

**MEETING OF THE FINANCE COMMITTEE OF ABERTILLERY AND LLANHILLETH
COMMUNITY COUNCIL HELD ON 19 July 2023 at 6.00 pm in the Council Chamber at
Council Offices, Mitre Street, Abertillery and via videolink (Zoom).**

PRESENT

Councillors: Peter Adamson, Steve Bard, Mark Lewis, Josh Rawcliffe.

Officers: David Cartwright (Clerk)

Absent: Glyn Smith

Other: Graham White

1. APOLOGIES FOR ABSENCE

Graham White attended the meeting as an observer.

The Clerk stated that no apologies had been received from Glyn Smith and suggested that the start of the meeting be delayed in the hope that Cllr Smith would soon arrive as he was the current Chair of the Finance and Grants Committee. Steve Bard argued that the Finance Committee was a new committee formed at the Annual Meeting in May. It had amended terms of reference, a different name and a change of membership from the former Finance and Grants Committee. Therefore, Cllr Smith's tenure as chair must have ended at the Annual Meeting and, as this was the first meeting of a new committee, it had no chair. The Clerk accepted Cllr Bard's argument and there were no dissenting voices. The Clerk therefore chaired the start of the meeting.

2. DECLARATIONS OF INTEREST OR DISPENSATIONS

None

3. MINUTES 14 DECEMBER 2022

The Committee **RESOLVED** that the minutes were a true and correct record.

4. APPOINTMENT OF CHAIR FOR 2023-24

The Committee **RESOLVED** to appoint Steve Bard as Chair.

Graham White interjected and asked to be heard. He stated that he had recently circulated a written document to Members of the Committee. He asked that the Clerk be dismissed from the meeting and that he be allowed to present and discuss his document. The Chair refused the request.

Graham White left the meeting at 6.12 pm.

5. ANNUAL RETURN AND ACCOUNTS 2022-23

The Clerk stated that the Council's internal auditor had still not submitted his report on the accounts for 2022-23. The Council's Annual Return and accounts would not be signed off and submitted to Audit Wales until the internal auditor's report had been considered by Full Council.

6. EXPENDITURE Q1 2023-24

The Clerk reminded Members that the Council had underspent against its budget in 2022-23 and held excess public money at the end of that financial year. It had passed a deficit budget for 2023-24 with the aim of reducing significantly the excess public

money held by the Council. If its expenditure was on target, the Council would have expected to see a sizable fall in its bank balances in the first quarter of the financial year. The Clerk reported that, as of the first week in July, the balances of both the Council's current account and its reserve account were slightly higher than at the start of the financial year. The amount of excess public money being held by the Council was, therefore, continuing to increase.

The Clerk circulated a spreadsheet showing that initiatives and purchases completed in the first quarter were underspent by more than £34,000. In addition, there had been little or no expenditure in the first quarter from some other budget lines amounting to more than £27,000 and the relevant budget-holders had yet to produce proposals to spend those budgets.

Josh Rawcliffe talked the Committee through a number of projects of which he had knowledge where, although there had been no expenditure in the first quarter, plans were being formulated by the budget holders. The lack of expenditure on those projects so far should not be interpreted as an indicator of future spend.

The Chair asked the Clerk to prepare a similar spreadsheet for future meetings so that the Committee could continue to monitor spending.

7. FINANCIAL OVERSIGHT

The Clerk suggested that the Committee should establish a rota of Members of the Committee to oversee the bank reconciliation on a monthly basis. This would enable that Committee to ensure regular monitoring of financial transactions and that the Council's accounts are properly maintained. Officers could arrange for Members of the Committee to check invoices and financial authorisations and introduce Members to how the Council's Rialtas online accounts system could be used to monitor income, expenditure and investments against budget.

The Committee **RESOLVED** that officers should make arrangements for the Chair and Mark Lewis to oversee the bank reconciliation in August and for Peter Adamson and Josh Rawcliffe to oversee the bank reconciliation in September.

The Chair asked officers to also arrange for Mark Lewis and him to complete the One Voice Wales *Local Government Finance* training module

8. FINANCIAL PROCESSES AND REGULATIONS

The Clerk stated that the recent Council decision to move its accounts to an online bank meant that some existing Financial Regulations and associated Standing Orders would need to be reviewed. In addition, the Council had neither undertaken a financial risk assessment nor updated its asset register for some years. The Clerk suggested that the Committee should appoint a working group to work with officers to address these matters.

The Committee **RESOLVED** to appoint Peter Adamson, Steve Bard, Mark Lewis and Josh Rawcliffe to a Financial Processes and Regulations working group to undertake the reviews described by the Clerk and to bring proposals to the Committee within six months.

The Clerk suggested that the working group should first consider the Council's financial risk assessment and its asset register.

The Committee agreed that the working group would also be tasked with reviewing the Council's reserve funds management; investment and borrowing policies and insurance in the New Year.

9. FINANCIAL OVERSIGHT OF PROJECTS AND INITIATIVES

The Chair believed that repeated underspends of the Council's budget in recent years were due to committees with laudable ideas failing to properly consider what was actually achievable. He suggested that the Committee should consider asking the chairs of budget-holding committees to attend a meeting if spending proposals for some budget lines in 2023-24 had still not been prepared by the end of the second quarter. If the Committee was not convinced that a budget line would be spent, it should consider recommending to Full Council that it was removed from the budget-holder. The Committee should also take a much stronger line in resisting the inclusion of some items in future budgets unless and until it was convinced that the proposed expenditure was achievable.

The Clerk urged the Committee to think long term and to consider where the Council was headed. Financial planning over a longer term than a single year could enable the Council to avoid periodic large increases to the precept.

The Chair noted that Council funding of defibrillators had originated some years ago and was projected to continue for many years. He asked that officers supply to the Committee information regarding the project, the Council's investment so far, the project's achievements and the financial planning for future support. This would enable Members to begin to consider issues involved in longer-term financial planning.

10. BUDGET-SETTING PROCESS 2024-25

The Committee agreed that the Council's current budget-setting process was sound. The Chair asked officers to draft a checklist of criteria against which proposed budget lines should be measured and to suggest questions that Members should ask themselves when budget-holders presented their proposals to the Committee in the autumn.

11. NEXT MEETING

1 September 2023.

The meeting ended at 7.05 pm.