Agenda No

11(i)

SHREWSBURY TOWN COUNCIL

Meeting of the Finance & General Purpose Committee
Held Virtually on Microsoft Teams

At 6.00pm on Monday 6th December 2021

Please note this was an informal virtual meeting of the Committee convened to assist the Town Clerk with carrying out the delegated powers granted to her by Full Council on 22 March 2021 & Finance & General Purposes Committee on 12 April 2021.

PRESENT
Councillors: A Mosley (Chair), M Davies, R Dartnall, J Dean, P Moseley, A Phillips and D Vasmer

IN ATTENDANCE
Helen Ball (Town Clerk), Amanda Spencer (Deputy Town Clerk), Gary Farmer (Head of Operations), Andy Watkin (Head of Resources), Stuart Farmer (Project Manager), Mike Cox (Outdoor Recreation & Asset Manager), Ruth Jones (Office Manager) and Heather Phillips (Committee Clerk)

53/21 APOLOGIES

There were no apologies.

54/21 DECLARATIONS OF INTEREST

Shropshire Councillors	Those twin-hatted members declared a personal interest in any matters relating to the Town Council's relationship with Shropshire Council.
Councillor N Green	Declared a prejudicial interest in Item 6(ii) Proposed Fees & Charges particularly in relation to Market Fees.

55/21 MINUTES OF THE LAST MEETING

The Minutes of the Finance & General Purposes Committee meeting held on 4 October 2021 were submitted and circulated as read.

RESOLVED:

That the minutes of the Finance & General Purposes Committee meeting held on 4 October 2021 be approved and signed as a correct record.

56/21 MATTERS ARISING

There were no matters arising.

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57/21 PAYMENT SCHEDULES

Prior to the meeting, the Responsible Finance Officer (RFO) circulated the Schedule of Payments for the period 25 September to 27 November 2021. These have been agreed by two signatories before the RFO and Town Clerk authorise the electronic payments. No comments or concerns were raised.

RECOMMENDED:

That the schedule of payments passed for payment for the period 25 September to 27 November 2021 be approved.

58/21 BUDGET PROPOSALS

Prior to the meeting, the Responsible Finance Officer (RFO) circulated the Budget Preparations Report.

The Town Clerk commented that this budget would be particularly hard to plan for due to a number of uncertainties going forward. These were outlined in the report.

The purpose of the report was to appraise the Committee of the initial budget preparations and to seek Council approval on the various budgeting principles to allow the budget to be prepared.

Council had a long established process for the preparation of the annual budget. Shropshire Council required details of the precept levy by the end of January to feed into its budgetary process in February.

Whilst the agreement of the budget remained a function of Full Council it was the Finance & General Purpose Committee that was tasked with budget preparation. This was done over 2 meetings in December & January with the former generally setting the principles for the budget preparation and the latter going into more detail.

Members would need to consider the implications for any COVID measures that might preclude a full meeting of Council. Local Government Act 1972 s101(6) did not allow for the setting of the budget to be delegated. In light of current uncertainties Council would need to review whether it would be pertinent to bring budget setting forward to before Christmas.

The Town Council operated an accounts management package and past history helped to inform long-term projections and streamline budget requirements. This had helped to inform financial management and develop financial efficiencies.

The budget preparation this year was proving difficult as the assumptions going forward were not easy to predict. Both the Town Clerk & Head of Resources had sought advice from their sector bodies and Peers on any assumptions and the Head of Resources attended the annual Bank of England Briefing to understand how the national picture might impact on local spending. The current picture portrayed one of huge uncertainty therefore this budget was being prepared with a realistic expectation of future outcomes.

Forecast Out-turn

The Council was currently half way through the financial year and forecasting a small surplus which should continue subject to things the Council could not predict.

The 2021/22 budget had factored a wages increase of 1%. The unions had already refused a 1.75% pay award therefore there was likely to be a deficit on the wages budget.

2021 Election Costs were still awaited. These were due ahead of budget setting. It was hoped that the earmarked reserve of £83,000 would fund the invoice, but it was noted that demand for postal votes have been high and would likely spike the costs.

The Council was seeing spikes in energy costs but were unlikely to see the full outcome until 2022/23 budget. Added to this the Council bought energy on the forwards markets thereby levelling off the peaks and troughs of the current market.

Ongoing Implications of COVID

COVID risk remained ever present. Currently Shropshire had the second highest infection rate in the West Midlands with an infection rate above both the West Midlands average and the National average. The town had a number of spikes especially in schools, office and industrial outlets. This was impacting on the workforce as there continued to be workdays lost due to COVID.

The recent announcement by the Prime Minister of increased measures brought added cost of PPE and staff teams were reverting back to separate bubbles in the hope of keeping the workforce as healthy as possible.

Council was still operating under the COVID-19 Autumn & Winter Plan and had a Plan B in case the ultimate lockdown measures are put in place. This was unlikely to affect the Quarry Events Budget as there were minimal events between now and the end of March. Sports Facility Income would likely be affected by upwards of 50% of projected budget and during previous lockdowns 75% of weekly market income was lost.

Implications of Brexit

Officers had already reported at previous Committee meetings about the difficulty in procuring supplies, especially when they were imported from elsewhere. A good example of this was the procurement of solar lights in the Quarry with the production costs increasing by £500 per column per week. Plant procurement was proving difficult with forecast delivery dates being delayed.

Resulting Impact of the Spending Review

The recent Spending Review set in place the development of a 1.25% Social Care Levy on employers; this would come into effect in April 2023 but that 1.25% increase would be added to Employer National Insurance contributions from April 2022.

Wages were also an unknown quantity. The Council was committed to the collective decision making of the National Joint Council. Currently the offer of 1.75% has been rejected by the three unions that feed into the process and all were balloting on strike

action. The consensus amongst the larger Town Councils was that a provision of 5% increase should be factored into this budget to meet both the increase for 2021/22 and 2022/23.

Inflationary Pressures

Inflationary pressures seemed to be the most difficult to predict. CPI currently sat at 4.2% with the Bank of England predicting higher rates in 2022 which were likely to average out over the year at the current rate. CPI whilst a good benchmark worked on a suite of purchases which are more akin to a domestic setting than a non-domestic.

The Head of Recourses had begun to calculate a more bespoke Price Index taking into account the Council's budgetary needs. Currently the estimated inflationary pressures of various aspects of the budget were:

Expenditure

- General Expenditure 4%
- Wages 4/5%
- Gas 26.8%
- Oil 15%
- Electricity 18.6%
- Insurance 20%

Income

- Income from residential lets 3%
- Income from commercial lets 3%
- Income from the SLA 3%
- Income from investment property fund 1%
- Bank interest 50%

In financial terms the inflationary pressure on expenditure was likely to add £175k to the expenditure budget with the potential of an increase in revenue of £72K leaving a budgetary deficit on last year of £102K.

Interest Rates

Currently the Bank of England Base Rates was 0.1%. Investment bonds held by the Council were attracting 0.05%. It was anticipated that Base Rate would increase slighting but was only likely to add £2500 to the bottom line budget.

Tax Base Calculations

Annually Shropshire Council worked out the Tax Base for the County and in turn the individual Tax Bases for each Parish & Town Council. This magic number worked to create all different banded properties into a Band D Household, accounted for any property owners who claim any reductions/exemptions from Council Tax and those who were seeking benefits and did not pay Council Tax.

Shropshire Council also made provision for any likely non-payment of Council Tax and set a Collection Rate. Of late Shropshire Council had operated a very cautious approach to its

ability to collect rates and currently had a rate of 97.7%. Where the collection rate was above this percentage, the principal precept levy payers benefitted from any surplus in the collection fund. Parish & Town Councils were not deemed to be principal precept levy payers.

Currently the Shrewsbury Tax Base was 25320.29. Last year Shrewsbury was the only Town that saw an increase in Tax Base with new build exceeding any reductions. The Tax Base for Shrewsbury increased by 0.56%.

Enquiries had been made with the S151 Officer at Shropshire Council to gain an early indication of the Tax Base but like most years they are reluctant to give any figure until it had been approved by Council. This was usually done at the December meeting of Full Council. The scheduled meeting on 16th December had been cancelled due to the By-Election in North Shropshire.

Therefore for the purpose of understanding the current budget pressures it had been assumed that the Tax Base would increase by 0.75% given the level of house building in the area. This would raise an additional £11k based on last year's Band D Rate of £60.25.

Fees & Charges

Fees & Charges had been reviewed by staff working within the current charging mechanism. All charges had been increased by an average of 3% with certain fees being either rounded up/down to simplify process.

These recommendations were presented to the recent Recreation & Leisure Committee which resolved to recommend rates to Council for us in the preparation of this budget.

Revenue Expenditure Items from Committees and individual Members

The Head of Resources had emailed Councillors on a number of occasions seeking any projects for consideration in this budget. Nothing had been received.

Recreation & Leisure Committee projects for potential inclusion:

The Recreation & Leisure Committee had considered a couple of projects for potential inclusion; they included:

- Seed funding to begin a scoping exercise for the development of Shorncliffe Recreation Ground as a strategic sports hub similar to Monkmoor Recreation Ground;
- Funding to develop a joint approach to managing public open space across Church Road Recreation Ground and the Glebe Field (owned by Trinity Church), whilst addressing highways issues.

Youth Working Group

The Youth Working Group had requested the need to look at incorporating the Alternative Curriculum Programme into core budget; this had previously been funded by unanticipated youth funding that was received from Shropshire Council in the 2019/20 budget.

Capital Expenditure Projects

Officers were reviewing the Capital Programme to ascertain any budgetary allocations and likely revenue costs that would need to be factored into this budget.

Enquiries had been made regarding any Neighbourhood Funding to be paid with the precept in May 2022. CIL Officers were still working out those figures and it was not known whether they would be available to feed into this process.

Earmarked Reserves

The Council had undertaken to build a number of reserves to generate working funds for major projects; these include Climate Change, Ash Die Back and Bus Shelters. In the case of Climate Change this was the third year of a 3 year commitment and in the case of Ash Die Back and Bus Shelters there was a further year to meet the overall budget requirement. This therefore meant that in this new budget there was no need for a £75k allocation for Climate Change which would help to offset inflationary pressures.

During this new period there was a potential to reduce the annual commitments to plant, machinery and play provision, but Council would need to take a cautious approach given that all ultimately required sink funds to maintain standards.

Precept Levy

Discussions with the Labour and Liberal Group Leaders had established a reluctance to increase Council Tax, therefore any increased expenditure was likely to have to be funded elsewhere.

General Reserves sat at £341,805 down from £423,367 at the end of March 2020. During 2020/21 the COVID deficit was funded through the General Reserve hence its reduction. The current General Reserves equated to 6 weeks revenue budget. The JPAG recommendations are for a council budget of the size of Shrewsbury Town Council to keep the equivalent of 12 weeks revenue budget in General Reserves, therefore any possible reductions in this might impact on cashflow.

Councillor Mosley asked members to consider *not* increasing the precept for 2022/23 despite inflationary pressures. He argued that it was the Town Council's moral obligation not to raise charges for residents and that he did not believe that it would cause significant damage to the service the Town Council provides. There was general agreement amongst councillors with this proposal and that this stance would be reviewed next year.

RESOLVED:

(i) That the report be noted;

(ii) That the following assumptions be approved;

- **Wages pressures are calculated at 4% increase on payroll as the time of writing to be split over two financial years**
- **General Expenditure Inflation set at 4%**
- **Operational Expenditure set at 5%**

- **Utility/Insurance Expenditure set at rates advised by Companies contracted with**
- **Big Town Plan commitment to the Partnership will continue at £50k a year**
- **Member and Mayoral Allowance remain the same**
- **Grant fund remains the same at £20k**
- **Community Projects fund remains at £10k – this could be used for such projects like seed funding as outlined above**
- **Youth budget remains as it is and that officers look at developing a revised business case for global provision.**

(iii) That the Committee reviews at its next meeting the Council's Budgeting timetable in light of growing uncertainties around COVID and the Council's subsequent ability to meet.

59/7 INTERNAL AUDITOR

The Head of Resources circulated the report of the Internal Auditor following the first inspection of the 2020/21 accounts to members prior to the meeting. The auditor visited the office in a COVID secure way and no issues were raised. Councillor Mosley congratulated the Head of Resources for this achievement.

RESOLVED:

(i) That the Interim Audit for the 2021/22 Accounts by the Internal Auditor be noted;

(ii) That the RFO and staff be congratulated on the manner in which the Council's finances were managed.

60/21 TENDER WORK

The Projects Manager presented a report on current tendering works and recently awarded contracts together with progress on tender activity.

Current Live Tenders

- Supply and Installation of Height Restrictive Barriers - closing date 17th December
- Tree Works, Quarry - closing Date 10th December
- County Ground Pavilion Extension - closing date Mid-January
- Quarry Canoe/Craft Hire - closing Date 7th January 2022

Currently under review

- Cricket Square Reconstruction - 1 submission received.

Update on other tendering works

- **Quarry Solar Lighting** – Commissioned awaiting a definitive start date
- **Upton lane Wheeled Sports Track** – Now Planned for a February Start

- **Replacement Lamps + Lamp Columns** – Commissioned and awaiting definitive start date

Difficulties in Progressing with Projects.

The Projects Manager reported on some of the delays to current projects; these included:

- Contractors had full order books post COVID lockdown
- Contractors were finding it difficult to get materials which is causing a delay
- Tenderers were only committing to costs for a very small length of time.
- Delays in plant and vehicle procurement

RESOLVED:

That the reports be noted.

61/21 MARKETS

The Outdoor Recreation & Asset Manager updated members on the Indoor and Outdoor Market.

Indoor Market

The Indoor Market was currently performing well with 99% occupancy. Some traders had left the market to set up in shops around town, and it was envisaged there may be further movements after Christmas. Traders had been delighted with sales. The late night events have been extremely well received with many of the food & beverage traders opening.

Further events included:

4th December late night Saturday
22nd December Mid – week winter warmer late night.

Sunday Market

The Sunday Market continued to be affected by COVID restrictions, anti-social behavior and weather conditions. Footfall had been lower recently due to weather and continued COVID concerns. The site also continued to me a magnet for anti-social behaviour and the Markets Manager had been liaising with the police, and reporting matters to Team Shrewsbury.

RESOLVED:

That the report be noted.

62/21 ROUNDABOUT SPONSORSHIP

Members considered the Town Clerk's report into Roundabout Sponsorship. Having presented a report to Cabinet, Shropshire Council officers had contacted the Town Clerk to discuss incorporating the Shrewsbury Roundabouts into a countywide programme for

roundabout sponsorship. Of the 85 roundabouts for consideration across Shropshire, 27 were maintained by Shrewsbury Town Council on which the long-established Shrewsbury In Bloom Sponsorship Scheme operated.

Shrewsbury in Bloom had run a sponsorship scheme for about 35 years since the Borough Council days and upon local government reorganisation in 2009 the management of that scheme passed to the Town Council. At the time all signs were minimal in black and gold designed to be respectful of the Shrewsbury Conservation Area and not detract from the sightlines of passing traffic. The Town Council submitted an application to the Planning Authority for an increased sign with the ability to brand the signs; this was duly approved.

The Scheme runs a Platinum, Gold, Silver, Bronze Scheme with charges ranging from £266 - £1,200 + VAT per year depending on the size, vehicular flow and horticultural excellence of the roundabout. Without exception all roundabout sponsors were very local companies/organisations from Crowmoor School who sponsor the island on the inner ring road at Crowmere Road to organisations like Salop Leisure & Morris Leisure. Off the record conversations had taken place with 4 of Bloom's longest serving sponsors and all said they sponsor not because it attracts business, but more it was a nice thing to do and puts something back into the town, the Town Council and Shrewsbury in Bloom; all said they would reconsider sponsorship if it was to purely fund the principal council's core budget.

Demand for sponsorship locations remained high with the regular commentary from prospective sponsors being they wanted to put something back into the town rather than any aspirations of increased business activity.

The Shrewsbury in Bloom Committee had met on the 2nd December and this matter was discussed. All were disappointed with the proposals siting the fact that Shrewsbury retained a very unique offer that added to the vibrancy and that business involvement reflected their pride in where they operated. They made reference to other areas within the civic County of Shropshire where sponsorship took place on roundabouts which were nothing more than grass. The Committee recommended that the Council did not support the proposals.

Cllr Mosley enquired if all the sponsorship income went to Bloom. The Town Clerk replied that half of the income was used to maintain the roundabouts and the other half went to Bloom for buying planters, assisting community groups, etc.

It was noted that Shropshire Council was also looking into carbon initiatives and the Town Clerk enquired whether the Town Council should start to broaden its horizons in this direction. Cllr Dean commented that he believed carbon offsetting on roundabouts was a terrible idea and urged members not to support Shropshire Council in this.

Given that the Town Council subsidised the level of planting on the roundabouts beyond the specification outlined in the Horticultural Service Level Agreement Cllr Vasmer enquired whether Shropshire Council would provide the Town Council that top up cost. The Town Clerk replied that guaranteed income would come only from sponsors adding that some roundabouts have quite minimal maintenance while others have different summer/winter bedding requirements.

Members expressed concern that the expected income of £3-£4,000 per roundabout compared to the existing scheme sponsorship - the Town Council raises about £300-£1200 per year was likely to price local sponsors out of supporting their local town and that local

character would be lost, resulting in a proliferation of much larger advertising boards, something that was not desirable.

RESOLVED

(i) That the Report be noted;

(ii) That the Council supports the recommendation of the Bloom Committee that Shropshire Council's proposals be rejected;

(iii) That regardless of Shropshire Council's intentions, the Council continues with and looks to expand its Bloom Sponsorship Scheme;

(iv) That officers explore other opportunities that might support business and community financing of assets

63/21 UPDATE ON COMMITTEE & WORKING GROUP ACTIVITY

63/1 Climate Change Standing Committee

The Climate Change Standing Committee met on 7th October and the minutes were circulated prior to the meeting. Cllr Vasmer added that some interesting proposals were being pursued by members including the temporary employment of someone on an apprenticeship basis to develop engagement with the community on climate matters.

RESOLVED:

That the minutes be noted.

63/2 Youth Services Working Group

The Youth Services Working Group met on 18th November and the minutes were circulated prior to the meeting. Cllr Moseley added that the outreach work carried out in the summer was successful and that youth club attendance was building slowly, after they were closed due to Covid, including the new football sessions. The Boxing Club is also making progress. Details of youth clubs have been circulated to students via school assemblies this term.

The Youth and Community Manager was keen to get his hospitality project started and this would involve students on the Alternative Curriculum scheme. The project would involve expanding the alternative curriculum support. The Deputy Town Clerk reported that preliminary work had begun but that funding needed to be discussed and proposals for this will be ready for discussion by members of the Finance & General Purposes committee at the next meeting.

Cllr Moseley asked that thanks are passed on from the Finance & General Purposes Committee to the Youth and Community Manager and his team for all their work. Interviews for the replacement of the Youth and Community Manager will take place next week; there were 8 applications.

RESOLVED:

That the minutes be noted but that the recommendations proposed to expand youth provision be considered after receipt of the report.

63/4 Civics Working Group

The Civics Working Group met on 25th November and the minutes were circulated prior to the meeting. The Mayor commented that it was still rather quiet in terms of engagements but that there were some "fancy" events happening that he would be attending. It was noted that he had only been invited to one community activity so far and it was hoped that these may just be taking a while to start up again following the pandemic rather than a sign of them withering away. The Town Clerk said that the potential loss of community groups could be a cause for concern.

The Town Clerk also added that the Mayoral car was due to arrive shortly. She also advised that the Council would be advertising for a Mayor's Officer shortly.

RESOLVED:

That the minutes be noted.

64/21 BIG TOWN PLAN

The report to update members on the work of The Big Town Plan was circulated prior to the meeting for the purposes of asking the Committee to consider continuation funding for the Partnership and to provide an update on the development of a Movement Strategy.

The Partnership

The Shrewsbury Big Town Plan Partnership was formally set up in April 2019 and was a partnership between Shropshire Council, Shrewsbury Town Council and the Shrewsbury Business Improvement District with a commitment from all parties to contribute £50k a year towards the running of the partnership.

These funds had helped to pay for a number of key areas:

- Masterplan Vision
- Shrewsbury Story Narrative
- COVID Recovery activity in the town
- Specialist Consultant work to provide capacity to seek external funding
- Commissioning of a Movement Strategy

Discussions had taken place with the Board to ascertain a willingness for the Partnership to continue and collectively all parties wished this to happen. The Board had discussed how the Partnership moves from its current role of creating the Masterplan for the town to being that of a scrutineer of the Masterplan and in some areas a deliverer of activity.

The potential recruitment of a dedicated staff resource had been discussed as work programmes had been picked up by key officers from each partner, whilst still undertaking their day jobs. Partners had also discussed the need to broaden the reach and engagement of the Partnership to the wider residential reach of Shrewsbury as well as its hinterland.

Movement Strategy

The development of the Masterplan included an element of Movement review and planning, but it has been widely acknowledged that this review did not go far enough. A separate stream of work had been put in place to commission a Highways/Transport specialist to create a comprehensive Movement Strategy for the town, taking into account a number of other highways work streams including the LTP4, LCWIP, Bus Back Better and Parking Strategy. A Movement Strategy Working Group had been established involving the key officers leading on these pieces of work as well at the Town Clerk and Shrewsbury BID Executive Director.

The Town Clerk reported that the Big Town Plan Partnership had agreed funding for the delivery of the Movement Strategy. The tender brief had been developed and invitations to tender would be sent out shortly – the closing date was 14th January 2022, shortlisting on 17th January and presentations would take place the following week with a view to awarding the tender on 30th January.

Cllr Vasmer expressed his concern that with contributions from Shropshire Council, the BID and the Town Council that consistency may not be achieved across the plans; messages need to be consistent. Shrewsbury Town Council would be expecting something in return for their financial contribution. He added that evidence was needed that things were moving in the right direction and cited the waiting times for pedestrians on Welsh Bridge and problems on Castle Street as examples. Cllr Vasmer also expressed his opinion that the idea for an underground bus station was ludicrous.

Cllr Mosley said that some areas of the town were seen to be worsening and some even in decline in terms of amenities, streetscene and the environment. He has started a streetscene group for the Castle Foregate area. The Mayor said that any small wins would be important and would show seriousness in the direction of travel.

A concern was raised by Cllr Mosley that a divergence among the BTP contributors could arise in regard to the NW Relief Road project: the Town Council are against it, Shropshire Council are for it and the BTP are undecided.

RESOLVED:

(i) That the report be noted

(ii) That the Town Council commits to the Shrewsbury Big Town Partnership for a further 3-year term

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65/21 CLOSING REMARKS

In closing the meeting, the Chairman thanked members of the public that had logged in. All papers relating to this meeting could be found on the website www.shrewsburytowncouncil.gov.uk and the minutes would appear in draft on the website within the next month. He thanked Councillors and all staff involved in the meeting.