

Minutes of the Meeting of the Finance Committee Held on Tuesday 15th January 2013 at 8.00pm in the Community Office

Present:

Councillors:

Tim Horton – Chairman
Harvey Batten – Vice-Chairman
Ian Hill
Barry Adby
Tony Williamson
Roger Beattie

Officer:

Kristina Tynan

43/12 Apologies for absence

Rhian Woods, Charles Rowton-Lee,

44/12 To approve the Minutes from the Meeting on the 18th September 2012 which were received by Council on 9/10/2012

Resolved: That these minutes were agreed as a correct record of this meeting and that they be signed by the Chairman.

45/12 Matters Arising

Cheque Signatories – change to mandate sent to bank awaiting their response

46/12 Declarations of Interest

All Councillors present signed the Dispensation Form, to allow them to discuss the precept issue. [These are held on file in the Office]

47/12 Budget/Reserves

1. **Note of Preliminary budget 2013/2014** – TH had prepared a paper which set out information that needed to be considered prior to discussion.

- It is likely that there will be an underspend this year of £2,543 under planned expenditure and £1,543 under the precept.
- Changes in government policy have caused the tax base for Watlington to be reduced to 1117.6 9. At the same time a grant of £5,028.31 is to be given from SODC to WPC. Overall, this means a loss of 0.86% on the product represented by the precept IF BAND D WAS UNCHANGED – about £700.
- No new capital projects are assumed since last year, but Council has been required to consider the funding of a Neighbourhood Plan scheme.
- The Government is seeking to constrain local government Council Tax increases to 2% (and in major councils, provision is made for referenda on increases that exceed this level.

OCC is thought to be increasing its precept by 1.99% At the same time it is thought there will be some relief on the standstill in local government pay rates.

- After consultation with David Tindale, chairman of the Strategy Committee, it was suggested that we look at increases in band D by 0.86% (a standstill on precept), by 1.86% and 2.86%. Below are figures for each of the three conjectured increases, together with a set for no increase on band D .

Even after the addition into the revenue account of the 2012/13 efficiency savings, there will be some need to reduce certain spending plans (unless we drew further on reserves – which is *not* proposed. Below are figures for each of the three conjectured increases, together with a set for no increase on band D

| Increase on Band D (%) | Level of Band D | Precept | Grant | Revenue Budget without efficiency money |
|------------------------|--------------------|---------|---------|---|
| 0 | 71.92 (as 2012/13) | 80378 | 5028.31 | 85406 |
| 0.86 | 72.54 | 81071 | 5028.31 | 86099 |
| 1.86 | 73.26 | 81873 | 5028.31 | 86901 |
| 2.86 | 73.98 | 82677 | 5028.31 | 87705 |

In order to identify areas for potential reduction Councillors need to examine the final column of the main budget appendix. These figures identify areas that could be reduced in order to achieve a balanced budget, but with a growth in band D of 1.86% (£1.34p) It may be appropriate to review reserves to make possible special plans of committees and Council this coming year and in future years.

NB: There is no guarantee next year of grant from SODC and we do not know if the precept may be capped in the future.

2.2012/2013 - Budget Update – The Updated figures to the 29/12/2013 and the updated End of Year projections were looked at and noted.

3.2013/2014 – Budget Proposed

There was much discussion on this and changes were made to the draft November Budget. There is now a new column headed Draft January Budget. It was noted that only items that the WPC pay for as regards the Pavilion and Sports Field are shown in the Parish budget. The pavilion runs its own budget and bank account. The Pavilion and Sports Field financial information will be looked at in the next Finance meeting. TW stated that the Pavilion and Sports Club committee continue to discuss the Business Plan for the Pavilion and this will come to the Council at some point.

The committee agreed the following changes to the November 2012 draft budget :

- Town Hall grant from £7000 to £6800
- Operations Contingency from £2000 to £1000
- Minor Works from £1000 to £800
- Black Sacks from £100 to £50
- Porta-Loo in Rec for Holidays from £1000 to £800

To note

Legal/Election Fees has been moved from Central Services to a new section called ‘Special Planning/Legal and Election matters’ which also includes £5000 for the Neighbourhood Plan

4 Precept and Budget Recommendation to be discussed at a Special Meeting of Full Council to be held on 22nd January 2013 – due to SODC deadline.

Recommendation to Council:

- To increase the Council Tax Band D from £71.21 to £73.26 (+1.86%) and other bands proportionately

ii. To establish a precept (being the Band D figure multiplied by the Tax base of 1117.6) of £81873, noting that with an additional grant from SODC of £5028 an **income of £86901** will be received from SODC as collection authority (representing an increase of 1.00% over the amount of the precept in 2012/13)

iii. To approve the attached Committee Budgets figures (titled Draft January Budget for 2013/2014

It was discussed that if we wished to use the 'efficiency savings' from last year we would need to agree to change the Financial Regulation Budgetary Control Regulation 3.5 to read the opposite of what is now stated.

Tim Horton was thanked for all his work on the budget and precept issue.

6. Proposed end of Year Reserves- attached draft year end 2012/2013 figures

The general and earmarked reserves were discussed. The position at the end of last year was noted. General Reserves should be at least 50% of the Precept. The position at the end of 2011 was noted as being very low. The Clerk to look into this and report back to the committee the reason for this.

RECOMMENDATION TO COUNCIL:

1)we set up a Reserve for Play Equipment, to better ensure security for future planning of £2000 (These will be taken from the General Reserves and moved to the earmarked reserves)

2)we create from the commencement of the next financial year a further reserve that would be for special planning, legal and election matters. Into this reserve should be transferred the sum allocated for the Neighbourhood Plan and the sum for legal costs.

48/12 Review of Financial Regulation for 2012/2013

These were discussed in detail and changes recommended as shown on the attached paper in italics. Changes proposed are to items 2.1, 3.2, 3.5, 5.2, 5.3, 6.5 and are shown on the attached paper in italics.

Recommendation to Council: That the Financial Regulations for 2012/2013 be accepted and signed by the Chairman.

49/12 Committee Structure Review – Comments for Strategy Meeting 22/1/2013

The Finance Committee Structure was discussed and the following remit was agreed to be given to the Strategy Meeting for discussion.

Finance and Staff Committee

To deal with strategic financial planning; capital expenditure; annual review of Financial Regulations and to consider significant changes in the Council's budget and preparation of the annual budgets for Full Council(Standing Order 28). The committee will be responsible for all necessary insurances for the council including assets, public liability and employers liability. To be responsible for all staffing issues including employment conditions, recruitment, remuneration, appraisal and staff structures.

50/12 Staff Reviews – These have taken place.

Ian Hill to prepare a note on this issue for the next Finance meeting. He stated that he still has some actions to do.

51/12 Other Financial Issues

1. **Car Insurance for the Clerk**- KT will report on this to the next meeting
2. **Fixed Assets** – item for next meeting

3. **Bank Accounts**

Resolved: That TH and KT meet with Barclays to discuss the accounts and see if there is any better accounts to hold our money in.

52/12 Correspondence

There was no correspondence to discuss.

53/12 Items for Next Meeting.

Pavilion and Sports Field Account
Staff Appraisal – Note from IH
Car Insurance – KT
Asset Register – KT

54/12 Any Other Business

THERE BEING NO OTHER BUSINESS THE MEETING CLOSED AT 10.15PM