



GILLINGHAM TOWN COUNCIL

The Town Hall

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GILLINGHAM

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FINANCE COMMITTEE

All members of the **Finance Committee** are summoned to a meeting on **Monday, 15th June 2020**, commencing at **7.30pm**.

Attawkins

Issue Date: 8th June 2020

Mrs Julie Hawkins
Town Clerk

All in attendance should be aware that filming, photographing and recording may occur during the meeting.

This meeting will be held in accordance with s.78 of the Coronavirus Act 2020, The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 ("the 2020 Regulations") which came in to force on 4 April 2020.

The 2020 Regulations enable local councils to hold remote meetings (including by video and telephone conferencing) for a specified period until May 2021. The 2020 Regulations apply to local council meetings, committee and sub-committee meetings in England.

All members can use MS Teams as part of their councillor email package. Details of how to join the meeting are sent in advance of each meeting.

Press and Public may join the meeting via **MS Teams**, please contact the Town Council (prior to the meeting during working hours) via email: gtc@gillinghamdorset-tc.gov.uk to request joining instructions. Currently, there is no facility to join the meeting via telephone.

All attendees should try to join the meeting at least 5 minutes prior to the start of the meeting to allow for any connection problems.

AGENDA

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| 1. | Public Participation. <u>Please note</u> : a period up to a maximum of fifteen minutes will be allowed for public comments and questions restricted to items listed on the following agenda. |
| 2. | To receive apologies. |
| 3. | To approve the minutes of the last meeting held on Monday, 18 th May 2020. |
| 4. | To receive questions pertinent to the previous meeting. |
| 5. | To receive any declarations of interest. <u>Please note</u> : members are required to comply with the requirements of the Localism Act 2011, section 27, disclosable pecuniary interests. |

6.	To approve payments for the previous month.
7.	To approve payments between £5,000 and £9,999, in accordance with Financial Regulations, para 4.1.2.
8.	To receive any requests for virement of budgets.
9.	To receive and consider sub-committee reports, if available.
10.	To receive information regarding s.137 of the Local Government Act 1972.
a.	To receive and review the council's expenditure incurred under s.137 of the Local Government Act 1972, in accordance with Standing Orders, para J5xx.
b.	To receive notification from NALC of the Section 137 limit for 2020/21.
11.	To receive, consider and authorise a list of suppliers which are paid on a regular basis, in accordance with Financial Regulations, para 5.6.
12.	To agree and approve that payments may be made by internet banking transfer provided evidence is retained showing which members approved the payment, in accordance with Financial Regulations, para. 6.10.
13.	To receive and consider a report regarding the payment of salaries by internet banking transfer.
14.	To receive and consider a report regarding the Council's energy suppliers, if available.
15.	To receive and review the list of assets prior to renewal of insurance.
16.	To receive matters pertinent to this meeting. <u>Please note:</u> Members are advised that inclusion of any item is at the Chairman's discretion and that a council cannot lawfully decide upon any matter which is not specified in the summons (agenda).
	Closure

Attached:

- Agenda item no. 6:** List of payments for May.
Agenda item no. 10a&b: Expenditure incurred under s.137 of the Local Government Act 1972.
Agenda item no. 11: List of regular suppliers.
Agenda item no. 13: Report regarding the payment of salaries by internet banking transfer.

To follow:

- Agenda item no. 14:** Council's Energy Suppliers, if available.
Agenda item no. 15: List of assets.

GILLINGHAM TOWN COUNCIL - BANK PAYMENTS MAY 2020

Agenda item 6

No	Type	Account	Name	Date	Ref	Details	Amount	Detail
3225	PP	WATE0001	Water2Business	01/05/2020	DD	Purchase Payment	103.38	Water rates
3226	PP	RIGH0001	Right Fuel	04/05/2020	DD	Purchase Payment	21.88	Esso fuel
3227	PP	BRIT0002	British Gas	04/05/2020	DD	Purchase Payment	193.31	Town Hall electricity
3254	PP	TOWE0001	Tower	05/05/2020	BP	Purchase Payment	19.67	Staff uniform
3255	PP	WEST0001	Western Workshops	05/05/2020	BP	Purchase Payment	189.54	Cleaning materials
3256	PP	GREG0001	G Richards	05/05/2020	BP	Purchase Payment	2,300.00	Electrical works workshop
3257	PP	SSEE0001	SSE	05/05/2020	BP	Purchase Payment	110.64	Gas workshop
3258	PP	GILL0003	The Gillingham Community and Leisure Trust Ltd	05/05/2020	BP	Purchase Payment	10,000.00	Grant payment SLA
3156	PP	JPAR0001	J Parker Dutch Bulbs	06/05/2020	BP	Purchase Payment	289.60	Plants
3157	PP	SAGE0001	SAGE Software	06/05/2020	BP	Purchase Payment	42.60	Stationery
3158	PP	THRE0001	Three County Group	06/05/2020	BP	Purchase Payment	774.00	Replace lock side door Town Hall
3271	BP	Payment	Refund Mayor tickets	06/05/2020	BP	Refund Mayor cancelled ever	280.00	Refund Mayor tickets
3272	BP	Payment	Refund Mayor tickets	06/05/2020	BP	Refund Mayor cancelled ever	50.00	Refund Mayor tickets
3276	BP	Payment	Staff travel	06/05/2020	BP	CR mileage costs	38.00	Staff travel
3446	PP	RIGH0001	Right Fuel	11/05/2020	DD	Purchase Payment	35.42	Esso fuel
3435	PP	TUDO0001	Tudor	13/05/2020	BP	Purchase Payment	59.76	Hand sanitiser
3436	PP	TOWE0001	Tower	13/05/2020	BP	Purchase Payment	176.70	Staff uniform
3437	PP	SYDE0002	Sydenhams	13/05/2020	BP	Purchase Payment	81.72	Paint
3438	PP	LYRE0001	Lyreco	13/05/2020	BP	Purchase Payment	341.77	Stationery and guillotine
3439	PP	HUNT0001	Hunt Forest	13/05/2020	BP	Purchase Payment	54.62	Spares
3440	PP	AQUA001	Aqua cleaning	13/05/2020	BP	Purchase Payment	52.00	Hygiene services
3441	PP	SHIR0001	Shirts & Signs	13/05/2020	BP	Purchase Payment	471.60	Signs and part payment Van signage
3442	PP	FENC0001	Fencewize	13/05/2020	BP	Purchase Payment	180.00	Green space
3443	PP	DESI0001	Designjam	13/05/2020	BP	Purchase Payment	102.00	Website maintenance
3444	PP	AQUA002	Aqua Supplies	13/05/2020	BP	Purchase Payment	60.00	Gloves
3445	PP	AMAZ0001	Amazon	13/05/2020	BP	Purchase Payment	141.83	Ink cartridges, lamp, sanitiser
3451	PP	DORS0003	Dorset Council	15/05/2020	DD	Purchase Payment	127.00	Business rates (monthly)
3452	PP	DORS0003	Dorset Council	15/05/2020	DD	Purchase Payment	2,310.00	Business rates various buildings (monthly)
3453	PA	RIGH0001	Right Fuel	18/05/2020	DD	Payment on Account	40.49	Esso fuel
3454	PP	SAGE0001	SAGE Software	18/05/2020	DD	Purchase Payment	256.20	Sage 50 Accounts & Payroll monthly
3504	BP	Payment	Payroll	22/05/2020	BP	Net pay	8,303.74	Payroll
3509	PP	BRIT0002	British Gas	22/05/2020	DD	Purchase Payment	26.84	Electricity
3524	PP	RIGH0001	Right Fuel	26/05/2020	DD	Purchase Payment	219.67	Esso fuel
3527	PA	TALK0001	Talk Talk	27/05/2020	DD	Payment on Account	43.20	Internet
3528	PP	SHIR0001	Shirts & Signs	27/05/2020	BP	Purchase Payment	417.60	Balance signage on Vans
3547	BP	Payment	HMRC	27/05/2020	BP	HMRC PAYE & NIC	7,158.34	HMRC
3538	BP	Payment	Payroll	28/05/2020	BP	Net pay	13,394.87	Payroll
3549	PP	UTIL0001	Utility Warehouse	29/05/2020	DD	Purchase Payment	7.58	Electricity
3550	PP	UTIL0001	Utility Warehouse	29/05/2020	DD	Purchase Payment	9.16	Electricity
3551	PP	UTIL0001	Utility Warehouse	29/05/2020	DD	Purchase Payment	14.29	Electricity
3552	PP	UTIL0001	Utility Warehouse	29/05/2020	DD	Purchase Payment	119.51	Electricity
3553	PP	UTIL0001	Utility Warehouse	29/05/2020	DD	Purchase Payment	215.26	Gas
							48,833.79	

Gillingham Town Council

Section 137(4)(a) LGA 1972

Author: Julie Hawkins, Town Clerk

Agenda Item 10a

Town and Parish Councils in England who do not have the general power of competence can use the power in section 137(1) where they are unable to rely on a specific statutory power for expenditure.

Under s.137(1) a local council may, subject to conditions, incur expenditure which in its opinion is in the interest of, and will bring direct benefit to, its area or any part of it or all or some of its inhabitants.

The limitations are that a local council cannot incur expenditure:

for a purpose for which it is either unconditionally or subject to any limitation or to the satisfaction of any condition, authorised or required to make any payment by or by virtue of any other enactment; nor

unless the direct benefit accruing will be commensurate with the expenditure to be incurred.

It is for the council to decide whether the direct benefit is commensurate with the expenditure proposed. Provided that it does not act unreasonably, the decision should not be open to challenge at audit.¹

The maximum amount of expenditure permitted in any one financial year is based on the 'relevant population' of the council's area. To calculate the current maximum limit, the multiplier for FY2019/20 was £8.12 per head of the adult population (9,223) which makes the maximum limit for FY2019/20 £74,890.76.

The council's Standing Orders state that a review should be undertaken of the Council's expenditure incurred under s.137 of the Local Government Act 1972.

The following expenditure was incurred under s.137 of the Local Government Act 1972 during the FY2019/20:

Gillingham Town Team	£ 465.00	To establish a website & associated hosting costs.
Read Easy Gillingham and Shaftesbury	£ 500.00	Training for coaches, publicity postcards, reading manuals, co-ordinator's expenses.
North Dorset Disability Information Service (NorDDis)	£ 500.00	Volunteer expenses, to keep the shop open.

¹ SLCC Clerks Manual 2019

Home-Start North Dorset	£1,500.00	Recruiting, training and supporting our parent volunteers who visit local families in their own home.
North Dorset Club for Visually Impaired	£ 100.00	To take members, careres and volunteer drivers for a Christmas lunch.
Total	£3,065.00	

Agenda Item 10b

The Ministry of Housing, Communities and Local Government (MHCLG) has notified the National Association of Local Councils (NALC) that the appropriate sum for the purpose of section 137(4)(a) of the Local Government Act 1972 (the 1972 Act) for parish and town councils in England for 2020-21 is £8.32 per elector.

This is the amount as a result of increasing the amount of £8.12 for 2019-2020 by the percentage increase in the retail index between September 2018 and September 2019, in accordance with Schedule 12B to the 1072 Act.

Recommendations:

- **That expenditure incurred under s.137 of the Local Government Act 1972 during FY2020/21 is noted.**
- **That the amount of £8.32, for the purpose of section 137(4)(a) of the Local Government Act 1972 for parish and town councils in England, for 2020/21 is noted.**

Gillingham Town Council

List of regular suppliers

Author: Julie Hawkins Town Clerk and Debra Edward RFO

Para. 5.6 of the town council's Financial Regulations approved 23rd April 2019 states:

'For each financial year the Clerk and RFO shall draw up a list of due payments which arise on a regular basis as the result of a continuing contract, statutory duty, or obligation (such as but not exclusively) Salaries, PAYE and NI, Superannuation Fund and regular maintenance contracts and the like for which council, or a duly authorised committee, may authorise payment for the year provided that the requirements of regulation 4.1 (Budgetary Controls) are adhered to, provided also that a list of such payments shall be submitted to the next appropriate meeting of the Finance Committee or Full Council.'

The following is a list of suppliers who receive payment on a regular basis:

Regularity of payment	Description	Recipient / Supplier
Monthly	Payroll and accounts software	Sage
Monthly	Fuel	Esso Right Fuel Card
Monthly	Rates - Cemetery	Dorset Council
Twice Yearly	Water - Cemetery	Water 2 Business
Monthly	Electric - Cemetery Chapel	Utility Warehouse
Monthly	Rates - Old Mortuary	Dorset Council
Twice Yearly	Water - Old Mortuary & Allotments (one bill)	Water 2 Business
Monthly	Electric - Old Mortuary	Utility Warehouse
Monthly	Electric - Workshops	Utility Warehouse
Monthly	Gas - Workshops	SSE
Twice Yearly	Water/ Sewerage - Workshops	Water 2 Business
Quarterly	Rent, landlord insurance and services - Workshops	Goadsby and Harding
Monthly	Rates - Workshops	Dorset Council
Monthly	Telephone Line Rental – Workshops (required for alarm system, upload of apps incl. play inspection etc)	Talk Talk
Yearly	Alarm Service - Workshops	Partnership Security
Twice Yearly	Water - High Street Toilets	Water 2 Business
Monthly	Rates - High Street Toilets	Dorset Council
Monthly	Electric - High Street Toilets	British Gas
Twice yearly	Water - Town Hall	Water 2 Business
Monthly	Electric - Town Hall	British Gas
Monthly	Gas - Town Hall	Utility Warehouse
Monthly	Cleaning Contract - Town Hall	MG Cleaning
Monthly	Rates - Town Hall	Dorset Council
Monthly	Sanitary Disposal – Town Hall	Aqua Cleaning
Twice Yearly	Fire Alarm Service – Town Hall	Mick Taylor
Yearly	Fire Extinguisher Service – Town Hall	Churches
Yearly	Hearing Loop Service – Town Hall	Action on Hearing Loss
Monthly	Telephone/Broadband - Chantry Community Office	Talk Talk
Monthly	Rates - Chantry Community Office	Dorset Council
Monthly	Electric - Chantry Community Office	Utility Warehouse
Twice Yearly	Water - Chantry Community Office	Water 2 Business

Monthly	Electric - Town Meadow Street Lights	British Gas
Twice Yearly	Water – Hardings Park (standing charge)	Water 2 Business
Yearly	Electric – unmetered supplies CCTV	Eon
Twice Yearly	CCTV - Inspection	Customs Security
Yearly	CCTV Wayleaves	Individual property owners
Monthly	Green Waste	Fencewize
Twice Yearly	Loan for Hardings Park	Public Works Loan Board
Monthly	Outreach Youth Worker	Rendezvous Gillingham
Monthly	Youth Leader	Bones Youth Club
Monthly	Staff Salaries	Members of Staff
Monthly	PAYE and National Insurance	HMRC
Monthly	Pensions - Employer Contributions	Dorset Council
Yearly	Insurance (all policies)	WPS Broker
Yearly	Play Equipment inspection fee and licence	The Play Inspection Company
Yearly	War Memorial Inspection	Harry Jonas / Chris Daniels
Monthly	Weekend Street Cleaning	MG Cleaning
Yearly	Maintenance of Parish Clock - Gillingham	St. Mary's PCC
Yearly	Maintenance of Clock at St Simon & St Jude – Milton-on-Stour	Smith of Derby
Yearly	SLA	RiversMeet
Quarterly	Printing costs / photocopier	DCC
Yearly	Computer and telephone equipment leasing	DCC
Monthly	Website hosting	Design Jam
3 times a year	Internal Audit fees	Darkin Miller Ltd
Yearly	External Audit fees	PKF Littlejohn
Yearly	HR and Health and Safety Consultancy	Ellis Whittam
Yearly	Membership fee	DAPTC
Yearly	Associate membership fees	DCA
Yearly	Membership fee	South West Council
Yearly	Membership fee	SLCC
Yearly	Annual fee for GDPR	ICO
Yearly	Business Radio Licence	Ofcom
Yearly	Biodiversity monitoring and consultancy	Dorset Wildlife Trust

Recommendations:

- That utility accounts are reviewed to ensure best value for money.
- That the list of payments which arise on a regular basis are noted and authorised in accordance with regulation 4.1 (Budgetary Controls) at the appropriate payment date.

Gillingham Town Council

Online Banking and Payroll Payment Date

Author: Debra Edwards, Responsible Financial Officer

1. Introduction to Online banking and processes

The announcement of the Covid-19 lockdown on 23rd March 2020 led to a sudden adaptation in our day to day operations including working from home.

We moved from making payments by cheque to online banking with immediate effect and as a result have uncovered some issues now summarised below -

- Our bank account is set up to have an automatic sweep of £15,000 per day between the current and deposit accounts. This is to our advantage as it ensures there are funds available in our current account without having to manually transfer funds. We have been advised by the bank that this limit cannot be changed and that not all clients are offered this facility.
- The daily limit of £15,000 becomes an issue with payments totalling over this amount in any one day. Payments by Direct debit and Payroll need to be considered.
- This situation arose in April 2020 when some of the Salary payments were held back by the bank until we had manually transferred additional funds from the deposit account. No notice is provided by the bank when this situation arises.
- This issue had not arisen before when paying by cheque.
- In order to try and resolve this we have attempted to transfer additional funds in advance to cover payments, but the funds are automatically swept back to a balance of £15,000.

2. Background to payments

- The Council has Direct debit payments during the month for Utilities, Telephone/Internet, Business rates, Fuel card, Sage software etc. Some are made on fixed dates and some variable according to the date of invoice.
- In particular, the payments to our main utility supplier are made by Direct debit on the last day of the month or the last working day of the month.
- Staff contracts state that Salaries are paid by Bank transfer on the last Friday of each calendar month. This means that the actual date of payment is variable.
- This pay method had not been implemented whilst paying by cheque as we issued cheques earlier to allow for clearance. The first payment by Bank transfer was in April 2020 as discussed previously.

- The pay day of the last Friday of a month will vary in date and coincides with the last working day of the month in some periods. e.g. 29th May 2020 and 31st July 2020.
- This leads to an overlap of Direct debits and Payroll all due on the last working day of the month and within the limits of £15,000 per day creating difficulties in managing the cash flow and moving funds into the current account on time.

3. Financial Implications

There are two issues to consider:

- a) The overlap of Direct debits and Payroll dates particularly on the last working day of a month
- b) The daily limit of £15,000 on the bank account

4. Conclusion - Cash flow and payment dates

- To select the dates when future Direct debit payments are set up; if option available.
- To create a set date for the Payroll e.g. 25th of each month, a common pay date. The payment run for Salaries which exceeds £15,000 in total will be set up on the day before the due date to allow additional funds to be transferred manually to cover the payments by the 25th.
- To arrange payment batches to creditors that total less than £15,000 also bearing in mind payment dates of Direct debits and Payroll.
- Payments to HMRC and for Pension will be dated between the 26th and 31st of the month to allow for other payments and the daily limit.

5. Recommendations

- **That staff are paid on the 25th day of the month to allow management of cash flow.**
- **That contracts of employment are revised accordingly, and all members of staff are notified.**