

Dorchester Town Council

Policy Committee

16 July 2019

Present: Councillors B. Armstrong-Marshall, R. Biggs, A. Chisholm, T. Harries, F. Hogwood, S. Hosford (Chair), G. Jones.

1. Minutes

The Minutes of the Committee of 19 March 2019, adopted by Council on 26 March 2019, were taken as read and confirmed and signed by the Chairman as a correct record.

2. Finance Update at 30 June 2019

The Committee received the Town Clerk's update covering the Revenue Out-turn for 2018/19, the Council's Month 3 spend in relation to the budget, cash, debtors and payments, as well as an updated Treasury Strategy for the year.

They considered the implications of the 2018/19 budget underspend on the current year's budget. Some questions of clarification were asked about payments made over the previous four months.

Resolved

- a) That the third Internal Audit report for 2018/19 is noted.
- b) That the Payments list, totalling £487,886.36, is approved.

Recommended to Council

- c) That the Treasury Strategy 2019/20, (Appendix 1, is adopted.

3. Member Allowance Scheme

The Committee considered a report of the Town Clerk reviewing the Member Allowance scheme.

Recommended to Council

That the revised Member Allowance Scheme (Appendix 2), is adopted, that the annual payment is indexed to staff pay inflation, with the next full review to take place no later than 2024.

4. Development of a Corporate Plan 2019 – 2024

The Committee considered a report on the setting of the new Corporate Plan, a timetable for its production and the dilemma faced by the Council as it waited for an outcome of a review of discretionary services by Dorset Council. The Committee also noted a list of outstanding tasks from the previous Corporate Plan.

Members discussed the differing impacts that the creation of the Dorset Council would have on the development of the Corporate Plan, both relating to the hiatus that was already occurring for short term decision making and service delivery and the longer term impact of decisions relating to discretionary services. Members recognised that, while it was difficult to make long term commitments through the Corporate Plan, the Town Council still needed to develop and implement its own priorities.

The Town Clerk then led the Committee through a list of important questions that needed to be addressed as part of the Medium Term Financial Strategy, relating to the setting of the precept, attitude to debt and the appropriate level of reserves.

Members debated each of the questions, acknowledging that more information was required on issues such as comparisons of Council Tax levels over time with other Dorset towns, the ability to predict new property growth, the impact of debt related to different capital project scenarios on precept levels and comparisons of General Reserves levels with smaller district councils as an alternative to the town and parish sector.

Members agreed to continue these discussions during the Corporate Plan workshops and invited the Chairman to investigate options for professional facilitators for these sessions.

5. **Revised Committee Date**

The Town Clerk advised the Committee that, due to staff absence, the next meeting of the Committee would be held on Tuesday 17 September 2019.

Chairman

DORCHESTER TOWN COUNCIL

TREASURY STRATEGY 2019/20

1. Introduction

- 1.1. Dorchester Town Council will, for the foreseeable future, owe money on behalf of its taxpayers (Debt) and will routinely hold monies on behalf of its taxpayers (Investments). This document identifies how the Council and its officers will manage debt and investments to minimise financial risk; it also identifies how it will manage its investments to achieve a financial benefit commensurate with that risk.

2. Debt

- 2.1. The Council's current debt portfolio is shown below, and will be repaid by 2027.

				Debt	Debt	Principal	Interest
2019/20	PWLB	Maturity	Interest	01-Apr-19	31-Mar-20	Repaid	Paid
	Ref		%	£	£	£	£
1	479825	08/2022	7.125	70,000	50,000	20,000	4,631
2	487126	09/2027	4.625	126,000	112,000	14,000	5,666
						34,000	10,297

- 2.2. The Council may, under certain circumstances take on new debt, but would only borrow long term from the Public Works Loans Board, part of HM Government's Debt Management Office. Any decision to borrow will be taken by the Policy Committee, who will consider the benefits of borrowing versus use of the Council's investment cash. The Medium Term Financial Strategy currently shows no plans to borrow.

3. Investments

- 3.1. Any cash held in the Council's bank accounts, held as deposits in other bodies or in managed funds with third parties, advanced as a loan, or used to purchase bonds will be defined as an investment.
- 3.2. On 1 April each year, after adjusting for short term (under 1 year) debtors and creditors, the Council's investments will equal its Earmarked and General Reserves. During the year this figure is supplemented by sums resulting from cash flow on the Revenue Budget, with peaks in April and September when precept income instalments are received ahead of routine payments for staff and supplies. There are thus several reasons for holding investments at any point, being:-
- Sums arising from routine cash flow in year – these need to be available when the cash flow profile requires, no longer than 6 months
 - A sum in the General Reserve held for emergency purposes, calculated annually as part of the budget process (2019/20 £250k) to be available at 3 month's notice

- Sums held in Earmarked Reserves for spending on a planned project, typically in a 1 – 5 year period
- Sums held in the Corporate Projects Reserve, awaiting allocation to projects or transfer to the Earmarked Reserve – this might be invested for up to 5 years depending on how quickly the Council wishes to review and implement its plans

3.3. The actual sums held at 1 April 2019, and the sums held at 31 March 2020 based on known and anticipated uses of Reserves are included below.

Invested with	Interest Rate %	Balance 1 Apr 19 £000	Estimate 31 Mar 20 £000
Lloyds Bank plc General Bank Account	0.00	328	252
National Savings & Investments Investment Account	0.80	155	0
Payden Global Funds plc (part of Payden & Rygel) Sterling Reserve Fund	c. 0.80	1,000	1,000
Total		1,483	1,252

- 3.4. Security of the principal sum is the highest priority when making a decision to invest. The Council has previously taken advice regarding an appropriate list of counterparties, which has resulted in the above list of current financial providers. The Council does not currently take advice from professional advisors.
- 3.5. In consultation with the Chairman and Vice-Chairman of Policy Committee the Town Clerk is authorised to move funds between the investments listed at para 3.3, reporting any transfers to the next meeting of the Policy Committee following the transaction taking place. Other providers may be considered but must be confirmed by the Policy Committee prior to their use.
- 3.6. The requirement of the Council to have funds available to meet its revenue responsibilities is also a priority when determining the period of an investment. Investments must take account of the Council's cash flow requirements.
- 3.7. Achieving a return on the investment is the third priority. Any investment return must, however, be fully consistent with the need to preserve security of the principal sum and meet payments owed by the Council. The budget for Interest earned on Investments for 2019/20 is £7,000.

4. Policy

- 4.1. This Policy is to be reviewed each May by the Policy Committee as part of the financial year end process.

Adrian Stuart
Town Clerk

16 July 2019

DORCHESTER TOWN COUNCIL

MEMBER ALLOWANCE SCHEME

Dorchester Town Council, in exercise of the powers contained in the Local Authorities (Members' Allowances) (England) Regulations 2003 makes the following scheme:

1. Parish Basic Allowance

- An Allowance shall be paid, if requested, to each councillor. The allowance will be £1,061 for 2019/20 (based on 20% of the basic allowance historically paid to members of the West Dorset District Council, subsequently indexed by staff pay inflation)
- The allowance will be paid proportionate to the term served within a civic year.
- The Council may withhold the allowance where a councillor is (partially) suspended in accordance with Part III of the Local Government Act 2000 or related regulations

2. Parish Travelling and Subsistence Allowance

- The Parish Travelling and Subsistence Allowance shall only be payable for attendance at approved duties outside the town boundary
- The Council will only pay allowances in connection with the performance of an ongoing or specific role approved by Council
- The allowance paid will be consistent with the approved scheme for officers of the Town Council at the time that the allowance was claimable
- The Council may withhold the allowance where a councillor is (partially) suspended in accordance with Part III of the Local Government Act 2000 or related regulations
- A Councillor who is also a member of another Council may not claim or receive payments from the Town Council in respect of the same duties

3. Claims and Payments

- The Basic Allowance shall be paid monthly through payroll. Income Tax at the basic rate and employees National Insurance contributions will be deducted at source.
- Claims for payments of Parish Travelling and Subsistence Allowance shall be paid through the payroll system.

4. Records of Allowances

- Records of Allowances made will be available for inspection by any local government elector for Dorchester, with a copy of such records provided on request
- The Council will publish a notice on its website stating the sums paid annually to each councillor in respect of Basic Allowance and Travelling and Subsistence Allowance

9. Review of Scheme

- The Scheme will be reviewed at the commencement of each new Council and may also be reviewed by a resolution at Council

Reviewed by Council 23 July 2019