

# Haverhill Town Council

## Minutes of Haverhill Town Council's

### FINANCE WORKING PARTY

Held remotely on Tuesday 18<sup>th</sup> January 2022 at 7.15pm



HAVERHILL  
TOWN COUNCIL

**Present:** Councillor J Burns (Chairman)  
Mayor L Smith  
Councillor B Davidson  
Councillor P Hanlon  
Councillor A Luccarini

**Apologies:** Councillor D Roach  
Councillor P Fox

**In Attendance:** Colin Poole (Responsible Financial Officer)  
Alisha Jenkins (Office Administrator)  
Martin Page (Finance Administrator)

No members of the public were present.

### Welcome:

Councillor J Burns welcomed everyone to the meeting and noted that this Working Party has no delegated authority and may only make recommendations to Full Council. Urgent actions may be taken by the Clerk under delegated powers and reported to the next Full Council meeting. The Clerk advised that the meeting was being streamed live on the Council's YouTube channel.

- |             |   | Action |
|-------------|---|--------|
| <b>F22</b>  | <b><u>Apologies for Absence</u></b>   |        |
| <b>/001</b> | The above apologies were noted.   |        |
| <b>F22</b>  | <b><u>Declaration of Pecuniary Interests and requests for Dispensations</u></b>   |        |
| <b>/002</b> | None.   |        |
| <b>F22</b>  | <b><u>Minutes of the Last Meeting</u></b>   |        |
| <b>/003</b> | It was proposed by Councillor P Hanlon, seconded by Councillor B Davidson that the minutes of the meeting held on 20 <sup>th</sup> July 2021 be agreed as a true record.<br><b>RESOLVED</b>                     |        |
| <b>F22</b>  | <b><u>Actions Arising</u></b>   |        |
| <b>/004</b> | a) F21/006d Treasury Report: The RFO informed this was circulated with the agenda and minutes.  |        |
| <b>F22</b>  | <b><u>Public Forum</u></b>  |        |
| <b>/005</b> | No public were present.   |        |
| <b>F22</b>  | <b><u>Report from Responsible Financial Officer</u></b>   |        |
| <b>/006</b> | a) <b>Haverhill Town Council budget report to 31st December 2021</b><br>The RFO presented his report to the meeting (see separate document).<br>He thanked the Finance Administrator for preparing the figures. |        |

b) **Narrative to Budget Report**

The RFO advised that work has been done to analyse the profit margins for gross sales for the cafes and the bar under the town council. The Zone café and kiosk achieves the best margin on food, twice what the Arts Centre café achieves. This is very much related to the type of food being served, but it makes it harder for the Arts Centre café to recover from the pandemic, as the yield from each sale is so much less.

c) **Bank Reconciliations**

Councillor J Burns confirmed that the bank balances reported matched the statements received from the banks.

The RFO advised he had drawn down sufficient funds to cover the cash flow until the end of April.

d) **Debtors and Creditors**

The RFO informed that all debtors were internal and that there were no debts older than 90 days.

Thanks was given to the Finance Administrator for managing to chase all outstanding debts.

e) **Haverhill Community Trust**

The RFO and the Financial Administrator has been working with the auditor on the accounts and is satisfied that they will be able to produce an acceptable version of the accounts in time for submitting to the Charity Commission and Companies House. The RFO will arrange the Haverhill Community Trust AGM meeting to take place before the Full Council meeting on 25<sup>th</sup> January to sign off the accounts and upload onto the Charity Commission website by the deadline of 31<sup>st</sup> January.

Councillor J Burns noted that the Leiston Centre is still showing closed on the Haverhill Town Council website. AJ to update this.

The RFO advised that work is taking place to benchmark room lettings to inform the creation of a published price list, which will be added onto the website once approved by council.

Councillor P Hanlon asked whether there was a fixed contract on heating and lighting as prices are set to rise in the new financial year.

The RFO officer advised that the Council contract is for getting the lowest price available, but it isn't a fixed contract and the price increases have been budgeted for.

Work has also been taking place to attempt to map energy use, using the Ecotricity 'heat map' which records the energy usage for the Arts Centre every half an hour. We are continuing to analyse to look for ways to reduce our consumption.

Councillor P Hanlon asked when the council would be implementing solar panels.

The RFO advised that the Haverhill Arts Centre and the Leiston Centre were not suitable venues for the placement of solar panels; the Energy and Sustainability Working Party is looking at collating quotes for The Zone which could act as an offset.

RFO

AJ

**F22** **Date of next Meeting**

**/007** The next meeting of the Finance Committee will be held on Tuesday 12<sup>th</sup> April 2022

**F22** **Exclusion of Press and Public**

**/008** It was proposed by Councillor B Davidson, seconded by Councillor L Smith to resolve that under the Public Bodies (Admission to Meetings) Act 1960, the public and representatives of the press and broadcast media be

excluded from the meeting during the consideration of the following items of business as publicity would be prejudicial to the public interest as it would undermine the Council's ability to have unfettered debate and result in less robust, well-considered or effective policies..

**RESOLVED**

**F22 /009 Consideration of budget for 2022/23**

The RFO provided a report on proposals for 2022/23. He reminded Councillors that the council meeting in December had agreed to explore the impact on the budget of closing the Arts Centre Café. The following points were noted:

- a) No redundancies were considered necessary. This was because the staff would be redeployed to work at the kiosk and backfill any natural wastage elsewhere within the council. The kiosk was open for longer hours each week than the Arts Centre café, so could absorb a lot of staff hours. For clarity, savings are achieved by only staffing the kiosk, rather than staffing the kiosk and café simultaneously. We would move staffing from an unprofitable café to a profitable kiosk.
- b) There may be interest from an independent company in a concession at the Arts Centre.
- c) We will retain all the catering functionality at the Arts Centre, so we can still cater for events.
- d) The café has no High Street 'visibility', which makes it difficult for people to recognise it is there.
- e) There is a broad range of alternative commercial cafes in town. Continued and growing subsidy of one café using public funds distorts the market unfairly.
- f) Calculations for the income of the kiosk are based on a reasonable guesstimate of takings averaged over the period, bearing in mind some days are washouts, but we will also have the big events on the recreation ground and the new splashpad to drive sales. We have used the knowledge from the previous tenant in determining what sells well.
- g) The closure of the café has helped offset the majority of the additional costs the council is facing, so expenditure has only gone up by a small amount.
- h) Staff costs are subject to an increase in pay for both 2022/23, but also we don't know the impact of the 2021/22 pay round which is yet to be settled by the LGA and unions. There is also increases in National Insurance.
- i) We are analysing our heat and lighting costs and looking for savings.
- j) To reduce the impact on the precept, £117,255 expenditure from earmarked reserves has been included where appropriate, for a number of expenditure lines. This is £30k less than predicted in December and the reductions achieved above flow through the precept figures.

	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
Net Expenditure	£1,659,958*	£1,679,692	£1,716,471
Net Income	£ 543,225	£ 423,128	£ 434,775
From reserves	<u>£ 77,000*</u>	<u>£ 117,255</u>	<u>£ 20,000</u>
Balance	£1,039,733	£1,139,309	£1,261,695
LCTSG	£ 21,143		
<b>Precept</b>	<b>£1,042,834</b>	<b>£1,139,309</b>	<b>£1,261,695</b>
Band D	£ 143.40	£ 148.60	£ 162.91
Increase/week	14p	10p	28p
%age	5.5%	3.63%	9.63%
Band B	£ 127.47	£ 132.09	

- k) The major dynamic in the precept rise is not the increase in expenditure, because we have made savings to offset this, but the lack of data upon which the council can base income predictions, with only three months of non-lockdown operation and little time to know how audiences and attendances will rebuild. So our figures are based on greatly reduced income - £117,000 less than we predicted pre-pandemic for 2020/21.
- l) Concern was noted that the prediction for 2023/24 was a 9.63% increase. The RFO advised caution, in that this figure was generated by applying an inflation increase to expenditure but retaining the suppressed prediction for income. If income returned to pre-pandemic levels, then the actual increase would be much less, potentially none at all. The law requires us not to set a budget that is achievable given the data available, so this is a pessimistic budget.
- m) The RFO highlighted that the proposed increase of 3.63%, or 10p a week for Band D properties, is the figure for 2022/23 published in January 2021 and is below the government's inflation prediction of over 4%.
- n) Councillors noted the savings and asked that operational savings continued to be found to shave off costs.
- o) Councillors advised that a clear public statement for the press and media would be required, setting out the work to make cost-savings achieved already, the reasons why more savings are being found in this budget and that the proposed precept increase is below inflation – the Council is sticking to what it told the public 12 months ago.
- p) It was proposed by Mayor L Smith, seconded by Councillor P Hanlon, that the proposed budget be recommended to full council for adoption.

**RESOLVED**

**F22  
/010**

**Closure**

The Chairman declared the meeting closed at 20:45

Signed .....  
**Chairman**

Date.....