

STRATFORD-UPON-AVON TOWN COUNCIL

FINANCE & AUDIT COMMITTEE MEETING

8 MARCH, 2022

MINUTES

Open Pages 1 - 9
Appendix J (12 pages)

Present:
Councillors:

Coles (Chairman)	Jackson
Curtis	Lee
How	Vos

Clerk: Responsible Financial Officer
Press: None
Public: None

52. To Accept Apologies for Absence

Apologies were received from Cllr Dyer, Cllr Fojtik and Mayor Taylor and accepted for the reasons given. Cllr Dowling was absent from the meeting.

53. Declarations of Interest on items on the Agenda

None.

54. To Receive Written Requests for Dispensation for Disclosable Pecuniary Interests.

There were no written or verbal requests for dispensations.

55. To Grant Any Requests for Dispensation

There were no requests for dispensation required.

56. Public Participation

No one wished to speak during public participation.

57. To Approve Draft Open Minutes of the Finance & Audit Committee Meeting held on 18 January, 2022

A query was raised on actions arising from the meeting in January in relation to updates to the Risk Register and Asset Register.

Members were advised that some Risk Register Log updates have been made by Council's Health & Safety consultant, and these would be reviewed under a separate agenda item, minuted as 61 below. The internal auditor had been informed of this and will review on his second visit in May 2022.

The Asset Register will be reviewed by the Asset Register Review Group at a meeting scheduled for 28 March 2022.

It was Proposed, Seconded and unanimously

RESOLVED: That the Open Minutes of the Finance & Audit Committee Meeting held on 18 January, 2022 be approved as a correct record.

58. Management Accounts for the period 1 April 2021 – 31 January, 2022

The Management Accounts for the period 1 April 2021 – 28 February 2022 were tabled at the meeting, attached as **Appendix 'J'**.

A verbal update was provided by the Responsible Financial Officer, which included the following:

- The Year To Date Deficit (after Management Accounts adjustments) has risen to £186,361 which continues to be substantially below the adjusted Budget Deficit for the year of £363,332.
- There have been no particular changes to report this month, so the focus of the update was the most significant Variances which could help explain why the Actuals deficit is expected to finish well below Budget:

- Community Infrastructure Levy (CIL) receipts of £29,545 are the highest annual amount received to date since the District Council introduced the scheme in this area. CIL receipts were not included in the Budget so this immediately reduces the Actuals Deficit for the year.
- Town Hall Income is now nearly £4,600 in deficit for the year but the total deficit has been offset by a COVID-19 Business Support Grant received in 2021.
- A surplus reported under Professional Fees of over £7,500 in some respects relates to how invoices for Town Hall external maintenance have been recorded and this surplus helps to offset the current reported deficit of over £6,300 against Town Hall Planned Maintenance & Repairs (which includes Professional Fees).
- Councillor & Staff Training is underspent by over £6,600.
- Civic Expenditure in total is currently nearly £14,800 below budget, due to the curtailment of civic events through the ongoing impact of the coronavirus pandemic.
- Cemetery Fee Income is currently over £24,600 in surplus.
- Holy Trinity Churchyard boundary wall repairs were well below the budgeted figure and the surplus of just over £14,400 will be retained in the designated reserve going forward.
- Tranquility Garden Net Expenditure is actually a net surplus of over £6,200 because fee income has exceeded budget and expenditure is lower than budgeted.
- A recharge of over £9,600 of the Hatton Rock total expenditure for the year to the Shakespeare Birthday Celebrations “pot” to cover storage costs

will see a further reduction in the Council's reported deficit.

- The annual revenue grant award to the Fred Winter Centre of £25,000 has not been paid out and is pending an annual review, as per the terms of the agreement with the Town Council.

There was some debate on this item before it was AGREED that it should be referred to the Community Services Committee for review.

- Other surpluses under Initiatives & Projects could see a potential reduction in the overall deficit of a further £10,000 although it was noted that any underspend on Climate Change Initiatives will be held in a designated reserve for future spending.

It was confirmed that the latest report indicates the YTD Net Deficit will be lower than the forecast used when the budget for 2022-23 was approved in January, which will have a positive effect on the Reserves balances carried forward.

Members noted the report.

59. Designated Reserves for 2022-23

59.1) Building Maintenance Reserve

It was confirmed that the balance shown in the Budget for 2022-23 was to pay the retention from the external works undertaken in 2021-22. A proposal had been made at the previous meeting to add a further £10,000 to start to replenish the Building Maintenance Reserve for future works as part of the long term maintenance plans for the Town Hall, and it was confirmed that there should be a sufficient reduction in the current year's deficit to enable this contribution to be made at year end.

As part of the subsequent debate on whether any further sums should be added to this designated reserve, a distinction was made between annual maintenance costs, which should be reviewed as part of the annual budget process, and long term plans which required an accumulation of funds over a period up to 20 years, which

was what the additional contribution of £10,000 to the Building Maintenance Reserve was intended for.

It was Proposed, Seconded and unanimously

RECOMMENDED: That the Building Maintenance Reserve should be decreased to reflect Town Hall maintenance costs and professional fees relating to external works in 2021-22, as determined by the total expenditure overspend at year end. However, this should leave a retention figure of £11,797, which was the figure included in the budget for 2022-23, plus a further £10,000 for future Town Hall Planned Maintenance and Repairs.

59.2) Allotment Reserve, Election Expenses Reserve and Vehicle Replacement Reserve

Subject to confirmation at year end that the reduced deficit for 2021-22 will result in a higher than expected balance in the General Reserve when the budget was approved in January 2022, it was Proposed, Seconded and unanimously

RECOMMENDED: That the budget adjustment reductions totalling £12,500 to these reserves should not be undertaken, and the values should be unchanged from 2020-21.

59.3) Community Support

Members were advised that the District Council had now requested the Town Council's contribution of £5,000 towards the Community Builder initiative, which had been held in this designated reserve from a previous year.

It was Proposed, Seconded and unanimously

RECOMMENDED: That the Community Support Reserve should be decreased by £5,000 and

this designated reserve is no longer needed.

59.4) Community Infrastructure Levy (CIL) Reserve

It was confirmed this will automatically be increased in line with income and expenditure during the year, as agreed during the budget process in January. The figure carried forward will be £29,545.

59.5) Town Centre Strategic Partnership Reserve and Shakespeare Birthday Celebrations Reserve

As the Town Council acts as “pursekeeper” for these initiatives, it was confirmed these reserves will be adjusted by relevant net expenditure in the current financial year.

Other than where changes have been noted above, Designated Reserves adjustments will be in line with the values determined during the budget process for 2022-23, as detailed in Appendix ‘D’.

60. Banking arrangements and Investments

60.1) Banking

It was confirmed that no changes to Council’s banking providers had occurred over the last 12 months. It was also confirmed that the Mayor’s Good Causes account with Lloyds Bank was now operational and being used for receipts from the Shakespeare’s Coming Home fundraising initiative for the restoration of the statue.

Following a recent query as to why the Town Council was unable to take debit card or credit card payments, Members were advised that this matter had been investigated several years ago and the fixed monthly fees plus commission charges per transaction were considered to be too expensive to justify implementing this for the number of transactions which this would facilitate. It was noted that the coronavirus pandemic had helped shift focus to online transactions and a move away from cash handling, and that the options for taking card payments had undoubtedly changed in the last few years.

It was AGREED that the Responsible Financial Officer will investigate options and costs, and report back to the Committee and a future meeting.

60.2) Investments

It was noted that there was a potentially bigger risk to the share price of the Local Authorities' Property Fund (LAPF) as a result of the Russian invasion of Ukraine in February 2022. Prior to this unexpected turn of events, this investment had continued to do reasonably well in the last twelve months despite ongoing economic uncertainty over the impact of Brexit and the devastating economic impact of the coronavirus pandemic. Members agreed that this investment was made for the long term and were reminded that the yield from the LAPF had remained considerably higher over the period than returns from other savings and investments.

Members noted the report.

61. Risk Management

Further updates to the Risk Register Log are currently ongoing with Council's Health & Safety consultant.

A query was raised on the wording in the Risk Register relating to Assets – Maintenance of buildings etc.

Buildings currently maintained on an ad hoc basis – rolling maintenance programme under revision. The introduction of a Town Hall Quinquennial Inspection is being considered.

It was AGREED that the wording should be updated to indicate that the Quinquennial Inspection procedure is now in place, as evidenced by the extensive repairs undertaken on the Town Hall in the last two years as a result of the extensive survey of the building.

It was AGREED that the Lone Working policy should be referred to the Personnel Committee to review, particularly in relation to working from home arrangements.

A concern was raised over the unfinished work relating to the installation of the lightning conductor on the Town Hall roof,

but Cllr Jackson confirmed this matter was in hand as he had attended a meeting with Council's architect and the maintenance contractor on Friday 4 March 2022 to review outstanding items from the external maintenance works.

It was suggested that some risks within the Risk Register could be referred to other standing committees for reviews to be undertaken.

Members noted the report.

62. Approved Suppliers & Service Providers List

It was Proposed, Seconded and unanimously

RECOMMENDED: That the updated Approved Suppliers & Service Providers List by Type be adopted by Council.

63. Financial Regulations and Finance & Audit Committee Terms of Reference

Members noted the report and AGREED to approve and adopt these documents without further change at this time.

64. Responsible Financial Officer's Verbal Report – for information only

64.1) The new internal auditor's visit in February had gone well and no matters of concern have been raised to date. A second visit will be scheduled in May once the timescales for the draft year end accounts have been agreed with Council's accountants.

64.2) The National Association of Local Councils confirmed that the pay award for 2021-22 was finally agreed at the end of February at a below inflation increase of 1.75%. Back pay since April 2021 will be paid in March's payroll and new pay scales will be used going forward.

64.3) Energy prices for the Town Hall and the Cemetery Chapel are currently determined by three different Fixed Price Agreements which are due to mature later this year. Members will be updated with details at a future meeting but it is currently expected that any new agreements will be at

values far higher than budgeted, given the volatility of the world energy prices as a result of the Russian invasion of Ukraine.

64.4) Members were advised that the costs of acquiring additional land to extend the Cemetery, which were included in the Cemetery Land & Building Maintenance Designated Reserve, were for the purchase of the land only, and that further fees would be incurred in converting the land for use as burial ground. These costs are unknown at this time.

The issue of the possibility of creating new licences for the existing District Council garden plot holders will be referred to the Community Services Committee.

65. Date of Next Meeting

The next meeting is 7 June, 2022 at 6:30pm at the Town Hall.

The primary business of this meeting will be to review and recommend to Council the Financial Statements and Annual Governance and Accountability Return for 2021-22.

The Chairman declared the meeting closed at 7.41pm