

The Minutes of the Finance & General Purposes Committee held on 8<sup>th</sup> December 2009 at the Old Abbey House, Abbey Close, Abingdon.

Present

Councillor Jim Halliday	
Councillor Patricia Hobby	- Mayor of Abingdon
Councillor Angela Lawrence	
Councillor Lesley Legge	- Chair
Councillor Patrick Lonergan	- Chair, Best Value Sub-Committee
Councillor Julie Mayhew-Archer	- Chair of Museum Management Committee
Councillor Alison Rooke	
Councillor Martin Smith	- Chair of Planning and Highways Committee

In attendance	Councillor Tim Oates
	Mr Nigel Warner, Town Clerk

91 **Apologies**

Apologies were received from Councillor Peter Fulk (Chair, Amenities and Recreation Committee).

92 **Declarations of interest**

Councillors Jim Halliday, Angela Lawrence, Patrick Lonergan, Julie Mayhew-Archer and Alison Rooke declared personal interests in any matters relating to the Vale of White Horse District Council as they are members of that authority, and in particular any matters relating to the Guildhall, which is owned and operated by the District Council.

93 **Budget Estimates for 2010/2011 and Precept**

The Committee received and considered the report of the Town Clerk in relation to the estimates for the 2010/2011 financial year.

The written report was supported by the following papers:

- First draft budget estimates 2010/2011, consisting of the detailed estimates by cost centre;
- A schedule of Band D Council Tax levels among the larger Town and Parish Councils (defined as those with an annual income or expenditure in excess of £100,000) in Oxfordshire
- A schedule of Earmarked reserves as at 31<sup>st</sup> March 2009.

The Committee also considered the confidential report of the Town Clerk in relation to property matters.

The Committee considered the various papers in detail, with the Town Clerk and the Leader of the Council explaining the variances against budget and the responding to Members' questions.

The Committee noted that the Council uses the “zero based” budgeting technique which is based on trends during the last few years, known changes and achieving the Council’s objectives. However it was necessary to consider general budget parameters as recommended by the Town Clerk and it was **resolved** that these be as follows:

- Pay Budgets (agreed nationally): 1% increase on costs, plus any contractual increments. The next superannuation fund triennial valuation is due as at 1<sup>st</sup> April 2011.
- Energy supplies – 5% increase.
- National Non-Domestic Rates – calculation per the government on-line calculator.
- All other budgets – limit to 1% increase where possible but allowing for variations according to the results of zero-based budgeting.

#### General budget position

In relation to the Council Tax Base it was noted that there had been a slight increase in the Base to 12,527.00 (2009/10 - 12,454.13) which would mean that the current year’s Band D Tax of £86.70 would have generated an additional £6,354 on the 2009/10 precept of £1,079,737.

The drafts produced by the Town Clerk showed a net expenditure on Council services for 2010/11 amounting to £1,090,354, an increase of £10,617 on the 2009/10 expenditure. This figure is was the product of numerous variations, with a number of lines being reduced or deleted where the expenditure is non-recurring. However Members noted the following:

1. Provision has been made for an additional edition of the Town Crier magazine £3,000 (code 4821/399, page 22), office equipment renewals £2,500 (code 4842/499, page 31) and vehicle replacement renewals £6,000 (code 4843/499 page 31).
2. Two major lines retained at the same level are County Hall Museum Improvement and Access £117,000 (code 4107/103 page 4) and Property Improvements £53,000 (code 4864/499 page 31).

It was noted that the 2010/11 budget is a difficult one for the Council because of major pressures in terms of increased expenditure and decreased income. It was stated that these relate mainly to property matters and for 2010/11 will include consideration of the Market Place phase 2 scheme, improvements to the war memorial area, Council building improvements and any involvement in the Guildhall. Expenditure in these areas may well be in excess of the £53,000 currently shown in the budget and this could have significant financial implications for the Council in setting the precept.

#### County Hall and Museum

The Town Clerk stated that the rateable value of the County Hall had increased from £2,000 to £13,500. Using the current Business Rates poundage this would result in an increase in the business rates payable from £970 in the current year to £5,589. A

similar increase would have taken place in the past but the Council had appealed the rating valuation and won the appeal. It was **resolved** that the Town Clerk take the necessary steps to appeal the rating valuation on the County Hall. With regard to 2010/11 it was noted that the actual increase in business rates payable was capped as a result of transitional relief and the estimate was £1,090.

It was noted that the Council was awaiting the results of its Stage 2 Heritage Lottery Fund application in relation to the improvement and access project and that this presented a difficulty in drafting estimates as there were a number of financial scenarios for next year. The Town Clerk stated that it was prudent that one should assume the highest cost financial scenario and in revenue terms this is the scenario that the Museum remains open throughout the year. Although he did not have the relevant paper to hand he estimated that should the Museum close at the end of August 2010 there would be a revenue saving of £17,000 (*note: subsequently Town Clerk has checked his notes and found this saving to be estimated at £13,640*).

### Play Areas

A Member noted that the budget proposal for play area improvements for 2010/11 was £25,000 and that the Council had been investing a similar sum in the play areas for a number of years. It was understood that of the £25,000 set aside for play area improvement in the current year much of this related to the renewal of safety surfacing. It was **resolved** that a report be produced for the next meeting of the Finance and General Purposes Committee detailing the proposals for play area improvements in relation to 2010/11 so that the Committee could make a recommendation in relation to the budget bid.

### Weed Control

It was noted that the net expenditure show against next year's budget was £4,806. A Member stated that weed control on the highway is a statutory responsibility of the County Council and there had been debate at the Amenities and Recreation Committee regarding whether the Town Council should continue to provide this service in the absence of any grant from Oxfordshire County Council. It was noted that until a few years ago the Town Council received a grant of £2,500 towards weed control in the town. Members considered that whilst the Town Council only had a limited resource available to assist in relation to weed control it was recommended that the Town Council continue to undertake some weed control in the town.

### Amenities Capital / Revenue Growth

It was noted that the Council has been saving £10,000 towards the provision of the new cemetery for a number of years. The Town Clerk stated that the balance on the new cemetery fund as at 31<sup>st</sup> March 2010 was projected to be £40,000. The Projects and Technical Manager and himself had recently met with the Council's land agents and a proposal would be coming forward in relation to the search for appropriate sites for a new cemetery, and it was likely that this would have a significant cost implication. It was noted that there is approximately 15 years of space remaining in the cemetery for burials.

### Christmas Lights

Members considered that the town had a good Christmas lights display and noted that there were additional features in the town this year. This was considered

important to the vitality of the town centre and members considered that whilst it was regrettable that the Council had not received financial support in providing the Christmas lights this year the expenditure in this area should remain a priority. A Member stated that whilst there were many advantages to the new Christmas lights contract he was disappointed that on occasions, when some of the lights failed, it seemed to take the contractor too long to investigate the fault and make any necessary repairs. The Town Clerk stated that he and the officers were in constant contact with the contractor and would closely monitor the contract.

#### Community Capital and Growth

It was noted that the Council had not yet received any applications in relation to the Flood Alleviation Grants for Flood Action Groups. Members agreed that any remaining sums at the year end could be "rolled over."

#### Democratic Representation and Management

The Town Clerk stated that his recommendation in relation to the Members' Basic Allowance for 2010/11 was, as previously, based on 20% of the Independent Remuneration Panel's recommendation in relation to the District Council Members' Basic Allowance and for 2010/11 would amount to £765.80 per annum.

#### Grants

It was noted that the Town Clerk's budget proposal for small grants to local clubs and societies was a budget for 2010/11 of £9,000 compared with the agreed budget for 2009/10 of £11,000 and the 2008/09 budget of £8,000. The Town Clerk reminded Members that the budget increase for 2009/10 was predicated on anticipated increased grant applications in relation to room hire charges at the Guildhall but this had not materialised and the demands on the small grants budget were no higher than in previous years. Members expressed some concern that should the District Council's grants budget be reduced this may result in a higher demand on the Town Council. It was also noted that £10,000 had been included in the estimates for the Joint Environmental Trust (JET). Members noted that the JET operates on the basis that the Town and Vale Councils match one another's grants; however the Vale had yet to set their budget and it could be that the JET grant from the Vale may be reduced in which case the Town would do likewise. Members therefore considered it prudent to defer final decisions on the individual budget lines in relations to grants until later with the intention that the overall grants budget proposed for 2010/11 of £88,393 be put forward for recommended approval.

#### Fly Poster Removal

A Member stated that whilst there is a very modest budget of £972 in against fly poster removal this had represented very good value for money over the last 10 years as the Town Council's actions together with that of the Joint Environmental Trust and the District Council had resulted in the town virtually being free of fly posters.

#### Planning

Members requested that some of the training budget for Members be used for additional planning training.

#### Bus Shelters

A Member stated that the new shelters in Stratton Way which had been provided by the County Council and were now the responsibility of the Town Council included notice boards as an integral part of the structure and Members requested that the Council provide some permanent information for these notice boards so that full use is made of them.

#### Civic Regalia

It was noted that the Council did have an annual budget of £800 towards regalia and an earmarked reserve in that regard. It was noted that during the current year a new Town Crier's uniform had been commissioned and was due to be delivered shortly. However, some of the Members' robes required attention and in particular it was stated the robe worn by Cllr Alastair Fear looked to be beyond repair and the Town Clerk was requested to arrange for its replacement.

#### Fees and charges

Overall the Council's existing fees in these areas are at or below the average of other local Councils. The cemetery figure has been calculated to recover costs against burials; the lower increase against the market tolls takes account of the recession. An increase in fees and charges against cemeteries amounting to 5% and markets of 2.5% was **recommended** to be taken forward in the budget process (*note to Council: recommendation to be taken as part of minute 108/ 12<sup>th</sup> January 2010*).

#### Review of reserves and reserve movements

The Committee noted that at this stage the accounts for 2009/10 showed a projected net expenditure for the year of £428, representing a net increase against original budget. The impact on the General Fund if this were to be the only other reserve movement would be:

1 <sup>st</sup> April 2009	£169,187
Net expenditure for year	- £428
31 <sup>st</sup> March 2010	£168,759

It was noted that this did not make any provision for transfer to the repair and renewals fund. The Committee **recommended** that a sum of £6,393 be transferred to this fund for 2009/10, increasing the amount in this reserve to £27,770 and reducing the general fund balance to £162,366. The Committee **recommended** that general fund balances should not be budgeted to be utilised to fund either revenue or capital expenditure during 2010/11 (*note to Council: recommendation to be taken as part of minute 108/ 12<sup>th</sup> January 2010*).

#### Earmarked reserves

Committee received the schedule of earmarked reserves and agreed that these should be reviewed at the next meeting.

#### Capital Receipts Reserve

It was noted that the Capital Receipts Reserve at 31<sup>st</sup> March 2009 was £244,266 and that in accordance with the Medium-Term Financial Strategy (June 2009) the Council has agreed:

*“to fund capital expenditure from the Capital Receipts Reserve, if available. At such times as when the Capital Receipts Reserve is exhausted, projects and schemes will be financed via the Precept and/or the General Reserve, if an Earmarked Reserve is not available. Any drawings from the capital receipts reserve will be matched, where considered prudent, by a contribution from revenue funds, for which the Council may precept, into an earmarked reserve for future capital expenditure.”*

It was noted that there were there were significant property liabilities falling on the Town Council, and these were discussed under the confidential agenda. In taking the budget forward it was considered that the Council should set a budget for property obligations for 2010/11 which would be a pooled property reserve to cover all the Council's obligations to its existing buildings as well as possible future improvement and growth projects.

It was noted that a final recommendation in relation to the budget for 2010/11 should be made at the Finance and General Purposes Committee on 5<sup>th</sup> January 2010 in time for the Town Council meeting on 20<sup>th</sup> January 2010. At the Council meeting the recommendations of the Finance and General Purposes Committee would be considered and the budget estimates agreed. Following adoption of the budget the precept notice would then be served on the Vale of White Horse District Council, in accordance with the appropriate provisions of the Local Government Act 1972 (as amended), which will require the District Council to pay the Town Council the sum, as agreed, in respect of Council Tax for the town in the forthcoming financial year.

It was **resolved** that the report of the Town Clerk together with the revised estimates for 2009/10 and the projected estimates for 2010/11 be noted and the estimates be brought forward for further consideration at the January 2010 meeting so that a recommendation could be made to the Town Council with regard to the estimates and the preset for 2010/11.

94 **Exclusion of the public including the press**

Resolved that in accordance with Section 1 (2) of the Public Bodies (Admissions to Meetings) Act 1960 (as extended by Section 100 of the Local Government Act 1972) the public (including the press) be excluded from the meeting because of the confidential nature of the business to be transacted as summarised below:

Budget Estimates 2010/11 – Major Capital and Revenue Items in Relation to Property.