

STRATFORD-UPON-AVON TOWN COUNCIL  
FINANCE & SCRUTINY COMMITTEE MEETING

14 JANUARY, 2020

MINUTES  
Open Pages 1 – 11

Present:  
Councillors:

Alcock	How
Coles	Jackson
Fojtik (Chairman)	Lee

Clerk: Deputy Town Clerk  
Press: None  
Public: None

The Town Clerk was also present for the meeting.

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47. To Accept Apologies for Absence

Apologies were received from Cllrs Curtis, Dowling and Dyer and accepted for the reasons given.

Apologies were also received from Mayor Rolfe, an ex-officio member of the Committee.

48. Declarations of Interest

Cllr Alcock declared an interest in item 8.5 minuted as 58. below.

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

There were no written or verbal requests for dispensations.

50. To Grant Any Requests for Dispensation

None were required.

51. Public Participation

There were no members of the public present.

52. To Approve the Draft Open Minutes of the Finance & Scrutiny Committee

It was Proposed, Seconded and unanimously

RESOLVED: That the Draft Open Minutes of the Finance & Scrutiny Committee meeting held on 19 November, 2019 be approved as a correct record.

53. To Adopt the Draft Notes of Sub-group Meetings

53.1 Asset Register Review Group

It was Proposed, Seconded and unanimously

RESOLVED: That the Draft Notes of the Asset Register Review Group meeting held on 7 January, 2020 be adopted.

53.2 Town Hall Income, Facilities and Wellbeing Panel

Members were advised that this item was withdrawn as the Draft Notes had not been completed and distributed in time for the meeting. However, a RECOMMENDATION for a further budget virement had been requested and would be covered under item 8.3, minuted as 55. below.

Members were also advised that a RECOMMENDATION for the appointment of a new Conservation Architect had also been made and would be taken to the Town Council meeting on 28 January, 2020.

54. Scope of the Internal Audit for 2019/20

It was queried whether the review of the internal audit should include periodic review of the appointment of who undertakes the internal audit. It was confirmed that Council's current internal auditors have been on the Approved Suppliers and Service Providers List for a considerable number of years and are effectively retained along similar lines to Council's solicitors, accountants and architect/building adviser etc. That said, the internal auditors' accountant undertaking Council's internal audit changed a few years ago, providing a "fresh pair of eyes" and suggestions for improvements to processes while building on the good work and experience of his predecessor.

When considering possible changes to audit arrangements, Members were also reminded of the challenges which followed the appointment of new external auditors two years ago, which has required considerable additional time spent by officers to address queries raised during the review and preparation of the Annual Governance and Accountability Return (AGAR).

It was Proposed, Seconded and unanimously

RECOMMENDED: That the terms of engagement and scope should continue as determined in 2019.

54. Management Accounts for the period 1 April – 31 December, 2019

It was reiterated that the latest report shows a YTD Net surplus in contrast to the budgeted Net Deficit. Some of this was down to timing, for example the current significant Surplus on the Market and Christmas Festival [Net] would be reduced next month once the invoices from the District Council for their share of fees and expenditure had been accounted for. Also, as the bulk of Council's income for the financial year had now been received, it was expected the surplus will reduce as further expenditure occurs in the next three months.

Although there were some significant expenditure items expected over the rest of the year, such as a further grant payment and Town Hall maintenance costs, it seems likely at this stage that the budgeted amount of £148,551 for Funding from Reserves and subsequent virement requests of £31,400 will be significantly more than the forecast deficit based on YTD Actuals and expected outstanding expenditure.

Members noted the report.

55. A further budget virement for Town Hall expenditure in 2019-20

A verbal update was given on the review of the expenditure to date on Town Hall maintenance costs and associated professional fees, together with quotations for further work, which are being closely monitored by the Town Hall Income, Facilities and Wellbeing Panel.

In summary, the request for a further budget virement of £50,000 would cover additional expenditure which would enable further works to be progressed in the current financial year, rather than delayed until after April 2020. In summary, the revised budget for Town Hall maintenance and fees would be £125,000, of which £113,000 is allocated to existing or committed costs and leaving a contingency of £12,000.

This was expected to complete the current internal work on the Town Hall before Easter, with external works planned for May onwards, after the Shakespeare Birthday Celebrations.

It was Proposed, Seconded and unanimously

RECOMMENDED: That a further budget virement of £50,000 be taken from the Building Maintenance Reserve at year end.

56. Town Hall tariff and Cemetery and Tranquility Garden fees for 2020-21

A query was raised on how the tariffs and fees had been determined and whether these had been compared to other

local authorities. Cemetery fees were reviewed in 2003 and raised considerably to bring into line with other authorities. Tranquility Garden fees were reviewed and compared when the project was completed a few years ago. Town Hall tariffs cannot be compared to other venues on a “like for like” basis because of the uniqueness of the Town Hall and differences in the nature of events undertaken and services provided.

A concern was raised that the Terms of Letting for the Town Hall currently do not explicitly state the level of Public Liability Insurance which is required. However, it was confirmed that this is checked by the Events Co-ordinator when bookings are made. For clarity, it was suggested the wording on the Terms of Letting should be updated.

A query was raised on the level of Cemetery and Tranquility Garden fees for persons who are not inhabitants of Stratford-upon-Avon, which currently are increased by 100%, and whether these should be increased to contribute to costs of buying additional land which will need to be purchased as the remaining plots at the Cemetery are being used up. The Town Clerk advised that legislation relating to the setting of fees would need to be checked to determine whether this could be increased. Information relating to the ratio of “outsiders” to inhabitants was not available but this was thought to be low.

It was Proposed, Seconded and unanimously

RECOMMENDED: That the proposed figures should be implemented for 2020-21, with an increase to 200% for persons who are not inhabitants of Stratford-upon-Avon, subject to no legal constraints preventing such an increase.

57. To consider sponsorship of the new Stratford Business Awards

A verbal update was given and Members were advised that the possible sum of £2,500 would be required to sponsor a category.

Concerns were raised that there are many other business forums, networking groups and organisations supporting local businesses in the town and these may also want to give awards. The consensus was that it is not the role of the Town Council to offer generic awards at events and that this would set an unwanted precedent. Any awards given by the Town Council are done proactively for specific individuals or for a specific reason.

It was therefore Proposed, Seconded and unanimously

RECOMMENDED: That the offer to sponsor a business award is declined by Council.

58. To consider pro-bono use of the Town Hall by the Literary Festival

Verbal updates were given but information was still awaited to confirm the exact period of hire and the specific arrangements for the nature of the event to be covered by this request.

In line with other ongoing arrangements for pro-bono use of the Town Hall, it was agreed it would not be appropriate if any admission fees or participation costs are being charged by the Literary Festival. It was also expected that any additional costs incurred by Council, such as for the use of table cloths or for additional staff costs relating to event supervision, should be covered by the beneficiary.

It was noted that this is another occurrence of a request for pro-bono use of the Town Hall falling outside the normal procedure of considering Grant applications at the Finance & Scrutiny Committee meetings in September each year. Current financial procedures allow the Town Clerk to authorise pro-bono use of the Town Hall in the event that no additional costs are incurred. Therefore, to avoid further repeats of this type of situation, it was AGREED that wording should be amended to state that pro-bono use can also be authorised by the Town Clerk subject to any additional expenditure being covered by the beneficiary.

It was therefore Proposed, Seconded and unanimously

RECOMMENDED: That the Literary Festival is given pro-bono use of the Town Hall for the Schools Competition, subject to any additional costs being covered by the beneficiary.

59. To consider the Fourth Draft Budget for the year 2020-21

The following specific points were raised regarding further changes to be made to the Draft Budget:

- Civic Expenditure – the recommendation by the Mayoral, Civic Ceremonial and Events Committee at their meeting on 7 January, 2020 to add £3,364 to replenish the supply of past Mayors' and Mayoress'/ Consorts' badges;
- Wages, Salaries and Related Costs / Management Charge – the Budget includes an assumed pay award of 3.5% but this has yet to be confirmed; also, the draft report following the triennial Pension Fund Valuation indicates the Employers Pension contribution for the Town Council is not expected to increase over the next 3 years;
- Christmas Festival – costs for the event in 2019 were still to be confirmed, and should be the basis for estimating costs for the budget for 2020-21 when available;
- Initiatives, Projects and Grants – a small increase of £200 to cover estimated setup costs for public liability insurance (PLI) and food hygiene training for volunteers working with the Town Council on the Lunch Club project relating to loneliness and dementia friendly initiatives;
- The Reserves Policy will need to be reviewed and amended for future years, along with an assessment of the implications for reasonable increases in the Precept to replenish Reserves;
- It was noted that continued use of more ring-fenced (Designated) Reserves will aid transparency and the audit

process when justifying the level of Reserves held. There is no set ratio of General Reserves to Precept for every Town and Parish Council, so the current requirement in the Reserves Policy to hold this at the level of the annual Precept can be changed by Council if considered appropriate and reasonable to do so;

It was noted that these amendments will have no impact on the Precept requirement for 2020-21 but will affect the figure shown for Further Funding from Reserves. Although the previously stated intention was that the public should not be asked to increase the amount required for the Precept, the growing demand to draw on Reserves to fund budget deficits was a cause for concern and it was acknowledged that the Precept would need to be raised at some point to replenish Reserves and maintain them at a prudent level. Members debated the impact of smaller annual increments on household budgets rather than waiting until a substantial increase may be required in the future if Reserves fell below the threshold required in the Reserves Policy.

During prolonged consideration of the Draft Budget 2020-21, which included use of Reserves, it was concluded that the review of the Reserves Policy should be considered concurrently with the budget deliberations as they both have an effect on the other.

The Chairman proposed, and it was agreed that agenda item 8.7 Review of the latest Draft Budget 2020-21 would be held in abeyance until agenda item 8.8 Review of the Reserves Policy had been determined.

Having resolved to amend the Reserves Policy, the budget deliberations continued. It was subsequently suggested that the cost per Band D household should be increased by the rate of inflation using the Consumer Price Index (CPI) rate of 1.5% as at November 2019, which is an increase of £0.57 from £38.32 to £38.89. With a Tax Base of 13225.8, this gives a total Precept request of £514,351.

It was eventually Proposed, Seconded and



RECOMMENDED: That, subject to the amendments mentioned above, the proposed draft budget for the 2020-21 period, with a 1.5 percent increase in the precept per household, be presented and recommended to Council at the meeting on 28 January, 2020.

60. To review the Reserves Policy in line with the proposed Budget recommendation

Members considered the significant impact on Reserves with a potential funding deficit of over £293,664 for 2020-21. Following on from the original budgeted deficit of £148,551 for 2019-20, this would mean a conflict with the current Reserves Policy of maintaining the General Reserve at approximately 100% of the annual precept.

A forecast based on the Draft Budget for 2020-21 and on YTD figures for 2019-20 at 31 December, 2019 suggests the ratio could fall to 65% by the end of the financial year 2020-21.

A query was raised on whether the Reserves Policy should be changed to be based on forecast expenditure rather than the annual precept. It was explained that this would be harder to determine and monitor as Council's expenditure has fluctuated year on year.

There was a consensus that the current Reserves Policy adopts a cautious approach to the level of General Reserve required and that it was therefore reasonable to amend the policy to reduce the ratio of General Reserve to at least 50% in order to correspond with the decision to recommend substantial use of Reserves in the Budget for 2020-21. It was therefore Proposed, Seconded and unanimously

RECOMMENDED: That the Reserves Policy be amended to require a General Reserve to be maintained at the minimum level of 50% of the annual Precept, and to determine

an aspirational target for maintaining and replenishing Reserves during a further review at a later date.

61. Date, Time and Venue of Next Meeting

10 March, 2020 at 6:30pm at the Town Hall.

62. Outstanding Debtors Schedule

No actions were required and the report was noted.

*The Chairman declared the meeting closed at 8:30pm*