

**Minutes of a meeting of the
FINANCE COMMITTEE
held on
Monday, 9th November 2009 in the Committee Room
Freight House, Bradley Way, Rochford**

Councillors Present: Chairman R Mitchell, Mrs E Chippette, J Dickson, Mrs M Dorrell, Mrs H Glynn, K Holmes, V Leach, D Weir and Mrs M Weir.

Also Present: Cllrs Mrs J Barney, Mrs C Cunningham, Mrs J Fern & A James.

1. To receive apologies for non-attendance at meeting:

There were none.

2. Declarations of Interest:

There were no declarations of interest.

3. To approve the Minutes of the Meeting of 12th October 2009 and to approve the destruction of the manuscript notes in respect of that meeting:

Regarding the motion in item 7 'that the Finance Committee recommends that Council adopts a fiscal policy for 2010/11 based on prudence whereby there be minimal increase in precept and no significant withdrawal from reserves', the Clerk researched who had seconded the motion and confirmed it was Cllr Mrs Weir and he advised he had corrected the minutes to reflect that. Members accepted the Minutes of 12th October 2009 as a true record and agreed to the destruction of the manuscript notes.

4. Action Update List:

No action points.

5. Financial Report:

The Clerk went through the report and declared the bottom line showed exactly where HPC were at month 7 and he was content that everything was satisfactory. There were no questions and Members accepted the financial report.

6. Breakdown of costs in Criminal Damage:

The Clerk had provided a copy of month 7 report for each cost centre showing criminal damage, the total of it being £2259.92 and he clarified the cost that couldn't be found at the last meeting was in Youth. Cllr Holmes thanked the Clerk for the breakdown and went onto say that he thought there would be a considerable amount more to add, including padlocks and he queried the cost of the height barrier which the Clerk informed was £1600. Cllr Holmes thought it was difficult from a budgeting point of view to put a figure on criminal damage and both Parks and General Purpose Committees had a duty to put aside an amount for criminal damage but it was a budget one couldn't put a figure on and it may detract from wanting to spend money on something else. He asked if it would be more appropriate to set aside a figure under the general Council's budget rather than each committee apportioning a sum of money they may or may not use. Cllr Weir felt it did not make any difference, the amount of money being spent would be the same. The Clerk reported future repairs to the Youth Shelter would only be made to ensure safety of its users, the gate and height barrier had been constructed in such a way that the risks of damage were minimised. Cllr Mrs Glynn said she concurred with Cllr Holmes and **she proposed that a figure in the region of £5-6K be set aside away from the Committee's budgets to be used as and**

when required for criminal damage and Cllr Holmes seconded the proposal. Cllr Mrs Weir raised that criminal damages were more this year but that Council had intended to replace the height barrier and it had already been out to tender. Cllr Weir stated that Members had requested a breakdown of the criminal damage costs to review and queried how the costs would be monitored if the budget was not managed by the committees. The Clerk advised that if the proposal was to put a budget into Finance, a detailed ledger breaking it down into areas would not be generated and at the moment Council could see where it was projected on Parks or Youth. The Chairman asked members to vote for the proposal put forward by Cllr Mrs Glynn, there was a show of hands and the motion fell.

7. Presentation by the Clerk ‘Back to Basics’ – The accounting system of Hawkwell Parish Council:

The Clerk gave his presentation using power point and he provided Members with a copy of his presentation in paper form. Members questions were as follows:-

- Is there anything to prevent a committee taking a sum and giving that sum to another budget - to decrease one budget, putting an increase into another budget?
- Are there subsets of the costs?
- Can you enlighten people about the newsletter 4033 where the spend is more than 100%?
- Does 4035 come under risk assessment?
- What is the difference between training and courses/conferences?
- Where do you show the income that we get from grants?
- Was there a proposal at the time that we were going to decrease our reserves?
- Difference between review account and capital accounting?
- Where is the income from CIF?
- It needs to ask finance if it can actually transfer or vire within its own budget?
- In earmarked reserves - it allows us to role money over year after year?
- We cannot carry forward figures?
- Out of £129K income for this year, the reserves have been accumulated!
- There could be a situation which some of us had seen before where reserves are eaten up if your insurance is inaccurate so there has to be prudence and care!
- At 31/3/10 reserves will be just under £20K - does that then bring us down so we have got no reserves - does that mean that is taking the £30K out?
- If you leave it as it was last year we are going to have no reserves left at the end of next year. We have got to for between 5-10% increase to precept to keep on an even keel.
- Are the 9th's being the difference between each band compounded?
- We are doing our budget for band D - we are looking at band D level as a principal?
- The band D equivalent is used for all party tax. We don't get any income whatsoever, not even any interest?
- If we increase the precept, still getting the income but keeping reserves!
- Whether we set this fiscal policy ‘minimal increase in precept’ is a bit woolly! It is versus the budgets that we are trying to create! What is minimal?
- Where you have a ‘0’ budget and where you actually spend money, you don't actually generate a percentage. Can't show a percentage when you have got a zero budget!
- Had we as Members wanted to have a salary for each Member that would bring in £17K! We are already prudent as a Council as we are not taking a salary - everyone volunteers!

- Looks very tight, have we any intention of taking another £20K out of reserves next year?
- Preparing for the budgets need to determine what the outturns will be – need to go through account by account.
- The Council is going to have a deficit at the end of the year!

The Chairman thanked the Clerk very much for the work he had done in giving a detailed presentation.

8. To recommend to Full Council the fiscal policy for 2010/11:

Cllr Leach read out the fiscal policy ‘that the Finance Committee recommends that Council adopts a fiscal policy for 2010/11 based on prudence whereby there be minimal increase in precept and no significant withdrawal from reserves’. He said Council should be prudent as a matter of course and while people were having a tough time HPC should not be in a position to make their lives difficult in making massive increases, however, the need for good leisure facilities was more crucial in such times, should Council actually be spending more to improve people’s quality of life and provide to make things better for the community? Cllr Mrs Glynn said £30K had already been taken from reserves this year and looking at General Purposes it would not be able to afford a Fete or Xmas lights and these were the things that people really enjoyed, with no significant withdrawal from reserves there was a need to bring the precept up to replace the £30K. Cllr Dickson stated that unless there was a notice of rescission the argument should be made at Full Council after the meeting. Members voted and it was agreed to recommend the fiscal policy for 2010/11 to Full Council.

9. Donation Requests:

a) **Rochford District Players:** Cllr Mrs Glynn proposed that the donation request be declined and Cllr Mrs Dorrell seconded. There was a show of hands and the motion was carried.

10. Summary of decisions:

- Approved to recommend to Full Council the fiscal policy for 2010/11.
- Rochford District Players donation request rejected.

Chairman