

STRATFORD-UPON-AVON TOWN COUNCIL

Finance and Audit Committee

17 JANUARY 2023

6:30pm to 7:27pm

Minutes

Present:
Councillors:

Coles (Chairman)
Curtis
Fojtik

Clerk: Responsible Financial Officer
Press: None
Public: One member of the public was present for the duration of the meeting.

34. Apologies

Apologies were received from Cllr Dyer, Cllr Jackson, Cllr Lee and Cllr Vos, and accepted for the reasons given.

35. Declarations of Interest

There were no declarations of interest.

36. To receive written requests for dispensation for disclosable pecuniary interests

There were no written or verbal requests for dispensations.

37. To grant any requests for dispensation as appropriate

There were no requests for dispensation required.

38. Public Participation

No one wished to speak during public participation. One member of the public attended the meeting as a spectator.

39. To approve the draft minutes of the Finance and Audit Committee held on 15 November 2022

It was Proposed, Seconded and unanimously

RESOLVED: That the Open Minutes of the Finance & Audit Committee Meeting held on 15 November 2022 be approved as a correct record.

40. Town Clerk's Open Report

40.1 Terms of Engagement and Scope of Internal Audit for 2023

Members were advised that the same auditor from H.L. Barnes would be undertaking Council's internal audit as last year. It was queried whether the auditor's fees remained the same, and it was confirmed that there has not been any significant change since the scope was widened to include to include the Mayor's Good Causes account. The Town Clerk will confirm the exact rate to councillors in an email.

There were no suggestions to adjust the scope of the internal audit and

It was Proposed, Seconded and unanimously

RECOMMENDED: That the terms of engagement and scope should continue as determined in 2022 and detailed in the documents provided by H.L. Barnes. (Appendices 'A' to 'D').

40.2 Management Accounts for the period 1 April 2022 – 30 November 2022

The Management Accounts were received and noted.
(Appendices 'E'-'G')

40.3 Use of part of the Vehicle Replacement Designated Reserves

It was Proposed, Seconded and unanimously

RESOLVED: To use £4,000 from the Vehicle Replacement Designated Reserve to cover the deposit, fees and monthly lease payments for the rest of the current financial year 2022-23 for the second replacement vehicle for the Open Spaces team.

40.4 Draft Budget 2023-24 and Reserves Policy Review

i) Draft Budget 2023-24

Members were advised that the fifth draft mentioned in the open report was not necessary as no further changes had been received. Therefore, members were working from the fourth draft for this meeting (Appendix 'H').

A verbal update was given, and a number of matters were raised and queries addressed, including the following:

- The key reasons for change between October's draft budget and the current (v4)
 - A change in assumption for setting the precept. This was previously assumed to be a 2.5% increase but was changed to show no increase until agreement was reached on the proposed figure. This highlighted the impact of the decision to be made. It was confirmed that Stratford-On-Avon District Council had responded to the Town Clerk's query of the tax base and was confirmed as correct by them. This was lower than the

estimated figure used in October's draft budget.

- The YTD figures include December, and so backpay. Salaries and Operational costs have been revised to reflect the pay award. 5% had previously been allowed in the budget, but the actual increase was a universal set sum per hour, not a uniform percentage increase.
- The Town Hall and Cemetery fee income are slightly ahead of budget, but the scale of surplus has fallen away.
- £10,000 allocated to replenish the building maintenance reserve. Delaying this would not be beneficial.
- The contribution for Shakespeare's Birthday Celebrations had been agreed to be held at £20,000 to match funding from District Council.
- The replacement vehicle(s) for the Open Spaces team. For the second vehicle, there is an additional balloon payment at the end of the lease. It was AGREED to spread the cost and pay this in to the designated reserve over 2 years.
- Cemetery Land fees. These are based on ballpark figures and represents building up the fund over 10 years. This project is still subject to discussion but given the value of the spend it was deemed prudent to include.
- CCTV costs had increased due to staff costs and additional cameras.
- In previous years there was no Climate Change Initiative budget due to expenditure being drawn down from reserves, but this has now been included for transparency.

- The £40,000 CIL receipts were not included in October's draft budget as no accurate figure can be determined until received from the District Council. CIL receipts can only be spent on specific projects and so the funds are put straight in to a designated reserve. They should not be considered as funds available for other spend.
- The revised deficit for 2023-24 is £76,351 (page 1 of Appendix 'H'), assuming a 0% increase on the annual rate charge for the Precept until otherwise agreed.
- The latest forecast for total Reserves at the end of the financial year is £397,578 (page 8 of Appendix 'H'), with approximately two thirds being designated reserves. The ratio of General Reserve to Net Budgeted Expenditure is 24.5%.

It was subsequently AGREED that Members were comfortable with the level of budget deficit given the cautious decisions on precept and spend for 2023-24, and strides being made to improve Town Hall income. As there are many known unknowns, it was debated that the deficit may or may not arise and the situation would be monitored.

It was noted there was no allowance in the Civic budget for the King's Coronation in 2023 as an additional event. The Civic, Heritage and Events Committee had suggested the Civic Contingency budget would cover any costs. There was concern raised over security spend. This was due to additional, unexpected events in 2022 such as the proclamation which, in addition to increased labour charges in general, had increased the necessary security spend. Members were reminded that there had been years of significant underspend in these areas during the pandemic, which somewhat offsets any overspend.

Members were advised that Officers had recently learned of and were investigating funding for events such as

Shakespeare's Birthday Celebrations from the UKSPF (UK Shared Prosperity Fund) via District Council. It was hoped that events such as the Coronation may also be funded via avenues such as this and details would be sent to all Councillors to consider for their wards and whole town events/projects. The deadline for the first round of applications was imminent (25th January) but it was anticipated that round 2 would open in a few months' time.

It was noted that the actual level of designated reserves available for the coming financial year would be unknown until the current year end is reached, particularly as the Town Council are currently awaiting the invoice from the District Council for their share of the costs of the Christmas Market, and for a decision on whether the grant for the Shakespeare statue restoration will be approved.

It was noted that the budget deficit for the current year has caused funding given to initiatives supported by the Town Council to be held at last year's lower rates. It was AGREED that further work is needed to identify ways of increasing Council's income streams in future years other than by raising the Precept.

It was noted that a below inflation increase to the Precept was effectively a cut to Council's spending capacity in future years. However, Members were mindful of the financial impact on households, many of which are struggling given the current cost of living crisis.

As recognised in previous years, the Draft Budget, Precept requirement and Reserves Policy are all inter-related and each of these items were discussed during the course of the debate. Subsequently, each item was considered, and recommendations made as below.

ii) Final Draft Budget for 2023-24

It was Proposed, Seconded and unanimously

RECOMMENDED: That, subject to an increase in the Precept amount and the phasing of

an increase in the Vehicle Replacement Designated Reserve over two years, a Final Draft Budget using the figures reported in the Fourth Draft should be presented and recommended to Council at the meeting on 31 January 2023.

iii) Reserves Policy

It was Proposed, Seconded and unanimously

RECOMMENDED: That the Reserves Policy is not amended and remains at 25% of Net Budgeted Expenditure. Once there is a clearer picture of the reserves available at financial year end, the decision can be taken to review the percentage if necessary.

iv) Precept Requirement for 2023-24

It was Proposed, Seconded and unanimously

RECOMMENDED: That a precept request of £582,238, which includes a 2.5 percent increase in the Rate Charge per Household (Band D), is recommended to Council at the meeting on 31 January 2023.

41. Responsible Financial Officer's Verbal Report – For information only

Members were advised that two utility contracts require renewal, and competitive pricing was being sought from two approved brokers who comply with the public procurement guidelines: ESPO and Utility Aid. In line with the Town Council's climate commitments, green energy sources are preferred. Members were requested to note that officers were acting on this.

The Chair thanked her fellow councillors and retrospective special thanks were added for the outgoing RFO, Mr. Phil Mills,

for his years of service and advice, as this was his last Finance and Audit Committee meeting. The role is officially handed over to the incoming RFO, Georgina Kerrigan, on 31 January 2023. There has been a handover period between the two officers and will remain in place, in a more limited capacity, to deliver the annual audit.

42. Date of Next Meeting

The next meeting is Tuesday 7 March 2023 at 6:30pm at the Town Hall.

The Chairman declared the meeting closed at 7:27pm.

Chairman: