

Report from the Chair of Finance, Policy and General Purposes Committee of Ledbury Town Council for the Annual Town Meeting 25th April 2024

This year **The Finance, Policy and General Purposes Committee** (generally referred to as The Finance Committee) has continued the day-to-day scrutiny of the financial affairs of the Council and the review and approval of all Council policies and procedures.

There are a number of important powers delegated to the Finance Committee by Full Council and these include authorising expenditure on works, goods and services. Smaller amounts can be authorised by the Responsible Financial Officer (currently and in our case, The Town Clerk) but these smaller payments are then scrutinised by the Committee. Big ticket payments are only authorised by Full Council. All payments are further scrutinised by the Internal Auditor (an auditor appointed by this Council but not connected to Ledbury Town Council) and by the External Auditor appointed by the Audit Commission.

Reports from both the Internal and External Auditors are published by the Council in the Annual Governance and Accountability Statement. This statement is received by Council in June following the end of the financial year and we will publish the end of year information for 2023/2024 including the Annual Governance Statement and the External Auditor Report and Certificate. Reports and certification for 2022/2023 are available for public scrutiny on the Council website which conforms with the Notice of Public Rights to the information and the external reports.

In partnership with auditors, the Committee also investigates any errors or anomalies in accounting and the proper application of Financial Regulations and Standing Orders; the two principal instruments of governance. We also receive reports of any mistakes in accounting and make arrangements for the recovery of monies.

The Committee meets monthly to approve payment of invoices received; scrutinise the record of receipts and payments; monitor monthly spending and balance sheets; verify bank statements and reconciliations; receive explanation of any variance to budget lines and the important outcomes of audit processes`

The Committee makes recommendations to Full Council including priorities for the Corporate Plan; reports on amendments to the Asset Register; the Council Risk Register, the 'state of health' and potential resilience of General and Earmarked Reserves. Parish Councils are required in law to maintain a General Reserve of three months operating costs, which based on the 2023/24 precept of £640,671 is circa £160,168 for Ledbury Town Council.

The Committee also reviews and makes recommendations for amendments to our Financial Regulations, Standing Orders and other statutory and elective policies to maintain quality of governance and our general duties in Employment Law, General Data Protection Regulation, Health and Safety Regulation; and Construction (Design and Management) Regulation. This is not an exhaustive list.

A major role of the Committee is the preparation of an annual budget including the suggested level of the Precept. The Precept is the local council tax requirement required from local electors to meet Ledbury Town Council's budget requirement. The Ledbury Precept is a component of the total council tax levied by Herefordshire on us all here in Ledbury. The Budget and Precept for 2024/2025 have both

been approved at a Full Council meeting. Next year, as in every year, the Council must manage its activities within budget.

In recent years the level of our Ledbury precept has been higher than one might have expected with higher percentage annual increases than some other Herefordshire market towns. Comparative information for 2024/2025 is presented on the Herefordshire website at <https://www.herefordshire.gov.uk/council-tax-1/council-tax/5>. Ours is not the highest increase as we have tried to keep such increases to a minimum. So why in recent years has the level of Ledbury precept been higher than one might have expected.

Successive administrations have sought, quite correctly in my view, to year-on-year rebuild our General and Earmarked Reserves. These Reserves were seriously depleted by payments made to meet the Claim of a Judicial Review in 2018. The last two years have had the added complication of substantial grants to pump prime and further develop the Daffodil Bus Service linking Ledbury, Newent and Ross-on-Wye. In 2022/23 the grant awarded was taken from General Reserves which meant some further depletion of the reserves and for this coming year a further substantial grant to the Daffodil Bus Service has been included in the budget for 2024/2025. This has added to a rise in the Precept for the forthcoming year of 6.5%.

This is at a time when general inflation in the form of The Consumer Prices Index rose by 3.8% in the 12 months to February 2024; and average weekly total pay rose by 6.0% in the public sector in the three months to February 2024. It remains the intention of this Council to keep costs down and financial demands on residents to the minimum needed to maintain and improve services; and future-proof the maintenance costs of our historic and important town buildings and assets.

Ladies and Gentlemen, I am grateful for the work of fellow councillors who have served on the Committee for this last year; to the Vice Chair for capably deputising for me during periods of absence; for the work and attention to detail of the Finance Clerk; and especially for the expertise, professionalism and advice of our Town Clerk, who, as the Responsible Financial Officer, bears (as the title suggests) much of the responsibility without necessarily being able to take part in the important decisions.