

Minutes of the Meeting of the **FINANCE AND PERFORMANCE MANAGEMENT COMMITTEE** held at the Town Hall, Swanage on **MONDAY, 9th DECEMBER 2013** at 9.30 a.m.

PRESENT:- Councillor Mrs. A. Patrick (Town Mayor) – Chairman.

Councillor M. Bonfield
Councillor I. Brown
Councillor S. Poultney
Councillor M. Whitwam

Also in attendance:-

Mr. H. Lovegrove (Internal Auditor)

Public Participation Time

No members of the public were present at the meeting.

1. **APOLOGIES**

An apology for his inability to attend the Meeting was received from Councillor Trite.

2. **DECLARATIONS OF INTEREST**

Members were invited to declare their interest under the Code of Conduct as defined by regulations made under section 30 (3) of the Localism Act 2011.

There were no declarations to record on this occasion.

3. **INTERIM INTERNAL AUDIT REPORTS 2013/14**

Mr. Henry Lovegrove, the Council's Internal Auditor, presented internal audit reports on the following services undertaken to date in respect of the financial year 2013/14, which included recommendations relating to the following services:

- (a) Payroll.
- (b) Car Parks Income.
- (c) TIC Miscellaneous Cash Income.

Arising from the above, Members were pleased to note that no significant control weaknesses had been identified and that the audit objectives had been fully or substantially met.

In accepting the Reports, Members expressed their appreciation of the diligence and commitment of the Council's staff in achieving the high standard of audit objectives.

4. **DRAFT ESTIMATES 2013/14**

(a) **Draft Budget Report**

Consideration was given to a detailed report setting out the principal sources of the Town Council's income and expenditure.

In considering the draft Estimates for 2014/15, consideration was given to the Council's current financial position and the probable out-turn for 2013/14.

It was noted that significant savings had been made in recent years due to the combined effects of reduced audit costs, lower staffing levels and rigorous procurement exercises. The latter had continued in the current financial year

leading to a reduction in IT costs and a move to funding this from capital expenditure. A reduction in telephone costs was also anticipated following a rationalisation of phone lines and a new contract with British Telecom. It was acknowledged that with the easing of the recruitment and pay freezes staffing costs would inevitably increase, and each year further savings throughout the organisation would prove harder to identify. Forthcoming changes to the Local Government Pension Scheme (LGPS) were also reported, together with a letter from Dorset County Council regarding the impact of an actuarial valuation of the pension fund. Discussion ensued regarding the financial benefit to the Town Council in taking the opportunity to make an up-front payment for the next three years of £69,800 in 2014/15.

It was proposed by the Town Mayor, seconded by Councillor Poultney, and **RESOLVED UNANIMOUSLY:-**

That the Town Council makes provision for an up-front payment of £69,800 to the LGPS in 2014/15 in respect of the financial years 2014/15, 2015/16 and 2016/17, which would result in a saving of £5,300 over the three year period.

Consideration was given to a schedule of repairs and maintenance work compiled by the Operations Manager to be undertaken during the 2014/15 financial year. It was requested that a further item relating to an extension at Godlingston cemetery (at an estimated cost of £8,000) be included within the schedule. It was agreed that provision be made for the Godlingston cemetery extension, and that no objection be raised to the inclusion of the works scheduled (totalling £94,100) in the revenue budgets.

It was noted that the sum of £10,000 had been included within the draft 2014/15 budgets for grants and donations under Section 137 of the Local Government Act 1972, and it was **RESOLVED:-**

That the Town Council maintains its annual budget of £10,000 for grants and donations under Section 137 of the Local Government Act 1972.

(b) **Scale of Fees and Charges 2014/15**

Consideration was given to a revised draft Scale of Fees and Charges that had been amended to incorporate the recommendations of the Council's standing committees.

Attention was drawn to a discrepancy between the options for car parking and coach parking in Main Beach car park over the winter period, and it was proposed by the Town Mayor, seconded by Councillor Brown, and **RESOLVED UNANIMOUSLY:-**

To recommend that the car 4-hour tariff be replaced by a 12-hour tariff, the charge of £2.50 to remain the same.

Since the meeting of the Tourism Committee on 2nd November 2013, further consideration had been given to the charging structure for the six premium huts on Shore Road. It was noted that the premium huts were 1½ size of the

standard huts, not double the size, as previously stated. In view of the size of the premium huts, it was agreed to recommend that the uplift be 50% on the standard hut prices.

It was proposed by the Town Mayor, seconded by Councillor Poultney, and **RESOLVED UNANIMOUSLY:-**

To recommend acceptance of the scale of fees for the hire of beach huts in 2014/15, subject to amendment of the charges for the hire of the premium huts.

It was then proposed by the Town Mayor, seconded by Councillor Poultney, and **RESOLVED UNANIMOUSLY:-**

That the draft Scale of Fees and Charges for 2014/15 be approved for final consideration at the Estimates Meeting to be held on 20th January 2014, subject to incorporation of the amendments recommended above.

(c) **Reserves and Balances**

It was reported that with a surplus general fund balance of £410,000 brought forward from 2012/13, and an estimated net operating surplus for the current financial year of £339,369 (of which £334,659 would either be appropriated to earmarked reserves or go directly towards financing capital expenditure), the Town Council should again enter the new financial year in a robust financial position. The anticipated out-turn for 2013/14 had been subjected to a detailed risk assessment and was in excess of the Council's risk assessed minimum balance.

It was reported that in addition to the statutory Useable Capital Receipts Reserve (containing the funds received from the disposal of the Holiday Park and other assets such as Herston Public Conveniences), the Council had established the following earmarked reserves:

- Festive Lights
- Vehicle and Plant replacement
- King George's Play Area and Skate Park equipment replacement
- Forres Field changing facilities
- General Play Equipment replacement
- Car Park machine upgrade
- Tennis Court refurbishment (to receive contributions from STC and Swanage Tennis Club)
- Repairs and Renewals Fund
- De Moulham Estate Service Road maintenance
- Public conveniences refurbishment
- Insurance and contingency reserve

In light of the purchase of IT equipment in the current financial year, it was proposed by the Town Mayor, seconded by Councillor Poultney, and **RESOLVED UNANIMOUSLY:-**

That a new earmarked reserve be established to build up funds for the future replacement of the IT equipment.

During the ensuing discussion, Members acknowledged the benefit of having established earmarked reserves, and it was proposed by the Town Mayor, seconded by Councillor Poultney, and **RESOLVED UNANIMOUSLY:-**

To agree that a contribution of £299,000 be made to the

earmarked reserves in the current financial year to bolster the Repairs and Renewals Fund to part finance the Downs and seafront stabilisation schemes.

(d) **Capital Programme**

Further to the meeting of the Council's General Operations Committee held on 20th November 2013, consideration was given to a revised Schedule of Estimated Capital Expenditure for the years 2014/15 – 2016/17, and the Priority Capital Programme for 2014/15.

Following discussion, it was proposed by the Town Mayor, seconded by Councillor Poultney, and RESOLVED UNANIMOUSLY:-

To recommend to the Estimates Meeting that the revised Schedule of Estimated Capital Expenditure for the years 2014/15 – 2016/17 be accepted and that the Town Council agrees the revised Priority Capital Programme for 2014/15.

Having given lengthy and detailed scrutiny to the above matters that would impact on the Council's budgets for 2014/15, consideration was given to the level of precept to be raised in 2014/15. It was noted that this matter had been complicated by the introduction of the Council Tax Support Grant which from 2013/14 meant that a proportion of the Council's income which had in previous years been raised through the precept was now in the gift of Purbeck District Council. Whilst confirmation had been received that a grant would be made to the Town Council for 2014/15, its amount would in part depend on the tax base, which had yet to be calculated. Nevertheless, on the basis of the information available at the meeting, and mindful of the Council's requirement to meet its future financial obligations as set out in section 50 of the Local Government Act 1992, it was proposed by the Town Mayor, seconded by Councillor Bonfield, and RESOLVED UNANIMOUSLY:-

That the draft Estimates 2014/15 incorporating a proposed increase in the continued income from the Council Tax precept and Council Tax Support Grant of 2.5% be approved for final consideration by the full Council on 20th January 2014.

5. **ITEMS OF INFORMATION AND MATTERS FOR FORTHCOMING AGENDAS**

(a) Beach Gardens – Putting Green.

6. **DATE OF NEXT MEETING**

It was agreed that the next meeting of the Finance and Performance Management Committee would be held on Monday, 13th January 2014 at 9.30 a.m.

The meeting concluded at 11.00 a.m.