

STRATFORD-UPON-AVON TOWN COUNCIL

FINANCE & SCRUTINY COMMITTEE

16 JANUARY, 2018

TOWN CLERK'S OPEN REPORT

1) Warwickshire and West Midlands Association of Local Councils (WALC) and National Association of Local Councils (NALC) – Review of Membership

- **To evaluate membership benefit and determine whether to renew membership of WALC / NALC for 2018/19**

Further to the Finance & Scrutiny Committee meeting on 21 November, 2017, the Deputy Town Clerk has written to the County Secretary of WALC to respond to concerns raised and to clarify why the Town Council should continue as members.

The County Secretary's letter of response is attached as **Appendix 'A'**, with additional points for consideration as **Appendix 'B'**.

Members are reminded of the minutes from the meeting in November 2017, which were as follows:

40. Review of Membership of WALC/NALC and SLCC

40.1 To evaluate membership benefit and consider if the increase in the WALC fees is acceptable

*Members commented on the need for greater clarity of exactly what benefits the Town Council gets from being members of WALC/NALC.*

*The split of the increased fees between WALC and NALC was requested and confirmed as £620 for WALC / £1546 for NALC. A point was raised that the decision by WALC to fix their share of the fees for the next 5 years related to their smaller proportion of the fees, so it was likely there could be further increases in the NALC fees.*

*It was Proposed, Seconded and*

RESOLVED:

*That the decision whether to renew membership of WALC / NALC should be deferred until the next meeting of the Finance & Scrutiny Committee in January 2018, and that the Town Clerk / Deputy Town Clerk should write to the WALC County Secretary to ask what benefits the Town Council gets as a Quality Council and what he regards are the benefits or reasons why Stratford-upon-Avon Town Council should remain a member of each organisation.*

For ease of reference, Members are also reminded of the increase in fees as outlined in the report to the Finance & Scrutiny Committee in November 2017:

*At their AGM on 1 November 2017, WALC approved the revised fee structure, which will be held for 5 years from April 2018. The fees include an element for NALC, which is outside the control of WALC and may increase over this period. The fee structure is on a scale based on the size of the Town / Parish Council. For Stratford-upon-Avon Town Council, this will increase from £1398.28 in 2017/18 to £2166, an increase of 55%. However, given the significant percentage increase, it has been agreed that this will be phased in over the next 3 years, as follows:*

<i>2018/19</i>	<i>£1650</i>	<i>increase of £251.72</i>	<i>18%</i>
<i>2019/20</i>	<i>£1900</i>	<i>increase of £250</i>	<i>15%</i>
<i>2020/21</i>	<i>£2166</i>	<i>increase of £266</i>	<i>14%</i>

...

*Although the rise in fees appears excessive, monetarily it is not exorbitant, for example the increase is £120 less than the annual cost of distributing the Council's newsletters each year, and the full revised fees are less than a quarter of the annual production costs of the newsletters and will be phased in over 3 years. Although there are other large councils nationwide who are not members, there is obviously a risk involved in choosing not to be part of the recognised association for local councils.*

Members are asked to consider whether Council should pay the increased fees and remain a member of WALC/NALC.

2) Internal Audit

- **To review and recommend to Council the terms of engagement and scope of the Internal Audit for 2018.**

Members are asked to review annually the requirements for the Internal Audit. They are reminded that the review last year determined a requirement to include the Online Payments process, as well as the Mayor's Charity Administrative Arrangements, which are an extension of the scope of previous internal audits.

The relevant Internal Audit documents for review are attached as **Appendices 'C', 'D' and 'E'**.

While the Online Payments process was included in the Internal Audit for 2017, the internal auditor took the view that they needed to gain information available last year to prepare, understand, work through and test an internal audit plan for the Mayor's Charity Administrative Arrangements, which should now be included in this year's Internal Audit.

Members are asked to consider whether any further changes to the Internal Audit for 2018 are required.

3) To receive the Management Accounts for the Period 1 April 2017 – 31 December 2017

- **To note the report**

The Management Accounts for the period 1 April 2017 – 31 December, 2017 are attached as **Appendix 'F'**.

The most significant YTD variances are as follows:

- Income – Market & Christmas Festival [Net]: the invoices for SDC's share of the new market contract have not yet been received, also the STC share of expenditure on the Christmas Festival is still to be paid. There should still be a surplus as expenditure will be significantly less than the increase in market income (revised figures should be available in next month's report)

- Income – Rents: the new lease agreement has been signed, now just waiting for the back rental settlement figure to be paid to reduce some of the deficit (after management fees and solicitors costs)
- Income – Town Hall [Net]: this remains below budget and the income deficit is unlikely to be recovered before year end, especially in light of the situation with the Town Hall kitchen equipment
- Expenditure – Operational & Admin: there is a significant underspend at this point in the year, mainly due to contingency and timing though also partly down to staffing changes that have occurred this year (understaffed compared to budget)
- Expenditure – Cemetery [Net]: surplus primarily due to a significant increase in cemetery fees
- Expenditure – Tranquility Garden [Net]: YTD deficit due to timing of additional expenditure on new car park – there should be relatively little more expenditure for the rest of this financial year as the development project is finished
- Expenditure – Hatton Rock: surplus due to cross-charge to the Shakespeare Birthday Celebrations for storage of equipment
- Expenditure – Holy Trinity: surplus due to timing – further expenditure will be invoiced in 2018
- Expenditure – Special Projects: surplus due to delay in completion of the examination of the Neighbourhood Plan and moving the project into the referendum phase

Members are requested to note the report.

#### 4) Town Hall tariff

- **To approve the proposed draft Town Hall tariff for 2018-19**

From the report to the General Purposes Committee for the meeting on 24 October, 2017, the following procedure was confirmed:

##### 1) Cemetery and Town Hall Fees

- ***To review the draft proposed tariffs for the Cemetery and make a recommendation to the Finance & Scrutiny Committee***
- ***To note the process for amending the Town Hall Tariff***

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##### 1.2 *Town Hall*

*The annual review of the Town Hall tariff is now due as part of the budget process. It will need to be discussed by the Town Hall Sustainability and Income Task and Finish group and if they agree that the fees should be increased, it will be by no less than 3.9%, which is the RPI rate of inflation in August 2017.*

Due to the restructuring of the sub-groups to merge the Town Hall Sustainability & Income Task & Finish Group and the Town Hall Facilities & Wellbeing Panel into the Town Hall Income, Facilities & Wellbeing Panel, and with the focus on more pressing matters relating to the kitchen and office facilities, the Town Hall tariff for 2018-19 has not been formally reviewed, and is therefore brought directly to the Finance & Scrutiny Committee as part of the budget review process. The fee increases are based on the RPI rate of inflation of 3.9%, rounded up or down to the nearest £5, as per the review of Cemetery Fees.

The proposed Town Hall tariff is attached as **Appendix 'G'**.

Members are asked to approve the proposed fees.

5) Funding arrangements for Town Hall catering facilities

- **To agree funding arrangements for replacing kitchen equipment and associated services and facilities**

Estimates and quotations for replacing the kitchen equipment have been sought from 3 suppliers and details will be tabled at the meeting.

The notes and recommendations from the Town Hall Income, Facilities and Wellbeing Panel are being taken to an Extraordinary Meeting of the General Purposes Committee immediately prior to the Finance & Scrutiny Committee Meeting on 16 January, 2018. Assuming these are approved, the immediate funding requirements will need to cover the replacement of the gas hot water boiler and oven with new electric equipment. This will also necessitate work to upgrade the electricity supply to the kitchen, for which the Council's approved electrical contractor has been approached.

Members will be aware that funding for the replacement of the dumb waiter has previously been identified and is currently held in Reserves.

The Draft Budget for 2018-19 includes £6,000 towards replacement kitchen equipment but, based on current estimates, this may not be enough to cover all costs.

Members will be asked to consider whether the Draft Budget should be amended or whether additional costs resulting from approved recommendations are funded from a subsequent virement from Reserves, which will need further approval at a future Finance & Scrutiny Committee meeting.

6) Draft Budget 2018 - 2019

- **To review and recommend the Precept requirement for the year 2018 – 2019**

The Second Draft Budget for the Municipal Year 2018-2019 is attached as **Appendix 'H'**.

Since the last Finance & Scrutiny Committee meeting on 21 November 2017, and the General Purposes Committee meeting on 12 December 2017, a number of revisions and changes have been made, including confirmation of the Tax Base and the Council Tax Reduction Grant by the District Council.

Other significant changes are as follows:

- INCOME – Rents [Net]: reduced to allow for Management Charges which will be deducted from the increased gross income received from the Cemetery Telecommunications Mast
- Town Hall Commercial Management – INCOME – Lettings: reduced to reflect the trend indicated in the deficit in this year's YTD Actuals
- Market & Christmas Festival – EXPENDITURE – Christmas Festival: reduced to reflect the anticipated contribution by the Town Council to this year's inaugural event, which is lower than expected.

By proposing to fund the revised estimated deficit of £25,471 from Reserves, these changes have enabled a Precept requirement to be calculated of £496,472, which equates to an Annual Rate

Charge of £38.32 per Household in the Tax Base, the same as the rate for 2017-2018.

N.B. additional security costs for future events have not been included in the budget, and will require additional use of Reserves.

The Deputy Town Clerk will also provide a verbal update of the latest Draft Budget at the meeting.

Members are requested to undertake a detailed review of the Draft Budget so that decisions can be made on any further amendments and to finalise the proposed budget for recommendation to Council which must sign off the budget at the meeting on 30 January, 2018 in order to submit the precept requirement to the District Council.

Deputy Town Clerk  
10 January, 2018