

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

19 NOVEMBER, 2019

MINUTES
Open Pages 1 - 8

Present:
Councillors:

Alcock	Fojtik
Coles	How
Curtis	Jackson
Dowling (Chairman)	Lee
Dyer	

Clerk: Deputy Town Clerk
Press: None
Public: None

31. To Accept Apologies for Absence

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

32. Declarations of Interest

There were no declarations of interest.

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

There were no written or verbal requests for dispensations.

34. To Grant Any Requests for Dispensation

None were required.

35. Public Participation

There were no members of the public present.

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

It was Proposed, Seconded and

RESOLVED: That the Draft Open Minutes of the Finance & Scrutiny Committee held on 10 September, 2019 be approved as a correct record.

37. To Adopt the Notes of the Town Hall Income, Facilities and Wellbeing Panel

It was Proposed, Seconded and

RESOLVED: That the Notes of the Town Hall Income, Facilities and Wellbeing Panel meetings held on 26 September, 2019 and the Draft Notes of 7 November, 2019 be adopted.

It was noted that this included a recommendation for a virement from Reserves, which was subsequently confirmed and minuted as 41. below.

38. To Adopt the Notes of the Asset Register Review Group

It was Proposed, Seconded and

RESOLVED: That the Draft Notes of the Asset Register Review Group meeting held on 29 October, 2019 be adopted.

39. External Audit Report for 2018/19

Members noted the report.

40. Management Accounts for the period 1 April – 30 September, 2019

While there are no overall concerns with the Budget for 2019/20 at the end of the Half Year, attention was drawn to the deficit in Town Hall Commercial Management [Net] which is primarily caused by the trend in reduced Income from Town Hall Lettings. This is an ongoing item being considered by the Town Hall Income, Facilities and Wellbeing Panel and should also be considered as part of the overall Aims and Objectives of the Town Council, as the Town Hall is increasingly used for supporting local community organisations. New Members were advised that there is currently a Deferred Income balance of approximately £10,000 which is adjusted each month and no longer included in figures reported in the Management Accounts.

Mention was also made of the significant year to date surplus in Cemetery Income from Purchase & Interment Fees. This was as a result of some advance purchases rather than as a result of an increase in burials. Fee income from the Tranquility Garden is also increasing.

Members noted the report.

41. To approve Budget Virements to address budget deficits for 2019-20

Adoption of the Notes from the Town Hall Income, Facilities and Wellbeing Panel included a request for a budget virement to complete Phase 1 works by 31 March 2020 as part of the overall programme of maintenance on the Town Hall.

It was therefore Proposed, Seconded and

RECOMMENDED: that a Budget Virement of £25,000 be approved by Council for Town Hall maintenance costs and fees, to be taken from the Building Maintenance Reserve.

After confirming the need for budget virements to adhere to procedures of reporting and control, it was Proposed, Seconded and

RECOMMENDED: That a Budget Virement of £918 be approved by Council to address a known deficit in the IT budget for councillor email addresses, to be taken from General Reserves.

In addition, that a Budget Virement of £339 be approved by Council to address a known deficit for non-domestic rates and water rates at the Cemetery, to be taken from General Reserves.

Regarding changes proposed to the reporting of expenditure relating to Salaries and Payroll, it was

AGREED: that the budget figures in the monthly Management Accounts for the rest of the financial year are adjusted to reallocate £2,900 from Salaries, Wages and Related Costs to Payroll Services, which will have no impact on the overall budget for 2019-20.

42. To consider the Second Draft Budget for the year 2020-21

An explanation of the summary budget papers was given by the Deputy Town Clerk.

The Proposed Budget figures are based on a combination of the Current Year's Budget, estimates based on Year To Date Actuals (half year) and a review of the Previous Year's Actuals (full year).

A number of items were highlighted, including the following:

- The Precept figure is currently unchanged from 2019/20, as the Town Council has indicated an intention to try to hold the Charge per Band D Household at the same level as the

last six years. Also, the Tax Base will only be confirmed by the District Council in December;

- The Council Tax Reduction Grant has now been phased out by the District Council;
- Interest on Investments has been reduced on the assumption that there will be a reduction in Reserves and therefore fewer funds invested;
- Town Hall Commercial Management [Net] is expected to result in an Income Deficit if the current trend continues;
- Operational & Administration – Salaries, Wages and Related Costs are estimated to fall as a result of a reduction in full time staff, though savings will be offset by any cost of living pay award for all officers (still to be confirmed) and outsourcing of the payroll function;
- Substantial expenditure on Town Hall Maintenance includes an estimated figure of £127,000 for external repairs (note the Building Maintenance Reserve stands at £150,860). This is in addition to the extra funding required in the current financial year for expenditure on the Town Hall, for items including fire safety which have been identified as a priority by the Council's Building Consultant;
- There is a significant increase in the budget for Initiatives, Projects and Grants owing to the Town Council's partnership commitment to the proposed Stratford Housing Plus Fred Winter Centre initiative.

Ongoing work to review previous year's Actuals to the proposed Budget values for 2020-21 may result in "tweaks" to some figures, which are intended to ensure budgets are aligned to known costs wherever possible.

Subject to a decision being reached at the next Mayoral, Civic Ceremonial and Events Committee meeting on 7 January, 2020, it was AGREED that the next version of the Draft Budget should include a provision for additional annual costs of £3,864 for Civic Travel, which will cover lease costs for a proposed new car, and that it is assumed the deposit possibly of £1,932 will be covered by proceeds from the sale of the existing civic car.

Included in the verbal update was confirmation that the proposed budget deficit, currently showing as £294,850, could

be covered by Council's Reserves. It was expected to be partially offset by an increase in the total Precept amount from an anticipated rise in the Tax Base as a result of ongoing development within the area, as has happened in previous years. However, it was noted that this increase was less than £10,000 between 2018-19 and 2019-20, and will be offset next year by the lack of any further Council Tax Reduction Grant.

There was some concern over proceeding with the timetable for the external works to the Town Hall, which is expected to take place over approximately 16 weeks in the summer months next year, as work by the Climate Change Task & Finish Group is ongoing and they are still working up proposed initiatives which may impact on external works e.g. solar panels, energy efficient windows, etc. It was AGREED that a copy of the Schedule of Works should be passed to the Climate Change Group for review. It was also mentioned that the Methodist Church had experience of implementing some climate change initiatives which could be useful to the Town Council.

Although it was acknowledged the proposed budget could lead to a significant depletion of Reserves, it was AGREED that no significant amendments were required to the Budget at this stage, and a revised draft will be reviewed in January 2020, after the Tax Base has been confirmed.

43. To review the Investment Strategy

Members agreed that the existing "rolling cycle" approach to medium / long term investments gave improved investment returns while retaining flexibility to meet the demands of future Council funding requirements. The requirement to ensure sufficient cash flow in the next 12 months was also noted. It was therefore Proposed, Seconded and

RECOMMENDED: That funds are re-invested with Cambridge and Counties Bank, with £130,000 in a new 2 Year Fixed Rate Bond and the balance of £120,000 plus interest of £14,495 to be invested in the existing 31 Day Notice Savings Account.

44. Financial Regulations and Finance & Scrutiny Terms of Reference

Having reviewed the current documents, it was AGREED that Members had no amendments to propose to these policies and procedures.

To defer issues to Confidential Session

The Chairman proposed and it was AGREED that, due to the confidential nature of the business to be transacted, agenda item 9.7, minuted as 46, be moved to Confidential Session.

45. Date, Time and Venue of Next Meeting

14 January, 2020 at 6:30pm at the Town Hall.

46. Outstanding Debtors Schedule

Given the amount of time already spent by the Civic Officer in trying to contact the allotment holder, and given the small amount of the outstanding invoice and the potential costs in trying to recover the debt through a debt collection agency, it was

RESOLVED: that the outstanding amount of £66 for an unpaid invoice for two allotments should be written off as a bad debt. The debtor will be “black listed”.

The Chairman declared the meeting closed at 7:25pm