

STRATFORD-UPON-AVON TOWN COUNCIL

FINANCE & AUDIT PRE-DECISION / DISCUSSION
CONSULTATION

8 JUNE, 2021

MINUTES

Open Pages 1 - 7

Present:
Councillors:

Coles (Chairman)	How
Dowling	Jackson
Dyer	Lee
Fojtik	Taylor (Mayor)
	Vos

Clerk: Responsible Financial Officer, Town Clerk was also present
Press: None
Public: None present (meeting was recorded but not streamed live due to a technical issue)

1. To Appoint a Chairman and Deputy Chairman of the Finance & Audit Committee

Mayor Taylor took the Chair for the appointment of Chairman and called for nominations.

Councillor Coles was nominated and it was Proposed, Seconded and

RECOMMENDED: That Councillor Liz Coles be appointed as Chairman of the Finance & Audit Committee for the ensuing year 2021/22.

Councillor Coles then called for nominations for Deputy Chairman.

Due to a technical issue, Councillor Fojtik was unable to join at the start of the meeting. He was nominated in his absence and it was Proposed, Seconded and

RECOMMENDED: That Councillor Jason Fojtik be appointed as Deputy Chairman of the Finance & Audit Committee for the ensuing year 2021/22.

After joining the meeting, Councillor Fojtik subsequently confirmed he was willing to serve as Deputy.

The Town Clerk advised that these appointments could not be confirmed using her delegated powers and that the appointments would need to be approved by Council at their next meeting.

2. To Accept Apologies for Absence

Apologies were received from Cllr Curtis and accepted for the reasons given.

3. Declarations of Interest on items on the Agenda

There were no declarations of interest.

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

There were no written or verbal requests for dispensations.

5. To Grant Any Requests for Dispensation

There were no requests for dispensation required.

6. Public Participation

No one wished to speak during public participation.

7. To Approve Draft Open Minutes of the Finance & Scrutiny Committee Meeting held on 9 March, 2021

Prior to approval of the minutes, the Responsible Financial Officer advised that the internal auditor had identified an item which required correction.

Minute 77.7) Community Infrastructure Levy (CIL) Reserve

It was Proposed, Seconded and unanimously

RECOMMENDED: That the Community Infrastructure Levy (CIL) Reserve be increased by current year receipts to £13,351

The following words need to be appended to the recommendation:

less current year expenditure.

It was Proposed, Seconded and unanimously

RECOMMENDED: That, subject to the amendment to Minute 77.7) described above, the Open Minutes of the Finance & Audit Committee Meeting held on 9 March, 2021 be approved as a correct record.

In accordance with current procedures, the Chairman's signature and the date will be appended electronically to the Minutes.

9. Management Accounts for the period 1 April 2020 – 31 March 2021

The report was noted.

10. Management Accounts for the period 1 April 2021 – 31 May 2021

These accounts were tabled at the meeting and attached as **Appendix 'G'**.

A verbal review was given by the Responsible Financial Officer.

Some additional items had been added to the first page:

The Deferred Income balance (the deposit fees taken for future Town Hall events) is currently showing as £6,075, which has fallen from a balance of over £10,000 a year ago as a result of events being cancelled and refunds given due to the coronavirus pandemic.

The difference between some of the Designated Reserves and the ongoing year to date balances was explained, and it was noted that there have been further receipts for the Town Centre Strategic Partnership facilitated by the Town Council. This includes £5,000 plus £600 contribution from the County Council in addition to the £600 contributions from other key stakeholders. To date, the Town Council has contributed £12,000 plus £600 to this initiative, in addition to the use of its share of Community Infrastructure Levy funds.

As in the previous financial year, income from the Charter Market and Town Hall Lettings is considerably less than budgeted due to ongoing pandemic restrictions. It was confirmed that the market fees continue to be based on the restricted number of stalls rather than the contract value. It was also noted that there has been a proposal discussed at the Market Forum for all aspects of the market, including the administration of the market contract, to be taken on by the District Council, with a resulting re-distribution of net profit on a 50/50 basis. This could result in a further decline in future income for the Town Council, although it was also noted that there are substantial costs to the Councils in providing the Christmas Festival which could be offset.

There is currently an actual year to date surplus, as well as an adjusted surplus for monthly Management Accounts purposes, due to receipt of the first tranche of the precept in April 2021 and the delay to the substantial expenditure on the Town Hall external repairs and maintenance, which is a main cause of the budgeted deficit for 2021/22.

The report was noted.

11. Financial Statements (Annual Accounts) for the year 2020/21 ended 31 March 2021

Having noted the report, it was Proposed, Seconded and unanimously

RECOMMENDED: That the Financial Statements (Annual Accounts) for the year 2020/21 be approved by Council.

12. Internal Audit and Annual Governance and Accountability Return for the year 2020/21

Members noted the report, which included the Internal Audit Report and an explanation of the large fluctuations in the 'Total other receipts' and 'All other payments' figures between 31 March 2020 and 31 March 2021. The figures for 2020 include the manual amendments which were made to the previous year's AGAR, as requested by the External Auditor.

Following a query on why there was a large difference between the value of Fixed Assets reported in the different documents, it was explained that the asset figures in the AGAR Accounting Statements are required to be reported at original cost, as opposed to the revalued figures in the Financial Statements and Management Accounts, which have shown substantial increases in the reported values over the last few years due to amended values for paintings, civic regalia and property assets including the Town Hall and the American Clock Fountain.

It was Proposed, Seconded and unanimously

RECOMMENDED: That the Annual Governance and Accountability Return for the year 2020/21 be approved by Council.

13. Budget Virement for Town Hall Repairs and Planned Maintenance

A verbal update was given.

A further revision to tender values now indicates that costs are likely to be in the region of £185,000, which is a shortfall of £58,000 on the budget provision for 2021/22.

It was also confirmed that an estimate of further professional fees in connection with these works, based on a percentage of tender values and the costs incurred to date on this project in the previous financial year, give a further deficit of approximately £25,500.

It was noted that further reserves are currently available to cover these additional costs but that the considerable depletion in the reserves will require further review of the Reserves Policy by the Committee later in the year, as part of the annual budget process. This will need to include a plan to build back the Building Maintenance Designated Reserve over a 5 year period.

Given the nature of the expenditure to be undertaken, Members were advised that, subject to further investigation, there was the possibility of an alternative approach to funding the costs of the Town Hall external repairs and maintenance using a loan from the Public Works Loan Board. Initial information indicated that the interest rates appeared to be relatively low and may be offset by the return yields on Council's existing long term investments, although there was no guarantee that these returns will be maintained due to declining overall sums invested and future economic conditions which affect investment share prices, dividend yields and interest rates.

There is currently no experience at the Council of applying to the Public Works Loan Board and it is not certain whether an application for this project would be accepted and whether this is "best practice" for this type of substantial expenditure.

After further discussion, it was Proposed, Seconded and unanimously

RECOMMENDED: That a budget virement from the General Reserve should be used to cover the shortfall in funds budgeted for the Town Hall repairs and maintenance to be undertaken in 2021/22.

Further, it was AGREED that the option to apply to the Public Works Loan Board should be investigated and a report brought back to Members, once further details have been obtained.

14. Deputy Town Clerk's Verbal Report – for information only

There were no further items reported.

15. Date of Next Meeting

The next meeting is Tuesday 7 September, 2021 at 6:30pm at the Town Hall or 6:00pm using Zoom software if virtual meetings are still in place.

The Chairman declared the meeting closed at 6:55pm

In accordance with the delegated authority bestowed on the Town Clerk, she will review and enact the recommendations as per the direction of the members present at the Consultation Session on 8 June, 2021.

It should be noted that the Financial Statements and AGAR have to be approved by Council, as does the appointment of the Chairman and Deputy of the Finance & Audit Committee. These items will be taken to the next Town Council meeting on 15 June, 2021.