

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

15 JANUARY, 2019

MINUTES
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Present:
Councillors:

C Bates	Jackson
T Bates	Jefferson
Bicknell (Mayor)	Lowe
Fojtik (Chairman)	Short

Clerk: Deputy Town Clerk
Press: Stratford Herald
Public: None

49. To Accept Apologies for Absence

Apologies were received from Cllrs Applin and Dowling and accepted for the reasons given.

50. Declarations of Interest

There were no declarations of interest.

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

There were no written or verbal requests for dispensations.

52. To Grant Any Requests for Dispensation

None were required.

53. Public Participation

There were no members of the public present.

54. 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 20 November, 2018 be approved as a correct record.

55. Membership of Warwickshire and West Midlands Association of Local Councils/National Association of Local Councils

Members noted the report.

It was Proposed, Seconded and unanimously

RECOMMENDED: That Council should not re-join WALC / NALC in 2019/20, and should only re-consider this decision in the future if specifically requested by the Town Clerk or by a Member.

56. Scope of the Internal Audit for 2018/19

It was confirmed that the Internal Audit includes the cyclical review of the Asset Register, and a meeting was requested to be arranged for the Asset Register Review Group prior to commencement of the Internal Audit in February.

The reason for including the Mayors Charity Account Administration was also confirmed.

It was Proposed, Seconded and unanimously

RECOMMENDED: That the terms of engagement and scope should continue as determined in 2018.

57. Management Accounts for the period 1 April – 31 December, 2018

Council's share of the Christmas Festival costs was noted as being over budget and it was confirmed that the Town Council has requested the District Council for input in the budget and cost control process for the event in 2019.

A concern over the impact on town centre traffic over the weekend of the Christmas Festival was mentioned.

It was noted that the Neighbourhood Development Plan (NDP) will require a 5 year review in line with the District Council's Core Strategy, which is likely to incur further expenditure, though it was noted that the Town Council's Planning Consultant has been retained to monitor the plan annually, as required.

A civic reception to celebrate the successful conclusion of the NDP project and referendum campaign is still being planned.

Members noted the report.

58. Town Hall tariff for 2019-20

It was noted that the approach to rounding of inflationary increases should be cumulative year on year, to ensure tariffs are not constantly rounded down and potentially remain unchanged during periods of low inflation.

It was Proposed, Seconded and unanimously

RECOMMENDED: That the proposed figures should be implemented for 2019-20.

59. To consider the Third Draft Budget for the year 2019-20

Each Member was given the opportunity to comment on the Draft Budget, and the following specific points were raised:

- Election expenses are significant during an “all out” election year, so the option of budgeting for an annual amount to apportion costs more evenly was suggested. There was some concern over the proposed total of £30,000 for 2019-20, which includes a contingency for a by-election but is still substantially more than in previous election years, and the Deputy Town Clerk confirmed that the District Council has been asked to review and confirm their previous estimate;
- Apportioning of a share of the costs of the Hatton Rock storage facility to the Shakespeare Birthday Celebrations currently results in an annual surplus in the Town Council’s accounts;
- Contingency in the Operational & Administration Expenses – Salaries, Wages and Related Costs has resulted in a budget surplus for a number of years and could be reconsidered following staff structure changes over the last 15 months, which includes the introduction of the new role of Deputy Town Clerk;
- The latest Draft Budget identifies a potential requirement to draw down Reserves by nearly £189,000, which will have an impact on the Reserves Policy in future years;
- Investments which now include medium and long term options continue to generate more interest and dividend income than in previous years;
- Ongoing maintenance costs for the Town Hall will impact considerably on the Building Maintenance Reserve, even when being apportioned over the 5 year period of the Planned Maintenance Plan resulting from the Condition Survey in 2018;
- The reporting of Town Hall Income in the Management Accounts is now in line with the Annual Accounts, in regard to the effect of Deferred Income;
- A slow down in house building within the town will affect the Tax Base and hence the amount of income raised from the

Precept, if the cost per Tax Band 'D' household continues to be held around the same level as the last 10 years;

- There will be a need to replenish Reserves in the future, and an inflationary increase in the Precept this year would have raised approximately £15,000 in additional Income;
- 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 a move towards the 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 AGREED that a Designated Reserve should be created for Election Expenses, and a proportion of estimated future election year costs budgeted each year and transferred to this Reserve, to be drawn down as and when required.

In addition, it was AGREED that an estimated contingency figure of £30,000 be removed from the Budget for 2019-20 for Operational & Administration Expenditure – Salaries, Wages and Related Costs.

It was further AGREED that the Reserves Summary section on the last page of the Budget will be amended to reflect the use of the Building Maintenance Reserve to cover the additional estimated expenditure of £42,000 on the Town Hall in 2019-20, and will also be changed to show the total of Designated Reserves as well as General Reserves.

It was noted that these amendments will have no impact on the Precept requirement for 2019-20 but will affect the figure shown for Further Funding from Reserves. Given the previously stated

intention that the public should not be asked to increase the amount required for the Precept, Members agreed that the cost per Band D household should again be held at £38.32. With a Tax Base of 13190.3, this gives a total Precept request of £505,452.

It was therefore Proposed, Seconded and unanimously

RECOMMENDED: That, subject to the amendments mentioned above, the proposed draft budget for the 2019-20 period, with a zero percent increase in the precept per household, be presented and recommended to Council at the meeting on 29 January, 2019. In addition, the Reserves Policy should be reviewed and adjusted as necessary in 2019-20.

60. Outstanding Debtors Schedule

No actions were required and the report was noted.

61. Date, Time and Venue of Next Meeting

12 March, 2019 at 6:30pm at the Town Hall.

The Chairman declared the meeting closed at 7:30pm