

## SHREWSBURY TOWN COUNCIL

### Meeting of the Finance & General Purpose Committee Held Virtually on Microsoft Teams At 6.00pm on Monday 15 June 2020

#### PRESENT

Councillors A Mosley (Chairman), P Adams, I Jones, Ms K Halliday, Ms J Mackenzie, Mrs P Moseley, A Phillips & D Vasmer.

#### IN ATTENDANCE

Helen Ball (Town Clerk), Amanda Spencer (Deputy Town Clerk), Gary Farmer (Operations Manager), Andy Watkin (Responsible Financial Officer), Ruth Jones (Office Manager) and Carol Pullen (Committee Clerk).

#### APOLOGIES

Apologies were received from Councillors Ms G Burgess & Mrs H Fraser.

#### 1/20 DECLARATIONS OF INTEREST

Twin-Hatters	All twin-hatted Councillors declared a personal interest in all matters relating to Shropshire Council.
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#### 2/20 MINUTES OF THE LAST MEETING

The Minutes of the Finance & General Purposes Committee meeting held on 10 February 2020 were submitted and circulated as read.

#### RESOLVED:

**That the minutes of the Finance & General Purposes Committee meeting held on 10 February 2020 be approved and signed as a correct record.**

#### 3/20 MATTERS ARISING

**Ref Min 68.1 BMX at Greenfields** – Councillor Phillips requested an update on the plans for undertaking the minor remedial work at Greenfields BMX track.

The Operations Manager confirmed that the materials had now been received and he was currently awaiting the available manpower to top dress the BMX track and it was expected that this would be done shortly.

## 4/20 END OF YEAR ACCOUNTS

Responsible Finance Officer (RFO) talked Councillors through the Annual Report and Draft Accounts for the year ending 31 March 2020, copies of which were also distributed prior to the meeting. This included the following documents:

- Annual Report
- Statement of Accounting Policies
- Annual Governance Statement
- Income & Expenditure Account
- Statement of Movement of Reserves
- Balance Sheet
- Annual Return

The RFO reported that the Annual Report had been updated to include a climate emergency statement and other changes to the delivery service areas.

Income had increased by £595k, however this was due to £581k from CIL and \$106, which had not been budgeted. There were increases in grant income and interest received, post March 2020 rates had dropped dramatically which would impact on the 2021 accounts. The loss of the Crematorium contract and Town and Country liquidation of the Sunday Market had led to negative variance and funding received from Shropshire Council for Youth projects, which was not budgeted for and would be utilised for the Alternative Curriculum project for this and future years.

On the expenditure, spending had increased by £588k, which was from earmarking earlier mentioned receipts and also a number of capital projects. Some of the projects undertaken were the Monkmoor astroturf floodlights and fence, BMX tracks improvements, play parks improvements and LED lighting programme. These were large revenue projects using reserves and any other monies received and had led to the adverse variances, other capital projects included Radbrook Rec drainage and the land purchase at barge gutter along with some equipment and machinery. Overall there was a small surplus of £6,793.

He reported there were no changes to report in the Statement of Accounting Policies. Turning to the Annual Governance Statement, which detailed policies and procedures and the governance to enable the signing off of the Annual Return, this section was updated annually and the RFO drew members' attention to Assertion 8 - Significant Events. Added to this section were Greenfields and the Public Interest Report and the two emergency scenarios of this year, the flooding and the ongoing coronavirus pandemic.

Income had increased by £99k to £4.048 million. Expenditure had increased by £665k, predominantly due to capital projects and overall there was a surplus of £51,831, which would be moved over to the Statement of Reserves. General reserves had increased by £6,793 to £423,367.

The Balance sheet showed an overall increase to £11.055M. Of note was the net current assets, which had increased by £52,000, highlighting the liquid resources held by the Council which was relevant in the current climate.

The RFO reported on earmarked reserves including projects, which had been completed or very nearly completed and expected expenditure on future projects. This included the Youth Alternative Curriculum fund from Shropshire Council, £27,000 of which had not yet been spent and would be carried forward to complete the project. A coronavirus battle fund of £20k was set up and at year-end and the reserves stood at £19k.

The Council had not adopted the new JPAG (Joint Panel on Accountability and Governance) which was new guidance effective from April 2020. Within that document it made reference to justification of earmarked reserves and with this in mind, whilst it was justifiable, the large reserves held previously for equipment and vehicle had been reduced down considerably. £100k was apportioned annually to replace equipment, if this practice was continued, a smaller fund could be dipped into or topped up and therefore £750k had been transferred to set up an establishment fund for future premises search, which was ongoing.

There was movement in and out of CIL and S106 earmarked funds for new receipts but also expenditure. This year £154k of the neighbourhood fund had been spent on for the Monkmoor and Radbrook Road projects.

The proceeds of disposal of assets were held in the Capital fund and were subject to statutory controls of the 2003 regulations, whereby proceeds could not be used for revenue purposes. Greenfields had been recorded in the Capital fund as well as other capital receipts and there had been some movement this year. £60,000 had been used to purchase land adjacent to the County Ground as well as costs of £3,284 relating to Greenfields that had come in after publication of the Public Interest Report and were allocated against the proceeds received.

The Annual Return had been completed and signed off by the Internal Auditor. There were no issues to report and these would be submitted to the External Auditor once ratified by Full Council.

Members posed the following questions:

Councillor Mosley asked if there were any update on the VAT on the Market. The RFO reported this had been raised shortly before year end with the advisors and he was hopeful it would be brought to a conclusion, no correspondence had been received from HMRC for a while.

Councillor Phillips referred to Item 5 – Significant Events where reference was made to a net loss of £100k and how with the fluidity of the situation, that could be budgeted for going forward. The RFO explained that coming up to the end of Quarter 1 he would be reporting on any income received in the quarter against budget and prior years and this would show how income streams were affected, any decrease would be reported and flagged as an adverse variance. The reports only looked at the current quarter and not forecasting but he could report this adverse variance but hopefully in the future this would not be the case as more revenue streams returned.

Cllr Mosley asked for clarification as to why the net surplus was £618,000 last year and is now down to £51,000. The RFO explained that it was how large receipts were accounted for. S106 or Neighbourhood funds received were earmarked for future projects. If they were not spent within the financial year then they go as an earmarked project so the last

year sums received had not been spent whereas this year some sums received had subsequently been spent.

Cllr Phillips asked whether during the current crisis, equipment was being used less, therefore potentially extending its life and whether an adjustment to reflect this needed to be made in accounting terms. The RFO reported that the majority of grounds maintenance contracts had continued as normal so there was very little change in machine usage so there was likely to be little impact on the reserves.

Cllr Phillips asked whether there had been further spending from the Coronavirus battle grant fund, which had stood at £19,000 on 31 March and whether the purpose of the fund should be reviewed and allocated towards recovery projects. The RFO reported that there had been further spending since then and the fund was decreasing. If any remained going into next year then it could then be re-allocated.

Cllr Mosley asked about the different interest rates on the short and long-term investments. The RFO reported that the £1M held within the CCLA was on a spot rate on the money market, which were decreasing, the long term bonds on a six monthly rate were only getting a return of 0.15%. The bonds that were pre Covid19 would get better rates as they matured but if replaced would get a lower rate.

Cllr Mosley congratulated the RFO on his work in compiling and presenting the accounts.

**RECOMMENDED:**

- (i) That End of Year Accounts for the Year Ended 31 March 2020, incorporating the following be approved:**
  - a. Annual Report**
  - b. Statement of Accounting Policies**
  - c. Annual Governance Statement**
  - d. Income & Expenditure Account**
  - e. Statement of Movement of Reserves**
  - f. Balance Sheet**
  
- (ii) That the Annual Return for the Year Ended 31 March 2020 be approved and forwarded to the External Auditor for unqualified audit.**

**5/20 INTERNAL AUDITOR**

The RFO reported that the Internal Auditor had completed the interim and the final audit and there had been no matters arising.

**RECOMMENDED:**

**That the Internal Auditor's interim and final audit reports be accepted.**

**6/20 BUDGETARY UPDATE**

The Town Clerk reported on the current and projected finances of the Council. Council set its budget at the end of January in readiness for the start of the 2020/2021 financial year. Following lockdown on 23 March 2020 many service areas had been affected and subsequently as lockdown had eased some services had resumed. Whilst there had been a significant loss of income there were areas where expenditure had increased to accommodate the needs of COVID, but also some budgetary lines had reduced because of the need to undertake only essential maintenance in certain areas. Current predictions showed that there was likely to be an end of year reduction of £250,000 on the budget as agreed in January. COVID had also impacted on areas of the expenditure budget and current predictions showed that there was likely to be an end of year reduction/short-term cost savings of £150,000 on the budget. Based on a number of assumptions, it was anticipated that together with short-term budget reductions a net deficit of £100,000 on the budget is forecast.

Members were asked to consider how they would wish to address that budget deficit:

1. Meet from reserves and stand the loss with reduced reserves. Council holds around 6 weeks revenue budget in General Reserves. This loss could be accommodated and whilst General Reserves would be lower than recommended, it is manageable in the short-term
2. Meet from reserves and recover during following years
3. Reductions in expenditure through cost savings/budget reductions. Officers have been looking at efficiency savings. It is however advised that blanket cuts across service lines shouldn't be considered and that Officers should be tasked with looking at where budget lines could be reduced in the short-term or expenditure be deferred to the following year to address this short-term deficit.

Cllr Phillips considered it was entirely appropriate to meet the deficit from general reserves and reiterated the hope that spending across the year would be focussed on local companies as much as possible.

Cllr Mosley said that the Group Leaders had been discussing these issues on a weekly basis with the Town Clerk and were endeavouring to keep members informed with useful and productive notes from their meetings. He was confident that the Council did not need to consider cuts to its services at this stage. He asked the Town Clerk what was the recommendation regarding the proportion of reserves.

The Town Clerk reported that this varied depending on the size of the Council and the document the RFO had referred to looked at a fund in the region of between about 6 weeks and 6 months' worth so the Council were on the lower side but it had a very broad service delivery so were not likely to see all of its services fail at the same time. It took it down to a level which was of concern but it could be addressed by considering the medium term financial strategy going forward over the next five years.

The Town Clerk reiterated that it was not felt necessary to change the current budget lines and was confident that the RFO would keep this under review and would report back frequently.

Cllr Mosley asked whether all three alternatives in addressing the budget deficit had been explored and sought clarification for members on the recommendation. The Town Clerk confirmed that it was felt the deficit could be met from reserves, although if the position should worsen then it may be necessary to look more broadly.

The Town Clerk reported that lobbying was ongoing and she continued to have conversations with the MP and had met with the Leader and Deputy Leader of Shropshire Council. Government's position remained firm that Parish & Town Councils should enter into conversations with their principal Councils as sufficient finances have been passed to them to mitigate any financial distress as a result of COVID. The view Shropshire Council had taken was that it had not received sufficient income to meet their own losses let alone pass down any income to parish & town councils and this was a view that was reflected nationally.

The National Association of Local Council continued to lobby for a targeted and dedicated financial package which they believe was required to support around 100 parish & town councils across the country. NALC Management Board was due to meet later in the week to review its position

Cllr Mosley asked that congratulations be given to the Town Clerk in what she had done publicly and in the corridors of power to raise the Town Council's profile and press the fairer funding issue with the Government.

**RESOLVED:**

- 1. That the Report be noted.**
- 2. That the RFO keep the forecast out-turn in review and report on progress at the scheduled Quarter Outturn Reporting Meeting.**
- 3. That the Senior Management Team look further at budget lines to identify and short-term efficiency savings.**
- 4. That the Town Clerk continue to press the need for fairer funding with Government.**
- 5. That the Town Clerk be congratulated on her efforts to lobby the fairer funding issue.**

**7/20 CAPITAL PROGRAMME**

The Capital Programme progress list, which included completed and projects in progress had been circulated ahead of the meeting. The Town Clerk gave an update.

**BMX Bagley & Column** – Crumb had been ordered and arrived. Work programmed in with Neighbourhood Wardens, pending operational availability but it was hoped to do this during the current closure of BMX tracks in readiness for opening as Government restrictions are lifted.

**Street Lights** – About 20 left to complete – these were complex due to location and power supply. All necessary materials, columns, fixtures had arrived but work was on hold due to COVID-19 – work not deemed essential.

**Toilets** – Officers looking at solutions to improvements. New Cleanliness regimes had been put in place. Toilets closed due to COVID-19 – Awaiting guidelines from PHE to determine whether post-COVID may require a complete overhaul of public convenience provision.

**Footways & Cycleways** – Tranche 1 completed, now looking at tranche 2 – Reabrook, Mousecroft, Hillside and the Old Shrewsbury Canal.

**Interpretation Boards** – Designs complete. Awaiting approvals for use of imagery from Shropshire Archives. Work on hold due to COVID-19

**Monkmoor River Bed** – Tender Deadline 29.05.20. Tenders to be opened by 05.06.20 to allow for review – money from RDF may enable extension of information boards going through from Reabrook.

**County Ground** – Initial discussions with Club & ECB. Progress delayed due to Flooding & COVID-19. Possible review in light of Big Town Plan initiatives.

**Castle Walk** – No progress made. Following recovery from flooding, in conversation with the EA. With regard to climate change future initiatives may need to be explored.

**Quarry Park** – Contract Award and lights in construction phase. No installation date.

**Bus Shelter Review** – Cleansing Programme being carried out. Refurbishment quote on Bus Shelters at Oxon/Gains Park – Perspex Glass and Painting. Feasibility of purchase of shelters and decommissioning of power supply from Western Power Distribution

**Vehicle Activated Signs** – Data being sorted into Wards nearing completion – to convene a virtual meeting shortly. Struggling with Highways involvement as they were too busy with COVID Recovery. Exploring VAS opportunities at Ellesmere Road/Herongate area – currently with Highways

**Solar Lights** – Awaiting Quarry installation ahead of any further development work.

**Ash Die Back** – Work being undertaken on developing the Risk Assessment criteria & Action Plan.

**Abbey Pulpit** – Part of Big Town Plan Masterplan. Looking at sustainable planting in the short term.

**Bowbrook** – Reviewing access arrangements.

**Shorncliffe & Sundorne** – Ongoing projects.

**Upton Lane** – Discussions with SC Development Company regarding potential developer contributions for site.

**Town Centre Accommodation** – Contact with Land Agents made. Need for review in light of post-COVID requirements. Building Surveyor commissioned to undertake a survey of Quarry Depot

**Heathgates Allotments** – Development of Community Building.

**Monkmoor Recreation** – Explore replacement of tennis court floodlighting. Resurfacing of old tennis courts. Quotes received, resurfacing floor £12500, repair of retaining wall £6000, floodlighting £69000. Member discussion on budget required.

There were projects which could not be progressed as they were awaiting other initiatives:

**Castlefields Community Centre** – Kitchen improvements – awaiting designs from management committee.

**Dana Footpath** – awaiting progress from Shropshire Council as Lead Partner.

**Abbey Gardens** – Awaiting consultation with residents by Ward Member. Leaflet prepared – looking at public consultation via Website/Social Media.

The report listed projects completed last year and some notable ones this year, particularly around COVID were the improvements to Springfield footpaths, the Monkmoor Community Woodland and the Mardol Quay resurfacing.

Cllr Vasmer welcomed the development on Castle Walk Rec and thanked the Town Clerk for her update. He queried the quote for Monkmoor Rec floodlights of £69,000, which she felt seemed considerably higher than the cost of £110,000 to complete both the astro turf floodlights and the security fencing and he asked for some information to be provided about the costing.

The Town Clerk reported that in terms of Castle Walk there were ongoing discussions with the EA. An application that was submitted to Severn Trent Community Project had passed Stage 1 & 2 approval and was currently with a consumer panel, if successful it would be a really good resource for the area. With regards to the floodlighting, officers had revisited the original quotes for Monkmoor when the pitch and floodlighting had been done because the cost of floodlights for the tennis courts had been included originally but the cost had been beyond the budget at that time. The contractor had been contacted for the cost of doing them independently and this would be the difference in the figure. The Town Clerk said that a new scheme with a different kind of lighting could be explored but these had been extremely successful. Previously there had been around a dozen lighting columns and this had reduced to six using around 10-25% of the energy output of those previous 12 in total so they were really good lights and she advised to aim to do them with the same standard.

Cllr Phillips enquired as to any timeline on Vehicle Activated Signs on Ellesmere Road. He had noted that during COVID whilst the roads had been quieter, Ellesmere Road was becoming something of a race track. He also asked for more details on bus shelter upgrades.

The Town Clerk reported that in terms of VAS on Ellesmere Road, the Office Manager was in discussions with Highways Engineers as to where a sign could be sited. This was complicated by the fact that, unlike the signs in the town centre which were appended to street lights, there was no street light on Ellesmere Road suitable to take the power. A potential power source was being investigated with a view to having a pole fitted. This would come at a different cost because of the need to feed into the current supply from Western Power but also the cost of civils to put a new power supply in and members would need to consider an increase in the budget.

The Town Clerk reported that an audit had been done on the bus shelters, but it had been difficult to get any information from Shropshire Council and Arriva as to the frequency and usage of some of these. Options to repair were being explored but the cost of repairing, new glazing painting was as much as buying new ones. In view of this, work was being undertaken to source different kinds of new bus shelters whilst considering the availability of getting spare parts as it was difficult to get parts for the newer bow top roof shelters. Discussions were taking place with local engineering firms to consider the possibility of removing the bow tops and replacing with trays topped with cedar. The cost of decommissioning the power supply was also a consideration as it often as much as buying a brand new bus shelter.

The Operations Manager added that quotes were being sought for replacement of the Perspex on some of the better bus shelter where much of the Perspex had deteriorated. It was found that when they were graffitied, the graffiti remover also smeared the surface. This would be progressed as soon as possible.

**RESOLVED:**

**That the update be noted.**

## **8/20 CLIMATE EMERGENCY**

The Town Clerk gave members an update on the Climate Emergency Agenda. She had met with Adrian Cooper (Climate Change Task Force Leader) on two occasions; firstly to understand each organisation's approach to Climate Emergency and more recently areas for collaboration. These included:

- Revisiting the Hydro Scheme works
- Opportunities for solar and wind power on public estate land
- Electric Vehicle Charging Points Trials
- Procurement of Electric/Hydrogen powered vehicles
- Approach to Trees as mitigation
  
- STC Involvement in SC's Stakeholder Mapping Workshop designed to develop a Shropshire/Telford wide Climate Action Partnership with localised Sub-Groups

Town Council staff were continuing to work towards the Action Plan as adopted in September 2019 and ongoing work includes:

- Procurement of a solar scheme for the Quarry
- Procurement of Green Energy
- Procurement of electric hand tools for the Grounds Maintenance Team
- Exploration of Electric Vehicles for the Grounds Maintenance Fleet and the Mayor's Car
- Exploration of installation of EVCPs at Weeping Cross
- Commencement of a Buildings Audit to determine any energy efficiency measures
- Procurement of an Energy Efficient Boiler at Grange Youth Centre
- Shading work at the Greenhouse
- Expansion of the Tree Nursery at Weeping Cross
- Development of the Ash Die Back Action Plan

- Planting 2000 Trees
- Inclusion of Climate Emergency Criteria in every Tender Proposal
- Procurement in high energy efficient LED lighting for Christmas 2020

The Deputy Town Clerk reported that a set of Terms of Reference for a Climate Emergency Advisory Group had been developed and invitations to set organisations had been sent out. A number of organisations had responded and nominated a representative and it was hoped to convene the first virtual meeting of that group before the end of July. The purpose of the Group would be to seek the views of different organisations and advise the F & GP Committee on an appropriate Climate Emergency Action Plan for the Council.

Cllr Vasmer asked to be kept informed of any developments regarding a hydro-electric power scheme as he was aware it had been quite controversial in the Underdale Ward in the past.

The Town Clerk assured him that the Climate Change Task Force Leader was aware of the past history in looking at this site as well as knowing whom the key individuals were that had been part of those conversations. He had taken on board all of the suggestions and would be looking to have input from not only the Ward Member for Underdale but also Cllr Mrs Moseley, Ward Member for Monkmoor.

Cllr Phillips said that he understood the previous weir scheme had been abandoned due to cost and since then the cost of other renewables such as wind and solar had reduced dramatically so he felt it was prudent to explore these in more detail.

The Town Clerk said that in the past when the weir scheme had been considered it was on the basis that it could be a community investment of which a return would be paid to the investors and also a tap into feeding tariffs. Now we would be looking more at an invest to save, using potential reserves at a time that interest levels are exceptionally low on investments thereby giving a better return and also from a carbon neutrality aspect. It would be a very public focussed project.

Cllr Phillips stressed that he was totally in favour of exploring renewables but felt that residents may have concerns about the vista that the hydro might create so he hoped these would be considered whilst also exploring solar and wind as alternatives in order to hit the carbon neutrality targets.

The Town Clerk assured him that the potential of electricity from both water, wind and sun were being considered. There were a number of areas where all could be done and it was also about how available funds could be tapped into to maximise the return so it was only fair to have that review of whether the hydro scheme was a viable proposition or not. Previously it would not have worked because the river levels were too low in the Summer and too high in the Winter but now the river was taking a different course in terms of flooding.

Cllr Mosley was aware there had been public support for the hydro scheme not only for symbolic reasons but also the educational opportunities that were identified. He felt that in the long term it could represent a step forward so was definitely worth revisiting. He asked for an update on the approach to trees as mitigation.

The Town Clerk reported that this year 2,000 trees had already been planted but the priority at the moment was to determine Ash die back before going into wholesale planting because this would affect where future planting would be done. It was intended to do this work over the Summer months and determine a 3-5 year plan for tree planting in the Autumn.

The Town Clerk reported that COVID had given rise to an increase in the amount of walking and cycling in the town and the use of community facilities. There was an opportunity to capture this as much as possible in order to try and reduce the car usage for the benefit of the climate. Being to share some of the work the Council were doing with broader colleagues particularly collaborative working with colleagues at Shropshire Council was a positive way forward. They were already working with a local supplier to develop a Climate Action Partnership across both Shropshire and Telford and developing localised sub groups and it was hoped that the Council's Advisory Group could have an input into that group. Not only would the Council be in a position to change its own carbon footprint but it hoped to be an influencer for others.

Cllr Mosley stressed that it was really important that the Council be an advocate and expect its contractors to have and be implementing their policies on climate change. In supporting the recommendations he thanked the Officers for the work they had done and felt it really showed that the Town Council was punching well above its weight on climate change and must be an exemplar for other Councils. Some of the ideas showed innovation and a real progressive policy and he wished to add that point of congratulation and satisfaction at the outcomes of the work that had been done already.

Cllr Vasmer echoed Cllr Mosley's comments and felt that Covid had brought with it opportunities that should be captured and he looking forward to future work.

Cllr Phillips echoed congratulations and said he felt that Covid had given the opportunity to speed things up, making reference to the re-orientating of space within the town centre as an example of generating a greener economy. This would undoubtedly have been harder to achieve outside of Covid and although it was early days it was an encouraging start.

The Town Clerk responded that particularly around Covid aspects there needed to be recovery strategies and in redefining the town centre and doing temporary initiatives it would be possible to see how they worked and whether they could work permanently. Many of the activities that had been put into the town and the changes to layout were on the basis that they would be for a six month period but further consideration would be given to how the town moved forward. Colleagues at Shropshire Council and particularly in Highways had been considering alternative suggestions and looking at radical changes that they would not have ordinarily been able to do in normal circumstances. She reported on the Common Place website which the Town Council were leading on. This was the safe streets mapping system that was launched just over a week ago and it had already attracted 1,500 public comments so it was hoped that post Covid this would be a really encouraging tool in gathering data to work towards providing safe streets and walking and cycling routes.

Cllr Mosley highlighted the Big Town Plan, and an expected report from the traffic engineers. This would further confirm the progress towards the objectives of the Big Town Plan which would focus on pedestrian priority areas to be implemented within and around the town so things were moving in the right direction and Covid had brought that progress forward in

quite a significant leap. He expected there would be some opposition but said the Council must be firm about its objectives in all respects.

Cllr Ms Halliday asked that officers be thanked for their work on climate emergency and also the budget. She looked forward to seeing how the changes in the Town Centre progressed and how they were received.

**RESOLVED:**

- 1. That the report be noted**
- 2. That the Deputy Town Clerk proceed with confirming membership and convening a meeting of the Advisory Group**
- 3. That the Town Clerk continue discussions with the Climate Change Task Force Leader**
- 4. That Officers be congratulated on the work carried out on progressing Climate Change.**