

STRATFORD-UPON-AVON TOWN COUNCIL

COMMUNITY SERVICES COMMITTEE

26 OCTOBER, 2021

TOWN CLERK'S OPEN REPORT – BUDGET REVIEW

1) YTD Budget Review 2021-22 – Responsible Financial Officer

- **To note budget performance for the current financial year to date, as reported in the latest Management Accounts for September 2021**

A committee-specific version of the Management Accounts for September 2021 is attached as **Appendix 'A'**.

At the half way point in the current financial year, the adjusted YTD deficit to 30 September, 2021 is £10,930 which is considerably better than the budgeted deficit of £181,667. However, much of this is down to timing, as the ongoing Town Hall external maintenance requires further substantial expenditure in the next few months and the annual grant awards will also be paid out in the second half of the year.

Page 1 – Net income is slightly higher than budgeted, in part because of a COVID-19 Grant which has more than offset lost income from Town Hall lettings due to coronavirus pandemic restrictions, while net expenditure reflects a substantial underspend, mainly for the reasons already mentioned above.

Page 2 – Operational & Administrative Expenses – Rother Street Clock is in deficit because of unforeseen repairs, which it has already been agreed will be covered by use of reserves. The substantial surplus for Professional Fees will be used to offset additional fees on Town Hall Planned Maintenance and Repairs, as the surplus on this item will disappear as further payments are made in the coming months.

Page 3 – Cemetery – fee income is well above budget. Cemetery Driveway Kerbing has been on hold until later in the financial year and is to be debated as a separate agenda item. A previous decision to fund the installation of CCTV at the Cemetery is still to be actioned.

Page 3 – Holy Trinity Churchyard – the Boundary Wall Repairs have been delayed but are expected to be undertaken in the next few months. It is hoped the costs will be lower than budgeted.

Page 4 – Tranquility Garden – income from fees is slightly higher than budgeted while expenditure is lower than budgeted, giving an expenditure deficit i.e. income unexpectedly exceeds expenditure for this budget section.

Page 4 – Allotments – rental income is due to be invoiced in January 2022.

Page 5 – Hatton Rock – the YTD deficit will be removed when storage costs are recharged to the Shakespeare Birthday Celebrations “pot” later in the financial year.

Page 5 – Initiatives, Projects and Grants – as already mentioned, grant awards are still to be paid out in the second half of the financial year, which will remove the YTD surplus. There are small deficits for COVID-19 Community Support and Other Debtors (see separate agenda item). Note that the Town Council is still paying a monthly subscription of just under £40 per month for the software used for the Stratford Support initiative, so this deficit will continue to grow. The deficit for Bus Shelters/Dog Hygiene/Litter/Cycle Racks is due to the installation of another bin, which is covered by a surplus in the budget from previous years.

Members are asked to note the report.

2) Draft Budget Review 2022-23 – Responsible Financial Officer

- **To review the Second Draft Budget for 2022-23 and consider expenditure and priorities to try to achieve a balanced budget**

The latest draft budget is attached as **Appendix ‘B’** for review.

As reported at the Town Council meeting on 12 October, 2021, the Finance & Audit Committee has recommended the budget strategy for 2022-23 should be to aim for a more balanced budget which brings an end to the increasing deficits of the last five years. While Council’s ample reserves have been used to fund these deficits, this approach is not sustainable without increasing income, reducing expenditure or raising the precept and changes need to be considered, along with budget priorities, in the event that difficult decisions have to be made to get the budget agreed in January 2022.

Page 1 – the latest draft budget indicates that Further Funding from Reserves will need to be £91,508 to support the expenditure proposed, which goes against the budget strategy which is intended to move towards net zero. The draft budget includes an increase of 100 in the Council Tax Base and a potential 2.5% increase in the Rate Charge, which are used to calculate the precept. The percentage increase is the same as was agreed in January 2021 for the current year’s budget, but is not intended to be a recommendation at this stage because all aspects of the budget need to be reviewed.

The Terms of Reference for the Community Services Committee mean budget responsibilities are spread across most sections of Council's budget, so further committee-specific details are shown on subsequent pages.

Page 2 – Operational & Administration – Professional Fees budget is based on previous years' higher costs because of COVID-19 health & safety advice and additional professional fees for Town Hall maintenance, so could potentially be reduced. The budget figure for Town Hall Planned Maintenance has been substantially reduced to remove the increase for this year's external works, but does not reflect any additional costs identified during the course of the work currently being undertaken. Note the Contingency for Inflation also covers other items not shown in this committee-specific summary.

Page 3 – Cemetery income has been increased in line with current Year to Date Actuals but cannot be guaranteed. Expenditure Management Charge (Salaries and related costs) has been increased based on the recommendations of the Personnel Committee. Net Expenditure is expected to fall from this year's level, although the £7,500 budgeted for driveway kerbing may need to be carried forward (see separate agenda item).

Page 3 – Holy Trinity Churchyard – the exceptional costs for Boundary Wall Repairs incurred this year should mean that next year's expenditure falls considerably.

Page 4 – Tranquility Garden income has been increased in line with current Year to Date Actuals. Expenditure of up to £5,000 is a commitment made during a budget review a few years ago.

Page 4 – Allotments – no change from the current year. Allotment fees have not been reviewed for some time but issues remain with the quality of the allotments.

Page 5 – Hatton Rock – little change for the current year, with the continued expectation that a proportion of these costs are subsequently recharged to the Shakespeare Birthday Celebrations "pot".

Page 5 – Initiatives, Projects and Grants – initiatives applications will be debated under a separate agenda item but total funding committed next year will need careful consideration. The Town Council's contribution to CCTV is determined by the number of CCTV cameras in the town centre and will be invoiced by the District Council. The Stratforward BID levy is also included in this budget line. Note that no budget allowance has been made for ongoing software costs for Stratford Support – see item 1) Page 5 section above.

Members are asked to consider options for moving towards a balanced budget for 2022-23, to make recommendations for budget amendments and to specify priorities.

Responsible Financial Officer
19 October, 2021