

## DAPTC DISCUSSION PAPER

Date & Time:	12 <sup>th</sup> May 2022 10am
Meeting:	Executive Committee
Topic:	DAPTC Finance
Presenter:	Neil Wedge
Sensitivity:	Open / <del>Controlled</del> / <del>Confidential</del>

### **Agenda Item: 5a Provisional Year End Update and 5b banking arrangements**

#### **Provisional Year End Update**

##### **Objective:**

Provide Executive Committee members with an update on the first-year end using the new finance software for DAPTC (Xero). Additionally, provide an overview of some of the immediate next steps for the Chief Executive, Treasurer and team.

At the foot of this report are considerations for the Executive Committee to resolve at this and subsequent meetings.

##### **Background:**

DAPTC have moved from using an Excel spreadsheet and other manual records at the start of the last financial year to using Xero Finance software. At the same time the accounting method has moved from 'cash received' reporting to using debtors/creditors fully. To ensure the team were comfortable during the transition we have run the previous spreadsheet processes alongside the new software in the first year.

We are now happy to transition fully to Xero for the year 2022/23. The team secured some support heading towards the year end to ensure that the bank accounts reconciled and the hierarchy and cost code structure was effective.

The Treasurer will provide a report on 8<sup>th</sup>/9<sup>th</sup> May ahead of Executive Committee. There remain some additional costs that will be allocated to 2021/22 that will reduce the surplus, subject to their approval at Executive Committee. These additional costs are on this agenda to discuss and approve or otherwise. The surplus of £10,515 shown is more than likely to reduce to circa £5,000 from the figure shown by the final year end and ahead of submission to the auditor.

##### **Grant Funding Update:**

**Dorset Council (DC)** – we have had confirmation that the grant of £29,775 will be received in the new financial year and we are just about to submit the request for payment. As part of the review of the agreement for 2022/23 some minor changes have been made; which I have made available for the meeting on 12<sup>th</sup> May 2022.

Importantly, I have asked that Dorset Council engage DAPTC about the future funding for 2023/24 and beyond as soon as practicably possible. This has been agreed for September 2022 which would allow us time to plan for any significant changes. There are some actions I believe we should consider which have been detailed below in this report.

**Dorset Clinical Commissioning Group (DCCG)** – we have held review meetings with the DCCG soon to be Integrated Care Board (ICB). They remain committed to having a ready and active relationship with parish and town councils via DAPTC. However, the ICB changes originally scheduled for April have now

been delayed to July and for the immediate time we are not likely to have clarity on funding in 2022/23 for a little while yet. This potentially leaves us light by £12,500 in the budget we are soon to work up.

### **Budgeting for 2022/23:**

As well as waiting on the ICB funding we have one or two small changes which to consider also which includes:

1. The revenue from the NALC LCR Magazine will disappear as this is changing – loss of circa £500 profit.
2. The move back to the office will likely result in an increase in print and other managed office costs, although we hope to offset this with savings we have made on the use of Microsoft Teams and the Dorset Council telephony system contained therein. The budgeting process will help us understand the potential increase in costs.

A draft budget is being worked on in the next few weeks and will be presented to Executive Committee for consideration at the following meeting. This will need to be updated as and when the grant funding picture crystallises.

### **Items for consideration by Executive Committee:**

No.	Requiring a decision and guidance from Executive Committee	Meeting Date
1	Can the Executive Committee appoint 2 individuals to support the Chief Executive with the discussions with Dorset Council over grant funding for 2023/24 onwards.	12 <sup>th</sup> May 2022
2	Can the Executive Committee confirm they wish the Chief Executive to submit the grant request to Dorset Council for 2022/23 for £29,775.	12 <sup>th</sup> May 2022
3	Can the Executive Committee consider if they wish to have the same arrangement for the discussions on the ICB grant for 2022/23 as and when we are approached to discuss it.	12 <sup>th</sup> May 2022
4	Executive Committee to sign off the initial budget for 2022/23 subject to the grant funding situation which will become known.	Next meeting

### **Actions to be agreed:**

No.	Action	Date
1		
2		

### **Agenda Item: 5b Banking arrangements**

#### **Objective:**

Provide Executive Committee members with options to consider alternative banking arrangements to those currently in place with Unity Trust Bank.

#### **Background:**

Our internal auditor provided feedback on the contrasting charges with our existing provision and those that may be procured with other clearing banks; highlighting the cost of banking with Unity Trust Bank which is higher, versus charges for a small business or community account at Lloyds or Barclays.

During the last financial year we switched to use Xero finance software and while this transition took place a change in banking provider may not have been wise. Now that we have concluded our first year with Xero, we are in a position to look at delivering some of the other efficiencies the move to Xero helps create.

Xero enables automatic bank reconciliations by associating DAPTC’s bank account with the software. In practical terms, Xero reconciles all recognised receipts/payments and only leaves those not tallying with Xero to be investigated. Currently our team reconcile payments individually, which is time consuming. Unfortunately, Unity Bank Trust is one of the few banks that currently does not integrate with Xero. We knew of this issue but were reassured that Unity Bank Trust had this as an improvement to undertake, with no timeframe commitment. By contrast the majority of other UK clearing banks do. As a membership body we are also seeing a ‘creeping change’ with more and more councils using online payments and therefore, over time the cost associated with banking cheques and cash will diminish significantly over the next 2/3 years.

Combined with an opportunity to save on banking charges and the efficiency / time savings, we now ask the Executive Committee to consider alternative arrangements.

**Options:**

<b>Banking Service</b>	<b>Barclays</b>	<b>Lloyds</b>	<b>HSBC</b>
<b>e-payments</b>	<b>£0.35</b>	<b>Free</b>	<b>Free</b>
<b>Cash deposits</b>	<b>£0.90/£100.00</b>	<b>£1.00/£100.00</b>	<b>Free</b>
<b>Cheques</b>	<b>£0.65</b>	<b>£0.85</b>	<b>1.5% value of chq</b>
<b>Cash machine</b>	<b>Free</b>	<b>Free</b>	<b>Free</b>
<b>Monthly fee</b>	<b>£8.00</b>	<b>£7.00*</b>	<b>£8.00*</b>
<b>Debit cards</b>	<b>Free</b>	<b>Free</b>	<b>Free</b>
<b>Integrates with Xero</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>
<b>Footnote*</b>	Monthly fee waived in first 12 months		

In 2021/22 DAPTC spent circa £215.20 in the 12 month period with Unity Bank Trust. Through a move to either Lloyds or HSBC we could bank free of monthly charges for the next 12 months and at a significant saving in year 2 onwards.

**Banking Mandate**

It would also be wise to agree the nominated individuals with whom we can establish a new mandate if Executive Committee approve a change. The options to consider for the banking mandate are as follows:

- 1. Keep the existing process and nominees** for Unity Bank Trust and establish the same arrangements at the new bank. (Debbie Hollings is the account manager and approval signatories are drawn from the Chief Executive and Treasurer plus 2/3 Executive Committee members
- 2. Keep the existing account manager and vary the approving signatories** whilst retaining the 3 to sign oversight.

## DAPTC DISCUSSION PAPER

### Items for consideration by Executive Committee:

No.	Requiring a decision and guidance from Executive Committee	Meeting Date
1	Approve or otherwise a change in main bank account provision for DAPTC	12 <sup>th</sup> May 2022
2	Approve or otherwise a change to the banking mandate for DAPTC and the approved signatories (still on the basis of 3 to sign).	12 <sup>th</sup> May 2022
3		
4		

### Actions to be agreed:

No.	Action	Date
1		
2		

**End of Report**