

STRATFORD-UPON-AVON TOWN COUNCIL

FINANCE & AUDIT COMMITTEE MEETING

15 November 2022

Minutes

Present:
Councillors:

Coles (Chairman)	Lee
Curtis	Vos
Fojtik	

Clerk: Town Clerk
Press: None
Public: One member of the public was present

25. Apologies

Apologies were received from The Mayor, Cllr Dyer and Cllr Jackson.

26. Declarations of Interest

There were no declarations of interest.

27. To receive written requests for dispensation for disclosable pecuniary interests

There were no written or verbal requests for dispensations.

28. To grant any requests for dispensation as appropriate

There were no requests for dispensation required.

29. Public Participation

There were no speakers.

30. To approve the draft minutes of the Finance and Audit Committee Meeting held on 11 October 2022

It was Proposed, Seconded and

RESOLVED:

That the Open Minutes of the Finance & Audit Committee Meeting held on 11 October 2022 be approved as a correct record.

31. Management Accounts 1 April 2022 - 30 September 2022

The Management Accounts were received.

Open Spaces Team Vehicle

In considering the Management Accounts the Committee's attention was brought to the requirement to consider replacing the Council's pick-up truck. The present vehicle was 18 years old and was considered nearing the end of its life. There had also been complaints about the road worthiness of the vehicle from members of the public. The Community Services Committee had instructed the Town Clerk to seek quotes for a new vehicle and indicated that electric vehicles should be considered. It was noted that the Council's other open spaces vehicle had been replaced recently on a lease agreement which had utilised some of the vehicle replacement reserve. Various options were presented to the Committee and consideration was given to the most appropriate option for a future vehicle; outright purchase of a new vehicle / second hand option or a lease arrangement. It was re-iterated that there was a definite need for an additional vehicle given the increased workload of the team.

The outright purchase would require virement from the General Reserves and Members were reminded of the requirement of maintaining the General Reserve at a level equivalent to at least 25% of the following year's net budgeted expenditure. The Committee in considering the Council's declaration of a climate emergency eagerly wished that there was a suitable

electric van for consideration. However, in the view of the Open Spaces Foreman there was limited options available which met the requirements of the team.

Given the current financial situation and the uncertainty, the Town Clerk was given the duty of doing a final analysis of the available choices and submitting a report to the full Council meeting so that a decision could be made then.

It was Proposed, Seconded, and

RECOMMENDED:

That Council be asked to consider the options available for a replacement Open Spaces Team vehicle.

32. Budget Strategy for the Financial Year

The Finance & Audit Committee's first review of the budget requirements for 2023/24 took place at their meeting on 11 October 2022, when Members were advised that the budget strategy should be cautious, aiming to return to a balanced budget for 2023/24 after six years of deficits and a substantial reduction in reserves.

In considering the report Members noted the following:

1. The Budget will undoubtedly change over the next few months and the Tax Base would not be confirmed by the District Council until December, but Members should note that there was currently no provision in the budget for replenishing reserves to cover the higher-than-expected budget deficit from 2021/22 or the budget deficit for 2022/23.
2. An increase in the Annual Rate Charge per Household had been set at 2.5% as per the increase for 2022/23, but this was not intended to set an expectation and it was a matter for Members to debate and recommend to Council. This percentage was well below the inflationary uplift of 12.2% applied to some of the values in the draft budget.

3. The latest draft budget made no provision for the replenishment of the Cemetery Land & Building Reserve, which was already less than the sum estimated for project costs in the current financial year, assuming the purchase of the land from the District Council was completed before 31 March 2023.
4. The latest draft budget made no provision for the replenishment of the Vehicle Replacement Reserve, which was likely to be used entirely in the current financial year for the Open Spaces team.
5. Energy costs need to be reviewed / revisited. The latest bill for the electricity at the Cemetery shows an increase of over 300% as a result of the ending of the previous long-term contract on 31 August 2022.
6. Members should also be aware there was currently no specific provision for any new projects which may come from other standing committees or the various sub-groups, although some committee-specific designated reserves were created a few years ago and would be carried forward if unspent.
7. The Final Draft Budget would be recommended to Town Council in January, so there was still plenty of time for items to be considered and figures to be adjusted.
8. The Second Draft Budget showed a potential budget deficit of over **£7,400** before any further changes were made.

Members were also reminded of the points which had been raised at the previous meeting; namely that:

- The Council was still fortunate to have a reserves and continued to receive an annual rise in the overall precept amount due to substantial housing development in Stratford-upon-Avon and the increase in the Tax Base as a result.

- Members were reminded of the potential increase in the precept request which would be required to replenish reserves, if savings could not be identified.

In considering the above and the specific budget of the Committee, Members were asked to consider any recommendations or amendments for the next financial year in order to prepare a draft budget for 2023/24. There had been a similar exercise at the Council's other standing committees, they had also made recommendations on their budget requirements. This committee noted, however, that neither savings nor alternative revenue streams had been identified from these committees. Indeed the Community Services Committee had wished to secure an increase in grant, as per the request of Stratford in Bloom and Christmas Lights Committee, if budget allowed.

It was Proposed, Seconded, and

RECOMMENDED –

That the Council's standing Committees be asked to review their budgets again in order for a balanced budget to be reached.

33. **Investment Strategy**

In considering the report Members agreed that based on the proposed draft budget and expectations of cash flow to cover "normal" expenditure over the course of the rest of the financial year, that no more funds be invested in long term options at this stage. This would ensure sufficient funds were available to cover all expected expenditure over the second half of the financial year 2022/23 and over the first half of the financial year 2023/24.

Accordingly, it was Proposed, Seconded and unanimously

RESOLVED:

That the report be noted and that the maturing fixed rate bonds funds be moved to the 31 Day Notice Business Savings

Account.

Responsible Financial Officers Verbal Report

There was no verbal report.

34. Date of Next Meeting

17 January 2023 6.30pm at the Town Hall.

The Chairman declared the meeting closed at 7.35pm

Chairman