



Town Clerk: Miss Joy Norris MSc ACG

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Minutes of the meeting of the Town Council held on Thursday 6 January 2022 commencing at 19:00 hrs

Present

Chair: Councillor K Haslett

Councillors: J Buczkowski, A Connolly, R Dietrich, I Emmett, G Guest, M Rowe and C Snow

In attendance

Note: Councillors attending by remote access are not able to participate nor vote in the meeting

County Councillor and District Councillor: J Berry

Officers: J Norris (Town Clerk)

5 members of the public attended the meeting in the Town Hall.

1 member of the press was present via remote attendance.

440. Mayor's Announcements

The Mayor welcomed the members of public present at the meeting and did a roll call of the Councillors present in the Town Hall.

There were no other announcements.

441. Apologies for Absence

Apologies for absence were received from Councillors Andrews, Dale, Knight and Johns.

442. Declarations of Interests

The following Declarations of Interest were made at this stage of the Agenda:

- Councillor Buczkowski declared a personal Interest in Agenda No 7 – Payments for Approval - as he is a trustee of the scout group and they are listed as a payee.

443. Public Participation

This agenda item allows members of the public present at the meeting to raise matters which are relevant to Cullompton.

The Chair advised the meeting that an email had been sent in response to questions raised at the previous meeting.

Speaker 1

- The speaker said he was a resident of Clyst Hydon.
- The speaker was aware that the Town Council had objected to the Langford solar proposal in Mid Devon but was not sure if the Council was aware of the proposal made to East Devon District Council for which the transport plan has vehicles coming through and from the B3181 into Clyst Hydon.
- The Speaker referred to the CTMP and his interpretation of the route that vehicles would be taking and an assessment of the number of vehicle movements.
- The speaker said he would send the CTMP to the Mayor.

The Chair thanked the Speaker and said she would read the documents and let him know if anyone should attend the Town Council's planning committee meeting.

Speaker 2

- The Speaker said he was a resident of Clyst Hydon.
- The reason for being at the meeting was to make sure the Council was aware of the planning application and to ask whether the Council would consider looking at the scheme anyway giving views on it whether in support or objecting.
- The Speaker explained his concerns about the impact of current applications on the agricultural land and the Clyst lowlands.
- The speaker referred to the amount of energy the solar farm application says will be generated.

Councillor Guest advised that East Devon have a Countryside Recreation plan which includes the Clyst Valley and said it may be worth looking at the document and seeing if there is any information in the plan of relevance to the planning application.

The Chair thanked the speakers.

Speaker 3

- The Speaker raised continuing concerns about the publication of papers with agendas.

The Chair thanked the speaker.

Speaker 4 – Councillor Berry – remote attendance

- Anyone who wishes to comment on the planning application for the solar panels raised earlier in the meeting should write to East Devon District Council as the relevant planning authority stating their objections on planning grounds.

Councillor Snow requested a copy of the response sent previously to the speaker regarding publication of meeting documents and that it should be recorded in the minutes.

The Chair thanked the Councillor for the request.

444. Minutes

Consideration was given to:

- (i) The draft Minutes of the meeting held on 25th November 2021 (subsequently adjourned and reconvened on 6th December) as a correct record. (Supporting Paper A to the Agenda)
- (ii) The draft Minutes of the extraordinary Town Council meeting held on 6th December 2021 as a correct record. (Supporting Paper B to the Agenda)
- (iii) The draft Minutes of the extraordinary Town Council meeting held on 14th December 2021 as a correct record. (Supporting Paper C to the Agenda)

RESOLVED

- (i) To confirm the draft Minutes of the meeting held on 25th November 2021 (subsequently adjourned and reconvened on 6th December) as a correct record.
- (ii) To confirm the draft Minutes of the extraordinary Town Council meeting held on 6th December 2021 as a correct record.
- (iii) To confirm the draft Minutes of the extraordinary Town Council meeting held on 14th December 2021 as a correct record.

445. Action List

The Action List relating to the Town Council was received and reviewed. (Supporting Paper D to the Agenda)

446. Payments for Approval

The accounts due for payment were examined. (Supporting Paper E to the Agenda)

RESOLVED that the invoices due for payment as presented totalling £12,846.89 gross and the direct debits and standing authorisation items totalling £1,30.12 be approved

447. Meetings with Remote Attendance

Consideration was given to using the National Association of Local Councils (NALC) model letters to write to Neil Parish MP and the Minister for Levelling Up Communities regarding the Town Council's support for legislation to be amended to enable Councils to have the flexibility to use virtual meeting options for Council meetings. (Supporting Paper F to the Agenda)

RESOLVED to write to Neil Parish MP and the Minister for Levelling Up Communities using the NALC model letters regarding amending legislation to enable Councils to have the flexibility to use virtual meeting options for attendance at Council meetings.

448. Committee Composition

To consider a request from Councillor Rowe to sit on the Community Wellbeing Committee. (The Committee currently comprises Councillors Andrews, Buczkowski, Dale, Guest, Haslett and Johns)

RESOLVED that Councillor Rowe is appointed to the Community Wellbeing Committee.

Note: Cllr Guest would like to be on Town Hall Working Group

449. Recommendations and Observations from the Resources Committee

Consider recommendations and observations from the Resources Committee regarding:

- (i) The approval and adoption of an Investment Strategy
- (ii) The approval and adoption of a Reserves Policy

(iii) The undertaking of bank reconciliations.
(Supporting Paper G to the Agenda)

RESOLVED

- (i) To approve and adopt the Investment Strategy as attached to the minutes as Appendix 1
- (ii) To approve and adopt the Reserves Policy as attached to the minutes as Appendix 2

The position regarding bank reconciliations was noted and the Town Clerk was asked to send a reminder to the relevant Councillors.

450. 2022/2023 Budget

Consideration was given to the Town Council's budget and financial plans for 2022/2023.
(Supporting Paper H to the Agenda)

RESOLVED

- (i) That the proposed budget for Public conveniences running costs should be reduced by 50% from £7,000 to £3,500

The Town Clerk was requested to prepare additional information regarding the expenditure forecast for 2021/2022 and some scenarios for maintaining the budget to a maximum rise of 3% per household for consideration at a Town Council meeting to be held on 18 January 2022.

451. 2022/2023 Precept

To set the Town Council's precept for 2022/2023 (Supporting Paper I to the Agenda)

This item was deferred until after the budget has been agreed

452. Medium Term Financial Plan

To consider the adoption of a Medium Term Financial Plan for 3 years from 2022/2023
(Supporting Paper J)

This item was deferred until after the budget has been agreed

453. Charity Commission Return – Upcott Field

Consideration was given to the 2020/2021 annual return to be submitted to the Charity Commission regarding Upcott Field. (Supporting Paper K to the Agenda)

RESOLVED to approve the annual return for submission to the Charity Commission

454. Fire Service Community Risk Management Plan Consultation

Consideration as given to the Town Council's response to the draft five-year strategic plan for Devon and Somerset Fire and Rescue Service. (Supporting Paper L to the Agenda)

RESOLVED that the Town Council responds to the Fire Service consultation submit as stated in the supporting paper, plus an additional comment is made that roads in new developments need to be of sufficient width that emergency vehicles can easily proceed even when vehicles are parked along the roadside.

455. Consultation Documents

Consideration was given to the introduction of a process whereby when a consultation documents is received on a strategic matter (other than planning related) the Town Clerk convenes a working group who draft a response for the Town Council to consider. (Supporting Paper M to the Agenda)

RESOLVED that the process attached to these minutes as Appendix 3 is implemented.

456. Recommendations from the Town Centre & Economic Development Committee

Consideration was given to recommendations from the Town Centre & Economic Development Committee with regard to:

- (i) The Farmers Market using the Town Hall during inclement weather
- (ii) Weekly Market fees

(Supporting Paper N to the Agenda)

RESOLVED

- (i) that the Farmers Market be allowed to trade in the Town Hall if the weather is extremely bad so that the Farmers Market did not need to be cancelled.

Note: this decision will only come into effect when the Town Hall the COVID mitigations are lifted and / or the Town Hall is made available for hire

- (ii) that there are no charges for the weekly market until 31 March 2022

457. Recommendations from the Cemetery and Town Hall Committee

Consideration was given to a recommendation from the Cemetery and Town Hall Committee regarding the appointment of a contractor to undertake the first tranche of pathways resurfacing in the Cemetery. (Supporting Paper O to the Agenda)

RESOLVED that the quotation from Contractor A in the sum of £9,537 be accepted to grade off a 50mm layer, dig/lay/backfill 3x service ducts, lay timber path edgings, resurface with 6mm to dust limestone materials and compacted, clay channels to be carefully cleared and undisturbed. Day Rates applicable – drainage channels/stoppage of works'

458. Councillor Apologies

Consideration was given to formally accepting apologies for absence from Councillor Andrews and Dale. (Supporting Paper P to the Agenda)

RESOLVED that the apologies from Councillors Andrews and Dale are formally accepted and that the situation is reviewed in 6 months.

459. Members Questions

This agenda item is to give Councillors an opportunity to ask questions which are relevant to the work of the Council.

Note: questions are to be for the purpose of obtaining information and not for debate nor discussion.

RESOLVED to extend the duration of the meeting until 21:05hrs

The following matters were raised:

- It would be helpful if emails specific to the Town Council could be identified in the subject header
- Anti-social behaviour it was suggested that this could be an agenda item and a list of topics / places causing concern could be compiled and sent to the police.

The meeting closed at 21:05hrs

CULLOMPTON TOWN COUNCIL



INVESTMENT STRATEGY

Adopted February 2016, reviewed and updated 6 January 2022

1. INTRODUCTION

The strategy has been produced to comply with the guidance issued by the Secretary of State under Section 15(1) of the Local Government Act 2003 (3rd edition, effective for financial years commencing on or after 1 April 2018). Cullompton Town Council acknowledges its responsibilities to the community and the importance of prudently investing the temporary surplus funds held on behalf of the community.

The Town Council will ensure it has adequate though not excessive cash resources or standby facilities to enable it at all times to have the level of funds available which are necessary for the achievement of service objectives.

2. OBJECTIVES

2.1 The Council's objective is prudent investment of its balances. The Council's investment priorities are:

- (i) The security of its reserves.
- (ii) The liquidity of its investments.

Yield will be borne in mind when making decisions about where to invest but will not be an overriding consideration or objective (see 2.3 below)

- 2.2 The Council will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.
- 2.3 In balancing risk against return, the Town Council will be careful to avoid risks rather than to maximise returns.
- 2.4 Where external investment managers are used, they will be contractually required to comply with this Strategy.

3. POLICIES

3.1 All the Town Council's investments will be Specified investments which are those offering high security and high liquidity. This means that:

- (i) All investments will be made in sterling and any payments or repayments will also be made in sterling.
- (ii) Long term investments will be limited to a maximum of £100,000.00 and be reviewed annually.
- (iii) All investments will be made with a body or investment scheme which has been awarded a high credit rating by a credit rating agency (i.e. Standard and Poor's, Moody's Investors Service Ltd and Fitch Ratings Ltd) For the purposes of this Strategy "high credit rating" is an organisation with a credit rating of A- or higher that is domiciled in the UK or a sovereign rating of AA+ or higher for organisations domiciled in a foreign country.
- (iv) The Town Council may use the following:
 - Deposits with banks, building societies, local authorities or other public authorities
 - Other recognised funds specifically targeted at the public sector
- (v) All investments will be made through banks and building societies. The choice of institution and length of deposit (if required) will be in the remit of the Resources Committee.

3.2 For prudent management of its balances, the Town Council, maintaining sufficient levels of security and liquidity, implements a policy whereby funds which are likely to be surplus for up to three months can be invested in short term deposits with one or more of the UK major clearing banks and/or building societies.

3.3 The Department of Communities and Local Government maintain that borrowing monies purely to invest or lend and make a return is unlawful and the Town Council will not engage in such activity.

4. Quantative Indicators

The quantative indicators that allow Councillors and the public to asses a local authority's total risk exposure as a result of its investment decisions will be used as at Appendix 1.

5. REVIEW OF THE STRATEGY

4.1 The Resources Committee will review the policy annually.

4.2 At the end of the financial year during the preparation of the accounts the Town Clerk will report on the investment activity

4.3 The Resources Committee may recommend variations to the strategy for the approval of the Full Council with the guidance from the Secretary of State.

4.4 The Resources Committee will review the Council's banking arrangements every two years.

Definitions (from the Statutory Guidance on Local Government Investments)

Investments (S4)

The definition of an investment covers all of the financial assets of a local authority as well as other non-financial assets that the organisation holds primarily or partially to generate a profit; for example, investment property portfolios. This may therefore include investments that are not managed as part of normal treasury management processes or under treasury management delegations.

Specified Investments (S31)

An investment is a specified investment if all of the following apply:

- The investment is denominated in sterling and any payments or repayments in the respect of the investment are payable only in sterling.
- The investment is not a long term investment. This means that the local authority has contractual right to repayment within 12 months, either because that is the expiry term of the investment or through a non-conditional option
- The making of the investment is not defined as capital expenditure by virtue of Regulation 25 (1) (d) of the Local Authorities (Capital finance and Accounting (England) Regulations 003 (as amended)
- The investment is made with a body or an investment scheme described as high quality (see paragraph 33 [of the Statutory Guidance] or with one of the following bodies:
 - i The United Kingdom Government
 - ii A local authority in England or Wales (as defined in section 23 of the 2003 Act) or a similar body in Scotland or Northern Ireland; or
 - iii A parish or community council

Non Specified Investments (S35)

A non specified investment is any financial investment that is not a loan and does not meet the criteria to be treated as a specified investment

Security (S26)

Protecting the capital sum invested from loss

Liquidity (S26)

Ensuring the funds invested are available for expenditure when needed

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| Debt to net service expenditure (NSE) ratio | <i>Gross debt as a percentage of net service expenditure, where net service expenditure is a proxy for the size and financial strength of a local authority.</i> |
| Commercial income to NSE ratio | <i>Dependence on non-fees and charges income to deliver core services. Fees and charges should be netted off gross service expenditure to calculate NSE.</i> |
| Investment cover ratio | <i>The total net income from property investments, compared to the interest expense.</i> |
| Loan to value ratio | <i>The amount of debt compared to the total asset value.</i> |
| Target income returns | <i>Net revenue income compared to equity. This is a measure of achievement of the portfolio of properties.</i> |
| Benchmarking of returns | <i>As a measure against other investments and against other council's property portfolios.</i> |
| Gross and net income | <i>The income received from the investment portfolio at a gross level and net level (less costs) over time.</i> |
| Operating costs | <i>The trend in operating costs of the non-financial investment portfolio over time, as the portfolio of non-financial investments expands.</i> |
| Vacancy levels and Tenant exposures for non-financial investments | <i>Monitoring vacancy levels (voids) ensure the property portfolio is being managed (including marketing and tenant relations) to ensure</i> |

(Source: Statutory Guidance on Local Authority Investments (3rdEdition))



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|------------------------|---|
| POLICY TITLE | Reserves Policy |
| POLICY NO | |
| APPROVED | 6 January 2022 |
| REVISION DATE | |
| REVIEW DATE | January 2025 |
| REPLACES POLICY | New Policy |
| POLICY AIM | This policy sets out the Town Council's stance regarding maintaining financial reserves |

1. Introduction

- 1.1 Cullompton Town Council is required to maintain an adequate level of financial reserves to
 - Protect against risk
 - Ensure contingencies are in place
 - Accumulate funds for known or planned policy initiatives or projects
- 1.2 Sections 32 and 43 of the Local Government Finance Act 1992 requires local authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.
- 1.3 The 2021 Joint Panel on Accountability and Governance Practitioners Guide states “ *as with any financial entity, it is essential that authorities have sufficient Reserves (general and earmarked) to finance both its day to day operations and future plans. It is important, however, given that its funds are generated from taxation / public levies, that such reserves are not excessive.*” (5.31)
- 1.4 The 2018 Good Councillors Guide to Finance and Transparency “*Local Councils need to hold an amount in reserves to meet unexpected expenditure, otherwise they could run out of money before the end of the financial year.....Local councils have no legal powers to hold revenue reserves other than for reasonable working capital or for specifically earmarked purposes,*” (p17)
- 1.5 There is no specified minimum level of reserves that an authority should hold.

2 Policy Purpose

- 2.1 The purpose of this policy is to enable the Town Council to make financial decisions and keep the reserves at an appropriate level.

3 Types of Reserves

- 3.1 Cullompton Town Council maintains two types of reserves earmarked reserves and general reserves.
- 3.2 **Earmarked Reserves. (EMR)**

Earmarked reserves are a way of accumulating funds (“saving”) for use in a later financial year to meet a known or planned policy initiatives or projects; such initiatives or projects may well incur expenditure over more than one financial year.
- 3.3 An EMR must be for a genuine purpose and separately identifiable.
- 3.4 Amounts in earmarked reserves are set by the Town Council as part of the annual budget process.
- 3.5 If a specific EMR is no longer considered necessary, or the project has been completed and there is surplus in the EMR the Town Council will decide how the balance in the EMR should be allocated.
- 3.6 EMRs will increase through decisions of the Town Council and will decrease as they are spent on their specific purpose.
- 3.7 **General Reserves**

The purpose of the general reserves is

 - to provide a contingency to minimise the possible financial impacts to the authority from situations such as emergencies, unforeseen events, ad hoc emerging issues
 - to operate as a working balance to manage the impact of uneven cash flows.
- 3.8 The primary means of building the general reserve will be through reallocation of funds e.g. where a project comes in under budget or through an allocation from the precept.
- 3.9 Balancing the budget by drawing on reserves must be viewed as a legitimate short term option only.

4 Reserve Levels

- 4.1 The Good Councillors Guide to Finance and Transparency 2018 (p 17) says *“A council should typically hold between 3 and 12 months expenditure as a general reserve. If the general reserve is too low then it may not be enough to cover unexpected expenditure or emergencies, whilst if the general reserve is too high then local electors have paid a tax which is not being used for the benefit of the local community. Local councils have no legal powers to hold revenue reserves other than for reasonable working capital or for specifically earmarked purposes, therefore the year end general reserve should not be significantly higher than the annual precept.”*
- 4.2 The 2021 Joint Panel on Accountability and Governance Practitioners Guide states *“The generally accepted recommendation with regard to the appropriate minimum level of a Smaller Authority’s General Reserve is that this should be maintained at between three (3) and twelve (12) months Net Revenue Expenditure (NRE). NRE (subject to any planned surplus or deficit) is effectively Precept / levy less any Loan Repayment and / or amounts included in Precept / Levy for Capital Projects and transfers to Earmarked Reserves. The reason for the wide range (3 to 12 months) is to cater for the large variation in sizes of individual authorities. The smaller the authority the closer the figure should be to 12 months NRE, the larger the authority the nearer to 3 months. In practice, any authority with an NRE in excess of £200,00 should plan on 3 months equivalent General Reserve. In all of this it is important that each authority adopt, as a general reserve policy, the level appropriate to their size and situation and plan their Budget so as to ensure that the adopted level is maintained.”* (5.32)
- 4.3 The Town Council will set the level of general reserve to be maintained as part of the annual budget setting process. The level will
- Be between 3 months and 12 months expenditure
 - Generally, will be maintained at approx. 6 months expenditure
 - Not exceed the annual precept except in extreme circumstances.

**Consultation Documents
(as agreed by Town Council 6 January 2022)**

Introduction

1. The Town Council frequently receives consultation documents on strategic services or organisation arrangements, recent examples include transport, waste and the fire and rescue service.
2. Whilst these services and consultations may not have a direct impact upon the work of the Town Council they may impact upon services to residents and businesses within the town and the Town Council may be able to offer a local view or information within a strategic context.

Process

- There is a “standing” Working Group comprising the Mayor, Deputy Mayor and Committee Chairs and all other Councillors will be invited to attend. The terms of reference are to consider consultation documents and prepare draft responses for the Town Council’s consideration. The Mayor will chair the Working Group
- When Town Clerk receives consultation information all Councillors will be informed and sent the relevant information (this may be done in a Clerk’s Update or by any other suitable electronic means).
- The Town Clerk (or member of staff delegated by the Town Clerk) compiles a timetable for considering the consultation information and preparing a response etc.
- The Town Clerk convenes the working group following consultation with the Mayor and Deputy Mayor and all Councillors are sent the invitation to attend the Working Group.
- The Working Group will agree the timetable and meet as required to agree a draft response to be presented to Council for approval. This may include a recommendation from the Working Group that no response is submitted.