the Clerk explained that risks were managed and mitigated in a number of ways, one of which was insurance. The Council was adequately insured and all the art and civic regalia was recorded on the risk register. The Council had also replaced its CCTV system and had an effect alarm system. Some pieces, such as the Hepworths were insured by third parties.
- Members were concerned about critical staff, especially senior managers including the Town Clerk. The Council needed to assess the risks surrounding the loss of key staff

and succession planning, to ensure that suitable risk management measures were in place.

RESOLVED – that the Committee RECOMMEND to Council that it adopt the revised 2021-22 risk strategy and assessment of financial and non-financial internal audit controls, subject to a re-assessment of the loss of key staff being assessed at the next meeting of the Committee.

F&GP.27 MID-YEAR BUDGET REVIEW

The RFO presented the report and asked members for their views.

Members considered the report. In response to a question about projected bar income, the RFO explained that it was inevitably a broad estimate at this point. It had been calculated, taking into account the costs of running the bar, the mark up on wholesale costs and an estimate of purchases per head.

RESOLVED – that the Committee note the report and the proposed draft revisions to the budget and RECOMMEND to Council that it adopt the mid-year revisions as a revised budget for 2021-22.

F&GP.28 BUDGET SETTING FOR 2022/ 2023

The RFO stated that the report was for noting and its purpose was to provide members with a clear understanding of the process of budget setting over the next few months. Each service committee would review their own budget and make recommendations on changes to be considered as part of a single draft budget at the next meeting of the Committee, in November. The Committee would then consider the draft and options and consequences for the precept, prior to recommending a budget to Council to be adopted in December 2021.

RESOLVED – that the Committee note the report and agreed the timetable.

F&GP.29 REVIEW OF GRANTS POLICY

The Town Clerk reminded members that this review was the result of a discussion at the first Finance & General Purposes Committee of the new Council. Members expressed concerns that some of the grants awarded were not compliant with the grants policy. The Chairman and Vice-Chairman met with the Clerk and considered options for a review of the policy. A central principle of the policy remained the desire to encourage new applications to an under-subscribed budget. The Council also wanted to ensure that the application process was as easy and clear as possible to encourage new groups to apply. At the same time, there was a need to address the fact that several organisations received regular annual payments and wishes to continue to do so and this was not in compliance with the policy.

In order to resolve these differences, the proposal was to create two separate grant streams. One, which was essentially the existing policy had been tightened slightly with greater explanation of eligible items. In general, the grant remained a one off allocation for project costs or capital items or the purchase of equipment. The second would be a new community grants fund, essentially it would only support core revenue funding. There were some new criteria, that it was only for local organisations which made a critical contribution to the town

and funding would be agreed over a three year timescale to give some greater certainty. It would be reviewed after three years, but there could be no expectation that it would continue.

It was not necessary to create an additional funding pot at this stage (as the current budget was underspent and the two eligible organisations were part of the budget. Applications would be considered on a case by case basis.

The Committee debated the proposal and the following views and questions were raised:

- If it was demand led and the Council had insufficient budget, would local organisations be let down.
- Some local organisations had different legal status, including making profits, how would this be addressed?
- The proposed name was confusing.
- How would the provisions be funded?
- A fund to offer mainstream revenue funding was very welcome – most funding was only for projects and yet local organisations were struggling with basic running costs

In response to a proposal that the officers look again at the detail, the Clerk emphasised that it was necessary to make some changes now as some organisations were receiving funding which was not policy compliant.

The Committee RESOLVED – that it

- i) RECOMMEND to Council that it make the proposed amendments to the community grants policy and the proposals to introduce a new policy to support applications from valued local organisations for their core operating costs
- ii) The annually funded organisations be offered their usual funding allocation for this financial year save that
- iii) The budget and the fund's title for 2022-23 be considered as part of the budget setting meeting in November.

F&GP.30 GRANT APPLICATIONS

The Committee considered 3 grant applications with the following outcomes:

St Ives Concert Band
Awarded £500

St Ives Cricket Club
Awarded £500

St Ives Junior School
To build an outdoor classroom
Awarded £1000

The Town Clerk raised the issue of a previous grant recipient, the Stennack Sensory Garden project. The project had explained that it had been delayed during COVID but were now keen to move forward. They had asked the Committee for a letter of support to accompany their previous grant of £1000, to be utilised in any additional fund raising.

RESOLVED – that decisions be made in relation to the grant applications as set out in the minutes and that the Committee restate the Council’s support for the sensory garden proposal and send a letter of support which can be utilised in any additional fund raising.

F&GP.31 NEW STANDARD TERMS AND CONDITIONS FOR SUPPLIERS

Unfortunately, the draft standard terms and conditions had been omitted from the agenda pack. As a result, it was proposed that this item was deferred until the next meeting of the Committee.

RESOLVED – that the item be deferred to next meeting.

F&GP.32 FINANCE REPORT

The RFO introduced the regular Finance report, which represented a snapshot of the Committee’s income and expenditure to date.

RESOLVED – that the Committee note the report.

F&GP.33 EXTERNAL AUDITOR REPORT

This item was discussed at the end of the meeting 8.44pm

The RFO updated the Committee on the outcome of the external audit. He was pleased to report that there were no issues which arose, save that a minor amount on the credit card was restated. This had been done under delegation with the Mayor.

RESOLVED – that the Committee noted the outcome of the external audit process and the report.

F&GP.34 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED - that in accordance with the Public Bodies (Admissions to Meetings) Act 1960 the press and public be excluded from the meeting during the consideration of the following matters by reason of the confidential nature of the business to be transacted.

F&GP.35 CCTV MANAGEMENT REPORT

The Chairman of the Committee presented a report following his attendance at the CCTV monitoring group and the quarterly report was considered. Members thanked him for a comprehensive report.

RESOLVED – that the report be noted.

F&GP.36 PROPERTY UPDATE REPORT

The Town Clerk provided her regular update report into property matters. She explained that the resolution of property issues had been slow to progress. However, there was positive progress as a number of long standing matters had begun finally to be resolved. She updated the Committee as follows:

- i) St John's Ambulance had now signed a new 5 year lease
- ii) The Constitutional Club had their first lease since the Town Council moved from the Market House to the Guildhall in 1942. It was a two year lease.
- iii) RA Design had left the Guildhall attic office and Solicitors had confirmed they would like to take on the lease. This resolved the previous security of tenure issues.
- iv) Approval was now sought to advertise the two ground floor offices which would be vacated.
- v) The Town Clerk had established a dialogue with the fishermen's lodges to regularise their occupation. It was proposed that a meeting be convened with the Chairmen of F&GP and Facilities and Councillor Mitchell, given the lodges were in his ward and his involvement in the harbour board.

RESOLVED – that the Committee note the progress to date and approve:

- i) The marketing of the ground floor offices at the Guildhall at the market rent valuation (together with the Island Centre office but this having already been approved).
- ii) The attic office to be let on the terms, as set out to the Council's existing tenants.
- iii) The Town Clerk, Committee Chairman, Chairman of Facilities Committee and Cornwall Council ward member seek meetings with the lodges to discuss regularising their occupation.

F&GP.37 TOWN DEAL BUSINESS PLANS AND FINANCIAL IMPLICATIONS

Members discussed this item and asked for an update when business cases were being submitted.

RESOLVED – that the Committee request an update when business cases are submitted.

F&GP.38 FINAL DRAFT OF THE CRAZE HUNKIN MANAGEMENT AGREEMENT

Members discussed this item and the Clerk explained that the Council's insurers had raised some queries on the separation of roles and responsibilities between the Town Council and the Trust. This needed further resolution.

RESOLVED – that the Committee note the progress to date.

F&GP.39 DEBTORS AND CREDITORS

RESOLVED – that the schedule of debtors and creditors be noted.

DATE OF NEXT SCHEDULED MEETING

18 November 2021

Meeting closed at 8.45 pm

Chairman