

STRATFORD-UPON-AVON TOWN COUNCIL

COMMUNITY SERVICES COMMITTEE

7 DECEMBER, 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 October 2021**

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

The adjusted YTD deficit to 31 October, 2021 is £26,726 which is considerably better than the budgeted deficit of £211,944. As previously reported, 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 next few months.

Page 1 – Net income is very slightly higher than budgeted. Market Income is down on budget but higher than last year, owing to the revised method of invoicing based on stall count due to coronavirus pandemic restrictions. Net expenditure continues to reflect a substantial underspend, mainly due to timing and the ongoing impact of the coronavirus pandemic on cancellation or restriction of events.

Page 2 – Operational & Administrative Expenses – as previously reported, the Rother Street Clock is in deficit because of unforeseen repairs, which it has already been agreed will be covered by use of reserves. There is still a substantial surplus for Professional Fees being reported but this 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 has almost reached the annual budget figure already and is over £16,000 higher than this time last year. Cemetery Driveway Kerbing has been postponed as 'non-urgent' expenditure, to help reduce the overall budget deficit for 2021-22.

Page 3 – Holy Trinity Churchyard – the Boundary Wall Repairs have been completed but the costs will not be reflected until November's Management Accounts. The expenditure was considerably lower than the budgeted figure of £20,000 which again will help reduce the overall budget deficit for 2021-22.

Page 4 – Tranquility Garden – income from fees continues to be 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. Negative income reflects an invoice credit due to lack of use of one plot, which is expected to be reallocated to a new tenant.

Page 5 – Hatton Rock – as previously reported, 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 – grant awards have started to be paid out in the second half of the financial year, which will remove the YTD surplus. There is a small deficit for COVID-19 Community Support and the write off of Other Debtors, which was determined at the last meeting, will be reflected in November’s accounts. The monthly subscription of just under £40 per month for the software used for the Stratford Support initiative has now been cancelled. 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. This deficit is expected to grow this year, due to a requirement to replace a damaged grit bin.

Members are asked to note the report.

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

- **To review the Fourth Draft Budget for 2022-23 and consider further options to try to achieve a balanced budget**

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

This reflects changes proposed by the various standing committees over the last two months. Members are reminded that the budget strategy for 2022-23 is to aim for a more balanced budget which brings an end to the increasing deficits of the last five years.

While the overall deficit in the latest draft has fallen below £40,000 as a result of the changes proposed by the various committees, members are urged to consider further options for raising the precept, increasing income or reducing expenditure. As mentioned in the review of the current year’s accounts above, it is hoped that there will be a substantial underspend on a number of budget items in 2021-22 which should reduce the overall budget deficit at year end and lessen the impact on reducing reserves. However, there will still be a substantial deficit.

Page 1 – the latest draft budget indicates that Further Funding from Reserves will need to be £39,525 to support the expenditure proposed, which still goes against the budget strategy which is intended to move closer to net zero. The draft budget still only includes an increase of 100 in the Council Tax Base, with the actual figure to be notified by the District Council later in December. This is expected to continue to rise because of the ongoing housing development in the area, but members should note the figure is only set once a year as part of the budget process. The Rate Charge used with the Tax Base to calculate the precept has been left at 2.5%, which 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 other aspects of the budget still 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 has been reduced. The budget figure for Town Hall Planned Maintenance has been substantially reduced and represents a sum to cover the retention on the costs incurred for this year’s external works. This figure should be finalised in the next month before the final budget has to be approved. As previously reported, 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, especially as the current year’s Annual Budget has already almost been achieved and this may prove to be an exceptional year following on from the impact of COVID-19. Expenditure Management Charge (Salaries and related costs) has been increased based on the recommendations of the Personnel Committee, which is based on national pay scales and is below the rate of inflation. 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. Vehicle Expenses shows a modest increase but this may require further consideration due to rising fuel costs and potentially higher repair costs for older vehicles.

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. However, please note the comments about Cemetery Income above. 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 – Initiatives, Projects and Grants – initiatives applications were debated at the last meeting and the latest draft budget reflects changes proposed at that time, including to award a minimum of £25,000 to Christmas Lights and Stratford in Bloom, which is in line with the amount of funding committed to the Fred Winter Centre. However, unless further cost savings can be identified elsewhere in the budget, or additional income or precept is added, it is difficult to see how this can be increased back towards the requested amounts of £35,000. The Town Council's contribution to CCTV is still to be confirmed by the District Council but already includes some contingency which it is hoped will be sufficient.

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

Responsible Financial Officer
1 December, 2021